

FAMILY INDEPENDENCE AGENCY
FAMILY SERVICES ADMINISTRATION
FOOD STAMP PROGRAM

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(By authority conferred on the family independence agency by section 6 of Act No. 280 of the Public Acts of 1939, as amended, being §400.6 of the Michigan Compiled Laws)

R 400.3001 Definitions.

Rule 1. As used in these rules:

- (a) "Administrative recoupment" means a process by which a group's benefits are reduced to make payments on an overissuance.
- (b) "Application filing date" means the date that an agency receives a signed application document that includes the minimum required information.
- (c) "Collection actions" means the family independence agency (FIA) processes initiated to maximize recovery of overissued benefits.
- (d) "Food stamp cash out" means the provision of food stamp benefits through warrants instead of food stamp coupons.
- (e) "Food stamp student status" has the meaning specified in the food stamp act of 1977, 7 U.S.C. §2015(e)(1) and (2).
- (f) "Group living arrangement" has the meaning specified in the food stamp act of 1977, 7 U.S.C. §2012 (i)(7).
- (g) "Mail date" means the date that a food stamp cash out warrant was issued.
- (h) "Nonprofit" means tax-exempt under section 501(c)(3) of the internal revenue code of 1986, 26 U.S.C. §501(c)(3).
- (i) "Overissuance" means an issuance of more benefits than the group is eligible for.
- (j) "Per diem" means a daily rate.
- (k) "Recoupment" means an FIA action to identify and recover a benefit overissuance.
- (l) "Repayment" means an action by a group to pay back benefits received.
- (m) "Returned warrants" means uncashed warrants received by the local FIA office or treasury.
- (n) "Stop payment" means an FIA directive to treasury to not honor a warrant.
- (o) "Substance abuse treatment center (SATC)" means a facility that provides special living arrangements and a complete program for the treatment of addiction to drugs or alcohol, or both.
- (p) "Treasury" means the Michigan department of treasury.
- (q) "Verification" means documentation or other evidence to establish the accuracy of a client's verbal or written statements.
- (r) "Warrant date" means the date shown on the warrant. For regular client warrants, the warrant date is the expected date of delivery. For replacement warrants, the warrant date is the date the warrant was mailed.

History: 1997 AACCS.

R 400.3002 Food stamp cash out issuance.

Rule 2. (1) Food stamp groups receive warrants instead of food stamp coupons in either of the following situations:

- (a) A group does not have an adult who is identified as a perpetrator on the child protective services central registry established under section 7 of Act No. 238 of the Public Acts of 1975, being §722.627 of the Michigan Compiled Laws, and the group's earned income, as recorded on the agency's central computer system, is not less than \$350.00 for 3 consecutive months.
- (b) A group is a migrant farmworker group. However, food stamp coupons shall be issued for the month of application to meet the 7-calendar-day expedited service standard of promptness. At the FIA's discretion, food

stamp coupons shall be issued to migrant farmworker groups in the month of application for groups not entitled to expedited service.

(2) A food stamp group reverts to food stamp coupon issuance under either of the following circumstances:

- (a) The group's earned income is less than \$350.00 for 3 consecutive months.
- (b) The food stamp case is closed for 1 full calendar month.

History: 1997 AACS.

R 400.3003 Returned warrants.

Rule 3. (1) Returned warrants can be rewritten if a group was eligible for food stamp cash out during the period covered by the original warrant.

(2) A group is presumed to be ineligible under any of the following circumstances:

(a) The post office returned a client warrant to the treasury as undeliverable and the group has not contacted the FIA regarding the warrant.

(b) A warrant remains uncashed for more than 30 calendar days after the warrant date and the group has not contacted the FIA regarding the warrant.

(c) A client fails to contact the FIA by the disposition deadline for a warrant returned or delivered to the local office.

(3) A representative of a group who picks up client warrants shall present the group's signed statement of permission.

History: 1997 AACS.

R 400.3004 Replacement policies for warrants reported lost, stolen, not received, or destroyed.

Rule 4. (1) A group is eligible for the replacement of unendorsed warrants reported lost, stolen, not received, or destroyed if replacement is requested by the last workday of the fourth calendar month after the warrant date and if all of the following criteria are met:

(a) The group completes a stop payment/replacement request affidavit. For a stolen warrant, a group shall file a police report. If a police report is not filed, then the warrant shall be replaced only after the warrant amount is recovered.

(b) A client shall contact the post office to verify delivery of a warrant that was issued but not received. If delivery is verified, then the warrant is considered lost. If delivery cannot be verified, then the warrant is considered not received.

(c) For a warrant that is not received, the client shall complete a stop payment/replacement request affidavit not earlier than the day after the fourth mail delivery day following the warrant date.

(d) Under any of the following circumstances, warrants shall be replaced only after the original warrant amount is recovered:

(i) Replacement is requested more than 30 calendar days after the warrant date.

