

FOOD STAMP PROGRAM
NATIONAL PRIORITY AREAS

FY 2009

*A Guide for Regional Office and State Agency
Review Teams*



**United States Department of Agriculture
Food and Nutrition Service Headquarters**

**Program Design Branch
Program Development Division**

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1. Program Access

Related Functional Areas: Benefit Delivery, Caseload Management, Civil Rights, Certification, Complaints, Hearings, Staffing/Organization, Training

Regional SAOR: Examine efforts at the State agency level to ensure program access, improve customer service, and eliminate barriers to program participation.

Suggested Methods

- 1) Examine the State’s written policy and procedures for compliance with regulations affecting access.
- 2) Conduct program access interviews with representatives from one or more anti-hunger advocate groups operating statewide or at least beyond the local level.
- 3) Examine any new or recently modified State office-generated client notices regarding eligibility determinations and adverse action for conformance to regulatory requirements. Ensure eligibility for food stamps is clearly communicated as independent from eligibility for other benefits. Review the content and design of the documents and provide any suggestions that would make them more user-friendly.
- 4) Assess the State agency’s efforts to provide bilingual materials, services, and staff per 7 CFR 272.4(b). Determine whether the State agency has correctly identified project areas and certification offices that require the provision of bilingual materials, translation services, and staff. Evaluate the agency’s efforts to support and monitor local offices subject to these requirements.
- 5) Examine the State’s complaint procedures. Determine the State’s compliance with the regulations at 7 CFR 271.6. Review the State’s analysis of complaints related to program access and customer service and the success of efforts to resolve any problems discovered.
- 6) Examine how the State agency conducts fair hearings and administers Intentional Program Violation (IPV) requirements to ensure eligible applicants and recipients are not being denied program participation unnecessarily:
 - a). Review the State’s record on fair hearings upheld and reversed. Read a selection of records from recent months, basing the extent of the review on the agency’s hearing reversal rate.
 - b) Review at least one State’s IPV system. Give priority to a State with a high ratio of Administrative Disqualification Hearing (ADH) waivers to administrative hearings and/or a high ratio of Disqualification Consent Agreements (DCA) to prosecutions. During this review, examine the following:

- The State’s process for disqualifying individuals for IPV’s;
 - The criteria used to target individual investigations;
 - The adequacy of client notices scheduling ADHs and offering ADH waiver opportunities with particular attention to:
 - The inclusion of all regulatory requirements, especially a full list of client rights;
 - An explanation of how the summary of evidence demonstrates the IPV; and
 - Whether the state is completing investigations and determining an ADH is appropriate before offering the individual a waiver.
 - Review the investigator/suspected violator interview process, if any, and observe at least two if possible. Note whether individuals are terminated for failure to cooperate with IPV investigations and under what specific circumstances.
- 8) In States with high Quality Control (QC) negative error rates (exceeding 125% of the national average in FY 2007), review the agency’s process for determining the causes of major errors and assess the agency’s ability to use this information to correct and prevent invalid negative actions. For example, based on FY 2007 data, this would include: Delaware, Maryland, California, Guam, Texas, Florida, Michigan, and D.C.
- 9) Inquire about new special initiatives on the State level to increase participation and evaluate their success. Collect best practices information for those that appear to be producing the intended results.

Suggested Methods for State ME

Conduct Program Access Reviews of local operations using the methodology contained in the FNS’ *“Food Stamp Program: Conducting Program Access Reviews At Local Food Stamp Offices – A Guide for FNS Regional Offices,”* July 2008. Adapt the guide for use by State-level ME staff.

2. Assessment of Corrective Action

Related Functional Areas: Administrative Funds, Audits/Monitoring

Regional SAOR: Determine whether States are addressing program deficiencies through the corrective action system and whether required corrective action has been implemented and is effective

