

CHAPTER 87

FOOD STAMP MANUAL

Authority

N.J.S.A. 30:4B-2, 7 CFR Parts 271, 272, 273, 274, 275, and 278; and the Americans with Disabilities Act (P.L. 101-336).

Source and Effective Date

R.1994 d.42, effective December 21, 1993.
See: 25 N.J.R. 4697(b), 26 N.J.R. 377(a).

Executive Order No. 66(1978) Expiration Date

Chapter 87, Food Stamp Manual, expires on December 21, 1998.

Chapter Historical Note

Chapter 87, Food Stamp Manual, was filed as R.1969 d.22, effective December 3, 1969. See: 1 N.J.R. 14(a), 1 N.J.R. 30(b). A new Food Stamp Manual was adopted as R.1972 d.177, effective September 8, 1972. See: 4 N.J.R. 187(a), 4 N.J.R. 239(a). A new Manual was again adopted, as R.1975 d.350, effective January 1, 1976. See: 7 N.J.R. 363(b), 7 N.J.R. 567(d). The Manual was further replaced, by R.1979 d.29, effective March 1, 1979. See: 10 N.J.R. 537(b), 11 N.J.R. 76(a).

Pursuant to Executive Order No. 66(1978), Chapter 87 was readopted as R.1984 d.68, effective March 1, 1984. See: 15 N.J.R. 2134(b), 16 N.J.R. 550(a). Chapter 87 was again readopted, as R.1989 d.121, effective January 27, 1989. See: 20 N.J.R. 2689(a), 21 N.J.R. 511(b).

Pursuant to Executive Order No. 66(1978), Chapter 87 was readopted as R.1994 d.42. See: Source and Effective Date. See, also, section annotations for specific rulemaking activity.

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. GENERAL PROVISIONS

- 10:87-1.1 Purpose of the Food Stamp Program
- 10:87-1.2 Administration of the Program
- 10:87-1.3 Legal basis of the Program
- 10:87-1.4 Program informational activities
- 10:87-1.5 Purpose of the New Jersey Food Stamp Manual
- 10:87-1.6 The concept of reasonable certainty; situations not covered by the manual
- 10:87-1.7 Assignment of manual
- 10:87-1.8 Responsibility of manual holders
- 10:87-1.9 Retention of obsolete material
- 10:87-1.10 Public access to the manual
- 10:87-1.11 Policy of nondiscrimination
- 10:87-1.12 Complaint procedures
- 10:87-1.13 Public Notification Plan
- 10:87-1.14 Confidentiality and disclosure of information
- 10:87-1.15 Public access to information
- 10:87-1.16 Appeals
- 10:87-1.17 Suits against county
- 10:87-1.18 (Reserved)

SUBCHAPTER 2. THE APPLICATION PROCESS

- 10:87-2.1 The household concept
- 10:87-2.2 Household defined
- 10:87-2.3 Nonhousehold members, boarders and excluded household members
- 10:87-2.4 Residents of institutions and homeless individuals defined
- 10:87-2.5 Boarding home/house
- 10:87-2.6 Head of household
- 10:87-2.7 Authorized representatives
- 10:87-2.8 Nonhousehold member as authorized representative

- 10:87-2.9 Documentation of authorized representative
- 10:87-2.10 Restrictions on authorized representatives
- 10:87-2.11 Application for food stamps
- 10:87-2.12 Food stamp application form
- 10:87-2.13 Filing an application
- 10:87-2.14 Household cooperation
- 10:87-2.15 Denial of eligibility for non-cooperation
- 10:87-2.16 Subsequent refusal to cooperate
- 10:87-2.17 Refusal to cooperate with Quality Control reviews
- 10:87-2.18 (Reserved)
- 10:87-2.19 Interview process
- 10:87-2.20 Mandatory verification
- 10:87-2.21 Verification of questionable information
- 10:87-2.22 Verification of Social Security and/or SSI using SDX/BEN-DEX
- 10:87-2.23 Sources of verification
- 10:87-2.24 Documentation
- 10:87-2.25 through 10:87-2.27 (Reserved)
- 10:87-2.28 Verification subsequent to initial certification
- 10:87-2.29 Denial of the application
- 10:87-2.30 Normal processing standard
- 10:87-2.31 Delays in processing
- 10:87-2.32 Expedited service
- 10:87-2.33 Expedited service processing standards
- 10:87-2.34 Special procedures for expediting service
- 10:87-2.35 AFDC eligibility determination (PA households)
- 10:87-2.36 Categorically eligible AFDC/SSI households
- 10:87-2.37 Procedures for SSI jointly processed households
- 10:87-2.38 Elderly or disabled household members
- 10:87-2.39 Categorically eligible GA households

SUBCHAPTER 3. ELIGIBILITY FACTORS OTHER THAN NEED

- 10:87-3.1 Applicability
- 10:87-3.2 Residency in the county
- 10:87-3.3 Determination of residency
- 10:87-3.4 Recording applicant's address
- 10:87-3.5 Citizenship or permanent alien status
- 10:87-3.6 U.S. citizen defined
- 10:87-3.7 Eligible alien
- 10:87-3.8 Eligible aliens; listing
- 10:87-3.9 Ineligible aliens
- 10:87-3.10 Income and resources of ineligible aliens and individual whose citizenship is questionable
- 10:87-3.11 Awaiting verification
- 10:87-3.12 Eligibility to use coupons for prepared meals
- 10:87-3.13 State Income and Eligibility Verification System
- 10:87-3.14 Procedures for students in an institution of higher education
- 10:87-3.15 Social Security numbers
- 10:87-3.16 Work registration

