
FOOD AND NUTRITION SERVICES CERTIFICATION
SIMPLIFIED REPORTING (SR) HOUSEHOLDS
FNS 515 SR CHANGES DURING THE CERTIFICATION PERIOD

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Change #06-2022

September 24, 2022

515.01 REACTING TO CHANGES DURING THE CERTIFICATION PERIOD

A. 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 (FNS 500.03); **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 are defined as new/changed information recorded in North Carolina Families Accessing Services through Technology (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.

B. 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” (FNS 515.01 C) and does not require contact with the household.
 - a. If the information is questionable, it is not considered “verified upon receipt”.
 - b. Document the case file in NC FAST the reason the reported change is questionable and was not processed.
 - c. 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.

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- c. Enter the change in NC FAST using current system instructions found in NC FAST Help to determine the start/end date for new and/or changed evidence 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, close the underpayment case.
 3. If overpayment is valid, complete and submit a referral to program integrity.
 4. If overpayment is not valid, document the case to indicate it has been addressed by the caseworker, no further action is required.
- D. Determine if the change affects eligibility or benefits.
1. Complete on-line matches, if applicable, to verify changed information during the certification period.
 2. Determine if additional verification is required unless the change is considered verified upon receipt.
 3. If the information is questionable, it is not considered verified upon receipt and must be verified prior to reacting to the change.
 4. **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:
 - a. BENDEX, SSA benefits and payment of Medicare premiums from the SSA;
 - b. 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.

 - c. SAVE, from the Bureau of Citizenship and Immigration Services (BCIS);
 - d. Employment and Training (E&T) compliance information, received from Division of Employment Security (DES);
 - e. Intentional Program Disqualifications (IPV's), received from Program Integrity staff;
 - f. Non-cooperation with Quality Control (QC), received from QC staff;

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- g. UIB, received from DES;
- h. Death matches, verified from Vital Records (provided monthly); or
- i. Prisoner matches verified from Department of Corrections (DOC) (provided quarterly)
 - i. NC FAST receives files from Income Eligibility Verification System (IEVS) for existing FNS participants identified as recently deceased or incarcerated.
 - ii. 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 tasks). 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.
 - iii. If the information received from Vital Records and DOC cannot be independently verified from a primary source, send the household a DSS-8650 Notice of Information Needed for your Food and Nutrition Services **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 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 the obituary or death certificate.”
 - “We have received information from a computer match that a member in your household is incarcerated. Please provide proof of the 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 DSS-8553 Notice of Adverse Action to reduce or close the case.

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- iv. 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 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.

Note: If all members of the FNS unit are deceased, all remaining FNS benefits will be automatically expunged by NC FAST from the EBT account when the FNS case is closed. This automatic expungement will only apply if the entire household is deceased. Once expunged the benefits cannot be restored to the FNS household. Caseworkers will not need to take action.

515.02 NO CHANGE IN ELIGIBILITY OR BENEFIT

- A. Obtain the necessary verifications. Refer to the appropriate manual section for verifications needed to process the change.
- B. If the change does not affect the FNS unit's eligibility or benefits, use the DSS-8562 Effect of Change Notice 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" per FNS 500.03 SR Household's Reporting Requirements. Document the case file in NC FAST the reason the reported change was or was not processed.

515.03 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 DSS-8553 within ten calendar days of the change being reported.
NOTE: Refer to FNS 170.05 Exceptions to Notice of Adverse Action for procedure to use when a termination does not require a DSS-8553.
- B. Verification of the change is not required prior to issuing the DSS-8553 for required verifications (FNS 435.01 B) or non-required verifications (FNS 435.01 C). Verification is required prior to issuing the DSS-8553 for mandatory verifications (FNS 435.01 A). Request mandatory verification (FNS 435.01 A) per policy in 515.07 Changes with unclear information. Complete on-line matches, if applicable, to verify changed information.
- C. Terminate the benefits effective the month following the month in which the DSS-8553 expires.

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NOTE: Terminations not requiring a DSS-8553 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 DSS-8553, do not terminate the benefits. Follow instructions in FNS 705 Fair Hearings.

515.04 DECREASE IN BENEFITS

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

- A. Issue a DSS-8553 to reduce benefits within ten calendar days of the change being reported.
- B. Verification of the change is not required prior to issuing the DSS-8553 for required verification (FNS 435.01 B) or non-required verifications (FNS 435.01 C). Verification is required prior to issuing the DSS-8553 for mandatory verifications (FNS 435.01 A). Request mandatory verification (FNS 435.01 A) per policy in 515.07 Changes with unclear information. Complete on-line matches, if applicable, to verify changed information.
- C. Reduce benefits effective the month following the month in which the DSS-8553 expires.
- D. If the FNS unit requests a fair hearing and continuation of benefits prior to the expiration date of the DSS-8553, do not decrease the benefits. Follow instructions in FNS 705.11 Fair Hearings.

