



**United States
Department of
Agriculture**

Food and
Nutrition
Service

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Date: August 22, 2007

Subject: Terminating cases when a household does not spend their Food Stamps

To: All Regional Directors
Food Stamp Program

Background

Some Food Stamp households do not spend their Food Stamps each month. They may let months pass before they use their Food Stamp allotments. Anecdotally, this occurred whether states issued benefits by coupon or by card.

The Food Stamp Act, regulations, and certification policy do not require a household to spend their allotments in order to maintain their eligibility. Furthermore, the Food Stamp Act specifically forbids the states to add to the Federal eligibility criteria (Section 5(b)): "No plan of operation submitted by a State agency shall be approved unless the standards of eligibility meet those established by the Secretary, and no State agency shall impose any other standards of eligibility as a condition for participating in the program."

There is a provision in issuance policy that concerns the treatment of Electronic Benefit Transfer (EBT) accounts when a household does not use its account for three months. States are allowed to flag these accounts as dormant or move them off-line from the EBT contractor's system. Dormant or off-line benefits that have not yet reached expungement age (i.e., generally one year, though many States have a waiver to expunge benefits at nine months) must again be made available on the EBT system upon reapplication or re-contact by the household. However, under that policy the household does not lose eligibility.

The Issue

At least one state has implemented a policy of terminating a household's case because the household has not spent their Food Stamps for 90 days. The state agency sends such a household an advance notice of adverse action (NOAA) that states: "Because you have not used your benefits for 90 days, we are unable to determine your continued eligibility for these benefits."

Is it appropriate to terminate a case when a household does not spend their Food Stamps?

The Policy

No. It is not correct to terminate a household's case simply because the household has not spent their Food Stamps. As noted above, there is no requirement that a household spend their allotments monthly, over any other period, or at all.

Nor does not spending one's allotment constitute information, questionable or otherwise, about a household's circumstances. It is not reasonable to conclude that the household's circumstances have changed.

Therefore, it is not appropriate to send a NOAA or a Request for Contact (RFC). Instead, the state agency must permit the household's certification period to run until it expires. The State may inquire if the participant is having any difficulties accessing the benefits, so long as the inquiry is not linked to an action to curtail participation.

If you have any questions about this memorandum, please contact the Certification Policy Branch.

SIGNED

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