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**FOOD STAMP CERTIFICATION**  
**GENERAL PROCEDURES & REQUIREMENTS**  
**Purpose and Authority of the Food Stamp Program**

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**FS 110 Purpose and Authority of the Food Stamp Program**  
**Change #3-2004**  
**August 1, 2004**

**110.01 PURPOSE OF THE FOOD STAMP PROGRAM**

The Food Stamp Program is designed to promote the general welfare and to safeguard the health and well being of the nation's population by raising the levels of nutrition among low-income households. Section 2 of the Food Stamp Act of 1977 states, in part:

Congress hereby finds that the limited food purchasing power of low-income households contributes to hunger and malnutrition among members of such households. Congress further finds that increased utilization of food in establishing and maintaining adequate national levels of nutrition will promote the distribution in a beneficial manner of the Nation's agricultural abundance and will strengthen the Nation's agricultural economy, as well as result in more orderly marketing and distribution of foods. To alleviate such hunger and malnutrition, a food stamp program is herein authorized which will permit low-income households to obtain a more nutritious diet through normal channels of trade by increasing food purchasing power for all eligible households who apply for participation.

**110.02 AUTHORITY**

The Food Stamp Program is authorized by the Food Stamp Act of 1977 (Title XIII, P.L. 95-113). Regulations issued pursuant to the act are contained in 7 CFR Parts 270-285.

Program operations are conducted in North Carolina under the terms of North Carolina General Statutes, Chapter 108, Sections 51-53.1. The provisions of G.S. 108, 51 are repeated below.

108A-51 Authorization for Food Stamp Program. The Department is authorized to establish a statewide food stamp program as authorized by the Congress of the United States. The Department of Health and Human Services is designated as the State agency responsible for the supervision of such programs. The boards of county commissioners through the county departments of social services are held responsible for the administration and operation of the programs.

**110.03 ADMINISTRATION**

A. United States Department of Agriculture (USDA)

Within USDA, the Food and Nutrition Service (FNS) is responsible for the federal administration of the program and, in this capacity, consults and provides policy and guidance to the State Division of Social Services. FNS maintains eight regional offices throughout the United States. The Southeast Regional Office in Atlanta, Georgia provides technical assistance and oversight of the North Carolina Food Stamp Program. FNS also maintains a Field Office in Raleigh. The primary role of the Field Office is to authorize and monitor program compliance of retailers authorized to accept food stamp benefits. Additional duties of the Field Office staff include:

1. Conducting reviews of local departments of social services on such topics as client services or employment training. These reviews are coordinated through the State Division of Social Services.

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2. Conducting inquiries into all civil rights complaints. While conducting these inquiries, FNS staff must be given direct and unrestricted access to food stamp case files and staff. The purpose of the inquiry is to determine the facts surrounding the complaint. FNS Field Office staff forwards a report to the Atlanta Regional Office for review and evaluation. The findings of the inquiry, including any recommended corrective action, are directed to the State Office. The State is responsible for working with the local office to correct any problems identified.
3. Other inquiries. Field Office staff may contact the local departments of social services to follow up on such matters as recipient inquiries, complaints, or reports of alleged program violations.

B. North Carolina Department of Health and Human Services, Division of Social Services

The North Carolina Department of Health and Human Services, Division of Social Services provides general State policies and procedures. The Division also provides supervision of the administration of the program through county departments of social services, including the conduct of performance reporting reviews.

C. County Departments of Social Services

The county directors of departments of social services are responsible for the certification of applicant households. The county must provide an application for participation in the Food Stamp Program to any person upon request and must accept an identifiable application when submitted. An identifiable application is an application containing a legible name and address that has been signed. The person making the application is responsible for cooperating with the county in providing the information necessary for the county to make a determination of eligibility. The county must accept an identifiable application when submitted even if an appointment for an interview is assigned at a future date. The practice of accepting applications only at the interview is not in accordance with federal regulations. Counties must continue their efforts to assure timely and correct certifications by increasing certification staff and providing adequate certification facilities.

