
FOOD AND NUTRITION SERVICES CERTIFICATION
CASE ASSIGNMENT AND MAINTENANCE
Simplified Reporting Changes During The Certification Period

FNS 450 Simplified Reporting Changes During the Certification Period
Change # 6-2019
November 1, 2019

450.01 REACTING TO CHANGES DURING THE CERTIFICATION PERIOD

Evaluate and react, as appropriate to the following changes, within **ten** calendar days of receipt of the change:

- Changes the household is required to report based on the FNS units reporting requirements (400.03); **or**
- Changes reported by the FNS unit directly to the FNS worker; **or**
- Changes known to Work First; **or**
- Changes reported directly to the FNS worker from all programs/units within DSS; **or**
- Changes that become known to the agency, which is defined as new/changed information recorded in NC FAST **and** a task is generated to the FNS worker.

NOTE: If multiple changes are reported on the same day, determine if the changes are reportable, react to the combined effect of the change and act accordingly.

A. Do not act on the following changes during the certification period:

1. Changes in medical expenses of households eligible for the medical deduction when the source is from a third party unless the information is considered “verified upon receipt” and does not require contact with the household. If the information is questionable, it is not considered “verified upon receipt”. Document the case file in NC FAST the reason the reported change is questionable and was not processed. Changes in medical expenses that are reported by the household can be verified and reacted to.
2. A decrease in the household’s gross monthly income of less than \$50.
3. A change in income that is not expected to continue for at least one month beyond the month in which the change is reported.

B. Enter the change in NC FAST using the actual date of the change (best available information) as the start/end date for new and/or changed evidences and document the case file in NC FAST. Address any over/underpayments that are generated.

1. If underpayment is valid approve and submit for approval.
2. If underpayment is not valid then close the underpayment case.
3. If overpayment is valid then complete and submit a referral to program integrity.
4. If overpayment is not valid then document the case to indicate it has been addressed by the caseworker, no further action is required.

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- C. Determine if the change affects eligibility or benefits. Complete on-line matches, if applicable, to verify changed information during the certification period. Determine if additional verification is required unless the change is considered verified upon receipt. If the information is questionable, it is not considered verified upon receipt and must be verified prior to reacting to the change.

Verified upon receipt means that information is not questionable, **and** the provider is the primary source of the information such as but not limited to:

- (1) BENDEX, SSA benefits and payment of Medicare premiums from the SSA;
- (2) SDX, SSI benefits from the SSA;

NOTE: Do not react to information on Bendex and SDX unless SSA is the Primary Source of the information. (ie, VA benefits, earned income, etc.) SOLQ is not considered verified upon receipt since this is an inquiry.

- (3) SAVE, from the Bureau of Citizenship and Immigration Services (BCIS);
- (4) Employment and Training (E&T) compliance information, received from Division of Employment Security (DES);
- (5) Intentional Program Disqualifications (IPV's), received from Program Integrity staff;
- (6) Non-cooperation with Quality Control (QC), received from QC staff;
- (7) UIB, received from DES;
- (8) Death matches, verified from Vital Records (provided monthly); or
- (9) Prisoner matches verified from Department of Corrections (DOC) (provided quarterly)
 - a. NC FAST receives files from Income Eligibility Verification System (IEVS) for existing FNS participants identified as recently deceased or incarcerated.
 - b. NC FAST creates a task from the information that is received. The task is sent to the case owner (refer to Job Aids in FAST Help on task). The case owner must look at the task, independently verify the information received through Vital Records or Department of Corrections, death match or prisoner match, react to the verification, document in case file, and close the task. These procedures are required to prevent erroneous issuance of benefits.

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- c. If the information received from Vital Records and DOC cannot be independently verified from a primary source, send the household a Notice of Information Needed, DSS-8650 **only if the information is questionable**. The notice must clearly explain what information the household must provide and the consequences of failing to respond to the notice. The consequence for failing to respond depends on the reporting system to which the household has been assigned.
- On the Notice of Information Needed, DSS-8650, insert under “Other” field what information was received and what type of verification is requested from the household.
 - Suggested text for “Other” field:
 - “We have received information from a computer match that a member in your household is now deceased. Please provide a copy of obituary or death certificate.”
 - “We have received information from a computer match that a member in your household is incarcerated. Please provide proof of release date and current residence.
 - The DSS-8650 must state, “Failure to respond to this notice will result in the individual being removed from the FNS unit and benefits could be reduced or stopped.” If the FNS unit fails to respond to DSS-8650, issue a Notice of Adverse Action, DSS-8553, to reduce or close the case.
- d. If the FNS unit does not respond to the notice of match results or does respond but fails to provide sufficient information to clarify the circumstances, the individual must be removed from the FNS unit and adjust benefits accordingly. Issue a Notice of Adverse Action, DSS-8553 to remove the individual and/or close the case as appropriate. Document the reason for the reduced benefits or closure in case file in NC FAST.

