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 | ADMINISTRATIVE DIRECTIVE |
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TRANSMITTAL: 91 ADM-41

TO: Commissioners of
 Social Services

DIVISION: Income
 Maintenance

DATE: October 9, 1991

SUBJECT: Food Stamps: Replacement of Coupons and Food

 SUGGESTED

DISTRIBUTION: Public Assistance Staff
 Food Stamp Staff
 Accounting Staff
 Staff Development Coordinators

CONTACT

PERSON: County Food Stamp Liaison at 1-800-342-3715,
 extension 4-9225.

ATTACHMENTS:

Attachment A - Food Stamp Replacement Requirements
 (available on-line).

FILING REFERENCES

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
		387.16(n), (p), (q), (r)	7 CFR 274.6	MB 201 G-25-G-33 FSSB Sections X-F-all X-G-all	GIS Message 89 IM/DC029

I. PURPOSE

This is to advise social services districts of food stamp replacement procedures and how they are affected by the electronic benefit issuance systems (Alternate Food Stamp Issuance (AFSI) system for social service districts outside New York City, and Electronic Payment File Transfer (EPFT) system for New York City).

II. BACKGROUND

Previous food stamp regulations provided for the replacement of the food stamp Authorizations to Participate (ATPs), food coupons and food purchased with food coupons under certain circumstances. Limits were placed on the frequency of certain types of replacements.

New federal food stamp rules change the frequency limits of some types of replacements, and introduce the concept of "countable replacements" when establishing frequency limits. Social services districts were initially informed of the change in GIS message 89 IM/DC029.

With the statewide implementation of the AFSI program outside of New York City and the ongoing EPFT in New York City, the use of ATPs and the mail issuance of coupons has been eliminated in New York State.

This directive addresses replacements and the concept of the "countable replacement" limit for food stamp coupons and food purchased with food stamp coupons.

A revised DSS-2291 "Statement of Non-Receipt of Food Stamp Benefit" along with specific procedural clarifications for social services districts outside New York City to follow when investigating recipient claims of non receipt of benefits will be distributed under separate cover. AFSI social services districts have received training regarding procedures to follow for the above described situation. The New York City Human Resources Administration (HRA) has specific replacement procedures in place which require incorporation of countable replacements.

III. PROGRAM IMPLICATIONS

Social services districts must process a food stamp household's request for replacement of food stamp coupons and food in accordance with procedures described in Section IV. Social services district processing must include procedures for checking whether the previous replacement of coupons was countable toward the replacement frequency limit, as described below:

A. Countable Replacements

A countable replacement issuance is one which may result in a loss (duplication) of Food Stamp program funds.

In New York State because of the electronic benefit issuance systems, the only countable replacement issuance is one in which food stamp coupons are replaced due to a household misfortune. In this instance, prior to issuing a replacement, the social services district must determine if the household has had food stamp coupons replaced before, and if the limit of two countable replacements in six months will be exceeded.

B. Non-Countable Replacements

1. A replacement issuance of food stamp coupons is not countable and will have no replacement frequency limit if:
 - a. the original or replacement issuance is returned to the social services district;
 - b. the original or replacement electronic benefit is not transacted;
 - c. the replacement benefit is being issued due to a State or social services district issuance error; or
 - d. the replacement issuance is for food stamp coupons which were improperly manufactured or mutilated.
2. An issuance of food stamp coupons to replace food originally purchased with food stamp coupons that was destroyed in a household misfortune is not a countable replacement.
3. An issuance originally countable but fully recouped is no longer taken into consideration when determining how many countable issuances a household has received in the last six months.

IV. REQUIRED ACTION

A. Replacement of Food Stamp Coupons

1. A household misfortune includes, but is not limited to: a fire, a flood or a household accident which results in the destruction of food stamp coupons.

Food stamp coupons which are destroyed in a household misfortune must be replaced, provided that:

- a. the household reports the loss within 10 days of the date of the misfortune;

- b. the household returns, within time limits as specified by IV E.2.C.; a signed statement, (DSS-2291) Statement of Non-Receipt of Food Stamp Benefits; and
- c. the limit on frequency of replacement issuances described in Section IV.E.3.a. will not be exceeded.

