



Food and
Nutrition
Service

JUL 03 2014

Park Office
Center

SUBJECT: Supplemental Nutrition Assistance Program – Fiscal Year 2015 Target Areas for Management Evaluations

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TO: Regional Administrators
Program Directors
All Regions

The purpose of this memo is to transmit national target areas and procedures for Management Evaluations (MEs) for fiscal year (FY) 2015. The Food and Nutrition Service (FNS), with input from the Regional Offices (ROs), has identified 3 national target areas for the ROs to review. In addition, FNS has identified 7 other program areas that ROs should review on an at-risk basis only.

FY 2015 National Target Areas:

MEs for the Federal target areas must be performed on an annual basis in accordance with Federal Regulation 7 CFR 275.3(a). Each year, FNS identifies specific areas required to be reviewed by the ROs.

The FY 2015 Federal Target Areas are:

1. ABAWD Tracking System for those States tracking exemptions that were not reviewed in FY 2014;
2. Employment and Training (E&T) programs at the State agency level with total annual budgets in excess of \$1.5 million (Federal and State funds) in FY 2014; and
3. Program access at the State agency level (including online application processing and initial and recertification application processing timeliness).

Review of the State ME System

In addition to the annual ME reviews, the ROs shall conduct a review of the State agency's ME system on a biennial basis. FNS may review a State agency's ME system on a more frequent basis if a regular review reveals serious deficiencies in the ME system.

This review will include, but not be limited to, a determination of whether or not the State agency is complying with FNS regulations, an assessment of the State agency's methods and procedures for conducting ME reviews, and an assessment of the data collection by the State agency in conducting the review. ROs may consolidate the scheduling of these reviews to reduce the frequency of entry into the State agencies.

Federal At-Risk Areas:

ROs have the flexibility to review other areas on an at-risk basis. In determining risk, the RO should take into consideration the time elapsed since an area has been reviewed, deficiencies identified at that time, and any recent changes to the program area. The RO does not need to include the reason a program area was not reviewed in the ME review report that is sent to State agencies.

The FY 2015 Federal at-risk review areas are:

1. Case and Procedure Error Rate (CAPER);
2. Electronic Benefit Transfer (including issuance, card and Personal Identification Number (PIN) security, and separation of duties as it relates to issuance);
3. E&T programs that leverage third party funds or that operate in pledge states;
4. Nutrition Education;
5. Recipient Claims Management/Treasury Offset Program;
6. State MEs on a biennial basis or as needed; and
7. Recipient Integrity.

In FY 2014, the RO's created a new module to assess a State's Case and Procedural Error Rate (CAPER). The module is necessary to respond to significant changes enacted in the Federal regulations in 2011 to expand the review process of terminations, denials, and suspensions. Last year, the ROs committed to testing the module in one State with the highest rate in their Region. In FY 2015, the CAPER module should be completed for all high risk States. High risk is any State whose FY 2013 CAPER rate exceeds the national average.

The existing ME for SNAP Nutrition Education has not been updated since the introduction of the Healthy Hunger Free Kids Act of 2010. In FY 2015, the RO's will update the module to accommodate regulatory/program changes and test the module in at least one State within the Region prior to the end of the fiscal year. The module should be tested in a State with either the highest SNAP Nutrition Education funding allocation or the State that received the largest funding increase since the previous fiscal year.

On April 24, 2014, FNS published the SNAP Trafficking Controls and Fraud Investigations final rule, which specified requirements for States to monitor EBT card replacement requests and send notices to those clients who have requested four cards within a 12-month period. Subsequently, FNS released Q&A's to answer State questions about the rule. In FY 2015, the Recipient Integrity module should be completed for all high risk States, to include any State where the Region believes the State may not have fully implemented provisions of the Trafficking Controls and Fraud Investigations rule. The ROs may also determine additional high risk indicators.

Federal Procedures:

ROs should note the following procedures for completing MEs in FY 2015.

- Reviews of a national target areas and State ME systems—regardless of whether it is a target area or at-risk area in a given year—*must be completed onsite*.
- To determine whether or not to perform an ME review for an at-risk area, ROs should refer to the ME review guides and consider changes in the past year that put the State agency at risk for compliance problems such as recent staffing cuts, personnel changes, reduced budgets, or policy changes.
- ROs must use the standardized ME review guides to review the specified program areas.
- ROs should remind State agencies about their responsibility for completing corrective action within 60 days. According to Federal Regulation 7 CFR 275.3, States are expected to immediately correct most ME deficiencies within 60 days and report back to the RO on longer range activities. Thus, the 60 day period must be used to immediately address and correct ME findings and the Corrective Action Plan (CAP) should report on longer range activities.

Review Staff:

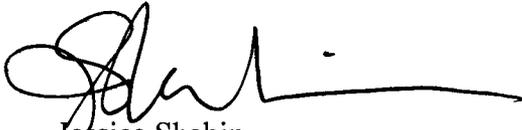
If reviewers at the RO are not familiar with a target area, the RO may need to train reviewers to conduct the review or assign the review to other staff within the RO who have the expertise. For example, financial management staff may monitor and review the financial area of a component, information technology staff may monitor and review an automated function, or civil rights staff may review an overlapping client services component. This will help ensure that problems are identified and corrected.

Reports of RO Review Activity:

The ROs are required to submit the following information related to their review activity. In accordance with our new Standard Operating Procedures (SOPs), each RO must develop a review schedule and enter it into the ME Management System (MEMS) and the Denver Bridge by August 1, 2014. Finalized review planning should be completed by October 1, 2014. All ME reviews must be entered into these systems for tracking purposes.

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We appreciate the effort made by you, your staff, and your State agency partners to ensure the integrity of and improved access to SNAP. If you have any questions or require assistance, please contact Victor Hall at (703) 305-0736 or Victor.Hall@fns.usda.gov.

A handwritten signature in black ink, appearing to read 'Shahin', with a long horizontal line extending to the right.

Jessica Shahin
Associate Administrator
Supplemental Nutrition Assistance Program