

FIELD OPERATIONS BUREAU FOOD STAMP UNIT (FSU)

TRANSMITTAL NUMBER: 06-03 (FS)

September 18, 2006

TO: All FAAC Committee Members and FOB Staff

SUBJECT/PURPOSE: Hold Harmless Period for the Simplified Food Stamp Program Provisions

RELATED REFERENCE: ACL 06-31; ACINs I-40-06 and I-69-06

SUPERSEDES: Transmittal 02-01(FS)

EFFECTIVE DATE: Upon Receipt

BACKGROUND:

The purpose of this transmittal is to advise County Welfare Departments (CWDs) and all other interested parties that there is a 120-day hold harmless/variance exclusion period for errors related to the implementation of the Simplified Food Stamps Program provisions of the Farm Security Act of 2002. This period starts November 1, 2006 and ends on the close of business February 28, 2007.

INSTRUCTIONS:

Effective for the November 2006-February 2007 Sample Months, exclude all variances associated with the provisions implemented on November 1, 2006.

Attachment

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Original Signed by Hector Hernandez

**Hector Hernandez, Chief
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ATTACHMENT

THE HOLD HARMLESS PERIOD

REFERENCE: FNS-310 Section 756

The quality control (QC) system allows for a variance exclusion or “hold harmless” period of up to 120 days (depending upon the implementation date; see below) when major Federal regulatory changes occur. The hold harmless period can apply to both mandatory and optional provisions, depending upon the Federal implementation instructions.

The hold harmless period runs from November 1, 2006 through February 28, 2007. If counties implement the provisions timely, they get the full 120 days. (See example 1.) If the provisions are not implemented timely, the number of days for this period is 120 minus the number of days it took the county to implement the provision (Example 2.)

Examples

1. The effective date is November 1, 2006. The hold harmless period of 120 days is from November 1, 2006 through February 28, 2007. The county implements the change on November 1st. Since the county implemented the change on time, it gets the entire 120-day hold harmless period.
2. The effective date is November 1, 2006, but the county does not implement the provision until December 1, 2006. Since the county did not implement the provision timely, the hold harmless period is only 90 days, from December 1, 2006 through February 28, 2007.

VARIANCE EXCLUSION DETERMINATION

Any variance that occurs when the case is certified/recertified during the variance exclusion period (including failure to implement the change) is excluded either until the case is recertified outside of the hold harmless period or the worker implements the change after the hold harmless period has expired regardless of the certification/recertification date.

Examples

In the following five examples, the county implements the provision change timely, so the variance exclusion period is 120 days, from November 1, 2006 through February 28, 2007.

1. The household is certified within the hold harmless period (November 15th) and is given a 12-month certification period. The worker does not implement the provision during any month of the certification period (through October of the following year.) If the case is sampled during any month of the certification period, the variance is **EXCLUDED** because the case was certified during the hold harmless period **AND** because the worker did not implement the provision after the hold harmless period had expired.
2. The household was given a 12-month certification period beginning in September 2006, which is prior to the provisions' effective date. The worker does not apply any of the provisions for the duration of the certification period. If the case is reviewed during any month of the certification period, the variance is **EXCLUDED** because the case was certified **BEFORE** the provisions' effective date **AND** because the worker did not apply any of the provisions after the hold harmless period had expired.
3. The household was certified in March 2007 and the worker either fails to apply one of the provisions or applies it incorrectly. The variance is **INCLUDED** because the certification occurred after the provision's effective date **AND** because the case was certified outside (after) the hold harmless period.
4. The 12-month certification period begins in December, which is in the variance exclusion period. Based upon information contained on the quarterly report, the worker incorrectly applies the provisions in April 2007, which is after the hold harmless period. If the case is reviewed after the misapplication of the provisions, the variance is **INCLUDED** because the provisions were incorrectly applied outside of the variance exclusion period.
5. The 12-month certification period begins in April 2006, and the worker incorrectly applies the provisions in September. The variance is **INCLUDED** (even though the certification period started before the provisions effective date) because the misapplication of the provisions occurs outside of the hold harmless period.
NOTE: In examples 4 and 5 above, if the worker fails to act on the reported change, the variance is **EXCLUDED** because implementation is not required until the next recertification.

CODING OF EXCLUDED VARIANCES

When the variance is excluded because of the hold harmless period, code the case as a correct case and note in the appropriate class comments that there is a variance which is excluded because of the hold harmless period.