2. Households requesting the replacement of food stamp coupons which were received but subsequently mutilated, (e.g., torn or washed) or found to be improperly manufactured (e.g., misprinted) must be referred to the coupon issuer for replacement. Coupon issuers have received instructions regarding the replacement of mutilated or improperly manufactured food stamp coupons (New York State Food Stamp Coupon Issuer Manual: Bulletin 201, Section G. 25-33).

No limit is placed on the frequency of the replacement of mutilated or improperly manufactured food stamp coupons, because the original, identifiable coupons are surrendered to the issuer as non-transactable.

3. Food stamp coupons which are lost, stolen or misplaced after receipt can not be replaced.

B. Replacement of Food Purchased with Food Stamp Coupons

- 1. An issuance of food stamp coupons to replace food which was purchased with food stamp coupons but subsequently destroyed in a household misfortune must be made provided that:
 - a. the household reports the loss within 10 days of the date of the misfortune; and
 - b. the household returns, within time limits, a signed statement, (DSS-2291) Statement of Non-Receipt of Food Stamp Benefits.

Examples of household misfortunes resulting in food loss include a fire, a flood, an extended power outage or an equipment (refrigerator or freezer) failure. No limit is placed on the frequency of replacement issuances for food destroyed in a household misfortune.

C. Electronic Benefit Issuance System and Client Claiming Non-Receipt

When a household claims non-receipt of food stamp benefits and the electronic benefit issuance system indicates that those benefits have been issued, the social services district must investigate to verify the validity of the computer issuance record.

1. New York City EPFT

In New York City this investigation involves the matching of the signature on the issuance voucher with the client's signature. The agency will review the voucher signature with the recipient and a decision will be made whether or not to replace the benefits.

2. Social Services Districts Outside New York City AFSI

When a household member reports non-receipt of a benefit and the issuance system indicates the issuance was made, the social services district must complete a reasonable evaluation of the household member's report of non-receipt. Included in this evaluation should be a discussion of who had access to the Benefit Card and knowledge of the PIN code and whether there was more than one card and/or cardholder that could access the household's benefit. In those circumstances when it has been established that a Benefit Card and PIN were used to obtain the food stamp coupons no replacement can be issued.

In instances where thorough evaluation of the household's statements indicates that the information on the issuance system record is questionable, the social services district must:

- a. request the client to sign the DSS-2291 "Statement of Non-Receipt of Food Stamp Benefits"; and
- b. complete the form entitled "Client Claiming Non-Receipt of FSB" and forward the form to this Department's AFSI Project Office in Albany. Project Office staff will investigate to determine if the issuance system record is correct. If the AFSI Project Office finds that the household was not issued the food coupons, the social services district will be instructed to reissue the food stamp benefit.

D. Disaster Benefits

When the United States Department of Agriculture (USDA) has issued a disaster declaration, a household cannot receive both a disaster food stamp allotment and a replacement issuance for a misfortune.

E. Procedures for Issuing Replacements

1. Timely Reports

Prior to issuing a replacement, the social services district must determine that the household has reported

the loss in a household misfortune or non-recipient of food stamp benefit orally or in writing within time limits. The report is "timely" if it is received by the social services district:

- a. within 10 days of the date coupons or food purchased with food coupons are destroyed in a household misfortune, or;
- b. within the period of intended use for a claim of non-receipt of a food stamp benefit. The period of intended use is the issuance month, except that for issuances on or after the 20th of the month the period of intended use expires at the end of the following month.

2. Statements

- a. The social services district must obtain, from a member of the household or its authorized representative, a signed statement (DSS-2291: "Statement of Non-Receipt of Food Stamp Benefits", or State-approved local district equivalent) when:
 - (1) food stamp coupons were destroyed in a household misfortune;
 - (2) food purchased with food stamp coupons, was destroyed in a household misfortune;
 - (3) a claim has been made by a household of non-receipt of food stamp benefits when the computer issuance record indicates that benefits have been issued to the household for the time period in question.
- b. Upon receipt of an oral or written report of destruction or coupons lost in a household misfortune, the loss of food or, claim of non-receipt of benefits in the electronic benefit issuance system, the social services district must immediately make the form DSS-2291 or state approved local equivalent available for the household to sign. The form must be mailed to households which are unable to come in to the office because of age, handicap or distance and are unable to appoint an authorized representative.
- c. The household must return the signed statement, DSS-2291 Statement of Non-Receipt of Food Stamp Benefits, within 10 days of the date of report in order to receive a replacement issuance. If the 10th day falls on a weekend or holiday, a statement received the day after the weekend or holiday is timely received.

