01   FSAD - Purpose

FSAD summarizes and displays the following:

- Countable income, based on the information keyed on UNIE, UNIN, EAIN, and SEEI.

- Expense deductions, based on the information keyed on EXNS.

- NA eligibility.

- Benefit calculations and allotment amounts.

Use FSAD to complete the following:

- Authorize NA benefits for each month.

- Assign an approval period.

- Key the EI Denial Closure Reason Code when NA benefits are stopped or denied for excessive income.

- Key the NA date of ineligibility.

- Key an Untimely Reason code when the NA determination is completed after the processing deadline and one of the following applies:

    NA benefits are approved.

    NA benefits are denied or stopped using the EI Denial Closure Reason Code.

(See Food Stamp Allotment Determination - Overview)

01   Food Stamp Allotment Determination - Overview

Policy and procedures regarding FSAD are outlined as follows:

- Nutrition Assistance Eligibility and Benefit Determination

- Nutrition Assistance Categorical Eligibility

- Nutrition Assistance Approval Periods

- Nutrition Assistance Transitional Benefit Assistance (TBA)

01   Nutrition Assistance Eligibility and Benefit Determination - Overview

A budgetary unit may be determined eligible based on nonfinancial criteria. When the budgetary unit has income, eligibility must then be determined

based on the income. A budget is completed by AZTECS to determine gross and net income using the following:

- All countable income received or projected to be received in the month for which eligibility is being determined
- Expenses billed or projected to be billed in the month for which eligibility is being determined

A budgetary unit's gross and net income must be equal to or less than the appropriate income standards. (See Gross Monthly Income and Net Monthly Income Eligibility Standards)

A budgetary unit may only have to meet the appropriate net income standards depending on their circumstances. (See Elderly or Have a Disability - NA Special Considerations and Categorically Eligible Budgetary Units)

Policy and procedures regarding NA eligibility and benefit determination are outlined as follows:

- Nutrition Assistance Income Deductions

- Nutrition Assistance Gross Income Test

- Nutrition Assistance Net Income Test

- Determining The Nutrition Assistance Benefit Amount

- Nutrition Assistance Proration Of First Month's Benefits

- Nutrition Assistance First Month's Eligibility

- Nutrition Assistance Aggregate Allotment

- FSAD Eligibility Determination

- FSAD Income Details

- Nutrition Assistance Status Change

- FSAD Special Processing

C   Nutrition Assistance Income Deductions

NA budgetary units may be eligible to receive one or more of the following deductions from their countable income:

- A work related expense deduction equal to 20% of its countable earned income when the budgetary unit has earned income
- Farm self-employment loss deduction
- NA standard deduction

- [NA medical expenses deduction](#)

- [Dependent care expenses deduction](#)

- [Child support deduction](#)

- [Shelter and utility allowance](#)

- [Self-employment expense deduction](#)

D   Nutrition Assistance Gross Income Test

[REVISION 23](#)
(01/01/13 - 03/31/13)

AZTECS applies the gross income test in both the eligibility and benefit determinations, based on 130% or 185% of the Federal Poverty Level (FPL).

Gross income is the total of all countable income received by the budgetary unit less the [Farm Self-Employment Loss](#).

Compare countable gross income to the maximum income allowable by budgetary unit size, except for either of the following:

- Budgetary units containing [elderly or disabled](#) participants. Only the net income test applies to these budgetary units.

- [Categorically eligible budgetary units](#). These budgetary units are not required to meet the gross or the net income tests.

When the budgetary unit does not pass the income test, key the EI Denial Closure Reason Code in the DEN/CLOSE REAS field on FSAD.

E   Nutrition Assistance Net Income Test

[REVISION 49](#)
(01/01/21 - 12/31/21)

AZTECS applies the net income test in both the eligibility and benefit determinations. AZTECS determines the net income amount.

The net income calculation procedure is as follows:

- Determine the [gross countable earned income](#) of all participants.

- Subtract the 20% [NA Earned Income Deduction](#).

