

## **FNS Handbook 501**

### **Chapter III: Application Processing Procedures**

## **CHAPTER III APPLICATION PROCESSING PROCEDURES**

### **SECTION 1 - THE APPLICATION PROCESS**

#### **3100 THE APPLICATION PROCESS**

The application process begins with a request for an application form and ends with notification to the household of the ITO's or State agency's action on the household's application.

The process involves such actions as:

- A. Making application available;
- B. Assisting a household in the completion of its application;
- C. Interviewing a member of the household or an authorized representative;
- D. Performing necessary collateral contacts and verifications;
- E. Advising the household of its rights and responsibilities; and
- F. Preparing necessary documents to authorize or deny household receipt and use of USDA commodities.

This process must be completed promptly. No later than seven calendar days (excluding weekends and holidays) after an application is filed, an eligible household must be given an opportunity to receive USDA commodities. Expedited service must be available to households in immediate need (see paragraph 3340, below).

#### **3101 Notice of Right to Request Fair Hearing**

At the time of application, each household must be informed in writing of the following:

- A. The household's right to request a fair hearing, and to continue to receive the same level of benefits pending the outcome of the hearing;
- B. The method by which a hearing may be requested;
- C. That the household's case may be presented by a household member or representative, such as a legal counsel, a relative, a friend or other spokesperson; and
- D. If available, the contact information for an individual or organization that provides free legal representation.

#### **3110 THE APPLICATION FORM**

The ITO/State agency must provide a household application form that is acceptable to the appropriate FNS Regional Office. The form must be understandable to applicants and easy to complete. Each application form, or its attachments, must contain a description of violations

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in understandable terms and in prominent and boldface lettering, such as misstatement of income or household size, simultaneous participation in the Food Distribution Program and the Food Stamp Program, and misuse of USDA commodities. The application form, or its attachments, must include the following nondiscrimination statement: **“In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, religion, political beliefs, or disability. To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.”**

### **3120 FILING AN APPLICATION**

An application is considered complete for filing purposes and must be accepted by the ITO/State agency if it contains the applicant's name and address and is signed by either a responsible member of the household or the household's authorized representative.

### **3130 HOW APPLICATIONS CAN BE FILED**

An application can be filed by the applicant or an authorized representative at a food distribution office, by mail, or by data fax, as long as it is readable and the signature is clear.

### **3140 WHEN APPLICATIONS CAN BE FILED**

Each household has the right to file an application on the same day it contacts the food distribution office having jurisdiction over the reservation on which the household resides, providing that the contact is made during office hours. The ITO/State agency must document the date the application was received.

### **3141 Right to Same-Day Filing**

The ITO/State agency must advise households: 1) of their right to file an application form on the same day they contact the food distribution office; 2) that they do not have to be interviewed before filing the application; and 3) that they may file an application form as long as it contains the applicant's name, address, and the signature of either a responsible member of the household or the household's authorized representative. The ITO/State agency must encourage households to file an application form the same day the household or its representative contacts the food distribution office in person or by telephone, and expresses interest in obtaining USDA commodity assistance. The ITO/State agency must include information about same day filing in outreach materials and must ensure that application forms are readily accessible to potentially eligible households and those groups and organizations involved in outreach efforts. The ITO/State agency must also provide an application form to anyone who asks for one. These requirements also apply to households applying for public assistance (PA) under the procedures found in paragraph 3200, below.

### **3150 MAILING APPLICATIONS TO HOUSEHOLDS**

If the household has contacted the food distribution office by telephone but does not wish to come to the office to file the application that same day and instead prefers receiving an application through the mail, the ITO/State agency must mail an application form to the household on the same day the written request or telephone call is received.

**3160 VOLUNTARY WITHDRAWAL OF APPLICATIONS**

The household may voluntarily withdraw its application at any time prior to the ITO's/State agency's determination of eligibility. Voluntary withdrawal means the household, on its own initiative, has contacted the food distribution office, either orally or in writing and asked that its application not be processed any further. The ITO/State agency must document in the case file the reason for withdrawal, if given, and that contact was made with the household to confirm the withdrawal. The household must be advised by the ITO/State agency of its right to reapply.

**3170 REFUSAL OF SERVICE TO ABUSIVE CLIENTS**

The ITO/State agency may refuse service to clients who are verbally or physically abusive to Food Distribution Program staff. Every effort should be made to safeguard the safety of Food Distribution Program staff, including the physical removal of abusive clients from the Food Distribution Program office by security officers or local law enforcement.