- d. The social services district may choose to retain the signed DSS-2291 or state approved local equivalent in a secure file other than the case folder, such as in an accounting office or other central storage point, so long as it is completely and accurately documented in the record that a replacement was provided and the statement remains readily retrievable for the purposes of case review.

3. Replacement Frequency Limits

- a. Prior to issuing a replacement for food stamp coupons destroyed in a household misfortune, the social services district must determine if the household has had food stamp coupons replaced and if so, whether the limit of two countable replacements in six months would be exceeded. No frequency of replacement limit may be placed on food stamp coupons which are improperly manufactured or mutilated, but deemed replaceable by the coupon issuer (as referenced in IV.A.2).
- b. If the household has already received the maximum allowable number of countable replacements as described in Section IV.E.3.a., the social services district must determine if a recoupmnt of either of the two countable replacements has been completed. If such recoupmnt has been completed, then the household is again eligible for replacement.

4. Investigation of Replacement Requests

The fact that food stamp coupons or food purchased with food stamp coupons were destroyed in a household misfortune must be verified through an assessment of information provided by the client, by obtaining clarification from a collateral contact, through documentation from a community agency including, but not limited to, the fire department or the Red Cross, or by a home visit. Social services district staff must use reasonable judgement regarding the extent of the collateral verification required, taking into account the circumstances of the misfortune stated by the household.

5. Time Limit for Issuing Replacements

- a. The social services district must provide replacement issuances within 10 days after receiving the household's report of the household misfortune or within two working days of receiving the signed statement, whichever is later.

- b. The social services district must deny replacement issuances in cases in which available evidence indicates that the household's replacement request is fraudulent. Issuance may be delayed if further investigation is needed to assure that the request is not fraudulent.
- c. Households whose replacement requests are denied or delayed must be informed of their right to a fair hearing. Households who request a fair hearing must not have replacements issued pending the outcome of the hearing decision. The statement form (DSS-2291) is being revised to include this information and will be forwarded under separate cover.

6. Amount of Replacement Issuances

Replacements must be provided in the amount of the household's loss, but not more than the amount of the month's allotment most recently issued to the household. However, in situations involving restored benefits, the amount of a household's loss, but not more than the amount of the original restored issuance must be replaced.

7. Further Actions on Replacement Issuances

For each household request for a replacement issuance, social services districts must document in the household's case record the date and reason for the request, whether or not the replacement was issued, and whether or not the replacement was countable.

V. SYSTEMS IMPLICATIONS

Social Services Districts Outside New York City

For districts outside New York City, Welfare Management System (WMS) instructions for authorizing replacement benefits will be contained in Section F of an upcoming edition of the Worker Reference Manual (WRM). Accounting Unit staff may refer to the Food Stamp Issuance and Control Manual for payment line conventions.

New York City

Instructions for the replacement of food or food stamp coupons resulting from a household misfortune or mutilated coupons is found in the WMS Authorization of Grants Manual. The form DSS-3574: "Food Stamp Single Issuance Authorization", must be used to authorize replacement benefits.

VI. ADDITIONAL INFORMATION

Attachment A summarizes the food stamp requirements for replacement issuances.

VII. EFFECTIVE DATE

This directive is effective November 1, 1991, retroactive to October 1, 1989.

Oscar R. Best, Jr.
Deputy Commissioner
Division of Income Maintenance

FOOD STAMP REPLACEMENT REQUIREMENTS

<u>TYPE OF LOSS</u>	<u>TIMELY REPORT</u>	<u>STATEMENT REQUIRED</u>	<u>FREQUENCY LIMIT</u>	<u>COMMENTS</u>
Coupons Destroyed in Household Misfortune	Within 10 days of Misfortune	Yes	Twice in six months	
Coupons Mutilated or Defective	No Limit	No	No Limit	Refer Household to Coupon Issuer
Coupons Lost/ Stolen After Receipt	--	--	--	Not Replaceable
Food Purchased with Food Stamps but Destroyed in Household Misfortune	Within 10 days of Misfortune	Yes	No Limit	