Suggested Methods

- 1) Examine the State's performance data to determine whether problems in program operations are being identified, properly analyzed, and resolved per 7 CFR 275.3(d), 275.16, and 275.17.
- 2) Determine whether the State is taking corrective action on the following:
 - a) Uncorrected findings from prior SAORs, FNS Program Access Reviews (PARs), Government Accountability Office (GAO) audits, contract audits, or USDA audits;
 - b) Rules, practices, or procedures resulting in under issuances, improper denials, and/or improper terminations;
 - c) Negative case error rate above 1 percent;
 - d) Payment error rate 6 percent or above; and
 - e) Five percent or more of the QC samples of active and/or negative cases are incomplete.
- 3) Determine if corrective actions identified in Corrective Action Plans (CAPs) are implemented and are effective.
- 4) If CAPs have been recently implemented but performance has not substantially improved, analyze the agency's efforts to adequately assess the weaknesses of their plans and provide any technical assistance requested to make modifications or new plans as indicated.
- 5) Gather information describing instances where performance problems have persisted after implementing and updating CAPs over a reasonable time period.
- 6) If there is a reinvestment obligation, monitor the State's activities to ensure they meet reinvestment plan requirements in 7 CFR 275.23.
 - a) Ensure the State is properly accounting for project costs and the projects are allowable.
 - b) Review reports to confirm they contain full details on each project's effectiveness in reducing errors.
 - c) Check the State's accounting records to ensure reinvestment expenditures are supported by documentation and are properly entered on the FNS-269 Report. If another office in the regional office, e.g. Financial Management staff, performs this review it is not necessary to duplicate that effort.

2. Assessment of Corrective Action con't

Suggested Methods for State ME

- 1) Examine performance data for the local project area or management unit, including findings from past ME Reviews, to determine whether corrective action is indicated.
- 2) Assess whether the corrective actions identified in CAPS are implemented and are effective.
- 3) Review a sample of case records containing actions that are error prone.
- 4) Re-evaluate the causes of errors and deficiencies persisting over time and assess the quality and scope of the corrective action plans being followed unsuccessfully.
- 5) Require the local project area or management unit to submit new or updated plans timely if indicated.

3. Recipient Claims Management

Regional SAOR: Validate the State's FNS-209 Report and assess the State's performance with the Treasury Offset Program (TOP)

Suggested Methods

- 1) Validate the State's FNS-209 Report examining source documentation from the State's system to determine the accuracy of the amounts entered on these reports and the timeliness of claims establishment and posting of entries to the system. The claims self-assessment guide or similar may be used as a tool to facilitate this effort.
 - a) Ensure the State's system contains detailed records supporting the FNS-209's beginning balance.
 - b) Assess the State's performance on handling newly established claims. Examine the time span between discovery of an overissuance as defined by the State to establishment of the claim to determine whether this is being completed in accordance with the FNS standard or the State's FNS-approved standard.
 - c) Assess the State's performance on collections and the procedures in place for updating account records when payments are made or recoupment takes place.
 - d) Ensure that any significant variation from the normal patterns in the data over reporting periods is not due to inaccurate reporting. The prevalence of manual corrections made to source documentation should be explored as an indication of inadequate accounting procedures.
 - e) Consult technical guides where necessary for further instruction.

- 2) Assess the State's performance in the Treasury Offset Program (TOP).
 - a) Is the State performing all pre-offset processes, including:
 - Determining eligible debts;
 - Sending proper notice to the households;
 - Completing reviews when requested; and
 - Researching/ updating records to reflect deceased individuals, different names, etc?
 - b) Is the State following submission and maintenance procedures for:
 - Adding eligible debts at least quarterly;
 - Maintaining debts (submitting weekly updates – bankruptcy, recoupment, balance adjustments, reporting State refunds, etc.); and
 - Correcting rejected reports (unprocessable) and resubmitting?
 - c) Is the State agency using the TOP online system to:
 - Identify and correct debtors with name changes found through the non-offset reports; and
 - Update information in TOP?
 - d) Is the State recording collections on a timely basis, including:
 - Posting offsets and reversals to debtors' accounts;
 - Issuing refunds for overcollections; and

3. Recipient Claims Management con't

- Reporting collections on the FNS-209?
- e) Is the State consulting technical guidance as necessary?

Suggested Methods for State ME

- 1) Review case records to determine the timeliness of referrals made by local office staff to claims establishment personnel.
- 2) Review case records to ensure they contain documentation supporting claim referrals and establishments.
- 3) For States in which claims processing is decentralized, review local operations using the same general procedures as the FNS region for determining the validity of amounts contained in reports to the State agency. Evaluate the local office's performance on claims establishment, collections, posting new information to accounts, and the management of debts.
- 4) Use the FNS-provided self-assessment guide or similar tool as necessary to assess management in these areas.

