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**FOOD AND NUTRITION SERVICES CERTIFICATION**  
**ELIGIBILITY REQUIREMENTS**  
**FNS 220 CATEGORICAL ELIGIBILITY**

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**FNS 220 CATEGORICAL ELIGIBILITY**  
**CHANGE #13-2021**  
**AUGUST 26, 2021**

**220.01 CATEGORICAL ELIGIBILITY**

Categorical eligibility simplifies the Food and Nutrition Services (FNS) application process for both county agencies and households by reducing the amount of information that must be verified if a household already qualifies and has been determined eligible to receive benefits from another assistance program.

**220.02 CATEGORICAL ELIGIBILITY TYPES**

FNS households are categorically eligible when they meet the criteria in one of the following categorical eligibility types:

A. Work First Family Assistance (WFFA):

All members of the FNS unit are authorized to receive WFFA. This includes all WFFA payment types including Benefit Diversion.

B. Work First Services for Low-Income Families at or Below 200% of Poverty & Employment Services for Non-Custodial Parents:

At least one member of the FNS unit is **authorized to receive** an available service from Work First. This includes FNS units that are at or below 200% of the federal poverty level **and** at least one member of the FNS unit is authorized to receive Work First Services available through the Temporary Assistance for Needy Families (TANF) Block Grant. The individual may receive services available for working low-income families or for non-custodial parents.

“Authorized to receive” means that an individual has been determined eligible for benefits and has been notified of this determination, even if the benefits have been authorized but not received, authorized but not accessed, suspended, or recouped.

Develop verification procedures within the agency to determine individuals that are authorized for Work First Employment Services. Document the North Carolina Families Accessing Services through Technology (NCFAST) case file that the individual is authorized for Work First Employment Services.

**NOTE:** This policy applies only to counties that provide these services within their agency and have submitted a Work First Plan indicating they are providing these services. Welfare-to-Work and other contracted employment services are not considered Work First Employment Services for categorical eligibility determination.

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C. Supplemental Security Income (SSI) benefits:

All members of the FNS unit are authorized to receive SSI benefits.

D. Combination SSI and WFFA:

All members receive a combination of WFFA and/or SSI benefits.

E. Expanded (200%) Categorical Eligibility:

FNS units must meet four (4) criteria to be considered expanded categorically eligible. The FNS unit must meet all of the following criteria:

1. The FNS unit does not meet the criteria for A, B, C or D above; **and**
2. The income of the household is at or below the 200% maximum allowable gross income limit; **and**
3. The FNS unit is not ineligible per FNS 220.03; **and**
4. The FNS unit has been notified of TANF funded services. The notification for TANF funded services is included on all state approved applications. Therefore, the FNS unit may be considered expanded (200%) categorically eligible from the date of application as long as all other criteria in this section are met.

**Note:** Do not **require or request** verification of residency for expanded (200%) categorically eligible FNS units. Refer to FNS 215 Residency for more information.

Once determined expanded (200%) categorically eligible at application disposition, the FNS unit retains the determination unless one of the conditions referenced in 220.04 Loss of Categorical eligibility.

**NOTE:** Refer to FNS 225 Citizenship and FNS 227 Non-citizenship Status, to first determine FNS eligibility for aliens. An individual can be eligible for SSI, WFFA, or Work First Employment Services but ineligible for FNS benefits due to his/her non-citizen status. Non-citizens are not automatically categorically eligible.

**220.03 INELIGIBLE FOR CATEGORICAL ELIGIBILITY STATUS**

A FNS household can not be considered categorical eligible if one or more of the following applies:

- A. Any member of the household is disqualified for an intentional program violation (IPV); **or**

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- B. The head of household is disqualified for failure to comply with work program requirements as required in FNS 240 Work Requirements; **or**
- C. Any member of the household is disqualified for conviction of a drug felony since August 23, 1996, for an act committed on or after August 23, 1996; **or**
- D. Any FNS unit that loses eligibility due to receiving lottery/gambling winnings of \$3,500 or more cannot be considered categorical eligible if they reapply for benefits. The household's application must be processed using all non-categorically eligible financial resources and income eligibility requirements.