**SECTION 2 - SPECIAL APPLICATION PROCESS****3200 APPLICATION PROCESSES FOR PA AND GA HOUSEHOLDS**

ITOs/State agencies that are responsible for and administer both the Food Distribution Program and PA or GA programs on Indian reservations may allow a household to apply for the Food Distribution Program at the same time the household applies for PA or GA benefits. PA households are categorically eligible for USDA commodities; however, for GA households to be categorically eligible, they must satisfy Food Distribution Program eligibility criteria, unless the GA program meets the need requirements of federally aided public assistance programs. The determination of need will be made by the appropriate FNS Regional Office.

If the ITO/State agency elects joint processing, it must use joint application forms that contain all the information necessary to determine eligibility. Alternatively, the ITO/State agency may attach a form to the PA/GA application for other information required to determine eligibility for the Food Distribution Program. ITOs/State agencies opting for joint processing must process all PA or GA applications as applications for the Food Distribution Program, unless the household clearly indicates on the application that it does not want commodities. To the extent that processing standards for the Food Distribution Program can be met, ITOs/States must conduct a single interview for PA or GA and the Food Distribution Program. If it appears that processing standards can not be met under the single interview procedure, the ITO/State agency must do a separate interview for PA or GA and Food Distribution Program eligibility. ITOs/States using joint processing may verify those factors of eligibility necessary for PA or GA, but must follow the Food Distribution Program rules for all other program requirements.

**3210 JOINT PA/FOOD DISTRIBUTION PROGRAM APPLICATION PROCEDURES**

The ITO's/State agency's application for PA must contain all the information necessary to determine a household's eligibility for the Food Distribution Program. Information relevant only to food distribution eligibility must be contained in the PA form itself or must be attached to it. The PA application must have a place for the household to indicate if it does not wish to apply for food distribution. The application must clearly indicate that the household is providing information for both programs.

**3220 GA HOUSEHOLDS APPLYING FOR FOOD DISTRIBUTION BENEFITS**

Households in which all members are applying for ITO/State agency administered GA must, at a minimum, be provided with applications for food distribution benefits and be referred to the appropriate food distribution office for an eligibility determination. Under certain circumstances (discussed below) those households may be able to apply jointly for their GA and food distribution benefits. Eligibility for GA households follows procedures described in paragraph 3200, above.

**3221 Joint GA/Food Distribution Application Procedures**

When applicable, ITOs/State agencies must use the same joint application procedures specified for PA household for GA households when the following criteria are met:

- A. The ITO/State agency administers a GA program that uses formalized application procedures and eligibility criteria that test levels of income and resources; and
- B. Administration of the GA program is integrated with the administration of the PA or Food Distribution Programs in that the same eligibility workers process applications for GA benefits and PA or food distribution benefits.

**3222 Nonintegrated Administration**

ITOs/State agencies that have not integrated the administration of their GA program, but otherwise meet the criteria specified for joint PA/food distribution procedures, may, with the approval of the appropriate FNS Regional Office, jointly process GA and Food Distribution Program applications. If approved, ITOs/State agencies must adhere to the joint application processing procedures for PA/Food Distribution Program applications.

**3223 No Joint GA/Food Distribution Application Procedures**

ITOs/State agencies that have not integrated the administration of their GA program, and that do not elect or are not approved to use the joint application processing procedures, must, at a minimum, advise all GA applicant households of their potential eligibility for food distribution benefits and provide these households with food distribution applications. In addition, ITOs/State agencies must allow households in which all members are applying for GA benefits to leave a signed food distribution application which contains, at a minimum, the household's name and address, at the GA office. The GA office must forward these applications that same day to the appropriate food distribution office for processing. The procedural and timeliness requirements that apply to the application process must begin when the food distribution office receives the application. Since there may be a delay involved in transferring applications from GA offices to food distribution offices, households must be advised that they may receive faster service if they take the application directly to the food distribution office.

**3224 Local GA Programs**

In areas where GA programs are administered by local agencies or agencies such as the Department of Interior's Bureau of Indian Affairs, the ITO/State agency must endeavor to gain their cooperation in referring GA applicants to the Food Distribution Program. Where possible, this referral should consist of informing the GA applicants of their potential eligibility for food distribution benefits, providing them with food distribution applications and directing them to the local food distribution office.

**SECTION 3 - PROCESSING TIME STANDARDS****3300 TIME STANDARDS FOR PROCESSING OF APPLICATIONS**

The ITO/State agency must provide eligible households with an opportunity to obtain USDA commodities as soon as possible, but not later than 7 calendar days, excluding weekends and holidays, after an application was filed. An application is considered filed the day the ITO/State agency receives an application that contains, at a minimum, the applicant's name and address and is signed by either a responsible member of the household or the household's authorized representative (see paragraph 3120, above).

