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## Local Commissioners Memorandum

### Section 1

<b>Transmittal:</b>	08-LCM-11
<b>To:</b>	Local District Commissioners
<b>Issuing Division/Office:</b>	Center for Employment & Economic Supports
<b>Date:</b>	November 10, 2008
<b>Subject:</b>	Automated Termination of Food Stamp (FS) Claims
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<b>Attachments:</b>	None
<b>Attachment Available On – Line:</b>	None

### Section 2

#### I. Purpose:

The purpose of this Local Commissioners Memorandum (LCM) is to inform local districts that under existing regulatory authority, the state is administratively terminating Food Stamp (FS) claims against closed cases if there has been no collection against the household's debt for three years. Reports that identify claims that have been terminated will be sent to district BICS' queues. Claims may be re-established if the case becomes active again or if circumstances change and collection appears to be likely.

#### II. Background:

The Office of Temporary and Disability Assistance (OTDA) last ran an automated culling of FS claims in April 2003 when large numbers of outdated and small claims were removed from the system and those remaining were subjected

to automated collection through the Treasury Offset Program (TOP). On November 8, 2008, the state will run another auto termination of food stamp claims. If no payment has been made on the claim and the date of establishment is 37 months or more prior to the run date, the claim will be terminated. In cases where payment has been made, the last payment must be at least 36 months prior to the run date. The balance of the claim will be terminated. This action has the effect of improving our debt to collection ratio while targeting collection activities on current, and more likely collectible, claims. Policy allowing collection incentives such as the ability to offer compromises to debtors remain available as inducements to settle debts.

### **III. Program Implications:**

All FS claims against closed cases currently on CAMS that meet the rules for auto-terminating a claim will be terminated as of the run date. Cases removed from the inventory will only include Agency Error (AE) and Inadvertent Household Errors (IHEs).

The rules for auto-terminating a claim are:

- Food Stamp cases must be closed, and all associated recoupment cases must be closed.
- Claim status must be Active, Suspended or Reactivated.
- Overpayment code must be Agency Error (AE) or Inadvertent Household Error (IHE).
- In cases where payment has been made, the last payment must be at least 36 months prior to the run date. The balance of the claim will be terminated.
- If there are multiple claims within the case, the last payment made on any of the claims must be at least 36 months prior to the run date.
- If no payment has been made on the claim and the date of establishment is 37 months or more prior to the run date, the claim will be terminated.
- Treasury Offset Program (TOP) collections are considered payments; “Expungements” are not.
- Payment reversals will not be considered payments.

### **IV. Required Action:**

Districts are under no obligation to take any action on the terminated claims unless the household again becomes active on FS at which point the claim becomes collectible through benefit reduction. Reactivation offers the opportunity to review the case and determine that the case record contains all

required documentation. If this is not the case, the household must be noticed and the claim re-established. If anyone who was a responsible adult member of the household at the time the claim was established becomes active on FS, the district has the option of re-establishing the claim and resuming recoupment with that individual.

Terminated claims should not be re-established against households participating in the Working Families Food Stamp Initiative (WFFSI). For currently active Food Stamp households that meet the requirements to participate in WFFSI, any amount of existing claims that cannot be collected within three (3) years at the current rate of recoupment can be compromised. (Ref. 07 ADM-10, The Working Families Food Stamp Initiative (WFFSI) )

**V. System/CAMS Implications:**

These cases will be terminated by the system on November 8, 2008 and as of November 10, 2008 will appear on a CAMS inquiry with a system termination status of 30. They will no longer be counted as outstanding claims for statistical purposes and will not appear on the DSS-3214, Food Stamp Program – Claims Against Households, report.

The Accounts Receivable Turnaround Document (TAD) that is created on Monday, November 10, 2008 will contain information about the claims that have been terminated by the system. The terminated claims will appear on the monthly DSS-3214, Food Stamp Program - Claims Against Households, report in the terminated section.

The report “CAMS REPORT OF FOOD STAMP CLAIMS SYSTEMATICALLY TERMINATED ON NOVEMBER 10, 2008” (FTTERMREPT00) will be sent via the normal BICS print queue.

**VI. Effective Date: November 10, 2008.**

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**Issued By**

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**Title:** Deputy Commissioner  
**Division/Office:** Center for Employment and Economic Supports