SUBCHAPTER 4. FINANCIAL ELIGIBILITY; RESOURCES

- 10:87-4.1 Applicability
- 10:87-4.2 Determining resources and applicant responsibility
- 10:87-4.3 Resources defined
- 10:87-4.4 Jointly owned resources
- 10:87-4.5 Verification of resource information
- 10:87-4.6 Resources of nonhousehold and excluded household members
- 10:87-4.7 Resource exclusions
- 10:87-4.8 Identification of resource exclusions
- 10:87-4.9 Treatment of excluded funds
- 10:87-4.10 Value of resources
- 10:87-4.11 Fair market value of licensed vehicles
- 10:87-4.12 Treatment of licensed vehicles
- 10:87-4.13 Maximum allowable resources
- 10:87-4.14 Transfer of resources
- 10:87-4.15 Disqualification

- 10:87-4.16 Transfers not subject to disqualification
- 10:87-4.17 Notice to applicant household
- 10:87-4.18 Notice to participating household
- 10:87-4.19 Period of disqualification
- 10:87-4.20 Resources of nonhousehold members

SUBCHAPTER 5. FINANCIAL ELIGIBILITY; INCOME

- 10:87-5.1 Applicability
- 10:87-5.2 Responsibilities regarding the reporting of income
- 10:87-5.3 Income defined
- 10:87-5.4 Earned income
- 10:87-5.5 Unearned income
- 10:87-5.6 Income of excluded individuals
- 10:87-5.7 Treatment of recovery moneys and Title IV-D child support payments
- 10:87-5.8 Income exclusions
- 10:87-5.9 Identification of income exclusions
- 10:87-5.10 Income deductions
- 10:87-5.11 Treatment of educational assistance

SUBCHAPTER 6. CERTIFICATION PROCEDURES

- 10:87-6.1 Applicability
- 10:87-6.2 Month of application
- 10:87-6.3 Application for recertification
- 10:87-6.4 Ineligibility subsequent to month of application
- 10:87-6.5 Ineligibility for month of application
- 10:87-6.6 Varying allotments
- 10:87-6.7 Determining resources and income
- 10:87-6.8 Resources
- 10:87-6.9 Income determination
- 10:87-6.10 Determining deductions
- 10:87-6.11 Disallowed expenses
- 10:87-6.12 Billed expenses
- 10:87-6.13 Averaging expenses
- 10:87-6.14 Anticipating expenses
- 10:87-6.15 Calculating net and gross income and benefit levels
- 10:87-6.16 Destitute households
- 10:87-6.17 Destitute households with income from a terminated source
- 10:87-6.18 Destitute households with income from a new source
- 10:87-6.19 Certification periods
- 10:87-6.20 Suspension of categorically eligible households
- 10:87-6.21 Calendar months
- 10:87-6.22 PA households
- 10:87-6.23 Other households

SUBCHAPTER 7. SPECIAL INCOME CIRCUMSTANCES

- 10:87-7.1 Applicability
- 10:87-7.2 Self-employment income
- 10:87-7.3 Annualizing self-employment income
- 10:87-7.4 Self-employment part of annual support
- 10:87-7.5 New self-employment enterprise
- 10:87-7.6 Determining monthly income from self-employment
- 10:87-7.7 Capital gains
- 10:87-7.8 Allowable costs of producing self-employment income
- 10:87-7.9 Assigning certification periods
- 10:87-7.10 Households with boarders
- 10:87-7.11 Income from the boarder
- 10:87-7.12 Cost of doing business
- 10:87-7.13 Deductible expenses
- 10:87-7.14 Treatment of income and resources of certain nonhousehold members
- 10:87-7.15 Treatment of income and resources of other nonhousehold members
- 10:87-7.16 Residents of drug/alcoholic treatment and rehabilitation programs and group living arrangements
- 10:87-7.17 Residents of shelters for battered women and their children
- 10:87-7.18 Deeming of income and resources of alien sponsors
- 10:87-7.19 Homeless Food Stamp households and homeless meal providers

SUBCHAPTER 8. FAIR HEARINGS

- 10:87-8.1 General provisions
- 10:87-8.2 CWA responsibility to provide fair hearing information
- 10:87-8.2A Fair hearing based on Federal changes
- 10:87-8.3 Request for fair hearing
- 10:87-8.4 Right to request a fair hearing
- 10:87-8.5 Time period for request of a hearing
- 10:87-8.6 Processing fair hearing requests
- 10:87-8.7 Participation during appeal
- 10:87-8.8 Delayed request
- 10:87-8.9 Reduction or termination due to mass change
- 10:87-8.10 Reduction or termination of benefits prior to a hearing decision
- 10:87-8.11 Prompt notice
- 10:87-8.12 Hearing procedures
- 10:87-8.13 (Reserved)
- 10:87-8.14 Hearing official
- 10:87-8.15 Household rights
- 10:87-8.16 County welfare agency rights at hearing
- 10:87-8.17 through 10:87-8.18 (Reserved)
- 10:87-8.19 (Reserved)
- 10:87-8.20 Decision on fair hearing
- 10:87-8.21 Retention of record
- 10:87-8.22 Prospective or retroactive action
- 10:87-8.23 Synopsis of decision
- 10:87-8.24 Corrective measures
- 10:87-8.25 Final administrative action
- 10:87-8.26 CWA responsibilities; fair hearings