(ii) A client has previously requested a replacement after cashing the original warrant.

(iii) A client has previously requested a stop payment 4 or more times.

(iv) A police report was not filed on a stolen warrant.

(v) The case is closed or closure is pending.

(vi) The warrant to be replaced is a replacement warrant.

(e) If a warrant is cashed by a recipient of the food stamp case, then a request for a stop payment will not be taken and a replacement warrant will not be issued.

(2) A warrant that is lost or stolen after endorsement shall be replaced only if the warrant is later returned or voided, or both.

(3) The following provisions apply to a replacement warrant that is issued for a warrant which was cashed:

(a) If a client claims that the warrant copy signature is not his or her signature, then the client shall sign an affidavit to that effect.

(b) If a client fails to keep an appointment to view the warrant, refuses to sign the affidavit, or admits endorsing both the original and replacement warrants, then the FIA shall recover the overissuance from the group.

History: 1997 AACS.

R 400.3005 Applications.

Rule 5. The application process shall be completed as specified in the food stamp act of 1977, 7 U.S.C. §2020 and 7 C.F.R. §273.2, except as follows:

(a) An application may be submitted by fax on a form prescribed by an agency. The original, signed application shall be received by the agency before benefits are approved.

(b) An application may be denied within 30 calendar days from the application filing date if the applicant was interviewed and allowed not less than 10 calendar days to provide requested verifications.

(c) If an application is denied within 30 calendar days from the application filing date, and the applicant subsequently completes the application requirements within the original 30 calendar days, then benefits shall be provided back to the original date of application if the group is eligible.

(d) An applicant who fails to contact the agency after missing the application interview shall not have a second interview automatically scheduled.

History: 1997 AACS.

R 400.3006 Temporary absence from home.

Rule 6. (1) A person is temporarily absent from the home if all of the following provisions apply:

(a) The person's location is known.

(b) There is a definite plan for the person's return.

(c) The person lived with the group before the absence.

(d) The absence has lasted or is expected to last 30 calendar days or less.

(2) The 30-calendar-day provision in subrule (1)(d) of this rule does not apply if the absence is due to hospitalization.

(3) A person who is temporarily absent as specified in subrules (1) and

(2) of this rule is considered to be living in the home and continues to receive assistance.

History: 1997 AACS.

R 400.3007 Disqualification or penalty for noncompliance with certain requirements.

Rule 7. The disqualification sanctions or penalty for noncompliance with any of the following requirements shall be the same for an applicant for and a recipient of family independence program benefits:

(a) The minor parent requirements specified in section 57b(2) of Act No. 280 of the Public Acts of 1939, as amended, being §400.57b(2) of the Michigan Compiled Laws.

(b) The orientation requirement specified in Section 57d(1) of Act No. 280 of the Public Acts of 1939, as amended, being §400.57d(1) of the Michigan Compiled Laws.

(c) The child support requirements specified in R 400.3010.

History: 1997 AACS.

R 400.3008 Application for food stamp benefits after denial or case closure.

Rule 8. If a group's food stamp benefits are denied or the group's case is closed due to the imposition of a comparable penalty or disqualification and if the group applies for food stamp benefits, but not cash assistance, then the following provisions apply, as applicable:

(a) If the denial or closure was due to noncompliance with the orientation requirement listed in R 400.3007, then the mandatory food stamp employment related activities participant who failed to attend orientation shall attend orientation before benefits are approved for that person. If the mandatory food stamp employment related activities participant does not attend orientation, then he or she is disqualified for benefits as specified in R 400.3610.

(b) If case closure was due to noncompliance with the family independence program's child support requirement listed in R 400.3010, then the persons who are subject to the child support cooperation requirement shall cooperate or be disqualified from benefits in accordance with R 400.3010.

(c) If a group is eligible for benefits, then the beginning date for benefits shall be set to assure the loss of 1 month's food stamp benefits.

History: 1997 AACCS.

R 400.3009 Child support; good cause claim and determination; exceptions to cooperation requirement.

Rule 9. (1) A client shall take all action required by Act No. 280 of the Public Acts of 1939, as amended, being §400.1 et seq. of the Michigan Compiled Laws, to establish paternity and obtain support.

(2) A client may claim good cause for not taking the action specified in subrule (1) of this rule. Good cause includes any of the following reasons:

(a) The child entitled to support was conceived due to incest or forcible rape.

(b) Legal proceedings for the adoption of the child entitled to support are pending before a court.

(c) A client is currently receiving counseling from a public or licensed private social agency to decide if the child entitled to support should be released for adoption and the counseling has not continued for more than 3 months.

(d) Serious physical harm to the child entitled to support.

(e) Serious physical harm to the client.

(f) Serious emotional harm to the child entitled to support that actually harms the child's ability to function in everyday life.

