



United States Department of Agriculture
Food and Nutrition Service

Western Region

Reply to
Attn of: Administrative Notice 01-35

FS-2-GEN

APR 26 2001

Subject: Recipient Claim Initial Demand Letter or Notice of Adverse Action -- Language
Pertaining to Claim Calculation

To: ALL WESTERN REGION FOOD STAMP PROGRAM COORDINATORS

The July 6, 2000 regulations on recipient claims require that the initial demand letter or notice of adverse action contain information on how the claim was calculated. The States have asked that we clarify what is meant by this **as** the regulations did not specify the nature of the calculation. We were asked if it is sufficient to show the authorized benefits for the month(s) involved, the corrected amount(s), **and** the resulting difference(s) (the overpayment). Or, should the demand letter contain sufficient information **so** that the household can determine whether the correct amount of income, deductions, etc. **was** used in the calculation of the overpayment? Must the calculation information be included in the body of the notice?

The purpose of these notices is to provide the household with sufficient information to make **an informed** decision about the correctness of the overpayment. At a minimum, the demand letter must include for each month the information **from** the steps listed at **273.18 (c)(1)(ii)**. Pertinent information that was used to determine the claim amount may also be included. Depending on the reason(s) behind the overpayment, this could be the amount of income that was used; whether the earned income deduction was allowed; or the household composition.

This information may be presented in the body of the letter or **in an** attachment to the letter. The attachment could be a photocopy of **the State's** recipient claim worksheet or **some other** format of the State's design, which fulfills **the information requirements**. **Although the** actual **format would be left to** each State agency, **an** example of **the minimum** information needed is **as follows**:

Reason for the claim -- unreported income in the months listed below:

Month	Allotment Received	Allotment Authorized	Amount of Overpayment	Adj. for Expunged EBT Benefits (if any)	Amount of Claim
6/00	\$300	\$100	\$200	\$50	\$150
7/00	\$300	\$1 00	\$200	-	\$200
8/00	\$300	\$100	\$200	-	<u>\$200</u>

Total Claim Amount \$550

If you have any questions, please contact your designated State Program Team



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Western Region