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**DEPARTMENT  
POLICY**

Food Assistance groups with countable earnings, as currently defined in PEM 500, are assigned to the Simplified Reporting (SR) category. This reporting option increases FAP participation by employed households and provides workload relief.

**REQUIREMENTS**

Simplified Reporting groups are required to report only when the group's actual gross monthly income (**not** converted) exceeds the SR income limit for their group size. **No** other change reporting is required.

If the group has an increase in income, the group must determine their total gross income at the end of that month. If the total gross income exceeds the group's SR income limit, the group must report this change to their specialist by the 10th day of the following month, or the next business day if the 10th day falls on a weekend or holiday. Once assigned to SR, the group remains in SR throughout the current benefit period unless they report changes at their semi-annual contact or re-determination that make them ineligible for SR.

SR does not change reporting requirements for any other program.

The group is still assigned to SR if the person with earned income is a disqualified member.

**WHO IS NOT  
ELIGIBLE FOR SR**

The following groups are not eligible for SR:

- Migrants/Seasonal Farmworkers,
- Homeless,
- Groups with only excluded earnings, and
- Food Assistance groups without countable earned income.

These groups continue to report changes using the standard Food Assistance reporting criteria. See [PAM 105](#) and [PEM 610](#).

**DETERMINING THE  
INCOME LIMIT**

The income limit is 130% of the poverty level based on group size. To determine the group's SR income limit, count all eligible members of the FAP group. See [RFT 250](#).

Disqualified members are **not** included in the group size when determining the income limit. However, their budgetable income is included in the group's total gross income when comparing to the income limit.

**NOTIFICATION**

Groups assigned to the SR category must be given a DHS-266, Food Assistance Simplified Reporting Requirements form at:

- Application,
- Redetermination, and
- When assigned to the SR category as an ongoing case.

The DHS-266 explains the reporting requirement and provides the gross monthly income reporting requirements for the group based on their circumstances at the time of issuance. The DHS-266 is available in both Microsoft Word and LOA2. The specialist must circle the group's income limit amount on the form if using the MS Word version.

The LOA2 version will prefill the specific income limit for the group based on the group size. Additionally, the LOA2 notice will advise what the group's income limit is each time a budget and notice are run for groups with earned income, if the specialist indicates the group is not Homeless or a Migrant/Seasonal Farmworker group.

**Case Management Tip:** To prevent case closures and reapplications, give the DHS-1045, Simplified Six-Month Review, at application, redetermination and when assigning the case to SR. The fact sheet, along with your discussion with the client will help to ensure the client's understanding of the Semi-annual reporting requirements.

## CIMS CODING

Enter an "S" in the Report Status field on CIMS for SR eligible groups. The reporting status field identifies if the group is a change reporter, code "C", or an SR group, code "S". If the group leaves SR status at redetermination or at the semi-annual contact, change the report status code to "C."

## ASSIGNING BENEFIT PERIODS

### Applications and Redeterminations

Groups meeting the SR category at application and redetermination are assigned a 12-month benefit period and are required to have a semi-annual contact. For applications and redeterminations, SR begins the first month of eligibility.

**Example:** On March 19, a group with earned income applies for FAP. The specialist processes the case on April 2. Benefits are approved beginning March 19. Assign a benefit period of March 19 through February 28. The DHS-1046, Semi-Annual Contact Report mid-certification notice is sent out the beginning of the fifth month (July) of the benefit period. It is due back from the client on the first day of the sixth month (August.) Complete the budget to effect no later than the seventh month's benefits. At redetermination, the group's reporting requirements are re-evaluated based on their current circumstances. The specialist completes a redetermination in February for March. The benefit period is March 1 through February 28. See [PAM 210](#).

### Changes or Beginning SR During a Benefit Period

For ongoing groups who report starting earned income and have more than 12 months left in their benefit period, shorten the benefit period. Set the end date to 12 full months from the processing date, issue a DHS-265, Shortened Benefit Period Notice, a DHS-266, a DHS-1045,

Simplified Six-Month Review, and enter an "S" in the Report Status field on CIMS.

The DHS-265 is available on LOA2 and electronically on Microsoft Word. Place a copy of all notices sent to the client in the case record.

For groups whose benefit period has less than 12 months remaining at the time earnings are first reported, assign the group to the SR category, but do **not** extend the benefit period. The current end date must be retained even though the end date is less than 12 months. If the group remains SR eligible at redetermination, assign a new 12 month benefit period.

**Example:** On August 7, our client reports her husband returned to the group. The group currently follows standard reporting requirements; they are change reporters. The husband has earned income. The current benefit period end date is May 31. On August 17, the specialist processes the case change, issues a DHS-266, a DHS-1045 and enters an "S" in the Report Status field on CIMS.

## CHANGES AFFECTING SR STATUS

Once assigned to the SR category, groups retain their 12-month benefit period regardless of household changes, until the next benefit period is established.

If the group reports they are now homeless or they have stopped earnings, prepare all appropriate budgets. However, do not change the Report Status Code (RS) until the Semi-Annual Contact or redetermination. You must change them to a Change Reporter - Report Status of "C" in:

- Month 6 for changes reported in months 1-6 of the benefit period (if they are still considered a change reporter), or
- Month 12 for changes reported in months 7-12 (if they are still considered a change reporter).

## SR AND CASE ACTIONS

There is no change to case action policy. Timely action must still be taken on all reported changes, including data matches, regardless of whether the client is required to report the change.

Adequate notice must be given for all changes reported on the DHS-1046. Complete the budget to effect no later than the 7th month's benefits. Changes reported on the DHS-1046 must be acted upon for all other programs according to case action policy in PAM 220.

**SPECIAL INCOME  
CONSIDERATION**

Income considered unpredictable, e.g., on-call hours, remains budgeted until the client determines a change should be reported, or the next redetermination/semi-annual contact, whichever occurs first.

Contractual income that is ending prior to the benefit period end date will be considered verified upon initial report. Because the income is averaged over the period it is intended to cover, the end date has already been verified. Post a follow-up to remove the income for the subsequent month.

If the group reports that their gross income exceeds 130% of the poverty level, but they remain eligible based on their gross income being below the categorical eligibility limit of 200%, advise the group to report any other changes in income at their next redetermination.

**LOSS OF  
EMPLOYMENT**

Specialists must investigate the loss of employment at redetermination/semi-annual contact to determine if a voluntary quit has occurred. If the person does **not** meet the work requirement or good cause does **not** exist, a minimum one month disqualification must be served. See [PEM 233B](#).

**OVERISSUANCE/  
UNDERISSUANCE  
AND SR**

The only client error overissuances related to simplified reporting that can occur for FAP groups in SR are when the group fails to report that income exceeds the group's SR income limit, or the client voluntarily reports inaccurate information. For failure to report income over the limit, the first month of the overissuance is two months after the actual monthly income exceeded the limit. Groups report if their actual income for a month exceeds 130% of poverty level. QC uses the actual income when determining whether a client should have reported. See [PAM 715](#).

**Example:** The group's income for September exceeded the SR income limit. The group should have reported this by October 10th. The decrease would have been effective in November. November is the first month of the overissuance.

SR does **not** affect client errors that occur at application and redetermination. SR does **not** affect the determination of agency error overissuances.

**QC AND SR**

To audit a case under simplified reporting rules rather than change reporting rules, the following must be true:

- The case must have had earned income when it was put into SR.

- The case must be an SR eligible group. (See [Who is Not Eligible for SR.](#))
- The benefit period must be properly set. (See [Assigning Benefit Periods](#) in this item.)

**LEGAL BASE**

7 CFR 273.12 (a) (1)