- Determine the countable monthly unearned income of participants in the budgetary unit and add it to the net earnings.

- Subtract any other allowable [NA Income Deductions](#).

- When the budgetary unit does not pass the net income test, key the EI Denial Closure Reason Code in the DEN/CLOSE REAS field on FSAD.

F   Determining the Nutrition Assistance Benefit Amount

REVISION 49
(01/01/21 - 12/31/21)

AZTECS determines the benefit amount based on the information keyed. AZTECS subtracts 30% of the NA net income from the Thrifty Food Plan amount for the appropriate budgetary unit size. The resulting amount is the budgetary unit's eligible benefit amount before recoupment or NA proration.

When the NA budgetary unit is eligible, AZTECS performs the allotment test.

When the NA benefit for an eligible one or two participant budgetary unit is less than the minimum NA allotment, the benefit must be rounded up to the minimum NA allotment.

When the NA benefit for an eligible three or more participant budgetary unit is less than the minimum NA allotment, the actual benefit amount must be paid.

When budgetary unit is eligible for less than the minimum NA allotment, in an initial month due to proration, the following apply:

- The budgetary unit is in eligible no pay status when the benefit is less than $10.
- The actual benefit must be paid when the benefit is $10 or more. (See Proration of first month's benefits)

G   Proration Of First Month's Benefits

REVISION 50
(01/01/22 – 12/31/22)

NA benefits for the first approval month are prorated from the date the application is filed to the end of the application month. AZTECS computes the prorated amount as follows:

- Add one (1) to the number of days remaining in the application month from the application date.
- Multiply the resulting figure by the NA Allotment.
- Divide the resulting figure by the total number of days in the application month.

- Round the resulting figure down to the next whole dollar.

The term, First Approval Month, is defined as the first month for which a budgetary unit is approved for participation in NA following any break in benefits. Consider the following circumstances:

- Prorate benefits when a budgetary unit reapplies in the calendar month following the end of the approval period. The approval period may end for one of the following reasons:

  Expiration of approval period

  Closure of the case

  Withdrawal from NA benefits

- Prorate benefits when a budgetary unit reapplies after any break in benefits(g)

- Do not prorate the initial month's benefits when both of the following apply:

  NOE was not issued during the prior approval period.
  The applicant is reapplying for NA in the month following the month that the approval period ended.

> **EXCEPTION**
>
> Proration of the first month's benefits does not apply to migrant-seasonal farmworkers when less than 30 days have elapsed since their last approval period ended.

The approval period in some states may not begin on the first day of each month. In those states, approval periods vary for each household depending on the date a household files an application. In Arizona, the approval period is based on a calendar month.

When a household that applies in Arizona is receiving benefits in another state, FAA prorates benefits from the later of the two following dates:

- The date following the expiration date in the former state

- The date of the application

(See Example NA Proration Of First Month's Benefits)

Prorate benefits for the first month, however eligibility is based on the budgetary unit's circumstances for the entire month. This is true except for budgetary units that are destitute. Consider the following:

- During the month of application, a budgetary unit is determined to be ineligible at the time of application, but subsequently eligible at the interview. Prorate the benefits from the date of application.

- A budgetary unit is determined to be eligible at the time of application, but ineligible at the interview later in the same month. The budgetary unit is ineligible for benefits for the month of application.

- A budgetary unit may be determined eligible at the interview but expects to be ineligible for non- resource related purposes later in the month of application. The budgetary unit is ineligible for benefits in the month of application.

Prorated benefits of less than $10 are not issued to any budgetary unit. Federal regulations prohibit issuing benefits of less than $10 in the first month. For such cases, consider the following:

- When the prorated month is the only month of eligibility, and the prorated allotment is less than $10, deny the application.

When the prorated month is more than $10, approve first month and close ongoing.

- When the budgetary unit is eligible for more than one month, complete the following:

Begin the approval period with the first month the budgetary unit is eligible. Do this even though the first month is not paid because the benefit amount is less than $10.

Notify the budgetary unit in the decision notice of the approval period and that it will not receive benefits for the first month.