4. Nutrition Education

Regional SAOR: Review two States with nutrition education projects and visit one nutrition education site.

Suggested Methods

- 1) Select two States with Nutrition Education projects for review based on some or all of the following factors:
 - a) Amount of expenditures over the past fiscal year relative to other States in the Region with similar population demographics and program scope;
 - b) The quality of sample documentation used by the State to support reimbursements from the State agency to subcontractors;
 - c) Rate of increase in expenditures from one fiscal year to the next;
 - d) Known or suspected difficulties in program administration or operation; and
 - e) Length of time since the State's Nutrition Education services were last examined.

- 2) Assess whether:
 - a) The State Agency has a process in place to review and monitor grantees' and sub-grantees' nutrition education operations;
 - b) Operations are consistent with the terms of the approved plan;
 - c) Activities are targeted to participating and potentially eligible clients.
 - d) Projects are being evaluated for effectiveness;
 - e) Sources of State matching funds are appropriately documented, allowable and not used as a match for other Federal programs;
 - f) Administrative expenses are reasonable, necessary and properly documented and allocated; and
 - g) States are submitting materials developed to the National Agricultural Library, Food and Nutrition Information Center for consideration of inclusion on the Food Stamp Nutrition Education Connection website.

- 3) Review the operation of a Nutrition Education project on the local level in at least one State to further assess the nature of State agency administration in this program area.

4. Nutrition Education con't

Suggested Methods for State ME

Conduct on-site nutrition education reviews of local operations in at least two project sites to ensure that operations comply with the requirements of Nutrition Education State Plan Guidance and are consistent with the approved Plan. At each site:

- 1) Assess the financial integrity of the project:
 - a) Are the costs identified and properly documented?
 - b) Are the state match sources identified?
 - c) Have costs been properly allocated?
 - d) Has program income, if received, been accounted for?
 - e) Are time and effort reports appropriately documented and maintained?

- 2) Observe the delivery of nutrition education.
 - a) Is nutrition education being targeted effectively to FSP eligibles?
 - b) Are the delivery methods the consistent with the State Nutrition Education Plan?

5. State Management Evaluation Systems

Regional SAOR: Every other year, review each State's ME System and visit a local certification office in each State

Suggested Methods

- a) Determine if the State is completing ME Reviews of local project areas or approved management units following either the standard schedule or an approved alternative schedule per 7 CFR 275.5(b) or in accordance with the terms of any active waiver to ME regulations on review frequency.
- b) Determine whether the State's evaluations cover the nationally targeted program areas, as well as any additional areas of potential weakness added to the ME guidance.
- c) Assess the adequacy of the State's methods and procedures for conducting ME Reviews of local operations and the quality of the data collected per 7 CFR 275.9 (a) and (c). Determine how well the State agency is able to identify program deficiencies; analyze their magnitude, extent, and possible causes; and ensure they are corrected within reasonable time frames.
- d) During the visit to a local certification office, validate the State ME assessment and findings using the Program Access Review Guide as a standard:
 - a) Evaluate the State ME team's effort to determine local level compliance with program access regulations, identify barriers to participation, and advise the local office staff on strategies to improve customer service;
 - b) Review case reading guides and interview questionnaires, including the notice of missed interview and application processing, to ensure access issues are adequately covered;
 - c) Confirm State reviewers are using unbiased procedures for selecting cases to review and staff members, clients, and advocates to interview;
 - d) Read a sub-set of the case files selected for review by the ME team to confirm the accuracy and scope of the State's determinations of compliance with access requirements;
 - e) Observe a sub-set of the staff and client interviews being conducted or conduct additional ones independently to determine if the questions being asked are thorough, appropriate, and unbiased; and
 - f) Consult with State staff to provide feedback on the review process in use, offer any specific guidance needed, and answer questions.

6. Employment and Training (E&T) Program – Innovative Financing

Regional SAOR: Examine States' use of E&T funds to finance other employment and training programs and review E&T operations at a local site in one State using innovative financing.