SUBCHAPTER 9. CERTIFICATION RELATED PROCEDURES

- 10:87-9.1 Recertification
- 10:87-9.2 CWA action on timely application for recertification
- 10:87-9.3 Notice of eligibility
- 10:87-9.4 Recertification/denial/pending notice
- 10:87-9.5 Changes
- 10:87-9.6 Identification (ID) cards
- 10:87-9.7 Replacement of benefits
- 10:87-9.8 Miscellaneous administrative procedures
- 10:87-9.9 Case records
- 10:87-9.10 Security and control of ATPs
- 10:87-9.11 through 10:87-9.13 (Reserved)
- 10:87-9.14 (Reserved)

SUBCHAPTER 10. FISCAL OPERATIONAL PROBLEMS

- 10:87-10.1 State Plan for Food Stamp Employment and Training Programs
- 10:87-10.2 State Plan general requirements
- 10:87-10.3 Employment and training program performance standards
- 10:87-10.4 Work registration
- 10:87-10.5 Appropriate Food Stamp Employment and Training Program Office (FSETP) defined
- 10:87-10.6 Registration procedure
- 10:87-10.7 Exemptions from the work registration requirement
- 10:87-10.8 Persons losing exempt status
- 10:87-10.9 Work registrant requirements
- 10:87-10.10 Voluntary quit
- 10:87-10.11 Good cause
- 10:87-10.12 Verification of voluntary quit and good cause
- 10:87-10.13 Rules on ending a voluntary quit disqualification
- 10:87-10.14 (Reserved)
- 10:87-10.15 Unsuitable employment
- 10:87-10.16 Strikers
- 10:87-10.17 Job search components
- 10:87-10.18 Job search training component
- 10:87-10.19 Vocational/educational training component
- 10:87-10.20 Failure to comply
- 10:87-10.21 Penalty for noncompliance with employment and training requirements
- 10:87-10.22 Fair hearings
- 10:87-10.23 Good cause for noncompliance

10:87-10.24 Ending disqualification

SUBCHAPTER 11. INCORRECT ISSUANCE

- 10:87-11.1 Intentional program violation disqualification
- 10:87-11.2 Imposing disqualification periods
- 10:87-11.3 Waiver of right to administrative disqualification hearing
- 10:87-11.4 Disqualification consent agreement
- 10:87-11.5 Definition of intentional program violation
- 10:87-11.6 Administrative disqualification
- 10:87-11.7 Administrative disqualification hearing procedures
- 10:87-11.8 Participation while awaiting a hearing
- 10:87-11.9 (Reserved)
- 10:87-11.10 No further administrative appeal
- 10:87-11.11 Court imposed disqualifications
- 10:87-11.12 Reversed intentional program violation disqualifications
- 10:87-11.13 Restoration of lost benefits
- 10:87-11.14 Period of restoration
- 10:87-11.15 Errors discovered by the CWA
- 10:87-11.16 Disputed benefits
- 10:87-11.17 Computing amount to be restored
- 10:87-11.18 Individuals disqualified for intentional program violation
- 10:87-11.19 Method of restoration
- 10:87-11.20 Change in household composition
- 10:87-11.21 Benefits lost prior to EPR
- 10:87-11.22 Federally mandated reduction or cancellation of benefits
- 10:87-11.23 Claims against households
- 10:87-11.24 Inadvertent household error and administrative error claims
- 10:87-11.25 Instances requiring a claim determination for inadvertent household errors or administrative errors
- 10:87-11.26 Collecting inadvertent household errors and administrative error claims
- 10:87-11.27 Intentional program violation claims
- 10:87-11.28 Establishing an intentional program violation claim
- 10:87-11.29 Collecting intentional program violation claims
- 10:87-11.30 Changes in household composition
- 10:87-11.31 Methods of collection
- 10:87-11.32 Interstate claims collection
- 10:87-11.33 CWA reporting requirements for incorrect issuances

SUBCHAPTER 12. TABLES

- 10:87-12.1 Income deductions
- 10:87-12.2 Maximum coupon allotment
- 10:87-12.3 Maximum allowable net income standards
- 10:87-12.4 Maximum allowable gross income standards
- 10:87-12.5 Food stamp allotment proration
- 10:87-12.6 Monthly coupon allotment
- 10:87-12.7 165 percent of poverty level

APPENDIX A FISCAL MANAGEMENT

SUBCHAPTER 1. GENERAL PROVISIONS

10:87-1.1 Purpose of the Food Stamp Program

The Food Stamp Program is designed to promote the general welfare and to safeguard the health and well being of the population by raising the levels of nutrition among low-income households.

Case Notes

County welfare board's discretion is severely restricted by state and federal regulations. *Battaglia v. Union Cty. Welfare Bd.*, 88 N.J. 48,

438 A.2d 530 (1981) certiorari denied 102 S.Ct. 2045, 456 U.S. 965, 72 L.Ed.2d 490 (1982).

Recipients who illegally receive benefits under the Food Stamp Program are subject to both federal and state criminal sanctions. *Atty.Gen.F.O.1978, No. 2.*

The state and counties are obligated to investigate apparent instances of fraud committed by either employees or recipients of the Food Stamp Program, make demand for the repayment of food stamp coupons issued as a result of fraud or misrepresentation, make an administration determination as to whether the facts warrant referral of the matter to state or federal authorities for prosecution, and refer the matter to such authorities if appropriate. *Atty.Gen.F.O.1978, No. 2.*

10:87-1.2 Administration of the Program

(a) The Program is authorized by the U.S. Congress and regulated by the U.S. Department of Agriculture (USDA). In New Jersey, the county welfare agencies (CWAs) are responsible for certifying eligible households and arranging for coupon issuance outlets. Only persons employed by a CWA are legally empowered to enroll applicants in the program.

