



United States Department of Agriculture  
Food and Nutrition Service

Western Region

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Reply to  
Attn of: FSP Administrative Notice 04-49                      July 23, 2004                      FS-2-GEN

Subject: **FSP – Categorical Eligibility Based on Receipt of Diversion Payments Intended to**  
To: **Cover More Than One Month**

ALL WESTERN REGION FOOD STAMP PROGRAM COORDINATORS

In response to recent inquiries we are issuing guidance on whether receipt of TANF diversion payments intended to cover more than one month confers categorical eligibility for the time period that they are intended to cover or whether the categorical eligibility resulting from receipt of the diversion payment should be limited to the month in which it is received. A review of prior guidance on the categorical eligibility provision found that we have not addressed this issue before.

We interpret 7 CFR 273.2(j)(2)(i)(A) to require State agencies to confer categorical eligibility for the entire period that a diversion payment funded under Title IV-A is intended to cover. The regulatory provision specifically provides that “Any household..... in which all members receive or are authorized to receive cash through a Public Assistance (PA) program funded in full or in part with Federal money under Title IV-A or with State money counted for maintenance of effort (MOE) purposes under Title IV-A” is to be considered categorically eligible. If a diversion payment is intended to cover several months, the household is in effect authorized to receive TANF for the months that the payment is intended to cover and is therefore categorically eligible for the entire period.

If you have any questions, please contact your State Program Officer.

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Western Region