**3310 TIME STANDARD FOR SPECIAL APPLICATION PROCESSES**

PA and GA applications, except those on which the household has indicated it does not want food distribution must be processed as food distribution applications in accordance with all timeliness standards and procedures specified in paragraph 3300, above. If the household's intention to apply for food distribution is unclear, the ITO/State agency must determine at the interview, or in other contact with the household, whether or not the household wants the PA or GA application processed for food distribution purposes.

**3311 Action When Food Distribution Determination Precedes PA or GA Determination**

As a result of differences in PA or GA and food distribution application processing procedures and timeliness standards, the ITO/State agency may have to determine food distribution eligibility prior to determining eligibility for PA or GA payments. Action on the food distribution portion of the application can not be delayed nor the application denied on the grounds that the PA and GA determination has not been made.

**3320 DELAY IN PROCESSING DUE TO LACK OF VERIFICATION**

If the ITO/State agency can not process the application within 7 calendar days, excluding weekends and holidays, after the application was filed due to a lack of verification as required in paragraph 3504, below, the ITO/State agency must authorize the distribution of USDA commodities for one month pending verification, but only if the application appears to contain all necessary financial information (i.e., total household income and resources) **and** it appears that the household will, in all likelihood, be eligible for the Food Distribution Program. No further distribution of USDA commodities will be made without obtaining required verification and completing the eligibility determination.

**3330 INCOMPLETE APPLICATIONS**

An application is considered incomplete for **filing purposes** if it does not contain the applicant's name and address and is not signed by either a responsible member of the household or the household's authorized representative (see paragraph 3120, above). If the application is incomplete and the ITO/State agency is unable to contact the household the ITO/State will take no further action on the application. (See paragraph 3620, below, if the household does not respond to a request for an interview or fails to cooperate during the interview.)

**3340 EXPEDITED SERVICE**

Households that report no income in the current month and those households that, in the judgment of the ITO/State agency, would likely be eligible and would otherwise suffer hardship must be provided with an opportunity to obtain USDA commodities within one calendar day, excluding weekends and holidays, after the date the application was filed. The basis for the determination that the household qualifies for expedited service must be recorded in the case file. The ITO's/State agency's application processing procedures must be designed to identify households eligible for expedited service at the time such households request assistance. ITOs/State agencies must provide same day service, if possible, to households eligible for expedited service that would likely suffer hardship if required to return to the office the next day. While warehouses or other distribution points may not be open during all certification hours to accommodate expedited processing provisions, certification or other personnel must have access to USDA commodities for distribution to households in immediate need.

**3341 Verification Requirements**

To expedite the certification of households in immediate need, the verification provisions under paragraphs 3504 and 3505, below, may be postponed (see paragraph 3509, below). However, the ITO/State agency must verify the household's identity and address through a collateral contact or readily available documentary information. If possible, the household's income statements should be verified at the same time. In addition, the ITO/State agency should make every effort to check for dual participation in the Food Stamp Program within the expedited service processing time frame. Verification for households certified on an expedited basis must be completed prior to any subsequent distribution of USDA commodities to the household.



**SECTION 4 - HOUSEHOLD CONCEPT****3400 COMPOSITION OF A HOUSEHOLD FOR APPLICATION PURPOSES**

Household means any of the individuals or groups of individuals listed below:

- A. An individual living alone;
- B. An individual living with others, but customarily purchasing food and preparing meals for home consumption separate and apart from the others; or
- C. A group of individuals living together who customarily purchased food in common and who prepare meals together for home consumption (see paragraph 4220, below).

NOTE: Separate household status can not be granted to a spouse of a household member or to children under eighteen years of age that are under the parental control of a household member.

**3401 Temporary Absences**

An individual may still be considered a household member during temporary absences from home for such reasons as vacations, family emergencies, work trips, school breaks, etc. The ITO/State agency may further define "temporary absences" in terms of duration, but must apply the definition equally to all participating households.

**3410 NONHOUSEHOLD MEMBERS AND INELIGIBLE PERSONS**

Nonhousehold members are persons residing with a household who are not considered part of the household for application or eligibility purposes. Nonhousehold members are not considered in determining the household's eligibility or the amount of USDA commodities it will receive.

Ineligible persons are individuals who are prohibited from participating in the Food Distribution Program, but their income and resources may be considered in determining the eligibility of other household members.

Nonhousehold members and ineligible persons are specified in paragraphs 3411 through 3416, below.

**3411 Roomers**

Roomers are persons to whom a household furnishes lodging for compensation, but not meals. Roomers are considered nonhousehold members, but may be eligible to participate as a separate household.

