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# REPLACEMENT BENEFITS

## 110 REPLACEMENT BENEFITS (DEFINED)

Replacement benefits are state issued warrants or Food Stamp coupons which replace originals which have been reported from the recipient as not received by the post office, lost, stolen, forged, destroyed or defaced. The term “replacement benefits” is synonymous with the commonly used term “reissue benefits.”

Food Stamp households are also entitled to restored benefits which were delayed or not received due to agency error, fair hearing or disqualification hearing decision which was overturned in court, or the agency not giving the household ten (10) calendar days to provide expense verification when the verification was subsequently provided. No “Affidavit of Claimant” is required.

## 115 Time Limitations for Request of Replacement Benefits

Replacement benefit requests must be submitted within ninety (90) days from the date the original benefit was issued. Requests older than ninety (90) days will be rejected as untimely.

- The original date is the date on the face of the warrant.

Replacement benefit requests must be made no later than the last day of the issuance in question. The household must complete an affidavit before replacement, unless the reason the non-receipt of coupons was an agency error. The completed affidavit must be received by the agency within ten (10) days of the date of reported loss of food stamp benefits. If the affidavit is not provided timely, no replacement shall be made. The day after the day of the report is the first day of the 10-day period. If the 10<sup>th</sup> day falls on a holiday or weekend, the household will have until the end of the next workday to provide the affidavit. Place a copy of the affidavit in the case record.

- The original date is the date of issuance or cycle date associated with the benefits for which a replacement request has been submitted.

- Replacement benefits may be issued only if the request is made during the affected issuance cycle.
- Replacement issuances shall be provided to households within ten (10) days after report of nondelivery or loss of coupons (15 days if registered mail) or within two (2) working days of receiving the signed affidavit, whichever date is later. **Note:** If all replacement requirements are met, issue the coupons immediately.
- Place the direct mail issuance (DMI) households on an alternate delivery system if applicable (e.g., if there is an issuance center nearby, redirect issuance to this location) or to the Welfare office. **Note:** When stamps are redirected to the local office, they must be safeguarded and locked away.

**EXCEPTION:** Requests may be accepted during the following issuance cycle if the subject benefits were mailed after the 20<sup>th</sup> day of the cycle.

If verifiable circumstances substantially compromised the recipient's ability to author a replacement request within specified time frames, a request for waiver of this policy may be made to the

Chief of Eligibility and Payments

Food Stamp program specialist or Chief of Eligibility and Payments in Central Office.

Waiver requests must be in writing, signed by the recipient (or their representative) and outlined in detail, the circumstances which prohibited them from making a timely request for replacement benefits.

**120                    REQUESTING REPLACEMENT BENEFITS**

Recipients who report their benefits as having not been received from the post office, lost, stolen, forged, destroyed or defaced may be required to complete:

- Form 1060-MF, Affidavits – General and Forged, Pages 1 & 2
- Form 2580-EE, Reissue Document
- Form 2305-EF, Affidavit of Claimant

Completed forms are mailed to the Central Office Accounting Unit to initiate replacement procedures.

The completed form is processed by the worker who reviews case circumstances and presents approval or denial recommendation to the supervisor.

The supervisor will approve or deny requests.

**Recipients who request replacement benefits must be advised, "IF YOU COME INTO POSSESSION OF THE ORIGINAL BENEFITS, YOU MUST END YOUR REPLACEMENT REQUEST OR RETURN THE ORIGINAL BENEFITS TO THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES."**

Recipients who negotiate both the original and replacement benefits may be subject to criminal prosecution, administrative disqualification or civil recovery action.

**125                    BENEFITS ISSUED BUT NOT RECEIVED WITHIN 7 (SEVEN) CALENDAR DAYS FROM THE POSTAL SERVICE**

When a recipient reports not receiving a warrant, the worker must, without delay, complete Forms 1060-MF and 2580-EE.

- The forms must be signed by the recipient and a notary.
- Completed forms are submitted to the Central Office Accounting Unit for processing.

The Accounting Unit will determine the status of the original warrant (negotiated or outstanding) and within two working days deliver the request to the Central Office Investigation & Recovery (I&R) Unit.

When a recipient reports not receiving a benefit issuance, the worker must, without delay, request completion of Form 2305-EF.

- The form must be signed by the recipient or authorized representative.
- The completed form is processed by the worker who reviews case circumstances and presents approval or denial recommendation to the supervisor.

The supervisor will approve or deny the request.