(b) Although the counties directly administer the Program, the State is ultimately responsible for ensuring that program operations conform with Federal laws and USDA regulations.

(c) The county administration of the Food Stamp Program is supported by a centralized computer management information system to comply with the requirement for keeping a uniform system of records and accounts throughout the State. CWAs have access to the management information system that performs routine clerical tasks, determines eligibility status, calculates the coupon allotment, produces food stamp Authorizations to Participate (ATPs), and management and fiscal reports. This automated system expedites implementation of policy changes, eliminates duplication of effort, and allows for efficient updating of information.

Amended by R.1989 d.121, effective February 21, 1989.
See: 20 N.J.R. 2689(a), 21 N.J.R. 511(b).

Case Notes

Notice informing claimant that food stamp benefits would be reduced because of an increase in his supplemental security income was insufficient. *Meyer v. New Jersey Dept. of Human Services, Div. of Family Development*, 269 N.J.Super. 310, 635 A.2d 544 (A.D.1993).

10:87-1.3 Legal basis of the Program

Policies and procedures for the administration of the program are derived from the Food Stamp Act of 1977 (7 U.S.C. 2011-2029) and current USDA, Food and Nutrition Service (FNS), regulations and instructions (which are uniform nationwide).

Amended by R.1989 d.121, effective February 21, 1989.
See: 20 N.J.R. 2689(a), 21 N.J.R. 511(b).

Substantially amended.

10:87-1.4 Program informational activities

(a) The Division of Public Welfare (DPW) will supply CWAs with posters and pamphlets concerning nutritional information, and, where available, explanations of Special Supplemental Food Program for Women, Infants and Children (WIC) and the Commodity Supplemental Food Program (CSFP) explanations. CWAs shall display the posters and make the pamphlets available at all food stamp and public assistance offices.

(b) CWAs shall inform participant and applicant households of their program rights and responsibilities. The information may be provided through whatever means DPW deems appropriate.

(c) All informational material shall be available in languages other than English as required by FNS bilingual guidelines (see 7 CFR 272.4(b)) and shall include a statement that the program is available to all without regard to race, color, sex, age, handicap, religious creed, national origin, or political belief.

As amended on an emergency basis, R.1981 d.398, eff. September 30, 1981 (oper. October 1, 1981), exp. November 30, 1981.

See: 13 N.J.R. 769(a).

Readopted, R.1981 d.517, eff. December 31, 1981.

See: 13 N.J.R. 769(a), 14 N.J.R. 103(a), 14 N.J.R. 208(b).

Old text concerning "outreach efforts" deleted are replaced with new text concerning "program informational activities".

Amended by R.1989 d.121, effective February 21, 1989.

See: 20 N.J.R. 2689(a), 21 N.J.R. 511(b).

Old text repealed and new text added.

10:87-1.5 Purpose of the New Jersey Food Stamp Manual

The purpose of this manual is to outline the policies and procedures applicable to the certification and/or recertification of those who apply for food stamps. The policies and procedures contained in this manual shall be used to determine eligibility criteria and issuance requirements for food stamp benefits for all qualified households regardless of their eligibility for other assistance programs.

Amended by R.1989 d.121, effective February 21, 1989.

See: 20 N.J.R. 2689(a), 21 N.J.R. 511(b).

Substantially amended.

Case Notes

Regulations in N.J.A.C. 10:82 regarding loans inapplicable to Food Stamp dispute. In re: S.C., 6 N.J.A.R. 333 (1981).

10:87-1.6 The concept of reasonable certainty; situations not covered by the manual

(a) While this manual attempts to minimize discretionary action on the part of the certification worker, there will be situations which are not specifically covered by existing policy guidelines. In those cases the certification worker shall be expected to make a judgment, based on his or her experience and/or knowledge of the Program, which can be defended as both reasonable and prudent.

(b) In cases where the treatment of a situation is neither specifically nor generally addressed in this manual, the matter shall be referred to DPW for resolution.

Amended by R.1989 d.121, effective February 21, 1989.

See: 20 N.J.R. 2689(a), 21 N.J.R. 511(b).

Substantially amended.

10:87-1.7 Assignment of manual

Copies of this manual shall be assigned to administrative and other staff working with applicants and recipients. Each staff member is expected to be thoroughly familiar with its contents so that policy and procedures may be consistently applied.

Amended by R.1989 d.121, effective February 21, 1989.

See: 20 N.J.R. 2689(a), 21 N.J.R. 511(b).

Deleted "staff", "to" and "in order".

10:87-1.8 Responsibility of manual holders

Each holder of the manual shall be responsible for maintaining a current and up-to-date manual. DPW shall issue revisions and changes as necessary; the manual holder shall insert new material and remove obsolete pages promptly.

Amended by R.1989 d.121, effective February 21, 1989.

See: 20 N.J.R. 2689(a), 21 N.J.R. 511(b).

Deleted "the Division of Public Welfare".

10:87-1.9 Retention of obsolete material

The CWA shall retain one copy of obsolete manual material for administrative purposes.

Amended by R.1989 d.121, effective February 21, 1989.

See: 20 N.J.R. 2689(a), 21 N.J.R. 511(b).

Deleted "the County Welfare agency".

10:87-1.10 Public access to the manual

(a) This manual is a public document and shall be made accessible in accordance with (b) through (h) below.

(b) Fair hearings: Specific policy material necessary for an applicant, recipient, and/or representative to determine whether or not a hearing should be requested, or to prepare for a hearing, shall be provided to such persons without charge.

