
CalFresh Handbook :.63-5.5 Semi-Annual Reporting (SAR)

Revised Date: 12/9/2021

Effective Date: 4/27/2017

Published By: E119/E103

Revised By: E202

Summary

This Handbook replaces CalFresh Handbook 63-5.5 dated 4/20/04. This revised handbook covers the Semi-Annual Reporting (SAR) rules that were effective October 1, 2013.

This handbook has been updated to inform staff of changes to the CalFresh SAR process due to updates for Assembly Bill 79 including:

- The SAR 7 may now be signed and dated **earlier than the first day of the SAR Submit Month** and must be signed by the head of household, a responsible household member, or the household's authorized representative, and
- The county must make a personal contact attempt prior to terminating benefits.

Updates are in blue

General

Assembly Bill (AB) 6 required the California Department of Social Services (CDSS) to replace the current Quarterly Reporting/Prospective Budgeting system with a Semi-Annual Reporting prospective budgeting system. The CalFresh Program (previously called the Food Stamp Program) adapted the SAR system to the extent permitted by federal law, regulations, waivers and directives in a cost effective manner that promotes compatibility between the CalWORKs program and CalFresh programs, and minimizes payment errors. SAR is considered a "Simplified Reporting" system in CalFresh.

This handbook outlines the reporting responsibilities for CalFresh Households. It specifically provides the guidelines for households required to report on the SAR 7 Eligibility Report. In addition, this handbook includes the budgeting methods that have been changed as a result of SAR. The new SAR system applies to all CalWORKs cases and CalFresh households.

Senate Bill 79 eliminated Change Reporting (CR) in the CalFresh program in order to simplify the administration for counties and to simplify the reporting requirements for CR households. Effective June 1, 2016, all CalFresh CR households were converted to Semi-Annual Reporting (SAR).

All of the current voluntary and mandatory mid-period reporting requirements and mid-period county-initiated actions remain essentially the same under SAR as under QR/PB, with the exception of:

- There is only one SAR 7 instead of four (4) QR7 reports
- All CalFresh households certified with gross income at or below 130% of the FPL, except households exempt from gross income test (households with an elderly or disabled member) will be required to report any change in income that exceeds the IRT (Income Reporting Threshold, or 130% of the Federal Poverty Limit (FPL)). CalFresh households with Modified Categorical Eligibility (MCE) status that were certified with gross income between 131% and at or below 200% of the FPL will not have an IRT and will not be required to report income mid-period.
- Benefits may be decreased as well as discontinued based on a mandatory or voluntary mid-period report.
- CalFresh households will be required to report change in work hours.
- Fluctuating income has been simplified, will no longer be averaged; rather the county will use actual income.

I. Semi-Annual Reporting SAR 7

Households on SAR are required to submit a semi-annual income/eligibility report (SAR 7) once a year; six months after their application or annual Recertification in order to continue eligibility for CalFresh with the exception of elderly/disabled households with no earned income. Below is a breakdown of the certification period and SAR frequency by household type.

1. **CalFresh households:** CalFresh households will be given a 12-month certification period and need to submit a SAR 7 at 6 months during their 12-month certification period.
2. **Elderly/Disabled households with no earned income:** Elderly/disabled households with no earned income will be given a 24-month certification period and need to submit a SAR 7 at 12 months during their 24-month certification period.
3. **Elderly/Disabled households with earned income:** Elderly/disabled households with earned income will be given a 24-month certification period and need to submit a SAR 7 at 6, 12, and 18 months of their 24-month certification period.

The SAR 7 is primarily intended to capture information for the SAR Data Month. It is also intended to request that the household report any reasonably anticipated changes for the next SAR period that was known during the SAR Data Month.

All changes made on the case file shall have documentation by the County Welfare Department (CWD) which provides a clear rationale that explains the basis of their

decision, especially with regard to income that was reasonably anticipated and used in the budget calculation.

Households will be required to report and verify the following on the SAR 7:

- Earned or unearned income for the Report Month (Data Month) along with expenses;
- Any changes in household composition or property since the submission of the prior SAR 7; and,
- Changes in income the household anticipates will occur in the upcoming SAR payment period.

Note: Income verification, e.g. pay stubs, is not required to be included with the SAR 7 if information on the SAR 7 is consistent with what was previously reported. If new, changed, or terminated income is reported then verification is required.

The SAR system cycle is comprised of six consecutive months. These six consecutive months are called a SAR payment period. The following chart illustrates the SAR cycle.

SAR Data Month	This is the fifth month of the SAR payment period and The month the household reports all information necessary to determine eligibility, Report Month.
SAR Submit Month	This is the sixth month of the period and The month the client is required to submit the SAR 7
SAR Payment Period	This is the 6-month period in which benefits are paid or issued. This is the 6-month period immediately following the SAR Submit month. (The beginning date of aid (BDA) will be considered the first month of the "SAR payment period" for purposes of identifying the appropriate client reporting cycle, regardless of whether benefits are issued in that month or as a supplemental payment in a subsequent month).

II. Applicants

The SAR cycle for each household is determined by the first month that either CalFresh or CalWORKs benefits are approved. In CalWIN there are six cycles. The chart below shall be used to determine the months in the SAR Payment Period based on the first month that benefits are approved.