The application may be denied due to the fault of the budgetary unit in the first 30 days. (See NA Delays in Processing) When the budgetary unit complies during the next 30-day period, prorate the benefits as follows:

- The denial may be due to the lack of an interview. Prorate benefits from the later of one of the following dates:

The date the interview is completed.

The first day of the second month.

- The denial may be due to the budgetary unit's failure to provide verification. Prorate the benefits from the date the required verification is provided.

H   Nutrition Assistance First Month's Eligibility

REVISION 50
(01/01/22 – 12/31/22)

A budgetary unit may be ineligible the first month, but a change in circumstances for the second or third month becomes known before the determination is completed. Establish eligibility for the second or third month. (For more information on prorating to the third month, see Duplicate Participation.)

When FSAD indicates the budgetary unit is not eligible in the month of application but is eligible in the second or third month, complete all of the following:

- Screen print FSAD for the ineligible month and document CADO with the reason for ineligibility.

- F9 from FSAD.

- On APMA, change the benefit prorate date to the first day of the second or third month in the BEN PRORATION DATE field.

- Process through the application entry sequence and complete the following:

Authorize benefits on FSAD.

Copy Details and process each month through the current system month(g).

Use one application and send one decision notice. The F124 advises the budgetary unit of the first month's ineligibility and the second or third month's eligibility.

A budgetary unit may be eligible for the month of application, but ineligible for a future month. Approve the budgetary unit for only the eligible month.

An NA new application cannot be prorated to the third month unless it has been denied for failure to provide verification or failure to complete the interview. For more information, see NA Compliance After Closure.

NOTE   When an NA budgetary unit complies after an NA new application has been closed for failure to complete the interview, or denied for failure to provide verification, the proration my go past the 60th calendar day.

I   Nutrition Assistance Aggregate Allotment

The aggregate allotment is the total amount of benefits a budgetary unit is authorized to receive for the first two months.

Issue an aggregate allotment to budgetary units when both the following occur:

- The budgetary unit applies for the first month's benefits after the 15th day of the month

- They are determined eligible for the application month and the following month

The aggregate allotment includes the prorated month's allotment and the full benefit for the second month.

AZTECS determines the aggregate allotment.

Issue the aggregate allotment to eligible budgetary units subject to NA proration in the first approval month.

Include the second month's benefits in an aggregate allotment only after establishing ongoing eligibility for the second month.

Issue the aggregate allotment after the budgetary unit completes the following:

- The application process
- Provides all required verification by the data entry deadline as noted in the AZTECS Monthly Production Schedule (AMPS)

EXCEPTION

Expedites are entitled to aggregate allotments even when verification is postponed.

Do not issue an aggregate allotment when the budgetary unit is ineligible to receive benefits in either the first approval month or the following month.

J **FSAD Eligibility Determination**

The income eligibility tests performed on FSAD include the NA Gross Income Test for regular NA budgetary units, and the NA Net Income Test for both regular and special category budgetary units.

FSAD also completes the final allotment test, which compares Allotment Income to the applicable Thrifty Food Plan amount.

AZTECS performs the following tasks to determine eligibility for the NA income tests:

- Determines whether the case is an Expedited NA case
- Checks all other NA eligibility factors for the case before completing the benefit calculations
- Totals all countable income

- Accumulates all countable NA expenses and applies these deductions to the total income as required by NA policy

- Compares the resulting calculation to the following program limits for the final determination:

  NA Gross Monthly Income Eligibility Standard

  NA Net Monthly Income Eligibility Standard

  Thrifty Food Plan amount

- When NA deductions exceed the amount of countable income, the deduction fields on FSAD do not display the NA deduction maximum

- When the case passes the NA gross income test and the NA net income test AZTECS performs the final allotment test When either of the two first tests fail, AZTECS does not calculate the allotment and displays zeros in the remaining amount items.

K   FSAD Income Details

To review income or expense details that are summarized on FSAD, TAB the cursor to the wanted item, key X , and press ENTER. AZTECS displays the applicable income or expense screen.

