



United States Department of Agriculture

Food and
Nutrition
Service

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MAY 08 2014

SUBJECT: Quality Control Related Questions and Answers – Agricultural Act of 2014

TO: Regional Directors
All Regions

Attached are Quality Control (QC) related questions and answers pertaining to the Agricultural Act of 2014. The questions cover the application of the 120-day QC hold harmless period (Section 4006), the implementation of the QC tolerance level for small errors (Section 4019), QC standards (Section 4020), and performance bonus payments (Section 4021). Please distribute to your State agencies immediately.

Please feel free to contact Patrick Lucrezio at 703-305-2498 if you have any questions.

A handwritten signature in cursive script that reads "Ronald Ward".

Ronald Ward
Director
Program Accountability and Administration Division

Attachment

Agricultural Act of 2014 - Questions & Answers - Quality Control (QC)

Section 4006: Standard Utility Allowances Based on the Receipt of Energy Assistance

Question: Does the 120-day QC hold harmless period for applications received on or after March 10, 2014, end on July 8, 2014?

Response: The QC variance exclusion period applies to variances that result from certification and recertification actions that occur in the period from March 10, 2014, through July 7, 2014, and that are directly related to the implementation of this provision in accordance with the Act and the March 5, 2014, LIHEAP Implementation Memorandum. The QC variance exclusion period expires on July 8, 2014; this means that any variance resulting from certification or recertification action taken on or after July 8, 2014, regardless when the Supplemental Nutrition Assistance Program (SNAP) application was received, will not be excluded. Please refer to the April 7, 2014, LIHEAP Questions and Answers (LIHEAP Q&A's).

Question: For States assigning 12-month certification periods for continuing cases with certification periods that expire on or after March 10, 2014, when does the 120-day hold harmless period expire?

Response: The QC variance exclusion period expires on July 8, 2014, for all new certification and recertification cases, including for recertification cases that are assigned 12-month certification periods on or after March 10, 2014. No state can exclude QC variances that are directly related to the implementation of Section 4006 on or after July 8, 2014, as explained in the LIHEAP Q&As.

Question: If a state elects to implement the provisions of Section 4006 on a "rolling basis" as referenced in the March 11, 2014, chart sent to all Regions, does the 120-day hold harmless period begin on the date of implementation? For example, if a certification period ends February 28, 2015, and the provisions of Section 4006 can be delayed until August 1, 2015, does the 120-day hold harmless period begin on August 1, 2015?

Response: The QC variance exclusion period expires on July 8, 2014, for all cases, regardless of whether the State chooses to delay implementation for current SNAP recipient cases in accordance with Section 4006(c)(2) of Agricultural Act of 2014. No state can

exclude QC variances directly related to the implementation of Section 4006 on or after July 8, 2014.

Section 4019: Tolerance Level for Small Errors (QC)

Question: When will the QC guidance be received, how will this affect the SNAP-QCS data lock, and the availability of QC cases for Regional Office review?

Response: FNS issued its QC guidance on Section 4019 in its March 27, 2014, Questions and Answers (March 27 Q&A's). The data lock put in place for SNAP-QCS following enactment of the Agricultural Act of 2014, is temporary and only for those cases that need to be changed because they had over or under issuance amounts from \$38 to \$50 and an allotment test indicating that only Comparison I was completed. There were approximately 170 of these cases nationwide. States should still transmit data on other cases.

Section 4020: Quality Control Standards

Question: Does this eliminate the “year one” status and immediately put states over 6 percent into sanction?

Response: No, Section 4020 of the Agricultural Act of 2014, does not eliminate the “year one” status and place States over 6 percent into sanction. This provision substantively amends Section 16(c)(1)(D) of the Food and Nutrition Act. Prior to the amendments made by the Agricultural Act of 2014, Section 16(c)(1)(D) had allowed the Secretary to waive all or any portion of a State agency’s liability amount under certain circumstances. Section 16(c)(1)(C) of the Food and Nutrition Act defines how the liability amount is calculated, which is established only “for the second or subsequent consecutive year, a 95 percent statistical probability exists that the payment error rate of a State exceeds 105 percent of the national performance measure” Section 4020 of the Agricultural Act of 2014 does not amend Section 16(c)(1)(C) of the Food and Nutrition Act; therefore the “year one” status remains unchanged.

Section 4021: Performance Bonus Payments

Question: What is the implementation date?

Response: This provision will take effect for performance bonus payments awarded in 2014, for high performance in Fiscal Year 2013.

Question: Define “improvements in administration and distribution.”
Does that mean BPR?

Response: Section 4021 of the Agricultural Act of 2014, requires performance bonus payments to be used only for SNAP expenses, including investments in technology, improvements in administration and distribution, and actions to prevent fraud, waste and abuse. States may use performance bonuses for Business Process Reengineering (BPR) as it relates to SNAP.