**3412 SSI Recipients in "Cash-Out" States**

Recipients of Supplemental Security Income (SSI) benefits, who live in a State where the Secretary of the Department of Health and Human Services has determined that the SSI payments have been specifically increased to include the value of the food stamp allotment, are considered nonhousehold members and are not eligible for Food Distribution Program benefits in any month they receive SSI.

**3413 Disqualified Individuals**

All of the resources and part of the income of a disqualified household member are counted in determining the eligibility of the remaining household members (see paragraph 4730, below). The following persons are not eligible for Food Distribution Program benefits until their period of disqualification expires:

- A. All members of a household that failed to pay a claim under the Food Distribution Program (see paragraph 5710, below);
- B. Persons determined by the ITO/State agency to have committed an intentional program violation under the Food Distribution Program (see paragraph 5720, below);
- C. Persons who have been convicted in a court of law for fraud under the Food Distribution Program (see paragraph 5730, below); and
- D. Persons who have been disqualified for an intentional program violation under the Food Stamp Program (see paragraph 5740, below).

A pending disqualification hearing will not affect the individual's or the household's right to be certified and participate in the Food Distribution Program. An individual or household may continue to participate until they have been officially disqualified.

**3414 Unqualified Aliens**

The ITO/State agency may choose to either provide or deny program benefits and services to persons who are not U.S. citizens or do not meet the definition of "qualified alien" at 8 U.S.C. 1641(b) (see paragraph 4211, below).

**3415 Foster Care Children**

Households that contain foster children may opt to:

- A. Count the foster children as members of the household. In these cases, all foster care payments must be counted as unearned income to the household; **or**
- B. Classify the foster children as boarders (see definition of "boarder" under paragraph 1110, above). In these cases, foster children are not counted as part of the household. Foster care payments are excluded from the household's income, and the foster children are not included in determining the amount of commodities the household is to receive.

**3416 Boarders and Residents of Institutions**

Individuals who are boarders or residents of an institution are not eligible for Food Distribution Program benefits.

**3417 Others**

Persons who share living quarters with the household but who do not customarily purchase food or prepare meals with the household are considered nonhousehold members. If, for example, an applicant household shares its living quarters with another family to save rent, but does not

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purchase and prepare meals with that family, the members of the other family are not members of the applicant household, but may be considered as a separate household for eligibility purposes.

### **3420 HEAD OF HOUSEHOLD**

ITOs/State agencies may designate the head of household, or permit the household to do so. ITOs/State agencies must not impose additional requirements based on who has been selected as head of household, such as requiring that the head of household, rather than another responsible adult member of the household, appear at the food distribution office to make application for benefits. In the event that the head of the household or the spouse is unable to file the application, another responsible household member, or an authorized representative may apply for the household.

### **3430 AUTHORIZED REPRESENTATIVE**

There may be instances when the head of the household or the spouse can not apply for the household. In such instances, another responsible household member may apply or an adult, nonhousehold member may be designated as the authorized representative for that purpose.

#### **3431 Who Can Be an Authorized Representative**

Adults who are nonhousehold members may be designated as authorized representatives for certification purposes only if they are:

- A. Designated in writing by the head of household, or the spouse, or another responsible member of the household; and
- B. Sufficiently aware of relevant household circumstances.

In the event that the only adult member of a household is classified as a nonhousehold member, that person may be designated as the authorized representative for the minor household members.

#### **3432 Who Can Not Be an Authorized Representative**

The following individuals can not be designated as authorized representatives:

- A. ITO/State agency employees who are involved in the certification and/or distribution processes, without the specific written approval of the designated ITO/State agency official, such as county welfare director, or local food distribution supervisor, and only after a determination has been made that no one else is available to serve; and
- B. Disqualified individuals can not act as authorized representatives during the period of disqualification, unless a disqualified individual is the only adult member of the household able to act on its behalf and the ITO/State agency has determined that no one else is available to serve. The ITO/State agency must separately determine whether these persons are permitted to apply or to obtain USDA commodities on behalf of the household.

**3433 Liability for Designation**

It is important that the head of the household or the spouse prepares or reviews the application, whenever possible, even though another household member or the authorized representative will actually be interviewed. The ITO/State agency must inform the household that it will be held liable for any excess distribution of commodities that results from erroneous information given by the authorized representative.

**3434 Authorized Representatives for Obtaining USDA Commodities**

An authorized representative may be designated for obtaining commodities on behalf of the household. These designations must be made at the time the application is completed. The authorized representative for picking up commodities may be the same individual designated to make application for the household or may be another individual. Even if a household member (i.e., the head of the household, spouse, or other member) is able to make application and obtain commodities, they should be encouraged to name an authorized representative for obtaining commodities in case of illness or other circumstances that might result in an inability to obtain commodities.