L   Nutrition Assistance Status Change

After processing FSAD, AZTECS sets the case status to one of the following:

- DENIED when the case is ineligible for the first approval month's benefits and the following month
- OPEN when the case is eligible and benefits are authorized

M   FSAD Special Processing

Upon completion of the benefit determination, AZTECS completes the following:

- Deauthorizes any benefits not issued, unless the PCN(g) is keyed
- Updates the benefit records when new benefits are authorized or overpayments or underpayments are recognized. When the case is ineligible, AZTECS deletes any benefits previously created but not issued.
- Establishes the applicable notice on NORE that must be sent.

A benefit may have been issued and it differs from the newly calculated amount. AZTECS creates a correction record to be

processed as an overpayment or underpayment. This is known as the CORRECTION MODE.

01   *Nutrition Assistance Categorical Eligibility - Overview*

<u>REVISION 50</u>
(01/01/22 – 12/31/22)

When a budgetary unit is NA categorically eligible, all participants who are included and eligible to receive NA in the budgetary unit are categorically eligible.

Categorically eligible budgetary units include the following household types:

- Basic Categorical Eligibility (BCE)
- ESAP Basic Categorical Eligibility (ESB)
- ESAP Expanded Categorical Eligibility (ESE)
- ESAP Regular (ESA)
- Expanded Categorical Eligibility (ECE)
- Special Basic Categorical (SBC)
- Special Expanded Categorical (SEC)

NA Categorical Eligibility (Basic or Expanded) does not exist when a participant is disqualified and coded DF on SEPA. For policy and procedures regarding disqualified participants keyed as DF , see <u>NA Disqualified</u>.

SBC and SEC exist when a special household meets either BCE or ECE criteria.

AZTECS displays the indicated NA Case Type Code in the HH TYP field on FSAD and FSBH in the following situations:

- BCE when the NA budgetary unit is determined to be eligible.

  NOTE   BC displays in the TYPE field on CAP2.

- ECE when the NA budgetary unit is determined to be eligible.

  NOTE   EC displays in the TYPE field on CAP2.

- SBC when the budgetary unit is a special household and determined to be eligible for basic categorical eligibility with <u>special considerations</u>.

  NOTE   SB displays in the TYPE field on CAP2.

- SEC when the budgetary unit is a special household and determined to be eligible for expanded categorical eligibility with special considerations.

    NOTE   SE displays in the TYPE field on CAP2.

A budgetary unit is not categorically eligible (Basic or Expanded) when any of the NA Categorically Eligible Exceptions apply.

Policy and procedures regarding NA categorical eligibility are outlined as follows:

- Basic Categorical Eligibility
- Expanded Categorical Eligibility
- Resources of Categorically Eligible Participants
- Categorical Eligibility Benefit Calculation
- Nutrition Assistance Categorical Eligibility Exceptions
- No Pay Status
- Categorical Eligibility Verification
- Changes in Categorical Eligibility

C   Basic Categorical Eligibility

REVISION 50
(01/01/22 – 12/31/22)

Basic categorical eligibility (BCE) exists when the budgetary unit does not have a participant coded DF on SEPA and all budgetary unit members receive any of the following:

- TANF CA Benefits. This includes when either of the following occur:
    The budgetary unit is CA eligible, but no CA benefit is being paid.
    Any portion of the CA benefit is being recouped for an overpayment.
    (See Examples CE TANF 1, and CE TANF 5)
- TANF Services(g)
- Grant Diversion
- CA Kinship Foster Care
- Tribal TANF
- Refugee Cash Assistance (RCA)
- BIA GA
- SSI This includes participants whose SSI benefits are in no-pay(g) or suspend status(g).

> NOTE   Budgetary units that include SSI participants who are in suspended status for failure to comply with a drug and alcohol treatment requirement are not considered to be in BCE.

- A combination of BIA GA and SSI (See Examples CE GA or SSI 1 and CE GA or SSI 2.)