Cycle 1:

Beginning Date of Aid	SAR Data Month	SAR Submit Month
January	May	June
July	November	December

Cycle 2:

Beginning Date of Aid	SAR Data Month	SAR Submit Month
February	June	July
August	December	January

Cycle 3:

Beginning Date of Aid	SAR Data Month	SAR Submit Month
March	July	August
September	January	February

Cycle 4:

Beginning Date of Aid	SAR Data Month	SAR Submit Month
April	August	September
October	February	March

Cycle 5:

Beginning Date of Aid	SAR Data Month	SAR Submit Month
May	September	October
November	March	April

Cycle 6:

Beginning Date of Aid	SAR Data Month	SAR Submit Month
June	October	November
December	April	May

III. Establishing the Reporting Cycle

The CalWIN system assigns a reporting cycle to the household based on the **beginning date of aid**, rather than the date of application. The Recertification will take the place of the second SAR 7 and must be completed in the SAR submit month.

Exception: Intake - when CalFresh benefits are certified on a pending CalWORKs case, a reporting cycle will not be established by the system. In this situation the Eligibility Services Technician (EST) shall set a reporting cycle based on the CalFresh approval month.

For intake applicants only, the cycle code may be manually changed in order to ensure that the correct cycle was assigned and to avoid receiving more than one SAR 7 for the same period. This situation may occur when an ICT is received from another county and we want to keep the client on the same reporting cycle to avoid CalWIN

from assigning a new cycle, based on our approval date of the transfer. In addition, a cycle may want to be manually changed when there has been a short break in aid and we want to have the household keep the same reporting cycle.

IV. SAR Processing Overview

The information that the household provides on the SAR 7 is used to determine continuing eligibility and future benefit amounts based on all eligibility factors. The SAR 7 should be received by the household at the end of the SAR Data Month, but no later than the first day of the SAR Submit Month.

Information reported on the SAR 7 should be presumed to be known during the report month. However, if during follow-up other information supports that the 'reported changes' were not known until the Submit Month, that change shall be treated as a voluntary mid-period change.

When the EST is processing the SAR 7, the case file must have documentation which must include sufficient information to be able to determine what action was taken and why. The documentation should provide a clear rationale that explains the basis of their decision regarding what was reasonably anticipated and used in the budget calculations.

At minimum the case file should have in Case Comments the following available information:

- What income was used in the budget and why.
- If information on the SAR 7 is not used and why the change was made.
- When it changed and why.
- Who was affected in the change.

The following information must be reported on the SAR 7:

- All income received by the household in the SAR Data Month.
- Any changes in household composition that occurred since the last SAR 7.
- Any changes in property since the last SAR 7.
- Any changes in income the household anticipates will occur in the upcoming SAR Payment Period.
- The SAR 7 must be signed and dated by the head of household, a responsible household member, or the household's authorized representative. ESTs shall accept a SAR 7 if signed before the first day of the submit month, if the form is otherwise complete.
- All questions and items are fully answered and the information on the SAR 7, together with any documentation submitted, provides sufficient information to allow for the determination of eligibility and/or benefit levels.
- Required verification must be provided. Verification of income is only required when income is new, changed, or terminated.

A) Action on the SAR 7

The household should complete and return the SAR 7 by the 5th of the Submit Month. However, the SAR 7 is considered timely if it is submitted by the 11th day of the Submit Month. Upon receiving the SAR 7 the EST shall:

- Review the report to ensure completeness and consider the report incomplete if it does not meet the criteria for a complete SAR 7.
- Determine those items that will require additional verification and/or clarification. (Send CF 377.6)
- Notify the household of the need to correct an incomplete or inaccurate SAR 7 ('Y' letter or telephone contact) and /or submit additional verification/clarification.
- Review any decreased income on the SAR 7 that is considered a voluntary mid-period report for changes that are reported and occurred in the Submit Month. Issue a supplement for the Submit Month if appropriate.
- Determine the household's level of benefits based on the estimated anticipated changes the household expects to have during the next Payment Period.
- Complete a manual budget for SAR 7 reports that have income. Attach a copy of the manual budget to the SAR 7 for the case file.
- Any other voluntary reported information that does not affect income should not be considered until the first of the next SAR Payment Period.

Example 1: A household submits a timely SAR 7 on June 8 (the Submit Month) that includes information about May (the Data Month) and all reasonably anticipated changes for the upcoming SAR Payment Period. On June 15, Mom calls the county and reports that her June income has increased and is higher than she anticipated on her SAR 7 and she anticipates that this income will continue at this amount for the rest of the semi-annual period. The income does not exceed 130% of the FPL for her household size. This information was not known to Mom in the Data Month, the report of increased income will be considered a voluntary mid-period report and shall still be acted upon in CalFresh. This increased income will also be used to calculate the household's benefits amount for the current SAR period.

Example 2: A household submits a timely SAR 7 on June 5 (the Submit Month) and reports that their income decreased in May (the Data Month). This information should be treated as a voluntary mid-period report of decreased income and a supplement should be provided for the month of June (the month the decrease was reported). This decreased income will also be used to calculate the household's benefits amount for the upcoming SAR period.

B) Complete SAR 7

The SAR 7 shall be considered complete if all the following requirements are met:

- The SAR 7 is signed and dated by the head of household, a responsible household member, or the household's authorized representative.

- All questions and items pertaining to CalFresh eligibility and benefit level are fully answered and information provided on the SAR 7 form together with attached documentation, provides the EST with enough information to correctly determine eligibility and benefit level.
- All required verification is provided.

Note: To be considered fully answered, information on the SAR 7 together with attached documentation, information contained in the case record (known to the county), along with a voluntary or mandatory Mid Period Report (as described in section V), must provide sufficient information to allow for the determination of eligibility and/or benefit level.

If other evidence does not exist, a penalty of perjury statement may be sufficient except in the areas of verification of U.S. citizenship or non-citizen status or medical verification. Reports of unverifiable information, such as self-employment income stopping, shall be treated as a penalty of perjury statement. Eligibility staff's request for verification shall state that the county can assist with obtaining the necessary verification, if necessary after the county has determined that the applicant has made a good faith effort to obtain the evidence of eligibility and the third party fails or refuses to provide the evidence, and that if other information is not available, a penalty of perjury is sufficient.