(c) Libraries: All public and private libraries which have agreed to maintain the manual on a current up-to-date basis shall make a copy available to the public, subject to their own regulations.

(d) Legal services: Each county legal services office shall be furnished with a copy of this manual.

(e) Service organizations: Welfare, social service and other nonprofit organizations shall be furnished with a free copy of the manual upon receipt by DFD of an official, written request.

See: 19 N.J.R. 1331(a).
Adoption of Concurrent Proposal as R.1987 d.375, effective August 24,
1987.

See: 19 N.J.R. 1331(a), 19 N.J.R. 1738(b).
Provisions of emergency amendment R.1987 d.304 readopted without
change.

Emergency adoption, R.1988 d.512, effective September 30, 1988 (operative October 1, 1988, expires November 29, 1988).
 See: 20 N.J.R. 2592(a).
 Raised maximum allowable net income.
 Adoption of concurrent proposal R.1989 d.1, effective November 29, 1988.
 See: 20 N.J.R. 2592(a), 21 N.J.R. 21(a).
 Provisions of emergency rule R.1988 d.512 readopted without change.
 Emergency amendment, R.1989 d.533, effective September 22, 1989 (expires November 21, 1989).
 See: 21 N.J.R. 3316(a).
 Maximum allowable net income raised to conform to Federal requirements.
 Adopted concurrent proposal R.1989 d.606, effective November 21, 1989.
 See: 21 N.J.R. 3316(a), 21 N.J.R. 3918(b).
 Provisions of emergency amendment R.1989 d.533 readopted without change.
 Amended by R.1990 d.437, effective September 4, 1990.
 See: 22 N.J.R. 1670(a), 22 N.J.R. 2715(a).
 Deleted Table III, replacing with text explaining annual calculation and publishing schedule.
 Public Notice: Maximum Allowable Net Income revised to conform to Federal requirements.
 See: 24 N.J.R. 3769(b).
 Public Notice: Maximum allowable net income, effective October 1, 1993.
 See: 25 N.J.R. 5365(a).
 Public Notice: Maximum allowable net income, effective October 1, 1994.
 See: 26 N.J.R. 3901(a).
 Public Notice: Maximum allowable net income, effective October 1, 1995.
 See: 27 N.J.R. 4919(b).
 Public Notice: Maximum allowable net income, effective October 1, 1996.
 See: 28 N.J.R. 4677(b).

Law Review and Journal Commentaries

Food Stamps. Steven P. Bann, 137 N.J.L.J. No. 15, 83 (1994).

Case Notes

Adoption of amendments to regulation cited as example of swift rulemaking by Division of Public Welfare. *Eherenstorfer v. Div. of Public Welfare*, 196 N.J.Super. 405, 483 A.2d 212 (App.Div.1984).

10:87-12.4 Maximum allowable gross income standards

The Maximum allowable gross income standards shall be those calculated by the United States Department of Agriculture and published annually in the Federal Register, pursuant to 7 CFR 273.9(a) and effective October 1 of each year.

Amended by R.1979 d.234, effective July 1, 1979.

See: 11 N.J.R. 346(e).

Amended by R.1979 d.477, effective January 1, 1980.

See: 12 N.J.R. 42(a).

Increased Coupon allotments.

Amended by R.1980 d.296, effective July 1, 1980.

See: 12 N.J.R. 482(b).

Amended to reflect the Federal adjustment in maximum allowable net income standards, monthly coupon allotments and allowable gross income limits for tax dependents.

Amended by R.1980 d.558, effective January 1, 1981.

See: 13 N.J.R. 100(e).

Old text entirely deleted and replaced with new text.

Emergency Amendment, R.1981 d.398, effective September 30, 1981 (operative October 1, 1981), expires November 30, 1981.

See: 13 N.J.R. 769(a).

Readopted, R.1981 d.517, effective December 31, 1981.

See: 13 N.J.R. 769(a), 14 N.J.R. 103(a).

Table concerning "Monthly Coupon Allotment" deleted and replaced with "Maximum Allowable Gross Income Standards."

Amended by R.1982 d.318, effective September 2, 1982.

See: 14 N.J.R. 757(d), 14 N.J.R. 1057(a).

Increases in maximum allowable gross income reflect annual Federal adjustments for cost of living.

Amended by R.1983 d.382, effective August 30, 1983.

See: 15 N.J.R. 1185(a), 15 N.J.R. 1583(b).

Gross income standards increased.

Amended by R.1984 d.413, effective September 17, 1984.

See: 16 N.J.R. 1935(a), 16 N.J.R. 2442(a).

Gross income standards increased.

Emergency Amendment R.1985 d.371, effective June 24, 1985 (operative July 1, 1985, expires August 23, 1985).

See: 17 N.J.R. 1793(a).

Maximum Allowable Income raised.

Readoption R.1985 d.480, effective August 26, 1985.

See: 17 N.J.R. 1793(a), 17 N.J.R. 2273(b).

Emergency Amendment and Concurrent Proposal, R.1986 d.297, effective June 30, 1986 (operative July 1, 1986).

See: 18 N.J.R. 1490(a).

Maximum Allowable Income raised.

Readopted Concurrent Proposal, R.1986 d.395, effective October 6, 1986.

See: 18 N.J.R. 1490(a), 18 N.J.R. 2015(c).

Emergency Amendment, R.1987 d.304, effective June 25, 1987 (operative July 1, 1987, expires August 24, 1987).

See: 19 N.J.R. 1331(a).

Adoption of Concurrent Proposal as R.1987 d.375, effective August 24, 1987.

