25. SAR 7 Processing [63-508.3]

25.1 Definitions

For CalFresh purposes the following definitions will be used:

25.1.1 Verification

This means obtaining the original or a photocopy of the actual document for the case record; i.e., SS card, pay stub, rent receipt, PG&E bill, award letters, etc.

25.1.2 Documentation

This means recording the information from the document that has been viewed and decisions made regarding eligibility determinations and allotments; i.e., residency determination, income determination, SUA determination, etc.

25.1.3 SAR Data Month [63-508.2]

The SAR Data Month is the month for which the household reports all information necessary to determine eligibility. The SAR Data Month is the fifth month of each semi-annual period.

25.1.4 SAR Submit Month [63-508.2]

The month in which the SAR 7 is required to be submitted to the county. This is the month after the SAR Data Month, and it is the sixth month of each semi-annual period.

25.1.5 SAR Payment Period [63-508.2]

The period in which benefits are issued. The SAR Payment Period is the six-month period immediately following the SAR submit month. This is the six month period after the beginning date of aid (BDA), Recertification (RC), or submittal of the SAR 7.

25.1.6 Extended Filing Date

In semi-annual reporting, this is the first working day of the payment period.
It is the final date by which a household must submit a complete SAR 7, including all required verification, without termination of eligibility.

<table>
<thead>
<tr>
<th>DATA</th>
<th>SUBMIT</th>
<th>PAYMENT PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>MONTH</td>
<td>MONTH</td>
<td>1st MONTH</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Extended filing date: 1st working day, after the last day of the Payment Period.</td>
</tr>
</tbody>
</table>

### 25.1.7 Termination (Discontinuance) [63-508.63]

A semi-annual reporting household must be discontinued from participation in CalFresh if:

- A change in household circumstances makes the household ineligible.
- The household fails to submit a complete SAR 7 by the extended filing date.
- The household fails to comply with a nonfinancial eligibility requirement, such as registering for work.
- The household requests termination.

A household which fails to provide information/verification that is NOT REQUIRED on the SAR 7 MAY NOT be terminated. When this happens and eligibility is questionable, the household must be notified, using the “Request for Information” form, of the verification required or actions it must take to clarify the household’s unclear circumstances. If the household does not respond within the ten-day timeframe, or refused to provide sufficient information to clarify its circumstances, CalFresh benefits are to be terminated for failure to provide information as soon as a timely Notice of Action can be issued.

**Example:**

A SAR 7 is received without verification of earnings. This verification is required for a complete SAR 7 and a “NA 960Y SAR” discontinuance notice must be sent.

**Note:** Do not send a NA 960 Y SAR (Y-NOA) after a NA 960 X SAR (X-NOA) has been sent to the client. Send a CW 2200 requesting the missing or incomplete information.

**Example:**

A SAR 7 is received showing that the household has opened a new bank account. None of the information needed to determine the value of the bank account is given. This information is not required for a complete SAR 7 and benefits MAY NOT be discontinued. For this reason, the EW must send a “Request for Information” letter to the household requesting the information needed...
to determine the value of the bank account allowing the household at least 10 days to provide it. If the household does not respond by the due date, the EW must then send a timely (10-day) NOA to terminate the household’s CalFresh benefits for failure to provide information.

25.2 Semi-Annual Reporting (SAR) Requirements

25.2.1 Application

At the time of the application interview, the EW must determine which households are subject to SAR requirements. The EW must provide all SAR households with a “Eligibility/Status Report” (SAR 7) for reporting changes and information, and an “Instructions & Penalties Eligibility/Status Report” (SAR 7 addendum).

Additionally, the EW must provide each SAR household with form SAR 7A, “How to Fill Out Your SAR 7.” The SAR 7A must be read and discussed with the head of household, and they must be encouraged to keep the form for future reference.

25.2.2 Purpose [63-508.3]

The purpose of a SAR 7 is to:

- Establish eligibility prospectively on a semi-annual basis.
- Report changes affecting eligibility/CalFresh allotment.
- Provide supporting documentation regarding eligibility for the payment period.

The EW is responsible to assist households whose adult members have difficulty understanding and/or completing the SAR 7.

25.2.3 Deadlines [63-508.51]

A complete SAR 7 is due by the 5th of the submit month. It is considered timely if received by the 11th of the submit month.

Households may submit a complete SAR 7 through the extended filing date.

25.2.4 Late SAR 7 “NA 960X SAR” NOA [63-508.6]

Send an NA 960X SAR if the SAR 7 is not received by the 11th of the submit month. If the 11th of the month falls on a weekend or holiday, the due date is the next working day.

Discontinue benefits if a complete SAR 7 is not received by the extending filing date.
When determining an overissuance due to the failure of the household to report earned income in a timely manner (by the extended filing date), disallow the 20% earned income deduction on the unreported portion of the earned income, only for the 1st month of the payment period.

