

Department of Public Health
and Human Services

Section:
CASE MANAGEMENT

SUPPLEMENTAL NUTRITION ASSISTANCE
PROGRAM (SNAP)

Subject:
Non-Compliance Adjustment

Supersedes: FS 602-5 (04/01/08)

References: 7 CFR 273.11(j)

GENERAL RULE -- When benefits are reduced under a federal, state, or local means-tested public assistance program because a SNAP household member did not perform an action required under the assistance program or for fraud, the household's SNAP benefits cannot be increased.

Means-tested programs include: TANF Cash Assistance, Tribal TANF, or BIA Tribal Assistance.

**WHEN TO APPLY
ADJUSTMENT**

The non-compliance adjustment (NCA) is only applicable when the household member who committed the non-compliance was receiving the other assistance program's benefit and SNAP benefits at the time of the non-compliance. The non-compliance must meet one of the following:

1. A behavioral requirement in the assistance program designed to improve the well-being of the family, such as participating in job search activities. For example, failure to comply with the TANF Family Investment Agreement (FIA)/WoRC Employability Plan (EP) resulting in a sanction; or,
2. The means-tested program is reduced due to repayment of the assistance grant as a result of not taking a required action other than a procedural requirement (see #3 below) of the other assistance program.

NOTE: The non-compliance adjustment is applied when there is a TANF disqualification for an Intentional Program Violation (IPV).

**WHEN NOT
TO APPLY
ADJUSTMENT**

The non-compliance adjustment is not applied when:

1. The non-compliance occurs at the time of initial application or when a new member is added to the household.

EXCEPTION: If the new household member is serving a sanction that was imposed while certified to receive SNAP benefits and the other assistance program's benefits, the non-

compliance adjustment is applied to the new household; or,

If the new member has a repayment due to not taking a required action (other than a procedural requirement) that will reduce the household's current grant amount, the gross assistance grant amount must be used in the SNAP budget.

Example:

Dad and child are open on TANF and SNAP benefits in April; mom and another child are open on TANF and SNAP in a separate case for April. Dad is sanctioned for May due to non-compliance with his FIA/EP. Dad and mom reconcile and the households are combined for May. Since dad is sanctioned for May, the non-compliance adjustment must be applied to the new combined case.

2. The disqualification is not a result of non-compliance with the assistance program requirements; e.g., probation/parole violation or ineligible alien, etc.
3. The disqualification is due to a procedural requirement that an individual must take to continue receiving benefits in the assistance program such as, submitting a program form or providing verification of circumstances.

**NON-COMPLIANCE
ADJUSTMENT FOR
TANF SANCTIONS**

The non-compliance adjustment amount for a program disqualification is the difference between the grant amount prior to the disqualification and the grant amount after the disqualification.

Example 1:

Household consists of mom and two children. WoRC recommends a first TANF sanction (penalty month) on October 10th. The OPA Case Manager imposes the sanction, changes TANF TEAMS SEPA coding to DQ/SN, de-authorizes TANF for November, and sends A741 notice to the household. The OPA Case Manager removes TANF from the SNAP budget for November and must send the F803 increase notice to the household because it is unknown at the time of the sanction recommendation if:

1. Mom will negotiate and agree to comply

with a new FIA/EP in October for the sanction month of November to receive the reduced TANF grant amount; or,

2. The TANF case will close because mom did not negotiate and agree to comply with a new FIA/EP in October for the sanction month of November.

If the OPA Case Manager is unable to remove the TANF income from the SNAP budget, he/she may need to use the 'AF' code on EXPE to zero out the income, and set an alert to remove the 'AF' expense code the following month.

If mom negotiates and agrees to comply with a new FIA/EP and TANF is authorized in time for timely notice of adverse action for November benefits, the non-compliance adjustment is coded 'OF' on UNIN against mom for November. SNAP benefits are decreased and timely notice of adverse action must be sent to the household. The OPA Case Manager sets an alert to remove the non-compliance adjustment for December. If mom negotiates and agrees to comply with a new FIA/EP and TANF is authorized after timely notice of adverse action can be sent to the household, the non-compliance adjustment is not used. SNAP benefits are not decreased for November.

If mom does not negotiate a FIA/EP in the sanction month of November for December, the TANF case is closed, and there is not a non-compliance adjustment.

Example 2:

Household consists of mom, stepfather, and mom's two children. WoRC recommends first TANF sanction (penalty month) for mom and stepfather on October 10th. The OPA Case Manager imposes the sanction, changes TANF TEAMS SEPA coding to DQ/SN, de-authorizes TANF for November, and sends A740 and A741 notices to the household.

The OPA Case Manager removes TANF from the SNAP budget for November and must send the F803 increase notice to the household because it

is unknown at the time of the sanction recommendation if:

1. Mom will negotiate and agree to comply with a new FIA/EP in October for the sanction month of November to receive the reduced TANF grant amount; or,
2. The TANF case will close because mom did not negotiate and agree to comply with a new FIA/EP in October for the sanction month of November.