1. County departments of social services have direct responsibility for:
  - a. Determining the eligibility of applicants for the program;
  - b. Periodically reviewing such eligibility determinations;
  - c. Authorizing food stamp benefits to those certified as eligible; **and**
  - d. Providing every applicant and participating household an opportunity for a fair hearing in accordance with the instructions contained herein.
2. County departments of social services are required to:
  - a. Have the DSS-8207, Food Stamp Application, readily accessible to individuals and groups involved with outreach effort. (Outreach groups include, but are not limited to, senior citizen facilities, community action groups, and the Social Security Administration.);

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- b. Provide written information (such as pamphlets, brochures, etc.) to persons who request information about the Food Stamp Program but choose not to apply;
- c. Make available the DSS-8625, Facts About the Food Stamp Program Pamphlet; **and**
- d. Display required posters in waiting areas and other areas where the public is served. Required posters include, but are not limited to, the Nutrition Poster, the Non-Discrimination Poster, and the Complaint Poster. Order posters by contacting:

North Carolina Department of Health and Human Services  
Division of Social Services  
Economic Services Section  
325 N. Salisbury Street  
2420 Mail Service Center  
Raleigh, NC 27699-2420  
Courier # 56-20-25  
(919) 733-4570

- 3. County departments of social services must explain client rights and responsibilities to all applicants.
  - a. Explain that a client has a right to:
    - (1) Receive an application on the same day it is requested in person at the county department of social services and for the application to be accepted by the county;
    - (2) Select an authorized representative;
    - (3) Non-discrimination;
    - (4) A fair hearing; **and**
    - (5) Receive deductions for legally obligated child support, child care expenses, medical expenses, shelter expenses, utility expenses, and operational expenses for self-employment.
  - b. Explain the following client responsibilities.
    - (1) Change reporting requirements;
    - (2) Work Registration requirements (including ABAWD s);
    - (3) Semi-Annual Reporting requirements if there is a potential for the household to be placed in the SR Category **and**
    - (4) Enumeration requirements.
  - c. Explain the following penalties to all applicants and recipients.
    - (1) Intentional Program Violation;

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- (2) If anyone is convicted by a court of giving false information regarding residence in order to receive Work First Family Assistance (WFFA), Food Stamp benefits, Medicaid, or Supplemental Security Income (SSI) in more than one place, that person will be ineligible to receive both cash assistance and food stamp benefits for ten years from the date of conviction;
  - (3) If a member of a FSU is convicted of buying guns, explosives, or ammunition with food stamp benefits or selling food stamp benefits of \$500 or more, the individual will not receive food stamps for the remainder of his life;
  - (4) If the applicant gives false information about identity in order to receive food stamp benefits and/or WFFA in more than one place, the applicant will not receive food stamp benefits and/or WFFA for ten years; **and**
  - (5) Substance abuse convictions.
- d. Explain to the applicant that the applicant's signature on the application workbook indicates the applicant:
- (1) Answered truthfully to the best of his knowledge;
  - (2) Understands that providing willfully incorrect or false information could cause the applicant to be charged with fraud;
  - (3) Understands that authorization to contact any other person, agency, or organization to determine eligibility for assistance is given to the county department of social services;
  - (4) Understands his rights and responsibilities;
  - (5) States that all members of the FSU are either U.S. citizens or allowed to live in the U. S. by law;
  - (6) Understands that information provided may be released to law enforcement officers (including probation/parole officers); **and**
  - (7) Acknowledges that he has received an explanation of his right to an income deduction for the following items: legally obligated child support, child care expenses, medical expenses, utility expenses, and operational expenses for self-employment and understands that failure to report or verify any of the income deductions is viewed as a statement that the FSU does not want to receive a deduction for the unreported.
- e. Explain the Electronic Benefit Transfer (EBT) system. Explanation for the following must be given.
- (1) The method of issuing Food Stamp benefits;
  - (2) The time period for expedited service;

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(3) How to use food stamp benefits; and

Procedures to follow if benefits are not received.

**110.04 FINANCIAL LIABILITIES**

If USDA determines negligence in the initial certification of applicant households, any subsequent certifications, or the issuance of benefits, the county will, on demand, pay a sum equal to the amount of any benefits issued as a result of such negligence or fraud. The county is liable for any overissuance of benefits as a result of errors by personnel.