See: 19 N.J.R. 1331(a), 19 N.J.R. 1738(b).

Provisions of emergency amendment R.1987 d.304 readopted without change.

Emergency amendment, R.1988 d.512, effective September 20, 1988 (operative October 1, 1988, expires November 29, 1988).

See: 20 N.J.R. 2592(a).

Raised maximum allowable gross income.

Adoption of concurrent proposal R.1989 d.1, effective November 29, 1988.

See: 20 N.J.R. 2592(a), 21 N.J.R. 21(a).

Provisions of emergency rule R.1988 d.512 readopted without change.

Emergency amendment, R.1989 d.533, effective September 22, 1989 (expires November 21, 1989).

See: 21 N.J.R. 3316(a).

Maximum allowable gross income raised to conform to Federal requirements.

Adopted concurrent proposal, R.1989 d.606, effective November 21, 1989.

See: 21 N.J.R. 3316(a), 21 N.J.R. 3918(b).

Provisions of emergency amendment R.1989 d.533 readopted without change.

Amended by R.1990 d.437, effective September 4, 1990.

See: 22 N.J.R. 1670(a), 22 N.J.R. 2715(a).

Deleted Table IV, replacing with text explaining annual calculation and publishing schedule.

Public Notice: Maximum allowable gross income revised to conform to Federal requirements.

See: 24 N.J.R. 3769(b).

Public Notice: Maximum allowable gross income, effective October 1, 1993.

See: 25 N.J.R. 5365(a).

Public Notice: Maximum allowable gross income, effective October 1, 1994.

See: 26 N.J.R. 3901(a).

Public Notice: Maximum allowable gross income, effective October 1, 1995.

See: 27 N.J.R. 4919(b).

Public Notice: Maximum allowable gross income, effective October 1, 1996.

See: 28 N.J.R. 4677(b).

Case Notes

Adoption of amendments to regulation cited as example of swift rulemaking by Division of Public Welfare. *Eherenstorfer v. Div. of Public Welfare*, 196 N.J.Super. 405, 483 A.2d 212 (App.Div.1984).

10:87-12.5 Food stamp allotment proration

(a) In accordance with 7 CFR 273.10(a)(1)(iii), the formula for determining food stamp proration is as follows:

$$\frac{\text{Full month's benefits} \times (31 \text{ minus date of application})}{30} = \text{prorated allotment}$$

1. The computation in (a) above is to be carried out in the following sequence:

- i. Subtract the date of application from 31;
- ii. Multiply the result in setup (a)li above by the full month's benefit; and
- iii. Divide the result in step (a)lii above by 30.

(b) After using the formula in (a) above to determine the allotment, the CWA shall round the product down to the nearest lower whole dollar if it ends in 1 through 99 cents;

(c) If the computation results in an allotment of less than \$10.00, then no issuance shall be made for the initial month.

Amended by R.1979 d.234, effective July 1, 1979.

See: 11 N.J.R. 346(e).

Amended by R.1979 d.477, effective January 1, 1980.

See: 12 N.J.R. 42(a).

Increased Gross Income limits.

Amended by R.1980 d.296, effective July 1, 1980.

See: 12 N.J.R. 482(b).

Amended to reflect the Federal adjustment in maximum Gross Income Limits allowable for tax dependency.

Amended by R.1981 d.97, effective April 9, 1981.

See: 13 N.J.R. 96(c), 13 N.J.R. 228(a).

Section concerning tax dependency and allowable gross income limits repealed.

Emergency new rule, R.1981 d.398, effective September 30, 1981 (Operative October 1, 1981), expired November 30, 1981. See: 13 N.J.R. 769(a). Readopted, R.1981 d.517, effective December 31, 1981. See: 13 N.J.R. 769(a), 14 N.J.R. 103(a).

Amended by R.1983 d.121, effective April 4, 1983.

See: 15 N.J.R. 247(a), 15 N.J.R. 625(b).

Originally adopted as an Emergency Rule, R.1983 d.38, effective January 31, 1983. The amendment was pursuant to the Omnibus Budget Reconciliation Act of 1982 (P.L. 97-253) and the Food Stamp and Commodity Distribution Amendments of 1981 (P.L. 97-98, Title 13).

Amended by R.1984 d.20, effective February 6, 1984.

See: 15 N.J.R. 1918(a), 16 N.J.R. 246(b).

Proration formula revised to eliminate downward bias.

Amended by R. 1990 d.437, effective September 4, 1990.

See: 22 N.J.R. 1670(a), 22 N.J.R. 2715(a).

In (a), included Federal citation in text.

10:87-12.6 Monthly coupon allotment

(a) In accordance with 7 CFR 273.10(e)(2)(ii), the formula for determining the monthly coupon allotment is as follows:

1. Benefit determination without the tables: To determine the benefit households shall receive:

i. Multiply the net monthly food stamp income by 30 percent; then

ii. Round the product up to the next dollar if it ends in cents; then

iii. Subtract the result from the maximum coupon allotment for that size household; then

iv. If the computation results in an allotment of \$1.00, \$3.00 or \$5.00, round up to \$2.00, \$4.00 or \$6.00, respectively when determining initial month's benefits.

v. If the allotment is for a one or two-person household and is less than \$10.00, round up to the minimum monthly allotment of \$10.00 except when determining initial month's benefits;

vi. If the calculation of benefits for an initial month would result in an allotment of less than \$10.00 for the household, no benefits shall be issued to the household for the initial month.

Emergency New Rule, R.1981 d.398, effective September 30, 1981 (operative October 1, 1981), expired November 30, 1981.

