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470.1 Entitlement

- A. The local department will restore Food Supplement Program (FSP) benefits to households that lost them when:
 - 1. The loss was caused by an error by the local department;
 - 2. The regulations state that the household is entitled to the restoration of lost FSP benefits; or
 - 3. There is a reversal of an intentional program violation (IPV) disqualification.
- B. Do not restore FSP benefits if lost more than twelve months prior to the most recent of the following:
 - 1. The month the local department is notified by the household or by another person or agency in writing or verbally of the possible loss to that specific household;
 - 2. The month the local department discovers, in the normal course of business, that a loss to a specific household has occurred; or
 - 3. The date the household requests a administrative hearing to contest the adverse action that results in the loss.
- C. The local department will restore FSP benefits to the household even if it is currently ineligible.

470.2 Errors Discovered by the Local Department

- A. Take action to restore any FSP benefits to the household that were lost if it is determined that the loss was not caused by the household. No action by the household is necessary.
- B. Do not restore FSP benefits if they were lost more than:
 - 1. Twelve months prior to the month the loss is discovered by the local department in the normal course of business; or
 - 2. Twelve months prior to the month the local department is notified in writing or verbally of a possible loss of benefits.

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470.2 Errors Discovered by the Local Department (continued)

- C. The local department notifies the household of the following:
1. Its entitlement to a restoration of FSP benefits;
 2. The amount of FSP benefits to be restored;
 3. Any offsetting done;
 4. The method of restoration; and
 5. The right to request an administrative hearing if the household disagrees with any aspect of the proposed lost FSP benefit restoration.

470.3 Disputed Food Supplement Program Benefits

- A. If the local department determines that a household is entitled to the restoration of lost FSP benefits, but the household disagrees with the amount to be restored, it may request an administrative hearing within ninety days of the date the household is notified of its entitlement to the restoration of lost FSP benefits.
- B. Restore lost FSP benefits to households that request an administrative hearing if the hearing is requested before or during the time lost FSP benefits are restored.
- C. If an administrative hearing decision is favorable to the household, restore the lost FSP benefits in accordance with that decision.
- D. If the household believes it is entitled to the restoration of lost FSP benefits but the local department disagrees, the household has ninety days from the local department's determination to request an administrative hearing.
- E. Restore lost FSP benefits to the household only if the administrative hearing decision is favorable to the household.
- F. Do not restore FSP benefits lost more than twelve months prior to the date the local department is initially informed of the household's entitlement to lost benefits.

470.4 Computing the Amount to be Restored

After correcting the loss for future months and excluding those months for which FSP benefits may have been lost prior to the twelve-month time limits, calculate the amount to be restored as follows:

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470.4 Computing the Amount to be Restored (continued)

- A. Calculate the loss of FSP benefits only for those months the household participated if it was eligible but received an incorrect allotment.
- B. If the loss is caused by an incorrect delay, denial or termination of FSP benefits, calculate the months affected as follows:
 - 1. If an eligible household's application is erroneously denied, the month the loss initially occurred is:
 - (a) The month of application; or
 - (b) The month following the expiration of a household's certification period, if the household filed a timely application.
 - 2. Calculate benefits for the months lost for delayed applications.
 - 3. The first month of an erroneous termination is the first month an initial loss occurs.
 - 4. Calculate the loss for each month after the date the loss initially occurred until either the first month the error is corrected or the first month the household is found ineligible.
- C. For each month affected by the loss determine if the household was actually eligible. In instances where there is insufficient information to determine eligibility, ask the household for the information necessary to determine eligibility for these months. For each month the household cannot provide the necessary information, consider the household ineligible.
- D. For the months the household was eligible, calculate the allotment the household should have received. A household that receives a smaller allotment than it was eligible to receive is entitled to the difference between the actual and correct allotment.
- E. If a claim against a household is unpaid or held in suspense, offset the amount to be restored against the amount due on the claim before the balance, if any, is restored to the household. Do not reduce a household's initial allotment to offset claims (even if the initial allotment is paid retroactively) when the household is certified and receives its initial allotment.

470.5 Lost Benefits to Individuals Disqualified for an IPV

- A. Restore lost FSP benefits for the months an IPV is disqualified only if the disqualification decision is overturned or reversed.

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470.5 Lost Benefits to Individuals Disqualified for an IPV (continued)

- A. Determine the restored amount by computing the allotment the household would have received had the disqualified member participated.
- B. If the household received a smaller allotment than it should have received, restore the difference.
- C. Restore any FSP benefits lost during the months the individual was disqualified, not to exceed twelve months from the date the decision is reversed.

470.6 Method of Restoration

- A. Regardless of a household's current eligibility or ineligibility, restore lost FSP benefits to a household by issuing an allotment equal to the amount of FSP benefits that were lost.
- B. Issue the restored amount in addition to the allotment currently eligible households are entitled to receive.
- C. Restore lost FSP benefits in monthly installments if requested by the household.

470.7 Change in Household Composition

- A. In case of a change in household composition, restore lost FSP benefits to a majority of the individuals who were household members at the time the loss occurred.
- B. If the majority of household members cannot be determined, restore lost FSP benefits to the household that contains the head of household at the time of the loss.

470.8 Replacement of Food Supplement Program Benefits for Food Lost in a Household Misfortune

- A. Local departments can issue replacement FSP benefits to ongoing recipients when the household reports that food purchased with FSP benefits was destroyed in a household misfortune.
- B. The replacement FSP benefit is the amount of the household's loss of food, up to the maximum of the household's allotment.

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470.8 Replacement of Food Supplement Program Benefits for Food Lost in a Household Misfortune (continued)

- C. As a general rule, the household must report the loss within 10 days of the date of the loss of food.

- D. Prior to issuing the replacement, the local department must get a signed statement from a member of the household attesting to the household's loss. A copy of a form that you may use follows this section. Fill out the top portion (For Local department Use) before giving or sending the form to the household.

- E. The household may mail in the statement.

For Local Department Use:

FS Case Name		Case Number
Date	Locality	
Address	City, State, Zip	

Food Replacement Request

How was food destroyed or damaged?
Value of destroyed food:

I hereby certify, under penalty of perjury, that the household listed above has experienced the destruction of food, in the month of _____, 20__.	
Signature	Date

Instructions for completing Replacement of Lost Food Affidavit

PURPOSE AND USE OF FORM – This form allows the local agency to assess the value of food destroyed. Depending on the reason for the loss, the local department may provide additional food supplement benefits to cover the value of food destroyed.

USE OF FORM – The agency must provide the form to households that report a household disaster that resulted in the loss of food purchased with food supplement benefits.

NUMBER OF COPIES – Two.

DISPOSITION OF FORM – The local agency must provide a copy of the completed form to the household and file a copy in the case record.

INSTRUCTIONS FOR PREPARATION OF FORM – Local agency staff should complete the identifying case information at the top of the form. A household member or an authorized representative must complete or provide information for the bottom section regarding food destroyed. A household member must sign and date the form.