C) Action for failing to submit a SAR 7 or an Incomplete SAR 7

- An NA 960X letter shall be sent to a household that fails to submit a report by the 11th of the Submit Month. CalWIN will auto issue an 'X' letter.
- A NA 960Y letter shall be sent to a household that submits an incomplete SAR 7.
- The household shall be discontinued effective the end of the Submit Month, if the household fails to submit a complete SAR 7 by the extended filing date. The 'extended filing date' means by the close of business on the first working day of the next month.

D) Required Action on a Late SAR 7

If a household submits a complete SAR 7 report after the 11th, but by the extended filing date, the EST shall rescind the discontinuance and reinstate the benefits and do the following:

- If the SAR 7 results in an increase in benefits and the EST is unable to increase the benefits by the Payment Period, the EST shall issue a supplement for the first month and increase benefits for the remaining months of the new Payment Period.
- If the SAR 7 results in a decrease in benefits from the prior month, restore the benefits at the decreased amount. Restoring benefits at a decreased amount is appropriate given that the case is going from a discontinued status to an active (aided) status after a break in aid. The action is not a mid-period decrease and the client's current SAR cycle and certification remains the same.

The following are rules to consider when rescinding the client's benefits:

- The client is **not** required to do the following:
 - New application
 - Intake Interview
- The client is entitled to the following:
 - Consideration as a recipient
 - CalFresh Notice of Restoration

CalWIN Automation: Refer to CalWIN Procedural Help for CalWIN instructions "To Rescind Discontinuance Due to a Late Periodic Report."

E) Good Cause – Failure to Submit a SAR 7

A good cause determination is required when a household reapplies for CalFresh after being discontinued for failure to submit a complete SAR 7 and after the first working day of the SAR Payment Period (extended filing date), but during the calendar month following discontinuance.

Good cause exists only when the client cannot reasonably be expected to fulfill their reporting responsibilities due to factors outside of their control. Good cause may be requested either verbally or in writing. Good cause may be determined without the client's request if the client has a mental or physical condition that could impact timely reporting, failure to submit is due to county error, or the county finds other extenuating circumstances (such as domestic violence). In addition, good cause should be reviewed when a household files for a fair hearing. Client self-attestation is allowed.

Examples of good cause include:

- Client has a physical/mental condition that prevents timely reporting
- There has been a death in the family
- When a household's failure to submit a SAR 7 is directly attributable to county error
- Other extenuating circumstances (such as domestic violence)

Once good cause is granted the EST shall do the following:

- Rescind the case
- If information reported on the SAR 7 results in an increase in benefits, a supplement shall be issued, and benefits increased for the remaining months of the SAR Payment Period.
- If information reported on the SAR 7 results in a decrease in benefits, a 10-day notice shall be given for any decrease in benefits. Compute an overissuance for the first month of the new Payment Period, if appropriate. As appropriate, reduce benefits for remaining months of the new Payment Period.
- Complete CalWIN case comments explaining why the client was granted good cause.

Example:

A mother with 2 children receives CF in the amount of \$200 for June - November. Mom fails to submit the SAR 7 for October by November 11th. After sending an appropriate discontinuance notice ('X') and attempting personal contact with the client, mom still

does not submit a SAR 7 and benefits are discontinued effective November 30th. Mom comes in on December 4th to reapply for aid. The EST grants the client good cause for not turning in her October SAR 7 due to an illness in her family.

When she submits the October SAR 7, she reports having been approved for UIB in the amount of \$100 per week. The EST shall restore aid at the previous level of \$200 because a 10-day notice to reduce December's benefits cannot be given. The EST shall make a mid-period adjustment for the December – May Payment Period and reduce benefits effective January 1st. There is a \$100 O/I for the month of December after the budget is computed.

F) Restoration of Aid - Failure to Submit a SAR 7

If it is determined that the household did not have good cause and the completed SAR 7 is received after the first working day of the SAR Payment Period (the extended filing date) and during the month following discontinuance, the EST shall process the case as a restoration of aid based on the date that the complete SAR 7 was received.

All Non-Assistance CalFresh (CalFresh-only households) and Public Assistance CalFresh households who have been discontinued for failure to submit a SAR 7 shall have benefits restored, pro-rated effective the date the completed SAR 7 is received by the county at any time in the month following discontinuance. Continuing eligibility must first be established before benefits are restored.

Processing the restoration:

- Issue prorated benefits effective the date the household provides the complete SAR 7 (the date the complete SAR 7 is received), and
- Send notice CF 388 when approving Restoration of Eligibility, or
- Send notice CF 389 when denying Restoration of Eligibility.

Restored households are considered continuing cases and will not be required to submit a new application or participate in any application interview and will keep their original certification period.

V. Mid-Period Voluntary and Mandatory Reports

Under SAR, the county is required to take action on specified changes that occur mid-period or outside of the application, SAR 7, or Recertification reporting process. Mid-period changes to benefits under SAR include changes that result from client mandatory reports, certain client voluntary reports, and county-initiated actions. CWD's must now take action on verified voluntary mid-period reports that result in a decrease or termination of benefits. For households subject to the 130% IRT, if new income exceeds the CalFresh IRT (130% of FPL) mid-period, then the client is mandated to report it and benefits will be recalculated as necessary.

If the household has reported either a voluntary or mandatory mid-quarter report either verbally, in person, or in writing, that information is considered part of the case record. This is true whether or not the report resulted in a mid-period benefit change.