**3435 Documentation and Control of Authorized Representatives**

The ITO/State agency must ensure that authorized representatives are properly designated. The name of the authorized representative(s) must be maintained as part of the household's case file. An authorized representative may represent one or more households.

## SECTION 5 - VERIFICATION AND DOCUMENTATION OF ELIGIBILITY CRITERIA

### 3500 GENERAL PROVISIONS

Verification is the use of third party information or documentation to establish the accuracy of statements on the application. Below are the general requirements for verification of financial and nonfinancial eligibility factors.

#### 3501 **Responsibility for Providing Verification**

The household has primary responsibility for providing documentary evidence to support its income statements and resolve any questionable information. Households may supply documentary evidence in person, through the mail, or through an authorized representative. The ITO/State agency must accept any reasonable documentary evidence provided by the household, but must be satisfied that the verification adequately proves the statements. If it would be difficult or impossible for the household to obtain documentary evidence in a timely manner, or the ITO/State agency can do so more quickly than the household, the ITO/State agency must offer assistance to the household in obtaining the documentary evidence.

#### 3502 **Sources of Verification**

- A. Documentary Evidence. The ITO/State agency must use documentary evidence as the primary source of verification for all items. Documentary evidence consists of a written confirmation of a household's circumstances. Although documentary evidence must be the primary source of verification, acceptable verification must not be limited to any single type of document and may be obtained through the household or from other sources. **Whenever documentary evidence can not be obtained, the ITO/State agency must use alternate sources of verification such as collateral contacts and home visits.** In all cases, the methods of verification must be recorded in the case file.
- B. Collateral Contact. A collateral contact is a verbal confirmation of a household's circumstances by a person outside of the household. The collateral contact may be made either in person or over the phone. The acceptability of a collateral contact can not be restricted to a particular individual, but may be anyone that can be expected to provide an accurate third party verification of the household's statements. Examples of acceptable collateral contacts are employers, community action groups, neighbors of the household, or other persons outside the household.

The ITO/State agency must rely on the household to provide the name of any collateral contact. The household may request assistance in designating a collateral contact. However, the ITO/State agency is not required to use a collateral contact designated by the household if the collateral contact can not be expected to provide accurate third party verification. When the collateral contact designated by the household is unacceptable, the ITO/State agency must ask the household to designate another collateral contact. The ITO/State agency is responsible for obtaining verification from the collateral contact.

Once the household has supplied the name of a collateral contact or has asked the ITO/State agency for assistance in locating a collateral contact, the ITO/State agency must promptly contact the collateral contact or otherwise assist the household in obtaining the necessary verification.

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- C. **Home Visits.** Home visits may be used as verification only if documentary evidence and collateral contacts can not be obtained. The ITO/State agency must attempt to schedule a visit in advance with the household.

**3503 Discrepancies**

Where information from another source contradicts statements made by the household, the household must be given a reasonable opportunity to resolve the discrepancy prior to an eligibility determination.

**3504 Mandatory Verification**

- A. **ITOs/State agencies must verify all gross nonexempt income prior to certification.** Verification does not need to be to the exact dollar amount unless the household's eligibility would be affected. However, where all attempts to verify income have been unsuccessful either because the person or organization providing the income has failed to cooperate or because sources of verification are unavailable, the ITO/State agency must determine an amount to be used for certification based on the best available information.
- B. **ITOs/State agencies must verify the household expenses to support the allowance of the child support deduction and the Medicare Part B medical insurance premium deduction** (see paragraph 3539, below).

**3505 Verification of Questionable Information**

Eligibility criteria not subject to mandatory verification (see paragraph 3504, above) must only be verified if questionable. See Chapter 4, Eligibility Criteria, for more information on the criteria. To be considered questionable, the information on the application must be inconsistent with statements made by the applicant, inconsistent with other information on the application or previous applications, or inconsistent with information received by the ITO/State agency (see paragraph 3510, below).

**3506 Verification for Joint PA or GA and Food Distribution Program Applications**

For households filing a joint PA or GA and food distribution application, the verification procedures described in Section 5 of this Chapter must be used for eligibility factors which concern only the household's eligibility for food distribution. Those factors that concern both PA and food distribution eligibility, or both GA and food distribution eligibility, may be verified according to PA or GA procedures.

**3507 Verification of Reported Changes**

Changes reported during the certification period must be subject to the same verification procedures as apply at initial certification, except that the ITO/State agency is not required to verify income if the source has not changed and the amount has changed by \$50 or less since the last verification.