#### 220.04

#### LOSS OF CATEGORICAL ELIGIBILITY

- A. With the exception of lottery or gambling winnings, loss of categorical eligibility is not a required reportable change. When the FNS household loses categorical eligibility status as the result of a change take the following actions:
  - 1. Consider resources that have been excluded during the current certification period.
  - 2. Address only resources that are known and documented in the file that exceed the resource limit.
  - 3. If the known resources exceed the resource limit, terminate assistance following notice requirements found in FNS 170 Notices.
  - 4. If the resources are questionable, address at the next certification. The agency does not interview the household about resources until the next certification.
- B. A household is no longer categorically eligible if:
  - 1. WFFA, Work First Services for Low-Income Families at or Below 200% of Poverty, Employment Services for Non-Custodial Parents, and/or SSI benefits, Benefit Diversion terminates; **AND** the income of the household exceeds the 200% maximum allowable gross income limit; **or**
  - 2. A household member becomes disqualified due to one of the reasons listed in 220.03; **or**
  - 3. If WFFA, SSI, or Work First Employment Services benefits are terminated but the household is still eligible for FNS benefits, advise the FNS unit of the appropriate work requirements.

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**220.05 VERIFICATION OF WFFA, WORK FIRST EMPLOYMENT SERVICES, OR SSI**

- A. Categorically eligible FNS unit's are subject to all FNS eligibility requirements with the exception of those listed in this section. FNS units must meet all other eligibility requirements, such as but not limited to citizenship/alien status, disqualifications, work requirements, student status, etc., prior to being evaluated for categorical eligibility. Do not require verification of the following information from categorical eligible households:
1. Resources – The household automatically passes the resource test. Do not require additional verification of resources.
  2. Gross and net income – The FNS unit is exempt from the gross and net income limits test.
  3. Residency – Do not request or require verification of residency from categorical eligible households.
  4. Enumeration.
- B. Verify the type of assistance received and the authorization period. Document in the NCFAST case record that an individual is authorized for:
1. WFFA; or
  2. Benefit Diversion; or
  3. Work First Employment Services for Working Low-Income Families; or
  4. Work First Employment Services for Non-Custodial Parents; or
  5. SSI Benefits.
- C. Use the TANF funded evidence to document in the NCFAST case file that the household was provided information for Healthy Marriages and Teen Pregnancy Prevention, which are TANF funded services, at each application, reapplication, recertification and change in situation by use of state approved application, recertification, and change forms.

**220.06 APPLICATION PROCESSING FOR HOUSEHOLDS APPLYING FOR BOTH FNS BENEFITS AND WFFA/SSI/WORK FIRST EMPLOYMENT SERVICES**

- A. Approving an FNS Application Pending WFFA, SSI, or Work First Employment Services Approval
1. Follow regular FNS policy verification procedures for eligibility factors that are needed solely for determining FNS eligibility. If the household's income is at

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- or below the 200% maximum allowable gross income limit the household meets the categorical eligibility criteria and the application is processed.
2. If the FNS unit has provided sufficient verification to meet FNS verification requirements but has failed to provide sufficient verification for WFFA, SSI, or Work First Employment Services approval, process the FNS application following regular FNS Program rules. Do not deny the FNS application for failure to provide sufficient verification or for failure to comply with processing requirements.
  3. If an FNS unit's categorical eligibility cannot be established due to a pending WFFA, SSI, or Work First Employment Services application, and the FNS unit does not meet the 200% maximum allowable gross income limit criteria, pend the FNS application until the 30<sup>th</sup> day unless the FNS unit is entitled to expedited service. This only applies when categorical eligibility is needed to establish FNS eligibility.
  4. Once WFFA, SSI, or Work First Employment Services is approved, the FNS unit is considered categorically eligible if all other eligibility criteria are met.
  5. If the WFFA or SSI approval can be reasonably anticipated, include the monthly payment amount as income. "Reasonably anticipated" means that the WFFA application-processing deadline is approaching and no processing delays are expected or an SSI award letter has been issued.
  6. Do not include WFFA or SSI payments intended for prior months as income.
  7. If the amount and/or date of receipt of the initial WFFA or SSI benefits cannot be reasonably anticipated, do not count the payment as income. Consider the WFFA or SSI approval as a change in situation.
  8. For pending Work First Employment Services applications, and the FNS unit does not meet the 200% maximum allowable gross income limit criteria, the FNS unit is not categorically eligible until at least one member of the FNS unit is authorized for Work First Employment Services. If authorization can be reasonably anticipated, consider the FNS unit categorically eligible. If authorization cannot be reasonably anticipated, follow regular FNS eligibility rules.
- B. Denying an FNS Application Pending WFFA, Work First Employment Services, or SSI Approval