When any participant in the budgetary unit meets the NA definition of elderly or disabled, the budgetary unit receives special considerations. (See Elderly or Have a Disability - NA Special Considerations)

Consider an NA BCE budgetary unit to have met the following NA eligibility factors:

- Resources

  > NOTE   Resources of disqualified participants keyed as DI or DE on SEPA are counted in full

- Gross and net income tests
- Sponsored noncitizen information
- Residency
- Social Security numbers for CA and BIA GA participants, and SSI recipients

D   Expanded Categorical Eligibility

REVISION 50
(01/01/22 – 12/31/22)

Expanded categorical eligibility exists when the budgetary unit does not have a participant keyed as DF on SEPA due to a disqualification, and all of the following apply to the budgetary unit:

- Gross income does not exceed 185% of the current federal poverty level (FPL)
- The NA budgetary unit does not meet Basic categorical eligibility requirements
- The resources of all participants coded DI or DE on SEPA are not over the NA resource limit

  > NOTE   Resources from a DI or DE   participant are counted in full

When any participant in the budgetary unit meets the NA definition of Elderly or Disabled, the budgetary unit receives special considerations. (See Elderly or Have a Disability - NA Special Considerations)

AZTECS automatically considers an NA Expanded categorically eligible budgetary unit to have met the following NA eligibility factors:

- Resources
- Gross and net income tests

E   Nutrition Assistance Categorical Eligibility Exceptions

REVISION 50
(01/01/22 - 12/31/22)

Do not consider the budgetary unit NA categorically eligible (Basic or Expanded) when any of the following apply:

- The budgetary unit lives in a nonexempt institution.
- The NA Lead Participant is disqualified for voluntary quit or failure to comply with NA work requirements.

  NOTE   When the NA Lead Participant does not comply, and there is no good cause, the entire budgetary unit is ineligible for NA benefits. When the Non-Lead Participant is disqualified, the remaining eligible participants may be categorically eligible.

- Any participant is disqualified for any of the following:
  Intentional Program Violation (IPV)
  Drug conviction
  Fleeing felon status
  NA trafficking
- The budgetary unit refuses to cooperate in providing information necessary to determine eligibility and benefit level.
- The budgetary unit is ineligible due to striker provisions.
- The NA case was closed, or benefits were stopped for lottery or gambling winnings equal to or more than the Winnings Reporting Amount.

F   Categorical Eligibility Benefit Calculation

REVISION 24
(04/01/13 - 06/30/13)

AZTECS compares the income of an NA Basic categorically eligible budgetary unit against the Net Income Standard. Benefits are calculated based on NA income criteria.

AZTECS determines when the gross income of an NA Expanded categorically eligible budgetary unit exceeds 185% of the current federal poverty level (FPL). When the budgetary unit's gross income exceeds 185% of the current FPL, the budgetary unit is not categorically eligible.

When the budgetary unit is determined NA categorically eligible (Basic or Expanded), AZTECS displays the appropriate Case Type Code on FSAD, FSBH and CAP2.

When the budgetary unit is categorically eligible for NA benefits, follow normal processing procedures.

NA categorically eligible budgetary units are eligible for at least the minimum NA allotment.

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NA EXCEPTION

NA categorically eligible three or more participant budgetary units are not eligible for at least the minimum NA allotment. These budgetary units must receive the actual amount of benefits.

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NA budgetary units with benefits that are reduced to less than the minimum NA allotment, as a result of NA proration, are placed in an eligible no pay status.

For procedures, see Budgetary Units in Eligible No Pay Status.

G   **Nutrition Assistance Budgetary Units In Eligible No Pay Status**

REVISION 01
(07/01/07 - 09/30/07)

The following apply to NA categorically eligible budgetary units (Basic or Expanded) in NA eligible no pay status:

- The budgetary unit remains in NA eligible no pay status until one of the following occurs:

The budgetary unit reports a change, and the change, when verified, results in an NA increase.

A change causes the budgetary unit to lose its categorical eligibility status. (See Changes in Categorical Eligibility)

The Basic categorically eligible budgetary unit becomes ineligible for a reason other than income or resources.

The NA approval period ends.