**110.05 COUPONS AS OBLIGATIONS OF THE UNITED STATES, CRIMES AND OFFENSES**

**NOTE:** Coupon" means any coupon, stamp, type of certificate, authorization card, cash, or check issued in lieu of a coupon or access device, including an electronic benefit transfer (EBT) card or personal identification number (PIN), issued pursuant to the provisions of this act.

Food stamp benefits are an obligation of the United States within the meaning of Section 8 of Title 18, United States Code. The provision of Title 18 of the United States Code, Crimes and Criminal Procedure, relative to counterfeiting, misuse, and alteration of obligations of the United States are applicable to food stamp benefits, authorization cards, and access device systems. Any unauthorized issuance, use, transfer, acquisition, alteration, possession, or presentation of benefits may subject any individual, partnership, corporation, or other legal entity to prosecution under Sections 15(b) and (c) of the Food Stamp Act or under any other applicable federal, State or local law, regulation, or ordinance. Sections 15(b) and (c) of the Food Stamp Act read as follows:

(b)(1) Subject to the provisions of paragraph (2) of this subsection, whoever knowingly uses, transfers, acquires, alters, or possesses coupons, authorization cards, or access devices in any manner contrary to this act of the regulations issued pursuant to this act shall, if such coupons, authorization cards, or access devices are of a value of \$5000 or more, be guilty of a felony and shall be fined not more than \$250,000 or imprisoned for not more than twenty years, or both, and shall, if such coupons or authorization cards are of the value of \$100 or more, but less than \$5000, or if the item used, transferred, acquired, altered, or possessed is an access device that has a value of \$100 or more, but less than \$5000, (3) be guilty of a felony and shall, upon the first conviction thereof, be fined not more than \$10,000 or imprisoned for not more than five years, or both, and upon the second and any subsequent conviction thereof, shall be imprisoned for not less than six months nor more than five years and may also be fined not more than \$10,000 or, if such coupons or authorization cards are of a value of less than \$100, or if the item used, transferred, acquired, altered, or processed is an access device that has a value of less than \$100, shall be guilty of a misdemeanor, and, upon the first conviction thereof, shall be fined not more than \$1000 or imprisoned for not more than one year, or both, and upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than \$1000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participating in the food stamp program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 6(b)(1) of this act.

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(b)(2) In the case of any individual convicted of an offense under paragraph (1) of this subsection, the court may permit such individual to perform work approved by the court for the purpose of providing restitution for losses incurred by the United States and the State agency as a result of the offense for which such individual was convicted. If the court permits such individual to perform such work and such individual agrees thereto, the court shall withhold the imposition of the sentence on the condition that such individual performs the assigned work. Upon the successful completion of the assigned work the court may suspend such sentence.

(c) Whoever presents, or causes to be presented, coupons for payment of redemption of the value of \$100 or more, knowing the same to have been received, transferred, or used in any manner in violation of the provisions of this act or the regulations issued pursuant to this act, shall be guilty of a felony and, upon the first conviction thereof, shall be fined not more than \$20,000 or imprisoned for not more than five years, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not less than one year nor more than five years and may also be fined not more than \$20,000, or, if such coupons are of a value of less than \$100, shall be guilty of a misdemeanor and, upon the first conviction thereof, shall be fined not more than \$1000 or imprisoned for not more than one year, or both, and, upon the second and any subsequent conviction thereof, shall be imprisoned for not more than one year and may also be fined not more than \$1000. In addition to such penalties, any person convicted of a felony or misdemeanor violation under this subsection may be suspended by the court from participation in the Food Stamp Program for an additional period of up to eighteen months consecutive to that period of suspension mandated by section 6(b)(1) of this act.

**110.06 BENEFITS AS INCOME**

The Food Stamp Act of 1977, Section 8 (B) states as follows:

The value of benefits that may be provided under this act, whether through coupons, access devices, or otherwise (1) shall not be considered income or resources for any purpose under any federal, State, or local laws relating to taxation, welfare, and public assistance programs, and no participating State or political subdivision thereof shall decrease any assistance otherwise provided an individual or individuals because of the receipt of benefits under this act.