

FIELD OPERATIONS BUREAU FOOD STAMP UNIT (FSU)

TRANSMITTAL NUMBER: 10-02

August 25, 2010

**TO: All Food Assistance Action Committee (FAAC) Members
and Field Operations Bureau (FOB) staff**

SUBJECT/PURPOSE: Informal Resolution and Arbitration Process

RELATED REFERENCE: FNS Handbook 310 Chapter 14

SUPERSEDES: Transmittal 99-03

EFFECTIVE DATE: Upon Receipt

BACKGROUND:

When FNS subsamples a federal QC case and disagrees with the State's findings a federal difference letter is sent to the Field Operations Bureau (FOB). At that point the informal resolution process begins. This process allows the State to challenge the federal findings. If the federal difference is not resolved through this process the State can request arbitration. This is a one-tier process where the Food Stamp Program Quality Control Arbitrator resolves the disagreement between the State and FNS. For a more detailed explanation of this process refer to Chapter 14 of the FNS Handbook 310.

The Federal differences have always had a high priority in the total QC process. Because of the regression formula FNS uses when they discover a difference, even a minor difference can significantly impact California's final error rate. Therefore, it is important that federal differences are handled as accurately and efficiently as possible.

INSTRUCTIONS:

When a federal disagree letter is received, the Food Stamp Unit (FSU) Manager will promptly scan the disagree letter and all relevant supporting documentation to the appropriate FAAC QC Supervisor or FOB Manager (responsible for the small counties). That person will be responsible for making sure that the federal difference is responded to in the proper time frame to meet the federal 20 calendar day timeframe if arbitration is warranted. The FSU manager will give 10 days for the QC Supervisor or FOB Manager to reply to the disagree letter and ten days for the FSU Manager to request an arbitration.

The QC Supervisor and FOB Manager are responsible for providing documentation to resolve the federal difference. We are encouraging that the federal findings be discussed at your error review panel meeting to determine if the difference can be resolved. Your response must be in a letter format with detailed explanation. Although the final decision will still be the responsibility of the FSU Manager, the information the QC Supervisor /FOB Manager provides will be the major criteria in reaching a decision.

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