Do not deny the application of a potentially categorically eligible household until the 30<sup>th</sup> calendar day following the date of application if pending for an eligibility factor that is related to categorical eligibility. If the household's income is at or below the 200% maximum allowable gross income limit the household meets the categorical eligibility criteria and the application is processed.

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If a household is ineligible based on FNS eligibility criteria and the WFFA, Work First Employment Services, or SSI eligibility decision is still pending on the 30<sup>th</sup> day, take the following actions.

1. Deny the FNS application on the 30<sup>th</sup> day using regular FNS rules.
2. Ensure that the denied application of a potentially categorically eligible household is easily retrievable. A manual tracking system, or any method that will provide accessibility as needed, may accomplish this task. Continue to monitor the pending SSI, WFFA, or Work First Employment Services application until a determination is made regarding eligibility. This can be accomplished by monitoring SSI applications for a period of 90 days (the period of time that the Social Security Administration has to approve or deny SSI benefits) and by monitoring WFFA or Work First Employment Services applications for 45 days (the period of time allowed to approve or deny a WFFA application). If the SSI, WFFA, or Work First Employment Services application pends longer than the allowable time frames, inform the household of their responsibility to provide notification of the approval or denial.

#### C. Reopening a Previously Denied FNS Application Upon WFFA, Work First Employment Services, or SSI Approval

If the household becomes categorically eligible after the FNS application is denied, reevaluate the original application upon request or when you become aware of the household's SSI, WFFA, or Work First Employment Services approval. Take the following actions:

1. Reopen the application. The date of application is either the original date of application or the effective date of the WFFA, Work First Employment Services, or SSI approval, whichever is later.
2. Do not reinterview the household. Update the original application using available information. Contact the household via telephone or mail to explore changes in situation.
3. If information obtained from the household differs from original information or changes have occurred, a household member or authorized representative must initial all changes, re-sign and date the updated application, and provide necessary verification.
4. Allow deductions for specified persons beginning with the date of the FNS application or the effective date of the SSI payment, whichever is later.
5. Authorize FNS benefits back to the date of the FNS application for FNS unit's that are determined eligible for WFFA, SSI, or Work First Employment Services for a period of time within the 30-day FNS processing time.

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6. If an FNS unit files a joint application and is determined categorically eligible after being denied FNS benefits under regular program rules, prorate FNS benefits from the date of the FNS application or the date the public assistance (PA) benefits are authorized, whichever is later.

**D. Allotments for Categorically Eligible Households**

1. All categorically eligible one or two-person FNS unit's are entitled to a minimum monthly allotment.
2. There is no minimum allotment for categorically eligible households with three or more members. FNS budgeting procedures may determine these households ineligible based on a zero allotment amount as determined by the FNS unit's income level.

**220.07      SUSPENDED CATEGORICALLY ELIGIBLE HOUSEHOLDS**

Prior to July 1, 2010, if a categorically eligible household of three or more was ineligible for an allotment, the case was suspended. Effective July 1, 2010, if categorically eligible households suspend due to ineligibility for a payment, the case will be terminated.