When the SAR 7 is received, the EST shall review the changes reported on the SAR 7 to ensure that information submitted on mid-period reports are consistent with information reported on the SAR 7. If the information on the SAR 7 is consistent with the information provided on the voluntary or mandatory report, no further action is required. If the information reported on the SAR 7 is NOT consistent with information provided on the voluntary or mandatory report the EST shall take the following steps.

- Take action to resolve the discrepancy and determine what is the most current and accurate information of the household situation.
- Attempt to contact the client to resolve the discrepancy.
- The SAR 7 should be 'Y'ed, if both the above are unsuccessful.

VI. Budgeting Methods

SAR is similar to QR/PB in most of its reporting requirements and budgeting methodology. Under SAR, the EST will still budget prospectively, using reasonably anticipated income; ***however, the treatment of fluctuating income has been simplified.*** *CalWIN will budget income that has ended as actual income and will not average the income.*

CalFresh benefits will be determined using two types of budgeting methods. They are:

- Change Reporting – The budget and the issuance month are the same. Refer to CalFresh Handbook 63-5.6 for information on CR Households.
- SAR reporting- Eligibility and benefits for a six-month period (quarter) are based on information provided on the SAR 7 and are determined using prospective budgeting and income averaging rules.

VII. Prospective Budgeting (PB)

SAR reporting is based on established eligibility and benefits for a future SAR period using information provided on the SAR 7 and benefits determined using prospective budgeting over a six-month period. Income and household information from the SAR Data Month, as well as anticipated changes in income and expenses must be considered when determining eligibility and benefit level. Benefits are frozen for the SAR Payment Period, except under the following circumstances:

- A voluntary mid-period report results in increased benefits.
- A voluntary mid-period report that is Verified Upon Receipt (VUR) and results in decreased benefits.
- A voluntary mid-period report of income exceeding 200% of the FPL and results in discontinuance of benefits.
- A household requests discontinuance.

- A county-initiated action results in decreased benefits.

Prospective budgeting for SAR households requires increased interaction with the household and clear case comments. This is true especially when information is obtained mid-period and may not be consistent with what is reported on the SAR 7. Case comments may include:

- Income the household expects to receive, include a manual budget for the case file.
- If anticipated budgeted income is different than income reported on the SAR 7, document the reason for not using the household's estimate.
- Verification/information used for determining income or expenses, if the household estimates are not used.
- CalWIN user alert for mid-period changes that will be used for consideration in the next Payment Period.

Note: If the EST has no conflicting information, the income and anticipated changes reported on the SAR 7 or Recertification forms should be used to determine benefits for the upcoming SAR period. The fact that a household received income in the past and now reports that the income has stopped does not mean there is a conflict. Absent other information known to the county, the SAR 7 or Recertification information should be accepted, as these forms are signed under penalty of perjury.

VIII. Reasonably Anticipated Income

Income is considered reasonably anticipated when it is reasonably certain that the household will receive a specified amount of income during any month of the SAR Payment Period. If the amount of income that will be received or when it will be received is uncertain, the portion of the household's income that is uncertain shall not be counted. This definition applies to earned and unearned income.

Use the following steps as a guideline to determine reasonably anticipated income:

- The income has or will be approved or authorized within the period or
- The household is otherwise reasonably certain that the income will be received and
- The amount of income is known.
- Use the information that the household provides for the upcoming payment period.
- Contact the household if no estimate amount is provided or the information provided is questionable.
- Contact the client's employer for work hours and/or pay (written permission is required).
- Look at historical work patterns to assist in determining the amount of future income.

Under SAR, clients will no longer be required to report an exact amount of anticipated monthly income for each month of the SAR period. Instead, clients will be required to provide information for the Data Month and any anticipated changes in the six months following the Submit Month.

Reasonably anticipated income is determined by using information provided by the household and any other available information. The case file must clearly reflect how the EST determined any reasonably anticipated income that is included in the budget.

Example 1:

Household reports on the SAR 7 that the mother has started a new job. First pay date is in the first month of the new period. No other information is reported on the SAR 7. EST contacts the client and is able to determine the hourly wage. Client is not sure how often she is paid or the anticipated hours. EST obtains the clients permission to contact the employer, who provides information regarding the pay dates and the number of hours the client is expected to work weekly. **This income can be anticipated with reasonable certainty.**

Example 2:

Household reports that a member of the HH was fired from their job due to having excessive absences and has applied for UIB. Although the UIB weekly benefit amount is known via EDD real-time, it is most likely that the individual will not receive UIB. **In this situation this income cannot be anticipated with reasonable certainty.** If the household refuses to assist in providing required information (such as a release to contact the employer, as needed) or fails to provide information necessary to determine continuing eligibility, discontinue benefits at the end of the quarter (allow for a 10-day notice).

If the household is attempting to cooperate to the best of their ability but is unable to provide information to assist the EST in determining future income, the case shall not be discontinued. Eligibility shall be determined based on existing information and Case Comments shall indicate how eligibility and benefit level was determined.

IX. Averaging Income

Income averaging allows benefits to be paid at the same amount for each of the SAR Payment Periods. The EST shall determine if the income will continue with the same frequency in that Payment Period or not. ESTs shall take steps to determine whether income is reasonably anticipated and thoroughly document the case record as to why the income is included or not included.

If the household's income fluctuates seasonally, compare it with the income received from the most recent prior season. If additional information is not available from the source of income, take into account the historical work patterns going back **one payment period**. For new income, rely on information provided by the employer or the source of the income. If the amount of the income or payment dates and/or hours of work cannot be estimated with reasonable certainty, do not use the income, document in the case record why the income was not used.