450.02 NO CHANGE IN ELIGIBILITY OR BENEFIT

- A. Obtain the necessary verifications. Refer to the appropriate manual section for verifications needed to process the change.

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- B. If the change does not affect the FNS unit's eligibility or benefits, use the Effect of Change Notice, DSS-8562, to notify the FNS unit that the change did not affect the allotment. If the FNS unit did not report the change (for example, the change was reported by the Work First Unit), a notice to the household is not required. An Effect of Change is not necessary unless the change was "**reportable**". Document the case file in NC FAST the reason the reported change was or was not processed.

450.03 TERMINATION OF BENEFITS

If the change will terminate eligibility and benefits, take the following actions and document the case file in NC FAST.

- A. Issue a Notice of Adverse Action, DSS-8553, within ten calendar days of the change being reported.

NOTE: Refer to Section 635.04, Exceptions to Notice of Adverse Action, for procedure to use when a termination does not require a Notice of Adverse Action (NOAA).

- B. Verification of the change is not required prior to issuing the notice. Complete on-line matches, if applicable, to verify changed information.
- C. Terminate the benefits effective the month following the month in which the Notice of Adverse Action expires.

NOTE: Terminations not requiring a Notice of Adverse Action (NOAA) are effective the month the termination is determined in NC FAST.

- D. If the FNS unit requests a fair hearing and continuation of benefits prior to the expiration date of the Notice of Adverse Action, do not terminate the benefits. Follow instructions in Section 705, Fair Hearings.

450.04 DECREASE IN BENEFITS

If the change decreases the benefits, take the following actions and document the case file in NC FAST.

- A. Issue a Notice of Adverse Action, DSS-8553, to reduce benefits within ten calendar days of the change being reported.
- B. Do not require verification of the change. Complete on-line matches, if applicable, to verify changed information.
- C. Reduce benefits effective the month following the month in which the Notice of Adverse Action expires.
- D. If the FNS unit requests a fair hearing and continuation of benefits prior to the expiration date of the Notice of Adverse Action, do not decrease the benefits. Follow instructions in Section 705.11, Fair Hearings.

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450.05 INCREASE IN BENEFITS

If the change increases the benefits, take the following actions and document the case file in NC FAST.

- A. Obtain the required verifications. Refer to the manual section 605.01 for verifications needed to process the change.
- B. If the required verifications are not readily available, give or mail the Notice of Information Needed, DSS-8650, to the FNS unit. Allow ten calendar days for the FNS unit to provide the requested verification and document the case file in NC FAST.
 1. If the FNS unit provides verification within the allowed time period, take action on the change to provide benefits.
 2. If the FNS unit fails to provide the required verification within the allowed time period but does provide the verification at a later date, the time frame for acting on the change will run from the date verification is provided rather than from the date the change is reported.
 3. If a FNS unit reports a change that results in an increase in benefits but fails to provide the requested verification, **do not terminate the case for failure to provide verification**. Take no action to increase the allotment. Document in the case file the reason the reported change was not processed.
- C. When verification is provided timely, make the change effective the month following the month the change is reported to the local agency and document the case file in NC FAST of all actions taken.
- D. When verification is **not** provided timely, delay the increase in benefits until the required verification is provided or the next recertification, whichever comes first. If verification is subsequently provided, make the change effective the month following the month in which the verification is provided. Document the case file in NC FAST of all actions taken.

Example:

- If FNS unit reports their income decreased on May 15th; the verification is provided on June 25th. Increase the FNS unit's July allotment.
 - If the change is acted on after July 1st, approve the underpayment and submit for approval.
 - Notify the FNS unit of the new benefit amount via the Effect of Change notice, DSS-8562.
- E. If there is not a sufficient amount of time to increase the benefits, by the next regular issuance, issue a supplement for the amount of the increase by the tenth of the following month. Process the underpayment in NC FAST as appropriate.

Example:

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If an FNS unit reports their income decreased by \$50 or more on May 15th and provides verification on May 25th. The caseworker increases the FNS unit's June allotment. If the change is acted on after May 31st, approve the underpayment and submit for approval. Notify the FNS unit of the new benefit amount via the Effect of Change notice, DSS-8562.

Example:

If the FNS unit reports their income decreased on May 15th; the verification is provided on June 25th. Increase the FNS unit's July allotment. If the change is acted on after July 1st, approve the underpayment and submit for approval. Notify the FNS unit of the new benefit amount via the Effect of Change notice, DSS-8562.