**3508 Verification at Recertification**

In recertifying a household, the ITO/State agency must verify a change in income if the source has changed or the amount has changed by more than \$50 since it was last verified. If the

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ITO/State agency has reason to question a household's report that income is unchanged or that it has changed by less than \$50, it must verify the income. The ITO/State agency must use the same verification procedures employed at initial certification to check on all other changes reported at the time of recertification. The verification requirements for households applying for recertification within 30 days after the expiration of the certification period will remain the same as for those households making timely recertification.

**3509 Verification for Expedited Service**

To expedite the certification of households in immediate need, the ITO/State agency may postpone the verification required in paragraphs 3504 and 3505, above, except that the households' identity and address must be verified by collateral contact or other readily available documentary evidence. If possible the households' income statements must be verified at the same time. The ITO/State agency must complete the verification for households certified on an expedited basis prior to the distribution of commodities to the households for any subsequent month.

**3510 VERIFICATION OF NONFINANCIAL ELIGIBILITY CRITERIA**

Where questionable, the household's identity and residency must be verified through readily available documentary evidence, collateral contact or by home visit, if necessary, prior to certification. Certification can not be delayed to obtain verification of questionable nonfinancial eligibility criteria; however, verification of the questionable nonfinancial eligibility criteria must be obtained prior to the household's receipt of a second month's issuance of commodities. As it is difficult to verify if a group of individuals customarily purchase and prepare meals together, the ITO/State agency must generally accept the household's statement regarding food preparation and purchasing.

**3511 Verification of Identity**

When necessary, examples of acceptable documentary evidence that the household may provide include, but are not limited to:

- A. A driver's license;
- B. Work or school identification card;
- C. Voter registration card;
- D. Birth certificate; and
- E. Identification card for health benefits or other programs, or other social services.

Household identity is that of the applicant. If an authorized representative applies for the household, the head of the household should be identified.

**3512 Verification of Residency**

Where appropriate, documents with the household's address will be the primary source of verification, although collateral contacts and/or home visits may be used if documentary evidence can not be obtained.

**3520 VERIFICATION OF RESOURCES**

During the interview, the ITO/State agency must review with the applicant the resources reported as well as the possibility of unreported resources. ITOs/State agencies must verify resource information for a household, if the information is questionable. Documentary evidence must be used as the primary source of verification, although collateral contacts may also be sources of verification if written verification is unavailable.

**3530 VERIFICATION OF INCOME**

Documentary evidence must be used as the primary source of verification for income.

**3531 Earned Income**

For earned income, the household must provide a full month's wage statements. If a full month's wage statements are not available (e.g., applicant was recently hired for work), then the applicant must provide wage statements received to date, and provide employment information that can be verified by collateral contacts (e.g., name of employer, employer phone number, hourly wage rate, hours worked per pay period, amount of time on the payroll, prospects for continued employment, etc.). Whenever documentary evidence can not be obtained, is insufficient to make a firm determination of eligibility, or appears to be falsified, collateral contacts or home visits must be used. For example, documentary evidence may be considered insufficient when the household presents pay stubs that do not represent an accurate picture of the household's income (such as out-dated pay stubs) or identification papers that appear to be falsified. If other types of verification are used, the ITO/State agency must document in the case file why an alternate source was needed. Benefits can not be delayed beyond the processing time standards described in paragraph 3300, above, if income has not been verified. However, benefits can not be provided for more than one month in cases where verification of income has not been completed (see paragraph 3320, above).

The following are documents that can be used to verify earned income:

**A. From Applicant:**

1. Pay stubs;
2. Pay envelope;
3. Employee's W-2 form;
4. Wage tax receipts; and
5. State or Federal income tax return.

**B. From Others:**

1. Employer's wage records;
2. Statement from employer;
3. Employment Security Office; and
4. State Income Tax Bureau.



**3532 Self-Employment Income**

- A. If the household reports fairly consistent self-employment income and expenses from year to year, the ITO/State agency may choose to use the household's Internal Revenue Service filings as a guide in determining the household's anticipated self-employment income for the certification period. Below is a list of the forms generally used to report self-employment income for tax purposes:
1. Schedule F, Profit or Loss from Farming;
  2. Schedule C, Profit or Loss from Business, or Schedule C-EZ, Net Profit from Business;
  3. Schedule E, Supplemental Income and Loss.
- B. In many cases self-employment income may vary from month to month, or from year to year. If the household experiences a recent increase or decrease in business, the previous year's tax return may not be an accurate reflection of the income and expenses the household anticipates for the coming months or year. In such cases, it may be necessary to review other documentary evidence, such as the actual income and expense receipts received in recent months or the household's self-employment bookkeeping records.