(g) Serious emotional harm to the client that actually harms the client's capacity to adequately care for the child entitled to support.

(3) A client's cooperation in establishing paternity and obtaining support is not required if good cause exists for not cooperating, but a support action may proceed if the FIA determines that the action would not endanger the child entitled to support or the client.

(4) Once a client is informed of the right to claim good cause and decides to make the claim, the client shall do all of the following:

(a) Specify the type of good cause.

(b) Specify the persons covered by the good cause reason.

(c) Provide written evidence to support the claim within 20 calendar days of filing the claim.

(5) A good cause determination shall be made within 45 calendar days of the client's written claim, unless the client was granted an additional 25-calendar-day extension to the original 20-calendar-day limit and more information is needed that cannot be obtained within the 45-calendar-day limit.

(6) A good cause determination shall make 1 of the following findings:

(a) Good cause does not exist and the client must cooperate.

(b) Good cause does exist and the client's cooperation in obtaining support is not required.

(c) Good cause does exist, but a support action can proceed without the client and without endangering the client or the child entitled to support.

History: 1997 AACCS.

R 400.3010 Imposition of support disqualification; removal of support disqualification.

Rule 10. (1) Failure to cooperate in obtaining support without good cause results in disqualification and a minimum of a 1-month period of ineligibility for the person who failed to cooperate.

(2) The remaining group members may receive full program benefits, if eligible.

(3) If the noncooperative person remains disqualified for 4 consecutive months for failure to cooperate in obtaining support, then the entire case is closed. The case shall remain closed for a minimum of 1 month and cannot be reopened until the noncooperative person cooperates and takes action to establish paternity or obtain support.

History: 1997 AACCS.

R 400.3011 Benefit overissuance collection and repayment actions.

Rule 11. (1) The FIA will seek recoupment of food stamp program benefit overissuances from active or inactive food stamp groups by cash repayment or benefit reduction through administrative recoupment processes.

(2) The FIA will seek recoupment of benefit overissuances from any adult who was a group member when the overissuance occurred.

(3) If the overpaid food stamp group did not include a qualified or disqualified adult at the time of the overissuance, then a collection action will not be initiated unless the overissuance was established through court action or by obtaining a signed repayment agreement.

(4) The FIA will recoup overissuances to active food stamp cases through benefit reduction, unless cash payments are ordered by a court.

(5) If an overissuance is not paid in full, then food stamp benefits will be reduced by the percentage specified in the food stamp act of 1977, 7 U.S.C. §2022(b).

(6) If a court orders cash repayment and the active food stamp client does not make regular cash payments, then the FIA will change the collection method to benefit reduction.

(7) Local FIA offices may pursue collection from estates through probate court claim action for a person who dies and has an overissuance balance.

(8) A payment received as restitution under the terms of probation will reduce the balance owed, but the completion of the probation period or the performance of a requirement of probation does not reduce the amount owed in excess of the actual dollar amount paid toward the overissuance.

History: 1997 AACS.

R 400.3012 Eligibility for persons in food stamp student status.

Rule 12. A person who is in food stamp student status must be any of the following to receive food stamps:

- (a) A recipient of a grant from the family independence program.
- (b) An employee who is employed not less than 20 hours per week, including self-employment.
- (c) A medically disabled person.
- (d) A person placed in post secondary education by a federal or state employment program.
- (e) A participant in a state or federally funded work study program.

History: 1997 AACS.

R 400.3013 Striker penalties.

Rule 13. (1) A person who is on strike on the last day of a calendar month is excluded from the eligible group.

(2) The striker's spouse and the striker's children are also excluded from the eligible group if they live with the striker.

(3) At application, it is assumed that a striker will be on strike on the last day of the month unless it is verified that he or she will not be.

(4) If a person is already receiving assistance and is on strike on the last day of the month, then the striker and his or her children who live with the striker are ineligible for 1 month or until the strike ends, whichever is longer.

History: 1997 AACS.

R 400.3014 Benefits for food stamp-eligible recipients in group living arrangements.

Rule 14. (1) The family independence agency will provide benefits to food stamp-eligible recipients in the form of a warrant issued to the group home provider.

(2) The warrant will be issued after the end of each month and will be based on the number of days the group living arrangement operator certifies that the eligible recipient was a resident during that month.

(3) Effective January of each year, the family independence agency will set a per diem rate based on the average daily food stamp benefit amount that is issued to all food stamp recipients the previous October.

History: 1997 AACS.

R 400.3015 Nutrition subsidy for residents of substance abuse treatment centers.

Rule 15. (1) Residents of SATCs are not eligible for food stamp benefits.

(2) The department of community health will be responsible for distributing any nutritional subsidy provided by the FIA as part of the payments the department of community health makes for low-income clients.

History: 1997 AACS.