See: 13 N.J.R. 769(a). Readopted, R.1981 d.517, effective December 31, 1981.

See: 13 N.J.R. 769(a), 14 N.J.R. 103(a).

Amended by R.1982 d.318, effective September 2, 1982.

See: 14 N.J.R. 757(d), 14 N.J.R. 1057(a).

Rounding up prohibited in determining initial month's benefits.

Amended by R.1982 d.442, effective December 1, 1982.

See: 14 N.J.R. 1170(a), 14 N.J.R. 1463(a).

Originally filed as an emergency adoption (R.1982 d.365) on October 1, 1982. Readopted as R.1982 d.442. Rounding up of the product if it ends in cents.

Amended by R.1983 d.121, effective April 14, 1983.

See: 15 N.J.R. 247(a), 15 N.J.R. 625(b).

Originally adopted as an Emergency Rule, R.1983 d.38, effective January 31, 1983. The Amendment was pursuant to the Omnibus Budget Reconciliation Act of 1982 (P.L. 97-253) and the Food Stamp and Commodity Distribution Amendments of 1981 (P.L. 97-98, Title 13).

Amended by R. 1990 d.437, effective September 4, 1990.

See: 22 N.J.R. 1670(a), 22 N.J.R. 2715(a).

In (a): added Federal citation in text.

10:87-12.7 165 percent of poverty level

The 165 percent of poverty level amounts shall be that established and published annually as required by 7 U.S.C. 2014(c).

Amended by R.1983 d.72, effective February 28, 1983.

See: 15 N.J.R. 247(a), 15 N.J.R. 444(a).

Originally filed as an emergency adoption (R.1983 d.38) on February 22, 1983. Readopted as R.1983 d.72.

Amended by R.1983 d.382, effective August 30, 1983.

See: 15 N.J.R. 1185(a), 15 N.J.R. 1583(b).

Amended by R.1984 d.413, effective September 17, 1984.

See: 16 N.J.R. 1935(a), 16 N.J.R. 2442(a).

Poverty level income increased.

Emergency Amendment R.1985 d.371, effective June 24, 1985 (operative July 1, 1985, expires August 23, 1985).

See: 17 N.J.R. 1793(a).

Maximum Allowable Income raised.

Readoption R.1985 d.480, effective August 26, 1985.

See: 17 N.J.R. 1793(a), 17 N.J.R. 2273(b).

Emergency Amendment and Concurrent Proposal, R.1986 d.297, effective June 30, 1986 (operative July 1, 1986).

See: 18 N.J.R. 1490(a).
Maximum Allowable Income raised.
Readopted Concurrent Proposal R.1986 d.395, effective October 6, 1986.

See: 18 N.J.R. 1490(a), 18 N.J.R. 2015(c).
Emergency Amendment, R.1987 d.304, effective June 25, 1987 (operative July 1, 1987, expires August 24, 1987).

See: 19 N.J.R. 1331(a).
Adoption of Concurrent Proposal as R.1987 d.375, effective August 24, 1987.

See: 19 N.J.R. 1331(a), 19 N.J.R. 1738(b).
Provisions of emergency amendment R.1987 d.304 readopted without change.
Emergency amendment, R.1988 d.512, effective September 30, 1988 (operative October 1, 1988, expires November 29, 1988).

See: 20 N.J.R. 2592(a).
Adoption of concurrent proposal R.1989 d.1, effective November 29, 1988.

See: 20 N.J.R. 2592(a), 21 N.J.R. 21(a).
Provisions of emergency rule R.1988 d.512 readopted without change.
Emergency amendment, R.1989 d.533, effective September 22, 1989 (expires November 21, 1989).

See: 21 N.J.R. 3316(a).
Maximum allowable income raised to conform to Federal requirements.
Adopted concurrent proposal, R.1989 d.606, effective November 21, 1989.

See: 21 N.J.R. 3316(a), 21 N.J.R. 3918(b).
Provisions of emergency amendment R.1989 d.533 readopted without change.
Amended by R.1990 d.437, effective September 4, 1990.

See: 22 N.J.R. 1670(a), 22 N.J.R. 2715(a).
Deleted (a) and Table VII, replacing with text explaining annual amounts and publication schedule.
Public Notice: Maximum allowable income revised to conform to Federal requirements.

See: 24 N.J.R. 3769(b).
Public Notice: Maximum allowable income, effective October 1, 1993.

See: 25 N.J.R. 5365(a).
Public Notice: Maximum allowable income, effective October 1, 1994.

See: 26 N.J.R. 3901(a).
Public Notice: 165 percent of poverty level amounts, effective October 1, 1995.

See: 27 N.J.R. 4919(b).
Public Notice: 165 percent of poverty level amounts, effective October 1, 1996.

See: 28 N.J.R. 4677(b).

Case Notes

Adoption of amendments to regulation cited as example of swift rulemaking by Division of Public Welfare. *Eherenstorfer v. Div. of Public Welfare*, 196 N.J.Super. 405, 483 A.2d 212 (App.Div.1984).

APPENDIX A

STATE FISCAL MANAGEMENT

Table of Contents

Section A—Technical requirements and specifications

1. Fiscal terms
2. Fiscal records retention
3. Processing returned coupon books
4. Filing and locating negotiated ATPs
5. Altered ATP cards
6. Reimbursement for transactions processed

7. Billing for coupon shortages, agency errors and expired ATPs
8. Validation of monthly Food Stamp Program documents
9. Coupon amount discrepancies

Section B—Postal inspection service

Section C—Data processing services

APPENDIX A—FISCAL MANAGEMENT

SECTION A

Technical requirements and specifications

The Division of Economic Assistance is responsible for designing, implementing and monitoring fiscal management procedures which ensure the security and control of Authorizations to Participate (ATPs) and Food Coupons.

