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TO: Commissioners; IM Directors; FS Directors; Staff Development Coordinators

FROM: Patricia A. Stevens, Deputy Commissioner
Division of Temporary Assistance

SUBJECT: Food Stamp Casefile Documentation - Start Date of Food Stamp Client Overpayment Claims/Date of Discovery/Date of Establishment

EFFECTIVE DATE: 02/00/01

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One cause of erroneous Food Stamp overpayment claim amounts is incorrect determination of the overissuance period. Further, failure to document how the overissuance period was determined can invalidate an otherwise accurate overissuance claim. This directive addresses correctly identifying and adequately documenting the start date of the overissuance period when a claim is established against a current or former Food Stamp recipient.

The first step in determining the start date of the overissuance period is to identify the Date of Discovery of the information that results in an overpayment claim. For information, other than information discovered through a computer match, the Date of Discovery is the date the agency becomes aware of the information.

Each local district must establish standards for assigning the Date of Discovery based on local organizational structure and procedures for handling change information. The Date of Discovery must be as soon as possible after the information arrives at the agency but may take into consideration reasonable periods for clerical processing such as mail sorting and routing.

Example: A piece of information is date stamped as received in the mailroom on the 15th. It is given to the supervisor of the Eligibility Unit on the 17th. It would be acceptable for the agency to define the Date of Discovery as the 17th.

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Example: The supervisor receives information on the 17th but does not assign it to a worker for action until the 24th. Defining the date of discovery as the 24th would not be acceptable.

The following are examples of some Date of Discovery standards:

- The date the worker has direct contact with a recipient such as a recertification interview or telephone call
- The date a change report or quarterly reporting form is received by a supervisor for distribution to a worker
- The date a worker receives a change report or quarterly reporting form the client or the mailroom
- The date a worker or supervisor directly receives information from some one other than the recipient
- The date a supervisor directly receives information gained through a new Quality Control review, Management Evaluation review, case record or other management review that must be distributed to a worker for action
- The date the worker discovers a discrepancy when reviewing a case record

For computer match information, the Date of Discovery is the earliest date that the local district can ascertain that the information provided legitimately applies to the household. Each local district must establish and implement procedures regarding identifying the Date of Discovery for computer match information.

The Date of Discovery and how the information was received must be clearly indicated in the case record or other readily retrievable record (e.g. local district claims establishment log or tracking sheet). The following is an example of an acceptable Date of Discovery documentation statement in the case record:

"Client reported at 1/15/01 recertification interview that he has been working since 6/15/00, but has not previously reported it to this Department."

A locally designed form with a Date of Discovery field and a place to indicate how the information was obtained would also be acceptable documentation.

The Date of Discovery is vital to determining the start date of the overpayment. The start period of an Agency Error (AE) or Inadvertent Household Error (IHE) overpayment may be no more than one year from the Date of Discovery of the information. This is true even if the overpayment occurred during a period longer than one year before the Date of Discovery. The start of an Intentional Program Violation over payment may be up to six years from the Date of Discovery.

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Example: One June 25, 2000 the worker determines that the agency failed to budget income the household began receiving on January 10, 1999 and reported to the agency on January 15, 1999. The worker classifies the claim as an AE. Taking into consideration the reporting and notice time frames the change to the case's budget should have occurred on March 1, 1999. However, since the household cannot be held liable for an AE or IHE overissuance amount for a past period longer than one year from the Date of Discovery, the start date of the overissuance claim period is July 1, 1999.

Failure to adequately document the Date of Discovery makes it difficult to validate if the start date of the overissuance period is within the 12 month or six year time frame. This can result in the claim being overturned in a Fair Hearing or other legal challenge.

As of August, 2001 federal Food Stamp regulations require the states to provide USDA with information about how long it takes to establish Food Stamp overpayment claims.

At that time, the Date of Discovery will take on additional importance. It will become the start date for determining how long it takes from discovery of the information to establishment of the claim. The Date of Establishment of a claim is the date the claim is correctly entered into WMS and the initial notice of overissuance is sent to the household.