- If the original warrant has not been negotiated, the I&R Unit will record the request and authorize the issuance of replacement benefits.

If the original warrant has been negotiated, the I&R Unit will record the request and investigate the circumstances associated with the cashing of the original warrant. A decision to approve or deny the request will be made within two working days after receipt.

The worker will determine if the original issuance has been returned by the post office.

- If returned, the worker will give the original issuance to the recipient or authorize issuance of replacement benefits.
- If the original issuance has not been returned, the worker will investigate the circumstances. If a request for replacement benefits is denied, the recipient will be notified in writing of the reason for the denial.
- A denial decision may be made based on a recipient's involvement in the negotiation of a warrant. The fact a recipient did not negotiate a warrant does not mandate automatic approval of the request.

**REPLACEMENT BENEFITS MAY BE ISSUED ONLY TWICE IN SIX ISSUANCE CYCLES (includes current cycle and previous five cycles) FOR BENEFITS REPORTED AS NOT RECEIVED BY THE POST OFFICE**, unless the office manager or supervisor and Food Stamp Program specialist determine there is clear and convincing evidence to support reissuing the benefits in question (e.g., postal theft or reissued issuances, locked mail box theft in apartment complex, client out of town, and an unauthorized third-party intercepted mail), agency or system mistake.

**Recipients who request replacement benefits must be advised IF YOU COME INTO POSSESSION OF THE ORIGINAL BENEFITS, YOU MUST END YOUR REPLACEMENT REQUEST OR RETURN THE ORIGINAL BENEFITS TO THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES.**

Recipients who negotiate both the original and replacement benefits may be subject to criminal prosecution, administrative disqualification or civil recovery action.

**130 LOST BENEFITS**

Benefits are classified as “lost” when they have been received at the location designated by the recipient and later misplaced.

When a recipient reports lost benefits, the worker must, without delay, complete Forms 1060-MF and 2580-EE.

- Forms must be signed by the recipient and a notary.
- Completed forms are submitted to the Central Office Accounting Unit for processing.

The Accounting Unit will determine the status of the original warrant (negotiated or outstanding) and within two working days deliver the request to the Central Office Investigation & Recovery (I&R) Unit.

- If the original warrant has not been negotiated, the I&R Unit will record the request and authorize the issuance of replacement benefits.
- If the original warrant has been negotiated, the I&R Unit will record the request and investigate the circumstances associated with the original warrant.
- If the original issuance has not been returned, the **case manager** will investigate the circumstances and make an approval or denial recommendation to their supervisor.

Replacement benefits will not be issued for benefits which have been received and subsequently lost, unless the office manager or supervisor and Food Stamp Program specialist determine there is clear and convincing evidence to support reissuing the benefit(s) in question.

The recipient may seek the assistance of local law enforcement should they wish to pursue the issue further.

**Recipients who request replacement benefits must be advised “IF YOU COME INTO POSSESSION OF THE ORIGINAL BENEFITS, YOU MUST END YOUR REPLACEMENT REQUEST OR RETURN THE ORIGINAL BENEFITS TO THE **DIVISION OF WELFARE AND SUPPORTIVE SERVICES**.”**

Recipients who negotiate both the original and replacement benefits may be subject to criminal prosecution, administrative disqualification or civil recovery action.

**150 STOLEN BENEFITS**

Benefits are classified as “stolen” when they have been received at the location designated by the recipient and they unlawfully removed.

When a recipient reports their benefits were stolen, the worker must, without delay, complete Forms 1060-MF and 2580-EE.

- Forms must be signed by the recipient and a notary.
- Completed form are submitted to the Central Office Accounting Unit for processing

The Accounting Unit will determine the status of the original warrant (negotiated or outstanding) and within two working days deliver the request to the Central Office I&R Unit.

- If the original warrant has not been negotiated, the I&R Unit will record the request and authorize the issuance of replacement benefits.
- Recipients may seek the assistance of local law enforcement if they wish to pursue the matter further.
- If the original warrant has been negotiated, the I&R Unit will record the request and investigate the circumstances associated with the cashing of the original warrant. A decision to approve or deny the request will be made within two working days after receipt.

Replacement benefits will not be issued for benefits which have been received and subsequently stolen, unless the office manager or supervisor and Food Stamp Program specialist determine there is clear and convincing evidence to support reissuing the benefit(s) in question.

If a request for replacement benefits is denied, the recipient will be notified in writing of the reason for the denial.