The following shall be used to determine how the income will be averaged:

A) Income that is Starting or Ending Mid-Period

Under SAR, income that is starting or ending mid-period will no longer be averaged over every month of the Payment Period. Income that the client anticipates will begin or end in one of the months of the upcoming SAR payment period will only be counted in the months that the income is reasonably anticipated to be received. This is a change from QR/PB and will allow a household to receive the maximum benefit amount in the months in which this income is not received. This rule holds true for applicant (intake) cases as well; income from the month of application will only be used to determine eligibility and benefit amount in the month in which it was received. Income that is beginning or ending will be treated differently depending on how certain the household is that the income will begin or end.

For example, if the household's current monthly income is stable, but they heard that they might get laid off soon, the current income should be used to determine the monthly benefit amount and the ET should instruct the household to report to the county when they know for certain that they will lose their job or report to the county in the month their income decreases. Similarly, if a client thinks they will be starting a new job in the next month or so, but are not sure about their start date or hours, this new income cannot be reasonably anticipated and would not be used to determine benefit amounts. In this situation, the client should report the new job mid-period if their income exceeds the IRT (130% of the FPL) for their household size, or on their next SAR 7 or Recertification forms if the income does not exceed the IRT.

B) Regular/Stable Income

When earned or unearned income is expected to be received at regular/stable intervals (same paid payment pattern) throughout the Payment Period, the income shall be factored throughout the entire Payment Period. This includes continuing income that varies from payday to payday, due to changes in hours from the same source of income. That result shall be used to pay each month of the Payment Period.

If a household reasonably anticipates that the income will continue at the same level as reported on the SAR 7, the income from the Data Month shall be factored. Income that is received on a weekly, bi-weekly, semi-monthly or monthly basis shall then be computed into a monthly total and multiplied using the following format.

- 4.33 for weekly income
- 2.167 for bi-weekly income
- 2 for semi-monthly
- 1 for monthly

X. Use of the Conversion Factor

When the household indicates on the SAR 7 that their income will not change (regular/stable) throughout the period and there is no evidence to the contrary, use the manual budget in the section indicating "Stable Income". The following methods shall be used to determine how and when to apply the conversion factor:

A) Income is received on a monthly basis

- Use the figure as anticipated monthly income for each month of the SAR period

Example:

Household receives \$744 per month SSA benefits. Use that figure for each month of the next period.

B) Income is received on a weekly or bi-weekly basis and the amount of each payment is the same

- Convert the amount to a monthly figure by factoring it by 4.33 or 2.167

Example:

Client provides childcare for a neighbor and is paid \$300 every other Tuesday (bi-weekly). Multiply the \$300 by 2.167 to come up with the monthly figure for each month of the period.

C) Income is received on a weekly or bi-weekly basis and the amount of one or more of the payments are not the same.

- Add together each weekly or bi-weekly payment
- Divide the total by the number of payments received in the Data Month
- Multiply that amount by 4.33 (weekly payments) or 2.167 (bi-weekly payments)
- Use this monthly amount for each month of the SAR Payment Period.

Example:

Household reports on the SAR 7 that she received 5 weekly paychecks of \$115, \$100, \$135, \$95 and \$120. Income is not expected to change. Add the 5 checks together and divide by 5, then multiply that amount by 4.33 to come up with the monthly figure for each month of the period.

XI. Income Reporting Threshold (IRT)

The IRT is an income threshold that informs the household when they are mandated to make a mid-period report of an increase in income. The CalFresh IRT is the amount likely to make a family ineligible for CalFresh (130 percent of the FPL) for each household size. Under QR/PB, this report was voluntary for CalFresh clients.

CalFresh households certified at or below 130% of the FPL

Under SAR, all CalFresh clients certified at or below 130% of the FPL are subject to the 130% IRT requirements and are required to report mid-period when their income exceeds 130 percent of the FPL for their household size. The county may decrease or discontinue benefits mid-period based on this information.

CalFresh households certified between 131%-200% of the FPL

CalFresh households certified with gross income between 131% and at or below 200% of the FPL will not have an IRT and are not required to make any mid-period reports of income.

PACF Households

Public Assistance CalFresh (PACF) households will continue to report based on their CalWORKs IRT.

Mixed Households

Mixed households are those households that contain some members receiving CalWORKs and all members receiving CalFresh. Mixed households will be required to report when the household's gross income limit exceeds the CalFresh IRT.

The chart below provides the IRT information based on household type:

Household Type	Non-Assistance CalFresh (NACF) Certified with gross income at or below 130% FPL	Non-Assistance CalFresh (NACF) Certified with gross income between 131% and at or below 200%	Non-Assistance CalFresh (NACF) Sanctioned Individual Non-MCE	Public Assistance CalFresh (PACF) All members are receiving CalWORKs and CalFresh	Mixed Household Some members receive CalWORKs All members receive CalFresh and certified with gross income at or below 130% FPL	Mixed Household Some members receive CalWORKs All members receive CalFresh and certified with gross income between 131% and at or below 200%
CalFresh IRT Level	130%	No IRT	130%	CalWORKs IRT	130%	No IRT

Clients are not required to report nonrecurring lump sum income mid-period, as nonrecurring lump sum income is to be treated as property in the month received and any subsequent months.

Note: Failure to report income that exceeds the IRT can result in an O/I to the household, fraud prosecution and fraud penalties, including disqualification from the program.

XII. Budgeting Examples

Example 1: Ongoing Income no Expected Changes:

A client reports on her SAR 7 that four weekly paychecks were received in the following amounts: \$115, \$100, \$135, and \$95 and indicates on the SAR 7 that her income is not expected to change during the next SAR Payment Period. The EST shall add the four weeks of income together, divide by four and then multiply the resulting amount by 4.33 to arrive at the averaged monthly income amount for the next SAR Payment Period (i.e.:

$\$115 + \$100 + \$135 + \$95 = \$445 / 4 = \$111.25 \times 4.33 = \$481.71$). (If five pay periods were reported in the Data Month on the SAR 7, the EST will add each week together, divide by five, and then multiply the resulting amount by 4.33.)