**3533 Household Reporting Zero Income**

Households who report zero income month after month must be questioned as to how they are able to sustain themselves and other household members. The ITO/State agency may design a standard form to document the case file in these cases. The form may include a statement that the household has received no income; questions on how the household obtains shelter, clothing, personal items, laundry services, etc.; signature of the head of household; and date. The form must contain the required nondiscrimination statement and civil rights complaint procedures.

**3534 Unearned Income**

In verifying unearned income, the following documents should be available from the applicant:

- A. Social Security award letter (changes in benefits will not always be reflected);
- B. Benefit payment check;
- C. Unemployment Compensation award letter;
- D. Pension award notice;
- E. Department of Veterans Affairs award notice or records;
- F. Correspondence on benefits;
- G. Income tax records;
- H. Railroad Retirement award letter or Railroad Retirement Board records;
- I. Support and alimony payments evidenced by court order, divorce or separation papers, or contribution check;
- J. State Data Exchange (SDX) System (see paragraph 3535, below);
- K. Social Security (Form SSA-1610);
- L. Social Security District Office files;
- M. Bureau of Employment Security - Unemployment Compensation Section;
- N. Union records;
- O. Workman's Compensation records;
- P. Insurance company records; and
- Q. Tax records.

**3535 State Data Exchange (SDX) System--Social Security Benefits**

If documentary evidence of social security benefits is not readily available from the applicant, the ITO/State agency may verify, where possible, the income through the SDX. The amount of social security benefits reported on the application is used to compute the household's eligibility, pending receipt of verification from SDX. Prior to submission of the ITO's/State agency's request for verification, any household member whose social security benefits are verified through SDX must sign an information release statement that is valid only during the certification period.

**3536 Verification of Loans**

Loans are excluded as income to the household (see paragraph 4545, below). The ITO/State agency is not required to verify a loan, unless it is questionable. In verifying a questionable loan, a legally binding agreement is not required. A simple statement signed by both parties that indicates that the payment is a loan and must be repaid will be sufficient verification. However, the ITO/State agency may also require that the provider of the loan sign an affidavit that states repayments are being made or that payments will be made in accordance with an established repayment schedule, if the applicant household receives payments on a recurrent or regular basis from the same source.

**3537 Verification of Nonexcluded Educational Income**

Verification of the amounts received from nonexcluded scholarships, deferred loans or grants may be obtained directly from the household or other sources, such as the agency or institution providing the monies (see paragraph 4544, below).

**3538 Unreported Income**

In addition to verifying reported income, the ITO/State agency may have occasion to explore the possibilities of unreported income. When income information on the application is inconsistent with statements made by the applicant, other information on the current or previous applications or other information received by the ITO/State agency, further verification must be provided. For example, if a household reports its unemployment compensation (UC) has stopped but a record in the case file shows that the UC benefits are available for several additional months, further verification would be needed. Another situation possibly requiring further verification is if a household reported filing for PA, SSI, Social Security, or similar benefits on previous applications but still reports not receiving them. If the ITO/State agency knows that the average waiting period has passed, a determination must be made as to whether the household has unusual circumstances delaying the benefits or, if, in actuality, the benefits have begun.

**3539 Verification of Income Deductions**

**Verification is required for the child support deduction and the Medicare Part B medical insurance premium deduction.** For all other deductible expenses, verification is necessary only when the claimed expense is questionable.

A. Child Support Deduction - This income deduction applies only to child support payments **to or for a nonhousehold member**. The ITO/State agency must obtain verification of:

1. The household's legal obligation to pay child support;

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2. The amount of the obligation; and
3. The monthly amount of child support the household actually pays.

A court order or similar documentation may be used to verify the household member's legal obligation to pay the child support, but it can not be used to verify the household's actual monthly child support payments. Since some non-custodial parents fail to fully meet their court-ordered obligation each month, it is necessary that the ITO/State agency obtain documentation, such as canceled checks or money order receipts, that verifies the amount of monthly child support actually paid by the household.

In many cases, the amount of child support paid may fluctuate each month. In such instances, the ITO/State agency should average the payments. For example: Mr. Smith is legally obligated to pay \$350 in child support each month. In December, he paid \$350; in January, he paid \$250; in February, he paid \$400; and in March he paid \$300. If you average the total amount of child support paid from December-March ( $\$1300 \div 4$  months), you get an average of \$325, which would be the amount used for the income deduction. The purpose of averaging is to use a history of payments to establish an anticipated pattern of payment for a future period of time (i.e., the upcoming certification period). Therefore, it is not necessary that the number of months used in the averaging process equal the number of months of the assigned certification period.

- B. Medicare Part B Medical Insurance Premium - The ITO/State agency must obtain verification that a household member incurs the cost of the Medicare Part B premium. The amount of the premium is adjusted January 1 of each year by Medicare. The current Medicare Part B Medical Insurance Premium amount is available at <http://www.ssa.gov/work/ResourcesToolkit/Health/medicare.html>.