- A denial decision may be made based on a recipient's involvement in the negotiation of a warrant. The fact a recipient did not negotiate a warrant does not mandate automatic approval of the request.

**Recipients who request replacement benefits must be advised "IF YOU COME INTO POSSESSION OF THE ORIGINAL BENEFITS, YOU MUST END YOUR REPLACEMENT REQUEST OR RETURN THE ORIGINAL BENEFITS TO THE DIVISION OF WELFARE AND SUPPORTIVE SERVICES."**

Recipients who negotiate both the original and replacement benefits may be subject to criminal prosecution, administrative disqualification or civil recovery action.

## **160 DEFACED BENEFITS**

Benefits are classified as "defaced" when they have been received at the location designated by the recipient and encountered circumstances which render the negotiable document(s) unsuitable for negotiation.

When a recipient reports their benefits are defaced, the worker must obtain possession of the original benefits and determine if a recognizable portion of the original benefit substantiates classification as "defaced."

- If a substantial portion of the original benefit remains, the worker may cancel the original benefit and repay the benefits via the action form.
- If a substantial portion of the original benefit does not remain, the worker must, without delay, complete Forms 1060-MF and 2580-EE.
- Forms must be signed by the recipient and a notary.
- Completed forms are submitted to the Central Office Accounting Unit for processing.
- If a substantial portion (at least three fifths) of the original benefit remains and the worker can determine the value of the defaced coupon(s), they may be replaced immediately. See manual section R-175.



The Accounting Unit will determine the status of the original warrant (negotiated or outstanding) and within two working days deliver the request to the Central Office I&R Unit.

- If the original warrant has not been negotiated, the I&R Unit will record the request and authorize the issuance of replacement benefits.
- If the original warrant has not been negotiated, the I&R Unit will record the request and authorize the issuance of replacement benefits.
- If the original warrant has been negotiated, the I&R Unit will record the request and investigate the circumstances associated with the cashing of the original warrant. A decision to approve or deny the request will be made within two working days after receipt.

If a request for replacement benefits is denied, the recipient will be notified in writing of the reason for the denial.

- A denial decision may be made based on a recipient's involvement in the negotiation of a warrant. The fact a recipient did not negotiate a warrant does not mandate automatic approval of the request.

**170 DESTROYED BENEFITS**

Benefits are classified as “destroyed” when they have been received at the location designated by the recipient and encountered circumstances (fire, flood, other disaster) which render the negotiable document(s) unavailable for negotiation or unrecognizable.

When a recipient reports their benefits have been destroyed, the worker must:

- Without delay, complete Forms 1060-MF and 2580-EE.
- Forms must be signed by the recipient and a notary.
- Completed forms are submitted to the Central Office Accounting Unit for processing.

The Accounting Unit will determine the status of the original warrant (negotiated or outstanding) and deliver the request to the Central Office I&R Unit within two working days.

- If a substantial portion of the original benefit does not remain, the **case manager** must, without delay, complete Form 1060-MF.
- Forms must be signed by the recipient and a notary.
- Completed forms are processed by the **case manager**.

The worker will investigate the circumstances and approve or deny the request.

When a recipient reports not receiving a benefit issuance, the worker must, without delay, request completion of Form 2305-EF, Affidavit of Claimant.

- Forms must be signed by the recipient and a notary.
- Completed forms are processed by the **case manager**.

The worker will determine if the original issuance has been returned by the post office.

- If the original issuance has not been returned, the worker will investigate the circumstances and approve or deny the request.

**REPLACEMENT BENEFITS MAY BE ISSUED ONLY TWICE IN SIX ISSUANCE CYCLES (includes current cycle and previous five cycles) FOR BENEFITS REPORTED AS DESTROYED.**

- If returned, the worker will authorize issuance of replacement benefits.

**Recipients who request replacement benefits must be advised “IF YOU COME INTO POSSESSION OF THE ORIGINAL BENEFITS, YOU MUST END YOUR REPLACEMENT REQUEST OR RETURN THE ORIGINAL BENEFITS TO THE **DIVISION OF WELFARE AND SUPPORTIVE SERVICES**.”**

Recipients who negotiate both the original and replacement benefits may be subject to criminal prosecution, administrative disqualification or civil recovery action.

**175 MUTILATED OR IMPROPERLY MANUFACTURED FOOD STAMP COUPONS**

Coupons received by a household and subsequently mutilated or found to be improperly manufactured shall be replaced in the amount of the loss to the client.