Example 2: Bi-Weekly Amounts/ Change in income:

A client regularly works 35 hours per week at \$10 an hour and is paid bi-weekly. She received three checks in the Data Month of \$400, \$500, and \$700. She reports that her normal pay checks are \$700 every two weeks, but that she missed work due to a family emergency and does not expect she will need to take any additional time off. Since the lower paychecks are not expected to continue, the EST shall apply the bi-weekly conversion factor of 2.167 to the normal anticipated bi-weekly pay of \$700 to determine the monthly anticipated income for the semi-annual period (i.e.: $\$700 \times 2.167 = \$1,516$). The EST should also remind the client to report when her income is less than expected in order to have her benefits supplemented.

Example 3 Incomes Terminating During a SAR Period:

A client reports on his SAR 7 that he made \$800 in the Data Month. He is paid weekly and received four weekly paychecks of \$200 each. He writes on his SAR 7 that he anticipates that his Data Month income will not remain the same and explains that he believes he will be laid off in the next month or two. The county will convert his weekly pay into a monthly average by multiplying the \$200 weekly pay by 4.33 (i.e.: $\$200 \times 4.33 = \866) and will tell the client to report when he gets laid off or his income goes down. (If the client had proof of a date his job would end, the county would only count his income in the months it will be received.)

Example 4 Incoming Starting During a SAR Period:

A client reports on her SAR 7 that she started a job in the Data Month and earned \$400. She attaches two weekly check stubs for \$200 and states that her income will continue at this amount. The EST understands this to mean that her weekly pay of \$200 will continue and this understanding is narrated in the case file. The \$200 is multiplied by 4.33 to determine the client's average monthly income for the semi-annual period (i.e.: $\$200 \times 4.33 = \866).

XIII. Questions and Answers

1. When a SAR 7 is received and the client reports income (Question #9 and #10) for the Data Month and in addition reports that the income is expected to change in the next six months (payment period), what income is used to determine the benefits for the next payment period?

When a household reports both income received and income expected to change in the payment period, the EST should begin with what is expected to be received in the next six months. If all the information/verification is complete to enable the EST to make a reasonable estimate the EST shall budget the anticipated income expected to be received over the next six months.

2. When a SAR 7 is received and the client reports income (Questions #9 and #10) for the Data Month and does not expect the income to change in the next six months how is the income budgeted in the payment period?

When a household reports income on the Data Month only, and they do not expect any changes, the EST shall use the income reported in the data month to pay the next SAR period. The EST shall determine if the income needs to be factored or not based on whether the income is stable or fluctuating.

3. A SAR 7 is received and the client reports income (Question #9 and #10) in the Data month and also checks 'Yes' that income will change (stop, start, decrease, increase, or change in hours) but does not indicate how much they are anticipating this change will be because the payments are not regular (i.e., infrequent direct child support, works temporary or on call), how shall the income be budgeted for the next payment period?

When the information on question #9 and #10 is insufficient for the EST to make a reasonable estimate of the income change reported, or no verification can be provided due to the type of infrequent income is reported, the EST shall either:

- a) Use the income reported on the Data month to determine the next payment, with the dictation indicating that the income can be reasonably expected to be received i.e., client has a court order that states the absent parent is required to pay \$\$\$ of child support on a monthly basis. The client can always request a mid-period change for any month in which a payment was not received.
- b) The EST shall send a need letter requesting clarification/verification from the client or contact the client directly to allow the EST to make a reasonable estimate based on all facts considered and dictate the outcome if the income in the Data month is not used.

4. When processing a SAR 7 with income, why must case comment and manual budget be completed?

Due to our available technology, ESTs shall do all of the above for each case with income in order to have the information necessary to answer questions from clients and not having to request the actual case. In addition, it is necessary for Quality Control to determine how eligibility was determined and benefits were issued.

XIV. Service Center SAR Processing

A. Before registering new applications clerical staff shall:

- Check CalWIN to see if the case was discontinued at the end of the previous month for failure to complete SAR 7.
- Do not register rescinds and restorations of aid (per CalFresh Handbook 63-05.05).
- Create a Restoration/rescinds WDT case action to be assigned to a District EST for clients not in the waiting room.
- Create a Drop In WDT case action for an EST assigned to the Drop In unit for clients in the waiting room. Refer to General Process Handbook 50-0.47 Service Center District Case Action Model.

B. Work Distribution Tool (WDT) and Case Actions

The Periodic Reports case action will be automatically created when a SAR 7 is submitted in WebFiles and will be assigned to an available EST with any open case action. If there are open case actions assigned to more than one EST, the Periodic Reports case action will be assigned to the EST with the oldest open case action. If there are no open case actions, the Periodic Reports case action will be assigned to an EST in the office where the case is assigned in CalWIN with the least number of case actions for the day. If a client submits verification, a Verifications Rec'd case action will also be assigned in the same method. Clients may submit their SAR 7 forms in several ways including but not limited to:

- Completing an eSAR7 form online at Alameda County Social Services' public website
- Submitting a SAR 7 from MyBenefits CalWIN
- Mailing or faxing their SAR 7 form
- Turning their SAR 7 form to staff in any county office
- Scanning their SAR 7 form through the kiosk in the waiting rooms

Note: When the SAR 7 is not received by the 11th day of the Submit Month, CalWIN will automatically generate and send the discontinuance notice (NA 960X).