515.05 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.
- B. If the required verifications are not readily available, give or mail the 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.

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3. If the FNS unit reports a change that results in an increase in benefits but fails to provide the requested verification:
 - a. Do not terminate the case for failure to provide verification.
 - b. Take no action to increase the allotment.
 - c. 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:
 1. Delay the increase in benefits until the required verification is provided or the next recertification, whichever comes first.
 2. If verification is subsequently provided, make the change effective the month following the month in which the verification is provided.
 3. Document the case file in NC FAST of all actions taken.

Examples:

- 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 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.

Examples:

- 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 DSS-8562.
- 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

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515.06 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 Work First check should be counted.

- A. If the Work First 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.
- B. If a sanction is in place at reapplication/recertification, determine if it is the same sanction or a new sanction.
 - 1. Continue to count the gross payment amount if it is the same sanction.
 - 2. If it is a new sanction, determine when the sanction was imposed. If the Work First check is terminated due to a sanction imposed effective the month of application/ reapplication or in a non-certified month, no Work First payment amount will be budgeted.
 - 3. Budget the gross payment amount if the sanction was imposed while the case was certified to receive FNS benefits.
- C. If the Work First check is terminated due to a sanction imposed effective the month of application/reapplication or in a non-certified month, do not count the Work First payment amount when determining benefits.
- D. If a sanction is in place at reapplication/recertification, determine if it is the same sanction or a new sanction.
 - 1. If it is a new sanction, determine when the sanction was imposed.
 - 2. If the Work First check is terminated due to a sanction imposed effective the month of application/reapplication or in a non-certified month, no Work First payment amount will be budgeted.
 - 3. Budget the gross payment amount if the sanction was imposed while the case was certified to receive FNS benefits.
- E. If a Work First or TANF payment is reduced due to a client responsible overpayment, do not increase the households FNS allotment as a result of

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the decrease in Work First or TANF payment. Count the gross amount of the Work First or TANF payment as unearned income.

EXCEPTION: If the Work First benefits **terminate** due to non-compliance or failure to meet an eligibility requirement, remove the payment from the FNS budget effective the month 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 Work First payment or cost-of-living increases (mass changes) in SSA or SSI income. Mass change instructions are issued via administrative letters.

515.07 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. Changes related to mandatory verifications (FNS 435.01 A).
 - b. Information that the FNS unit is required to report per FNS 500.03, 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, new or changed income in excess of 130% poverty level for the household, or gambling/lottery winnings. 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.

- c. 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.

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- d. 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 515.01 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 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 to close the case. If the verification is provided prior to the effective date listed on the DSS-8553 (10th business day), evaluate and send revised notice as appropriate. If the verification is provided after the effective date listed on the DSS-8553, the FNS unit must reapply if they wish to be reevaluated to regain eligibility.
 - 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 515 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 500 Simplified Reporting Category and 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 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 515 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.

515.08 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.

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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 if benefits increase; make the change effective with the month after the change is reported.
 3. Issue a DSS-8553 if benefits decrease or terminate.
- B. If the Work First 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 Work First 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 Work First notice expires. Follow the instructions in FNS 650 Transitional Food and Nutrition Services Benefits to evaluate the case for Transitional FNS benefits if the WFFA terminates.

515.09 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 DSS-8650 Notice of Information Needed.
- E. Give or mail the 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

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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 DSS-8650 but refuses to provide sufficient information to determine eligibility or benefit level, issue a DSS-8553 to close the case.
- G. If the FNS unit fails to respond to the DSS-8650 issue a DSS-8553 to close the case.
- H. Refer to FNS 160 Automated Inquiry and Match Procedures for changes due to the Income Eligibility Verification System (IEVS) requirement.

515.10 FAILURE TO REPORT

- A. If the FNS unit fails to report income that exceeds the 130% maximum allowable gross income limit, when an ABAWD stops working an average of 80 hours per month, or gambling/lottery winnings 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 an FNS unit failed to report the change timely within the certification period, the FNS unit is entitled to a DSS-8553 before reducing benefits.
- C. Do not disqualify an individual for failing to report a change unless the individual is disqualified according to instructions in FNS 710 Administrative Disqualification Hearings, and FNS 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 FNS 905 Restoration of Lost Benefits.

515.11 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.

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- 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 FNS 705.11 Fair Hearings.