Suggested Methods

- 1) Determine whether the State agency's use of E&T funds is in compliance with allowable Federal financial practices.
 - a) Does the state reimburse clients for costs reasonably necessary and directly related to E&T participation?
 - b) Are participant reimbursements for components in the approved plan?
273.7(d)(2)(iii)(C)
 - c) Is the state able to support all financial claims made to FNS and report expenditures of SF-269?
 - d) Does the state ensure they are not claiming any costs other than actual under the 50/50 administrative match?
 - e) Does the State ensure they are not reimbursing any in-kind costs from non-Federal entities for match?
 - f) Are the claims for components in the approved plan?
 - g) Is the state in compliance with Q&A Guidance, issued on 5/23/2006 on allowable costs, allowable components, participant reimbursements, 50/50 reimbursements; expenditures not charged to State agency, cash donations and in-kinds?
 - h) Does the State agency have a process in place to review and monitor grantees' and sub-grantees' FS E& T operations?
 - i) Are operations are consistent with the terms of the approved plan?
- 2) Review the operation of FS E&T on the local level in at least one State that uses innovative financing to further assess the nature of State agency administration in this program area.

7. Online Application Processing

Regional SAOR: Assess whether the State’s website and online application process promote program access and enable timely and appropriate processing of benefits for eligible applicants.

Suggested Methods

- 1) Test the State agency’s electronic application tools to assess whether they are user-friendly from a customer service point of view. Include, as appropriate, the prescreening tools, benefit calculator, and online food stamp application. Are the electronic application tools:
 - Easy to locate and access from the State agency’s website?
 - Available in multiple languages, as required in 7 CFR 272.4(b)?
 - Easy to use with clear instructions, simple language, and help tools either online, by phone, or via other means?
 - Free from “glitches” (i.e., does the application lock-up or shut down)?
 - Able to be partially completed and saved until later?
 - Able to be submitted electronically? With an electronic signature (e-signature)?
- 2) Compare the electronic application to the Checklist for Review of Applications. Does it contain all of the required elements?
- 3) Review the State agency’s procedure manual to determine whether procedures are established for online applications with regard to:
 - Establishing the application filing date (including submitting applications with just a name, date, and signature);
 - Processing expedited service entitlement;
 - Obtaining a signature, if no e-Signature is available;
 - Assigning cases to workers, obtaining documentation, and scheduling and conducting interviews; and
 - Handling “orphaned” applications.
- 4) Clarify information as needed through interviews with State agency staff.
- 5) Ask the State agency to submit available data that shows how the State monitors online applications submitted, the outcomes, timeliness, characteristics of applicants filing online, etc. If available, compare to similar data collected on paper applications.

8. Call Centers/Change Centers

Regional SAOR: Identify food stamp certification functions (non-EBT) that are being completed via telephone and assess the advantages or disadvantages of the current system from a customer service point of view.

Suggested Methods

- 1) Determine how the phone number(s) is/are provided to food stamp applicants and clients and whether the instructions for using the call center/change center is adequate for the need.
- 2) Identify which certification functions may be completed via phone (i.e., initial application, recertification, change reporting);
- 3) To assess the adequacy of service provided, conduct a series of anonymous phone calls for each call center posing as applicants or clients. Vary the time of the calls – calling on different days during the week and at different times of the day and evening. Use (or adapt as needed) Review Tool 3C, Telephone Call to Call/Change Center, which is provided in the “Program Access Review Guide Tools for FNS Regional Offices”, a supplement to the July 2008 revised Program Access Review Guide.
- 4) To assess the adequacy of service provided, listen in on live phone calls at a statewide or regional call center. If it is not possible to listen to live phone calls, listen to recorded phone calls provided by the call center. Use (or adapt as needed) Review Tool 3D, Log Sheet for Call Center Reviews, which is provided in the “Program Access Review Guide Tools for FNS Regional Offices”, a supplement to the July 2008 revised Program Access Review Guide.

OTHER MONITORING REQUIREMENTS

Civil Rights Compliance reviews may be completed in conjunction with the region's State Agency Operations Reviews and/or the State's Management Evaluation Reviews. For guidance, see FNS Instruction 113-1 dated November 8, 2005.