1. **Mutilated Coupons** – Mutilated coupons shall be replaced when
  - at least three-fifths of a coupon is presented by the household; and
  - the agency can determine the value of the mutilated coupon(s).
  
2. **Improperly Manufactured Coupons** – Improperly manufactured coupons will be replaced when
  - the supervisor has examined the coupon(s) to determine the validity of the claim; and
  - the agency can determine the amount of coupon(s) to be replaced.

To replace mutilated or improperly manufactured coupons, the **case manager** shall complete Form FNS-135 stating whether these are mutilated or improperly manufactured coupons. The FNS-135 and the coupons will be sent to Continental Currency with a letter requesting the exact amount of the mutilated or improperly manufactured coupons to be replaced. The replacement can be sent to the client or to the office for pickup at the supervisor's discretion, unless there is a Food Stamp issuance center the client can access. If over-the-counter issuance is available, redirect the coupons to the site.

**Note:** It is not necessary to obtain Form 2305-EF, Affidavit of Claimant, in the above situations.

3. **Determining the Value of Mutilated or Improperly Manufactured Coupons:**
  - When the value of mutilated or improperly manufactured coupons cannot be determined, the coupons will be canceled by writing or stamping "**canceled**" across the face of the coupons and then forwarding them to the Food Stamp Program specialist at Central Office with a memo from the supervisor requesting a determination of value. The Food Stamp Program specialist will forward the coupons to FNS and request a determination of the value by the U.S. Bureau of Engraving and Printing in San Francisco, California. The household should be informed this may involve several weeks to resolve.

**180 FORGED BENEFITS**

A warrant is classified as "forged" when:

The warrant has been cashed. The recipient has signed Form 1060-MF and authored a written statement declaring they did not sign or negotiate the warrant; and

- The recipient was in no other way involved in the negotiation of the warrant.

The recipient must also file a criminal report with the local law enforcement agency and provide the worker with the law enforcement report number.

Upon completion of the law enforcement report, the worker must, without undue delay, complete Form 1060-MF and Form 2580-EE.

- Forms must be signed by the recipient and a notary.
- Completed forms are submitted to the Central Office Accounting Unit for processing.

The Accounting Unit will determine the status of the original warrant (negotiated or outstanding) and deliver the request to the Central Office Investigations & Recovery (I & R) Unit within two (2) working days.

- The I & R Unit will investigate the circumstances associated with negotiation of the forged warrant. An approval or denial decision will be made within two (2) working days.

If a request for replacement benefits is denied, the recipient will be notified in writing of the reason for the denial.

- A denial decision may be made based on a recipient's involvement in the negotiation of a warrant. The fact a recipient did not negotiate a warrant does not mandate automatic approval of the request.

**Note:** If the **case manager** suspects a Food Stamp household is committing fraud, trafficking or selling Food Stamps, refer the case to the Investigations and Recovery (I&R) Unit.

Food Stamp regulations do not prohibit a participating household from purchasing food with Food Stamps and then selling or donating the cooked food items. This activity would be evaluated to determine if there is countable income from a business and ongoing self-employment or as a potential resource.

**190 OUTSTANDING/UNCLAIMED/NON-NEGOTIATED BENEFITS**

Central Office Accounting Unit provides written notification of any warrant which has not been cashed within 180 days after issuance.

- If the recipient of benefits has not requested a reissue, the **case manager** must cancel the warrant on the action form.
- The **case manager** must review each warrant cancellation to identify benefit reductions which reduced a TANF overpayment. If the warrant was used to reduce an overpayment, the overpayment reduction will be reversed and the accounts receivable balance increased to be consistent with the noted balance prior to the benefit reduction.

Food Stamp benefits which are unclaimed within thirty (30) days after issuance will be returned to Food and Nutrition Service via the FNS-135 form.

Food Stamp coupons which are returned to **Division of Welfare and Supportive Services (DWSS)** anonymously or by individuals who have some knowledge of the food stamp client (e.g., Public Administrator, friend, relative, etc.) or found and returned, will be returned **certified** mail to:

Continental Currency of Nevada  
1108 East 17<sup>th</sup> Street  
Santa Ana, California 92701

**Notes**

- Coupons returned by the Post Office must be reissued if a correct Nevada address is reported during the cycle(s) covered by the returned coupons. There is no limit to the number of reissues if the coupons have been returned in the mail.
- **No FNS-135** is required if there is no client identified with returned coupons.