The Bureau of Business Services/Food Stamp Program Fiscal Office (BBS/FSPFO) operating requirements in Appendix A are unique to the State of New Jersey Food Stamp Program fiscal administration. CWAs are encouraged to submit suggestions to improve this Appendix to:

Supervisor
Food Stamp Program Fiscal Office
Bureau of Business Services
Division of Economic Assistance—CN 716
Trenton, N.J. 08625

1. Terms applicable to fiscal operations and their definitions are as follows:

(A) Coupon Issuers (CIs): FSP agents (Bank & Non-bank) that participate in the issuance of food coupons in return for ATP cards.

(B) Current month ATP: Negotiated ATP cards bearing an issuance period that coincide with the current transaction period being reconciled.

(C) Current series coupons and books: March 1975 to the present time. Coupon denominations: \$1.00, \$5.00 and \$10.00. Book Denominations: \$2.00, \$7.00, \$10.00, \$40.00, \$50.00, \$65.00.

(D) Cutoff dates: The dates by which all Family Assistance Management Information System (FAM-IS) A and B forms must be submitted to the Office of Telecommunications and Information Services (OTIS) Data Center to be included in the current updating operation.

(E) Expired: A negotiated ATP card that has been redeemed after the expiration date.

(F) Improperly manufactured: Food coupon books that contain printing, cutting or assembling errors.

(G) Locator number: A computer generated number, consisting of 10 digits sequentially assigned to an ATP card, preliminary to the FSP reconciliation operation.

(H) Machine issue: An ATP card printed by computer during a monthly or daily machine issuance cycle.

(I) Manual issue: An ATP prepared manually by the CWA when expedited machine issuance cannot be completed within the prescribed time frame.

(J) Master file: The file maintained at the OTIS Data Center which contains information relating to all NPA/PA cases which are in active status in the computer system. This file forms the basis for machine issuance of ATP cards.

(K) Matched: An ATP card bearing a number which coincides with corresponding data in the Work Record Card File or the Outstanding ATP Card File.

(L) Mutilated: Food coupon books that were properly manufactured but, for a variety of reasons, have become unusable.

(M) O/S File: The information file maintained at the OTIS Data Center that contains all data relating to ATP cards that have not been negotiated for up to six months.

(N) Replacement: An ATP card issued in place of one previously issued (machine or manual) and bearing the same validity period as the original.

(O) Sort: Sequencing of information on computer printouts by the computer program.

(P) Unmatched: An ATP card bearing a number which does not coincide with the corresponding data in the Work Record Card File or the Outstanding ATP Card File.

(Q) Unmatched cancelled: An ATP card bearing a number which was previously cancelled through replacement issue (for example, lost, stolen, mutilated, and so forth).

(R) Work record: The record maintained at the OTIS Data Center which contains information relating to the current month issuance. The updated information contained in the FAMIS A and B forms is used during the reconciliation of ATPs returned by CIs. All data that clears the various edit programs will become integrated into the FAMIS Master File, with the exception of replacement data.

2. Retention of fiscal records: Retention regulations for FSP fiscal records at the CWA are divided into two categories:

(A) Category I: Computer operations source documents: FAMIS A and B source documents used for terminal input are to be retained for a period of three months after terminal entry. Copies of both are to be filed in the case record and must be retained in accordance with the case record retention schedule.

(B) Category II: Computer printouts and ATP cards: All originals of printout documents shall be retained for three years. Authorization to Participate (ATP) cards returned following the reconciliation cycle shall be retained by the CWA for six years from the origination month of each record. The six year retention period is not applicable to ATP cards cancelled by the CWA and never transacted. Destruction of the ATP shall be witnessed by two persons. The CWA is required to maintain a list of the destroyed ATPs for audit purposes.

(C) Approval and destruction: Approval for destruction of documents must be received from the Bureau of Archives and History by completing Form ED-6. Actual destruction through incineration or shredding is mandatory.

NOTE: Category II documents listed above shall not be destroyed if the CWA has been instructed in writing by DPW (or the USDA/FNS) to retain them.

3. Processing of returned books: Upon receipt of an improperly manufactured (see 1(F) above) or mutilated (see 1(L) above) coupon book(s) from a participant, the CWA Fiscal or Food Stamp Supervisor, with the authorization of the CWA Director, shall:

(A) Examine returned books containing printing errors. Ascertain that the proper number of coupons are in the book and there is an actual printing error.

(B) Books with alleged missing coupons should be examined as follows:

(1) Count the stubs at the top, bottom, and middle of the book. Ensure that no portion of the stub of the alleged missing coupon(s) is still in the book. Replacements are not to be issued if the stubs are still in the book, unless authorized by the FSPFO or Food Stamp Supervisor.

(2) Examine the staples (\$65.00 book only) and their position on the book to determine if there are loose or bent staples, indications that the book has been taken apart and restapled, examine the glued end of the book to determine if any evidence of tampering exists, or other indications exist that might reveal that the book contained the correct number of coupons at the time of issuance.

(3) Examine the staples (applicable only to \$65.00 books) and their position on the book. Do not bend or remove the staples while examining the books. The condition and presence or absence of the staples are factors which must be considered by the FSPFO or Food Stamp Supervisor when making a determination.

(4) The condition and presence of glue or staples (\$65.00 book only) are factors which must be considered by the FSPFO or Food Stamp Supervisor when making a determination.