- When a reported change makes the budgetary unit eligible for an NA allotment, and the case is currently in an NA eligible no pay status, the following apply:

An interview is not required.

The NA increase begins the month following the month the change is reported. (See When to Effect Changes)

- The budgetary unit is subject to reporting requirements and must comply with all NA eligibility requirements.
- Mandatory participants are subject to NA Work Requirements.
- When the budgetary unit submits an NA renewal application, process the NA renewal application following normal NA renewal processing procedures.

H   Categorical Eligibility Verification And Documentation

REVISION 09
(07/01/09 – 09/30/09)

Do not reverify the categorical eligibility factors for NA that have been verified for CA, SSI, or BIA GA.

Verify the income for the purpose of completing the NA benefit calculation when any of the following occurs:

- Types of countable income for NA are different than for CA, BIA GA, or SSI.
- SSA fails to send verification of income to FAA.
- Verification is questionable.

Verify budgetary unit composition and factors affecting any categorically eligible budgetary unit only when questionable.

For NA, Expanded categorically eligible participants must provide SSN enumeration verification for all participants in the budgetary unit when the SSN has not been provided for any other program.

I   Changes in Nutrition Assistance Categorical Eligibility

REVISION 50
(01/01/22 – 12/31/22)

A change in circumstances for the NA budgetary unit may result in either of the following:

- A change in the type of categorical eligibility (from BCE to ECE). This may occur when one or more participants in the budgetary unit stops receiving CA, BIA GA, or SSI. When the budgetary unit does not include a participant, who meets the NA definition of elderly or disabled, AZTECS determines ECE.
- A loss of categorical eligibility (the budgetary unit is no longer categorically eligible under any type of categorical eligibility). Loss of categorical eligibility includes, but is not limited to any of the following:
  The NA Lead Participant is disqualified for noncompliance with the work requirements. When this occurs, the entire budgetary unit is ineligible to receive NA benefits during the disqualification period.
  An NA participant is disqualified and is keyed DF in the FS PT field on SEPA.
- The Basic or Expanded categorically eligible budgetary unit fails or refuses to provide necessary information to complete an NA determination. This includes SSN requirements.
- The Expanded categorically eligible budgetary unit's gross income exceeds 185% of the current federal poverty level, resulting in NA case closure.

01   Nutrition Assistance Approval Periods

Policy and procedures regarding the NA approval period(g) are outlined as follows:

- Establishing Nutrition Assistance Approval Periods
- Assigning Nutrition Assistance Approval Periods
- Use Of The Same Nutrition Assistance Application

C   Establishing Nutrition Assistance Approval Periods

Approval periods begin the first day of the first eligible month.

Do not continue benefits beyond the end of the approval period under any circumstances without a new application and eligibility determination. (See NA Renewal Applications)

D   Assigning Nutrition Assistance Approval Periods

REVISION 50
(01/01/22-12/31/22)

FAA must ensure approval periods are assigned based on the budgetary unit's circumstances. (See Example When an Approval Period Needs to be Changed.)

AZTECS automatically assigns approval periods based on the budgetary unit's circumstances using the following criteria:

- A 36-month approval period is assigned to the following budgetary units:

    - The Elderly Simplified Application Project (ESAP)
    - The Arizona Simplified Nutrition Assistance Program (AZSNAP)

- A 24-month approval period is assigned when all of the following apply:

    - No budgetary unit participant receives earned income or self-employment income
    - All budgetary unit participants that are under age 60 and have a disability that meets the NA program criteria (See Elderly or Has a Disability)

- A 5-month approval period is assigned when the CA case is closed, and the budgetary unit has been determined eligible for Transitional Benefit Assistance (TBA). (See TBA Transition Process)

- All other budgetary units are assigned a 12-month approval period.

E   Use Of The Same Nutrition Assistance Application

A budgetary unit may be eligible for the first approval month and up to 23 additional months based on a single application. (See Assigning Nutrition Assistance Approval Periods)

NOTE   When an approval period ends, a new application is needed for the next approval period.