NOTE: Persons younger than 65-years old may be eligible for Medicare (e.g., persons with chronic kidney disease or other disabilities).

In most cases, the amount of the premium is withheld from a monthly Social Security, Civil Service Retirement, or Railroad Retirement Board payments. Documentation could include a benefit summary statement for the current year (e.g., the SSA-4926-SM provided to Social Security beneficiaries). However, some individuals make quarterly payments directly to Medicare. Documentation in these cases could include canceled checks, money order receipts, or other receipts showing payment for the current year. NOTE: Quarterly payments must be averaged over the 3-month payment period to determine a monthly premium amount for the income deduction.

**3540 NONCOOPERATION OF A DISQUALIFIED MEMBER OF THE HOUSEHOLD**

If a disqualified member of the household refuses to provide information needed to certify the remaining members, alternate methods of verification should be used. For example, if the disqualified member refuses to provide income information, a collateral contact may be used. The ITO/State agency may also, if no other means of verification are available, base the income on the best available information. (See paragraph 4730, below, for further information on determining eligibility and benefit levels for households with disqualified members.)

**3550 DOCUMENTING THE VERIFICATION**

**Case files must be documented to support eligibility, ineligibility, and level of commodity distribution.** The documentation must be in sufficient detail to permit a reviewer to determine the reasonableness, accuracy and date of the determination. Where verification was required to resolve questionable information, the ITO/State agency must document why the information was considered questionable and what documentation was used to resolve the questionable information. The ITO/State agency must also document the reason why a non-documentary source of verification, such as a collateral contact or home visit, was needed. Also, the case file must be properly documented to reflect why a collateral contact supplied by the household was rejected by the ITO/State agency, and an alternate collateral contact was requested and used.

**SECTION 6 - INTERVIEWING****3600 STANDARDS FOR INTERVIEWS**

All applicant households, including those submitting applications by mail and data fax, must have an interview by a certification worker prior to certification. The individual interviewed may be the head of household, spouse, any other responsible member of the household, or an authorized representative. The interview must be conducted as an official and confidential discussion of household circumstances. The applicant's right to privacy must be protected during the interview. Facilities must be adequate to preserve the privacy and confidentiality for the interview.

The ITO/State agency should not simply review the information that appears on the application, but must explore and resolve unclear and incomplete information. In addition, the ITO/State agency must fully advise households of their rights and responsibilities during the interview, including an explanation of the appropriate application processing time and the household's responsibility to report changes.

At ITO/State agency discretion, applicants may be interviewed by telephone or in the home. No household can be interviewed by telephone for any two consecutive certifications without a face-to-face interview at the food distribution office or home. ITOs/State agencies must attempt to schedule home visits in advance. Home visits may not extend required time limits for processing.

**3610 JOINT PA OR GA AND FOOD DISTRIBUTION PROGRAM INTERVIEW**

The ITO/State agency must conduct a single interview at initial application for PA or GA and food distribution purposes unless the ITO/State agency is unable to do so within the Food Distribution Program processing time standards (see paragraph 3200, above).

**3620 HOUSEHOLD FAILURE OR REFUSAL TO COOPERATE**

- A. Failure to Cooperate. If the household fails to respond to the ITO's/State agency's attempts to arrange an interview and the application does not provide enough information for the ITO/State agency to make a determination of eligibility, the ITO/State agency will take no further action on the application (see paragraph 3330, above).

If the household fails to provide verification required in paragraph 3504 and 3505, above, within the 7-calendar day processing standard (excluding weekends and holidays), the ITO/State agency may certify the household for one month pending completion of the verification, but only if the application appears to contain all the necessary financial information (i.e., total household income and resources) **and** it appears that the household will, in all likelihood, be eligible for the Food Distribution Program (see paragraph 3320, above). No further distribution of USDA commodities can be made without obtaining required verification and completing the eligibility determination.

(3320)

- B. Refusal to Cooperate. If the household refuses to cooperate with the ITO/State agency in completing any part of the application process, the application must be denied at the time of refusal. For a determination of refusal to be made, the household must be able to cooperate, but clearly demonstrate that it will not take actions that it can take and which are required to complete the application process. For example, to be denied for refusal to cooperate, a household must refuse to be interviewed, not merely fail to show up for the interview. If there is any question as to whether the household has merely **failed** to cooperate, as opposed to **refused** to cooperate, the household must not be denied solely for that reason. The household must also be determined ineligible if it refuses to cooperate in any subsequent review of its eligibility. Once denied or terminated for refusal to cooperate, the household may reapply but can not be determined eligible until it cooperates.