- F. Notify the FNS unit of the new benefit amount via the DSS-8562, Effect of Change.

450.06 SITUATIONS WHEN BENEFITS CAN NOT BE INCREASED

An increase in FNS benefits is prohibited when an FNS unit's countable income is reduced because of a Work First sanction for failure to perform a required action. Use the following criteria to determine if the gross or net amount of the WFFA check should be counted.

- A. If the WFFA check is terminated due to a sanction and the sanction is imposed during the certification period, continue to count the gross payment amount for the full sanction period. If a sanction is in place at reapplication/recertification, determine if it is the same sanction or a new sanction. Continue to count the gross payment amount if it is the same sanction. If it is a new sanction, determine when the sanction was imposed. If the WFFA check is terminated due to a sanction imposed effective the month of application/ reapplication or in a non-certified month, no WFFA payment amount will be budgeted. Budget the gross payment amount if the sanction was imposed while the case was certified to receive FNS benefits.
- B. If the WFFA check is terminated due to a sanction imposed effective the month of application/reapplication or in a non-certified month, do not count the WFFA payment amount when determining benefits. If a sanction is in place at reapplication/ recertification, determine if it is the same sanction or a new sanction. If it is a new sanction, determine when the sanction was imposed. If the WFFA check is terminated due to a sanction imposed effective the month of application/reapplication or in a non-certified month, no WFFA payment amount will be budgeted. Budget the gross payment amount if the sanction was imposed while the case was certified to receive FNS benefits.
- C. If a WFFA or TANF payment is reduced due to a client responsible overpayment, do not increase the households FNS allotment as a result of the decrease in WFFA or TANF payment. Count the gross amount of the WFFA or TANF payment as unearned income.

EXCEPTION: If the WFFA benefits **terminate** due to non-compliance or failure to meet an eligibility requirement, remove the payment from the FNS budget effective the month

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after the payment terminates. **The case must terminate for this rule to apply.** (Refer to Section 273.14, Non-Compliance with Work First Family Assistance (WFFA)).

NOTE: This does not include Benefit Diversion (BD), since BD is not countable income.

NOTE: The FNS unit is not required to report changes in the WFFA payment or cost-of-living increases (mass changes) in SSA or SSI income. Mass change instructions are issued via administrative letters.

450.07 CHANGES WITH UNCLEAR INFORMATION

Unclear information is information that does not contain enough specifics to allow the worker to determine the effect on the case. Unclear information may be provided by the FNS unit or a third party during the certification period. Unclear information can be known to the agency and not verified or known to the agency with verification, but additional information is needed for clarification.

A. When to react to unclear information.

1. The worker is required to react to a report of unclear information if the unclear information meets **one** of the following conditions:
 - a. Information that the FNS unit is required to report per FNS 400.03, Household Change Reporting Requirements. Required reporting changes may include but are not limited to a reduction in working hours for an ABAWD below 80 hours in the month or a report of new or changed income in excess of 130% poverty level for the household. Verification must be obtained to determine if this information is a required reporting change; **and**

The information is fewer than 60 days old relative to the current month of participation when the information was discovered.
 - b. Information that appears to conflict with information previously provided by the household for the same time period and it is significant enough to bring the household's continued eligibility into question.
 - c. Information from Data matches for deceased and prisoner matches. Data match information is **not** considered to be unclear, act on the data matches as outlined in 450.01 C a. 8. Additional clarification is not needed from the FNS unit, unless the information is questionable and cannot be verified from Vital Records or DOC.
2. Give or mail the DSS-8650, Notice of Information Needed to the FNS unit. Allow ten calendar days for the FNS unit to provide the requested information or verification.
 - a. If the household fails to provide sufficient information to determine eligibility or benefit level, issue a DSS-8553, Notice of Adverse Action to close the case.

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- b. If the household provides sufficient information to determine eligibility, the information is considered known to the agency and the worker must react according to the appropriate section of FNS 450, Simplified Reporting Changes During the Certification Period.
- B. When not to react to unclear information.
- 1. Do not act on the unclear information if the FNS unit is not required to report per section of FNS 400.03, Household Change Reporting Requirements. Non-required reportable changes may include but are not limited to a new member moving into the FNS unit or a change of address.
 - 2. If the unclear information could potentially benefit the FNS unit, give or mail the DSS-8650, Notice of Information Needed to the FNS unit. Allow ten calendar days for the FNS unit to provide the requested information or verification.
 - a. If the household provides sufficient information to determine eligibility, the information is considered known to the agency and the worker must react according to the appropriate section of FNS 450, Simplified Reporting Changes During the Certification Period.
 - b. If the FNS unit fails to provide information and/or verification, take no action and document the record to follow up at the next recertification.