A budgetary unit may be ineligible for the first approval month but eligible for the following months. In this situation, use only one

application for the denial of the first month and the approval of the second month. (See Nutrition Assistance First Month's Eligibility)

01 *Nutrition Assistance Transitional Benefit Assistance (TBA) - Overview*

REVISION 42
(06/01/16 - 07/31/16)

The NA Transitional Benefit Assistance (TBA) is intended to support a family's transition from CA to self-sufficiency. TBA enhances program access, and increases NA program participation for low-income families.

Certain eligible NA budgetary units who no longer meet eligibility for CA, transition to TBA. TBA budgetary units are potentially eligible to receive up to five consecutive months of TBA benefits.

AZTECS completes all of the following:

- Transitions certain eligible NA budgetary units to TBA.
- Determines the TBA benefit amount.
- Sets the five month approval period.

CA EXCEPTION

TBA only applies to Tribal TANF programs that are determined in AZTECS. This includes the following**:**

Hopi Family Assistance Program (HFAP)

Pascua Yaqui YOEME (PY YOEME)

Salt River Pima Maricopa Indian Community LEARN (SRP‑MIC LEARN)

Policy and procedures regarding TBA are outlined as follows:

- TBA Eligibility
- TBA Transition Process
- TBA Changes
- TBA Closures

C TBA Eligibility

REVISION 17
(07/01/11 – 09/30/11)

The NA budgetary unit is potentially eligible to receive TBA benefits when the related CA case is closed using one of the following Denial Closure Reason Codes:

- EI for Excessive Income

- FN for Failed Need Standard

There is no limit to the number of times an NA budgetary unit may qualify for TBA.

To be eligible for TBA, all of the following must apply:

- The NA case must be in OPEN or REC/REC status.

    NOTE   When the NA case is in the last month of the approval period, the participant may be eligible for TBA without a renewal application. (See TBA Transition Process)

- The NA benefits must be issued in the month of CA closure.

    NOTE   Eligible no pay NA cases do not transition to TBA.

- The current CA related case is closed and all of the following apply:
    The closure action is the result of information reported timely.

    NOTE   When the information is reported untimely, key the UT Verification Code in the VR field and stop CA using the appropriate Denial Closure Reason Code on the appropriate screen.

    The CA Denial Closure Reason Code is EI or FN.
    None of the participants in the NA budgetary unit continues to be eligible for CA.
- Participants in the CA and NA budgetary unit must be in compliance with both of the following program regulations:
    Social Security Enumeration process.
    NA work requirements.
- Participants in the CA and NA budgetary unit must not be disqualified due to any of the following:
    Voluntarily quitting (VQ) a job or reducing their work effort (RWE), without good cause.
    An Intentional Program Violation (IPV).

    NOTE   CA and NA participants who have served the CA sanction period or the IPV period prior to the CA case closure are potentially eligible.

Fleeing to avoid prosecution, custody, or confinement after conviction of a felony.

A conviction for making fraudulent statements concerning residency or identity.

Receipt of a felony conviction for possession, use or distribution of illegal drugs.

A violation of a condition of probation or parole imposed by Federal or State law.

(See Disqualified Participants)

- Participants in the NA budgetary unit must not be convicted of any of the following:

  Trading NA benefits for controlled substances

  Trading controlled substances for NA benefits

  Trafficking NA Benefits

NOTE   Budgetary units that are not eligible for TBA may continue to be eligible for regular ongoing NA benefits. NA eligibility must be determined using standard NA eligibility requirements.

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WARNING

When the CA case is closed due to the addition of a new participant and the new participant's income, the NA case does not transition to TBA.

</div>

D   TBA Transition Process

REVISION 17
(07/01/11 – 09/30/11)

When the CA case closure is keyed, AZTECS completes the following to determine whether the case transitions to TBA:

- Checks the CA Denial Closure Reason Code to determine whether the EI or FN Closure Reason Code is keyed.
- Checks the CA and NA Participation Codes on SEPA to determine that all participants are in compliance with program regulations. (See TBA Eligibility)
- Checks whether the UT Verification code is keyed in AZTECS to determine that the change was reported timely.