If the OPA Case Manager is unable to remove the TANF income from the SNAP budget, he/she may need to use the 'AF' code on EXPE to zero out the income, and set an alert to remove the 'AF' expense code the following month.

If mom negotiates and agrees to comply with a new FIA/EP and TANF is authorized in time for timely notice of adverse action for November benefits, the non-compliance adjustment for mom is coded 'OF' on UNIN for November against mom. SNAP benefits are decreased and timely notice must be sent to the household. The OPA Case Manager sets an alert to remove the non-compliance adjustment for December. If mom negotiates and agrees to comply with a new FIA/EP and TANF is authorized after timely notice, SNAP benefits are not decreased for November.

Example 3: Household is serving 4th TANF sanction (6 month ineligibility period). The non-compliance adjustment (NCA) is the amount of the TANF grant prior to the disqualification and is coded 'OF' on UNIN. The household reports a new job and verifies the new job income with a verified upon receipt document. The new earned income must be used in the SNAP budget.

The new income along with the NCA puts household over the Gross Monthly Income (GMI) standard. The case is closed with timely notice even though the household's actual income does not exceed the GMI because the OPA Case

Manager must act on changes that affect the household's benefits which are not related to the assistance violation. The NCA must continue to be used because to not use it would negate the effect of the TANF sanction.

Example 4: Household is serving 3rd TANF sanction (3 month ineligibility period) and has a small amount of earned income. The NCA is the amount of the TANF grant prior to the disqualification and is coded 'OF' on UNIN. The household reports the working individual is no longer working. Job ending and last check were verified.

The earned income is removed and the SNAP benefits increased. The OPA Case Manager must act on changes that would affect the household's benefits that are not related to the assistance violation. The increase in SNAP benefits is allowable because of the loss of income. The effect of the TANF sanction is not negated because the NCA is still counted and benefits are still lower than they would be without the NCA.

**NON-COMPLIANCE
ADJUSTMENT
PROCESS FOR
REPAYMENT**

Use the following steps to assure the correct SNAP allotment is issued during an assistance program reduction due to a repayment as a result of not taking a required action in the assistance program (other than a procedural requirement).

First, determine what caused the repayment.

For **Tribal TANF, or BIA Tribal Assistance**, contact the appropriate agency to determine if the repayment is due to failure to comply with a program requirement (other than a procedural requirement). If so, enter the gross assistance payment amount on the UNIN screen using the appropriate income code.

For **TANF**, if the recoupment is due to failure to comply with TANF requirements, enter the difference between the gross and net benefit as 'OF' on the UNIN screen. If the repayment is due to an agency-caused error or a procedural requirement, continue to use the net TANF benefit amount.

Document TEAMS case notes and send appropriate notices.

**ONGOING
NON-COMPLIANCE**

When the repayment amount from the TANF program changes, the corresponding 'OF' amount must also change to assure the gross

ADJUSTMENT

assistance payment amount is being counted in the SNAP budgeting process. For other assistance programs, continue to use the gross benefit amount with the appropriate income code.

The non-compliance adjustment is not changed when it is due to a program sanction. The 'OF' adjustment amount is only redetermined if initially determined in error or when a sanctioned individual moves out of the SNAP household during a sanction penalty period.

NOTE: The non-compliance adjustment is **not** redetermined when a child moves in or out of the SNAP household or annually when TANF benefit standards are updated.

DURATION OF PROCESS FOR ADJUSTMENT

Due to TANF, Tribal TANF or BIA Tribal Assistance grant reduction: Non-compliance adjustment continues as long as the assistance program grant is being reduced for a repayment caused by not taking a required action other than a procedural requirement.

Due to program disqualification: As long as the program assistance case remains open **and** the individual remains **disqualified** due to a sanction disqualification, the non-compliance adjustment must continue.

EXCEPTION: The non-compliance adjustment continues if the other assistance program's disqualification continues after closure. For example, 1, 3, 6 month(s) ineligibility period due to TANF sanction.

Example: Household consists of mom, stepfather, and two children. WoRC recommends third TANF sanction (3 month ineligibility period). The OPA Case Manager imposes the sanction, changes TANF TEAMS SEPA coding to DQ/SN. The TANF case is closed effective October 31st. The non-compliance adjustment is the amount of the TANF grant for a household size of 4 (\$568) coded 'OF' on UNIN for November, December, and January. Set an alert to remove the non-compliance adjustment for February's budget.

RE-APPLICATION DURING

The non-compliance adjustment applies at application if the household is serving a TANF sanction.

**PENALTY
PERIOD**

Example: Mom, dad and two children receive TANF and SNAP benefits. Dad does not comply with his FIA/EP and second sanction (1 month ineligibility period) is imposed for April. Mom requests TANF and SNAP case closed March 31st. On April 10th the household reapplies. The household must serve the TANF sanction for April, therefore, the non-compliance adjustment is imposed for April by including the non-compliance adjustment amount on the UNIN screen as 'OF'.

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