C. Case Action Processing

Upon receiving the Periodic Reports case action in WDT or a SAR 7 via the worker of record's WebFiles Route Box, the EST shall:

- Review the SAR 7 report and any submitted verifications in WebFiles to ensure completeness and consider the report incomplete if it does not meet the criteria for a complete SAR 7.
- Based on the review of the SAR 7 complete one of the following actions:
 - i. Action for a Complete SAR 7
 1. Process the SAR 7 report making changes in CalWIN as appropriate.
 2. Determine the household's level of benefits based on the estimated anticipated changes the household expects to have during the next SAR payment period.
 3. Review the budget in Wrap Up

Note: A manual budget for SAR 7 reports that have income may be utilized as a tool to verify correct benefits

4. If no longer eligible, discontinue benefits and send a timely notice.

5. If the household benefits will increase or decrease, the change is effective with the next payment period. Send a "CalFresh Notice of Change For Semi-Annual Reporting Household" (CF 377.4 SAR).
6. Enter CalWIN case comments.
7. Complete any other open WDT case actions associated with the case and mark as "Complete", if applicable.
8. Review Client Correspondences to ensure appropriate NOAs are sent out, if applicable.
9. Mark the Periodic Reports case action "In Progress" if the SAR 7 has been processed but NOAs have not been reviewed and sent, referral to Central Collections has not been made (if applicable), or MEDS has not picked up.
10. Mark the Periodic Reports case action "Complete" in WDT or clear the SAR 7 from the worker of record's WebFiles Route Box if all steps in step 9 have been completed.

ii. Action for an Incomplete SAR 7

- The SAR 7 shall be considered incomplete if it does not meet the criteria for a complete SAR 7. The EST will do the following:
 1. Determine those items that will require additional verification and/or clarification.
 2. Send NOA "NA 960Y" informing the client what specific information and documentation is needed for the SAR 7 to be considered complete and the deadline by which the client must submit it to avoid being discontinued.
 3. Indicate the SAR 7 as "Incomplete" in CalWIN and enter case comments regarding what information is outstanding.
 4. Mark the Periodic Reports case action as "In Progress" if the SAR 7 has not been processed.

NOTE: In cases where there is still additional verification needed, change the print mode to batch to mail the applicant a CW 2200 Request for Verification from CalWIN due in 10 days, initiate a WDT case action for "Need Letter" due in 10 days, and enter CalWIN case comments.

5. If the household fails to submit a complete SAR 7 by the extended filing date, or the close of business on the first

working day of the following month, the household shall be discontinued from the CalFresh program.

6. If all requested information and verification is provided process the SAR 7 report making changes in CalWIN as appropriate.
7. Determine the household's level of benefits based on the estimated anticipated changes the household expects to have during the next Payment Period.
8. Review the budget in Wrap Up

Note: A manual budget for SAR 7 reports that have income may be utilized as a tool to verify correct benefits

9. If no longer eligible, discontinue benefits and send a timely notice.
10. If the household benefits will increase or decrease, the change is effective with the next payment period. Send a "CalFresh Notice of Change For Semi-Annual Reporting Household" (CF 377.4 SAR).
11. Enter CalWIN case comments.
12. Complete any other open WDT case actions associated with the case and mark as "Complete," if applicable.
13. Review Client Correspondences to ensure appropriate NOAs are sent out, if applicable.
14. Mark the Periodic Reports case action "Complete" in WDT or clear the SAR 7 from the worker of record's WebFiles Route Box if the SAR 7 has been processed including that NOAs have been reviewed and sent, referral to Central Collections has been made (if applicable), and MEDS has picked up.

iii. Failure to Submit a Complete Timely SAR 7

- The Periodic Reports or Verifications Rec'd case action will be automatically created and assigned to the EST with any open case action when a SAR 7 or verification is submitted on a discontinued case if it is within the month following the discontinuance. If there are open case actions assigned to more than one EST, the Periodic Reports case action will be assigned to the EST with the oldest open case action. If there are no

open case actions, the Periodic Reports case action will be assigned to an EST in the office where the case is assigned in CalWIN with the least number of case actions for the day. If a client submits verification, a Verifications Rec'd case action will also be assigned in the same method.

- If the SAR 7 and all mandatory verifications are received the EST shall determine if good cause exists or if the household is entitled to restoration of aid. See E) Good Cause – Failure to Submit a SAR 7 and F) Restoration of Aid – Failure to Submit a SAR 7 for examples of good cause and restoration of aid.
- Good Cause
 1. Rescind the case, and process the SAR 7 report, making changes in CalWIN as appropriate.
 2. If information reported on the SAR 7 results in an increase in benefits, a supplement shall be issued, and benefits increased for the remaining months of the SAR payment period.
 3. If information reported on the SAR 7 results in a decrease in benefits, a 10-day notice shall be given for any decrease in benefits.
 - Compute an overissuance for the first month of the new SAR payment period, if appropriate.
 - As appropriate, reduce benefits for remaining months of the new SAR payment period.
 4. Complete CalWIN case comments explaining why the client was granted good cause.
 5. Complete any other open WDT case actions associated with the case and mark as “Complete,” if applicable.
 6. Review Client Correspondences to ensure appropriate NOAs are sent out, if applicable.
 7. Mark the Periodic Reports or Verifications Rec'd case action “Complete” in WDT or clear the SAR 7 from the worker of record's WebFiles Route Box if the SAR 7 has been processed including that NOAs have been reviewed and sent, referral to Central Collections has been made (if applicable), and MEDS has picked up.

CalWIN guide: [How to SAR 7 Failures – Good Cause](#) provides detailed instructions on the CalWIN data entries for Good Cause.

- Restoration of Aid
 1. Select restoration of aid in the recession window in CalWIN.
 2. Process SAR 7 report making changes in CalWIN as appropriate.