AZTECS allows for TBA when an NA Eligible Participation Code is keyed on SEPA.

When the CA case is closed and has been determined eligible to transition to TBA, AZTECS completes the following:

- Closes the NA case.
- Registers a new NA application.
- Sets the TBA five month approval period beginning the month following the month the CA case is closed. (See Example TBA 2)
- Changes the code in the FS TYPE field on CAP2 from RE or SP, to TB.
- Calculates the TBA benefit amount using the budgetary unit size, income and expenses budgeted in the last month CA was received. CA income is removed from the TBA budget. No changes in the budgetary unit size, income or expenses are included in the TBA benefit calculation. (See Examples TBA 3, TBA 4)

    NOTE   All changes known prior to the CA closure must be keyed for all active programs.

- Continues any recoupment for overpayment.

When the NA case is in the last month of the approval period, the participant may be eligible for TBA without a renewal application. The worker must copy details into the month following the month the NA approval period ends. AZTECS completes all of the following:

- Reviews the current information to determine whether the budgetary unit is eligible for TBA.
- When the budgetary unit is eligible for TBA, extends the approval period for five months.
- When the budgetary unit is not eligible for TBA, AZTECS displays an edit message *SEVERE* MTH PAST FS CERT END INELIG for TBA, CL ON FSED. WITH FX.

When the *SEVERE* edit message displays, the NA must be closed manually. Key the FX Denial Closure Reason Code on FSED.

    NOTE   An NA closure notice is not required.

<div style="border:1px solid orange; text-align:center; color:orange; font-weight:bold;">WARNING</div>

> The CA case may be closed due to the addition of a new participant and the new participant's income. When this occurs, the NA case does not transition to TBA.

FAA authorizes the TBA benefit and sends the F708 notice.

> **WARNING**
>
> It is important to keep both the CA and NA programs in the current system month(g). Failure to do so results in the worker having to authorize supplemental benefits for the first TBA benefit month. (See Example TBA 1)

E   TBA Changes

REVISION 45
(01/01/17 –12/31/17)

The TBA budgetary unit is not required to report changes for NA. The only changes processed during the TBA approval period are the following:

- FAA receives notification that a participant has left the budgetary unit.
- The Federal Government makes changes to applicable Nutrition Assistance rules.
- The participant withdraws from TBA.
- FAA is notified by the Office of Accounts Receivable and Collections (OARC) that an individual has been convicted of an Intentional Program Violation (IPV). This would disqualify the household from TBA benefits.

The participant may withdraw from TBA at any time. To withdraw from TBA, the participant must turn in a new application and a written statement requesting that TBA benefits be stopped.

When the participant turns in the request to stop TBA, and a new application, complete the following:

- Close the TBA case for the first month possible allowing for NOAA.
- Register a new application.
- Send the Interview Required Notice.

When the interview is conducted, complete the following:

- Document the case file(g) indicating the reason the participant requested TBA benefits stop.
- Review the participant's circumstances.
- Determine eligibility using the regular NA policy.

The budgetary unit may be eligible for less NA benefits under the regular NA policy than they are receiving under TBA. When this occurs the budgetary unit is not eligible to return to TBA.

F   TBA Closures

REVISION 45
(01/01/17 –12/31/17)

The budgetary unit is no longer eligible for TBA when any of the following occur:

- The five month approval period ends.

  NOTE   AZTECS sends a Notice of Expiration to the TBA budgetary unit.

- Any participant in the TBA budgetary unit applies and is approved for CA.

When the PI applies for CA and is approved, AZTECS completes the following:

- Stops TBA.
- Registers a new application for NA using the date of CA approval as the application date.

NOTE   The worker must complete the NA eligibility determination using standard NA eligibility requirements.

When a participant who is not the PI applies for CA and is approved, the worker must complete the following:

- Track the status of the CA application.
- When CA is approved, close the TBA using the OC Denial Closure Reason Code.
- Send NOAA.