

DATE: September 28, 2018

TO: Subscribers

SUGGESTED DISTRIBUTION: Commissioners, TA Directors, SNAP Directors, Staff
Development Coordinators

FROM: Jeffrey Gaskell, Assistant Deputy Commissioner
Employment and Income Support Programs

SUBJECT: Reminder: SNAP Claim Policy and Administration

EFFECTIVE DATE: Immediately

CONTACT PERSON: SNAP Bureau at 1-800-343-8859 ext. 31469

The purpose of this message is to remind social service districts (districts) of certain Supplemental Nutrition Assistance Program (SNAP) overpayment claims policy and administration requirements. This reminder is being issued in response to findings in a recent United States Department of Agriculture, Food and Nutrition Service (USDA-FNS) Management Evaluation review of the FNS-209 "Status of Claims Against Households" Report. The findings pertain to the failure of districts reviewed to terminate claims with balances of less than \$25, and claims on which there has been no collection activity for over three years.

A. Automated Termination of SNAP Claims

Districts are reminded that an Automated Termination of SNAP Claims was conducted in December 2017. Details regarding this mass termination were provided in [17-LCM-15](#). Under existing regulatory authority, the state administratively terminated SNAP claims against closed cases if there has been no collection against the household's debt for three years. Districts do not need to take any action on the terminated claims unless the household again becomes active on SNAP, at which point the claim may be re-established and the claim again becomes collectible through benefit reduction.

Section 16.I of the SNAP Source Book also provides information about claims termination criteria. For a non-participating household, districts may also choose to terminate a claim deemed to be administratively uncollectible if it meets any of the following criteria:

- i. Any claim which is found to be invalid in a fair hearing, administrative disqualification hearing or court hearing;
- ii. Any claim in which all adult household members are deceased, and the local district is not planning to pursue collection from the estate;
- iii. Any claim of up to \$500 for non-participating households (This includes termination of claims less than \$25);
- iv. Any claim which the local district has determined is not cost-effective to collect; or,
- v. Any claim which has been delinquent for three years. Claims no longer should be suspended for 3 years before termination.

Note: Suspension, a period of inactivity prior to referral for collection, is no longer required. Clients are entitled to all appropriate notice and hearing periods but may then be referred without further delay.

Districts should regularly review and terminate claims that meet the above criteria to avoid inflating SNAP Claims inventories with debts that are not likely to be collected. Documentation of the reason for termination should be included in the case record.

B. Termination of Claims Less Than \$25

Districts must follow federal regulation 7 CFR 273.18(e)(8)(ii)(C) regarding termination of claims less than \$25. A claim balance of \$25 or less that has been delinquent for 90 days or more must be terminated unless other claims exist against this household resulting in an aggregate claim total of greater than \$25.

C. Refund of Over-Collected Claim

Guidance in SNAP claim establishment and collection is provided in [04-ADM-01](#). While it is incumbent on districts to ensure collection of SNAP overpayment amount, it is also important for districts to ensure that over-collection of claim amounts is refunded to the clients. On the fourth Friday of each month the Accounts Receivable SNAP Recoupment Activity Report (FSRECOUP) is automatically produced and sent to each district's Benefit Issuance and Control System (BICS) queue. This report must be reviewed to determine when an over-collection has occurred. Additional information on this report can be found in Chapter 6 of the Cash Management System (CAMS) Manual.