3. Issue prorated benefits effective the date the household provides the complete SAR 7 (the date the complete SAR 7 is received)
 - Send notice CF 388 when approving Restoration of Eligibility, or
 - Send notice CF 389 when denying Restoration of Eligibility.
4. Enter CalWIN case comments.
5. Complete any other open WDT case actions associated with the case and mark as "Complete," if applicable.
6. Review Client Correspondences to ensure appropriate NOAs are sent out, if applicable.
7. Mark the Periodic Reports or Verifications Rec'd case action "Complete" in WDT or clear the SAR 7 from the worker of record's WebFiles Route Box if the SAR 7 has been processed including that NOAs have been reviewed and sent, referral to Central Collections has been made (if applicable), and MEDS has picked up.

iv. Failure to Submit a SAR 7

1. If the household fails to submit a SAR 7 by the close of business on the last day of the month following discontinuance, the household will need to reapply for the CalFresh program.

D. Telephonic Signature (CSCC)

- If a client calls during the submit month and a SAR 7 is due and is missing, or a signature is missing, and/or incomplete:
 1. Inform the household that a completed and signed SAR 7 is required to process their SAR.
 2. Inquire if the household would like to submit a telephonic signature and complete the SAR 7 over the phone.
 3. If the household wants to submit a telephonic signature and complete a SAR 7 over the phone, refer to CalFresh Handbook :. 63-3.3 Telephonic Signature Section IV. CSCC SAR 7 Process.
 4. If a CW 2200 is mailed to the household, initiate a Need Letter WDT case action due in 10 days for cases assigned to the Service Center.

If the household does **not** want to submit a telephonic signature:

- Refer to Section XIV(C)(ii) Action for an Incomplete SAR 7 or Section XIV(C)(iv) Failure to Submit a SAR 7 above, as applicable.
- Ensure CalWIN case comments include that client was informed of submitting a telephonic signature but declined.

E. Telephonic Signature (Non-CSCC)

If a SAR 7 is not submitted or a returned SAR 7 is missing a signature, or questions are not fully answered and the EST is on the phone with the client for reasons other than the Personal Contact Requirement, the EST shall:

1. Refer to Section XIV.D. Telephonic Signature (CSCC) above.
2. Mark the Periodic Reports and any associated Verifications Rec'd WDT case actions Complete or clear the SAR 7 from the worker of record's WebFiles Route Box, if applicable.

F. Personal Contact Requirement

Prior to terminating benefits, the county shall attempt to make personal contact to remind the client that a complete SAR 7 report is due and attempt to collect the necessary information to complete the report. Clerical staff shall attempt the personal contact after the notice of discontinuance has been sent.

When a SAR 7 has not been received by the 11th day of the SAR Submit Month, the NA 960X SAR notice will be automatically generated and mailed out in CalWIN. After the NA 960X SAR has been sent, personal contact with the client must be attempted prior to case discontinuance.

Clerical staff shall:

1. Receive the Balderas/Personal Contact Call WDT case action and review WebFiles to see if a SAR 7 has been submitted.
 - a. If the SAR 7 has been submitted, mark the Balderas/Personal Contact Call WDT case action Complete.
2. If a SAR 7 has not been submitted in WebFiles, attempt to contact the client via telephone. All calls shall be attempted no later than 5 days before the end of the SAR Submit Month.
3. If contact is made, inquire if the client would like to complete and submit a telephonic signature for their SAR 7. If the client would like to complete their SAR 7 and submit a telephonic signature, inform the client that an EST will contact them. Clerical staff shall create a Periodic Reports WDT case action to be assigned to an EST for cases assigned to the Service Center or email the worker of record if the case is not assigned to the Service Center and copy the SET and the clerical staff's supervisor.

- a. If client does not wish to submit a telephonic signature, ensure CalWIN case comments include that client was informed of submitting a telephonic signature but declined.
- 4. Remind the client that a completed and signed SAR 7 is required to process their SAR 7 and provide all of the currently available ways the client can submit their SAR 7. Refer to Section XIV.B for the available ways to submit a SAR 7.
- 5. Enter CalWIN case comments regarding the “Balderas call attempt” with client and mark the Balderas/Personal Contact Call WDT case action Complete.
 - a. For CalWORKs/CalFresh combo cases, refer to the call as a “Balderas Call/Personal Contact attempt” in CalWIN case comments.

The EST shall:

- 1. Receive the Periodic Reports WDT case action and attempt to contact the client via telephone to complete their SAR 7.
 - a. If the client does not answer, leave a voicemail with the ESTs direct phone number. Document the “Balderas Call attempts” in CalWIN case comments.
 - b. For CalWORKs/CalFresh combo cases, ESTs shall refer to the call as a “Balderas Call/Personal Contact attempt” in CalWIN case comments.
- 2. If contact is made with the client, refer to CalFresh Handbook :: 63-3.3 Telephonic Signature Section VI. SAR 7 Process (Non-CSCC) to complete the SAR 7 and to secure a telephonic signature.
- 3. If all verifications are received, refer to Section XIV.C.i. Action for a Complete SAR 7 above.
 - a. If additional verification is needed, mail the household a CW 2200 from CalWIN and initiate a WDT case action for a Need Letter due in 10 days.
 - b. Refer to Section XIV.C.ii Action for an Incomplete SAR 7 above.

References

ACL 10-32
 ACL 12-35
 ACL 12-25
 ACL 13-17
 ACL 15-42

ACL 15-90

ACL 15-90E

ACL 21-24

CalFresh Handbook 63-3.3 Telephonic Signature

CalWIN guide: How to SAR 7 Failures – Good Cause

Desk Guide #13: SAR 7 Processing