450.08 CHANGES RECORDED IN NC FAST

- A. When a change is reported for a program other than FNS and the changed information is entered into NC FAST **and a task is generated to the FNS worker.**
- 1. Determine how the change affects the FNS benefits within ten calendar days of the date the change was reported to the agency. Determine the cause for the change and act on the cumulative effect of the change.
 - 2. Issue a DSS-8562, Effect of Change Notice if benefits increase; make the change effective with the month after the change is reported.
 - 3. Issue a DSS-8553, Notice of Adverse Action if benefits decrease or terminate.
- B. If the WFFA payment is reduced or terminated, the family is issued a notice. Do not take action to increase the FNS unit's benefits until the family decides if it will request a hearing and continued benefits pending the hearing.
- 1. If the family requests a hearing and the WFFA payment is continued, do not change the FNS benefits until after the hearing process is completed.
 - 2. If the family does not request a hearing, process the change based on the date the WFFA notice expires. Follow the instructions in FNS Certification Manual Section 550 to evaluate the case for Transitional FNS benefits if the WFFA terminates.

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450.09 CHANGES REPORTED BY A THIRD-PARTY SOURCE

When unverified information is received from a third-party source such as through a Quality Control alert or an anonymous caller, take the following actions.

- A. Evaluate the changed information within ten calendar days of the date the change was reported.
- B. If the new information is different from what the FNS unit last reported, contact the FNS unit by phone, and give them the opportunity to resolve the discrepancy.
- C. If it is determined, as a result of this call, that the third-party information is not valid, take no further action.
- D. If the caseworker is unable to reach the FNS unit by making at least two phone calls (or if the FNS unit does not have a phone or message contact number), or the discrepancy was not resolved during a phone conversation, determine whether additional information is needed or if verification is required. If information or verification is needed, send the FNS unit a Notice of Information Needed, DSS-8650.
- E. Give or mail the Notice of Information Needed, DSS-8650, to the FNS unit. List the information that was reported and give the FNS unit a chance to resolve the discrepancy by submitting the verification. Do not restrict the FNS unit to provide any specific type of verification. Allow the FNS unit to provide any reasonable documentary evidence or collateral contact. Allow ten calendar days for the FNS unit to provide the requested verification.
- F. If the FNS unit responds to the Notice of Information Needed, DSS-8650, but refuses to provide sufficient information to determine eligibility or benefit level, issue a Notice of Adverse Action, DSS-8553, to close the case.
- G. If the FNS unit fails to respond to the Notice of Information Needed, DSS-8650, issue a Notice of Adverse Action, DSS-8553, to close the case.
- H. Refer to Section 605, Automated Inquiry and Match Procedures, for changes due to the Income Eligibility Verification System (IEVS) requirement.

450.10 FAILURE TO REPORT

- A. If the FNS unit fails to report income that exceeds the 130% maximum allowable gross income limit or when an ABAWD stops working an average of 80 hours per month that results in the FNS unit receiving an overissuance, establish a claim against the FNS unit. See Section 800, Claims. **Do not establish a claim if the change is not required to be reported.**
- B. If the caseworker learns that a FNS unit failed to report the change timely within the certification period, the FNS unit is entitled to a Notice of Adverse Action, DSS-8553, before reducing benefits.

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- C. Do not disqualify an individual for failing to report a change unless the individual is disqualified according to instructions in Section 710, Administrative Disqualification Hearings, and Section 800, Claims.
- D. If the FNS unit fails to report a change timely that would have resulted in increased benefits, do **not** restore those benefits.
- E. Restore benefits when the agency fails to act timely in processing an increase in benefits. Refer to Section 905, Restoration of Lost Benefits.

450.11 FAIR HEARING REQUESTS AND CONTINUED BENEFITS

If the FNS unit requests a fair hearing during the advance notice period and its certification period has not expired, do not take action to reduce or terminate benefits. Continue benefits at the same benefit level authorized immediately prior to the Notice of Adverse Action. Once the Notice of Adverse Action expires, so does the FNS unit's ability to request continued benefits.

- A. Explain to the FNS unit that continued benefits may be waived. If the FNS unit agrees to waive continued benefits, process the change to reduce or terminate benefits before the fair hearing.
- B. If not waived, explain that any continued benefits received may have to be repaid depending on the outcome of the fair hearing.
- C. When termination of benefits is due to non-compliance with work requirements, explain that the disqualification may be imposed following the hearing decision.
- D. Refer to Section 705.11, Fair Hearings.