**Exception:**
When good cause exists for late SAR 7 reporting, the 20% earned income disregard is allowed.

### 25.2.5 Changes Reported Outside the SAR 7

If a household voluntarily reports a change during the semi-annual period and the information is verified, the household is not required to re-report on the SAR 7. The information from the verified mid-period report is part of the case file and together with the information reported on the SAR 7 must be used to determine eligibility and the benefit amount for the next SAR Period.

[Refer to “Semi-Annual Reporting Requirements,” page 24-1] for required action on changes reported between SAR 7 reports.]

### 25.3 Definition of a Complete SAR 7

#### 25.3.1 Completeness Criteria (ACL 21-24)

The SAR 7 must now be considered complete if:

1. The form is signed and dated (any date) by the persons specified by the household or Authorized Representative;

2. All questions and items were fully answered, and information provided on the SAR 7 form together with attached documentation, provides enough information to allow for the determination of eligibility and benefit level; and

3. All required verifications are provided.

**Note:**
Since it is also signed under penalty of perjury, faxed SAR 7s are acceptable. If questionable, follow-up by requesting that the original also be sent in. Additionally, the SAR 7 may be completed in ink, pencil or any other writing utensil the client has at their disposal.
25.3.2 Signature [63-508.43]

The SAR 7 must be signed by one of the following:

- Head of household, or
- Authorized representative, or
- A responsible household member.

25.3.3 Date [63-508.41]

The SAR 7 must be signed and dated by the household or AR. AB 79 eliminated the requirement for the SAR 7 to be signed no earlier than the first day of the submit month for the SAR 7 to be considered complete.

Note:
As long as the household answered all the questions and provided the required verifications for the data month, then the SAR 7 is considered complete regardless of the date it is signed. (AB 79 Webinar).

25.3.4 Sponsored Noncitizens

Sponsored noncitizens must report their sponsor's income and changes in circumstances on the SAR 7. Noncitizens must also provide verification of their sponsor's income/circumstances which may affect the CalFresh.

The sponsor is NOT required to sign the SAR 7.

25.3.5 Complete Answers

An answer to any SAR 7 question is complete if:

- The “NO” box is checked.

- The “NO” box is checked for Question #1, but wage stubs for the data month are attached. (The “NO” check is assumed to be inadvertent.)

- The “YES” box is NOT checked BUT the information is provided on the form and the required verification is attached.

- The “YES” box is checked, information is NOT provided on the report, BUT the required verification (including date received) is attached showing ALL of the information necessary to determine eligibility and benefit amounts.
• The “YES” box is NOT checked, information is NOT provided in the report BUT the required verification (including date received) is attached showing ALL of the information necessary to determine eligibility and benefit amounts.

• The household reports a change in deductions (other than housing), but fails to provide verification. Although the SAR 7 is considered “complete”, the deduction will be disallowed IF verification is required. [Refer to “Deductions,” page 25-8] for more information.

• The number of days and hours worked are NOT reported for a wage earner whose unemployment status constitutes a basis of deprivation.

• A change in resources is not listed when it does not cause ineligibility.

The following information is not required to be reported on the SAR 7:

• Public Assistance (PA) or GA grant amounts.

25.3.6 Incomplete Answers

An answer to any SAR 7 question is INCOMPLETE and a “NA 960Y SAR” NOA must be sent if:

• The “YES” or “NO” box is not checked and the information is NOT provided on the form, and the required verification is not attached. (That is, the question is blank and nothing is attached.)

• The “YES” box is checked, but no information is provided and the required verification is not attached.

• The information is provided on the report, but verification required to determine ELIGIBILITY (such as income) is not attached.

Exception:

DO NOT send a “NA 960Y SAR” NOA for missing verification of a deduction. [Refer to “Deductions,” page 25-8] for further information.

• Verify gross nonexempt earned income semi-annually.

• Verify nonexempt unearned income when it is first reported and when the amount changes.

Note:

All CalFresh households are not required to report a change of $100 or less in unearned income on the SAR 7 form.
• Verify exempt income when it is first reported and when the source changes. (This includes income-in-kind.)

• The recipient reported any change of circumstance outside of the SAR 7 (mid-period change)

• When a submitted SAR 7 does not contain information from a previous (voluntary) unverified report, an action must be taken to resolve the discrepancy between the two reports before changing benefits for the upcoming semi-annual period. If the discrepancy cannot be resolve the SAR 7 may be treated as incomplete.

Example:

A household is in January through June SAR Payment period. On March 15, mom reports she is eligible for Social Security and the first payment of $300 will be received April 3. No verification was received and no action was taken since the income was under 130% of FPL. The ‘No Change NOA’ was sent and the report was documented in case record for the next SAR 7 or RC. When the SAR 7 is received in June, the Social Security payment was not reported. The EW must contact the client to resolve the discrepancy.

Exception:

The household is only required to report shelter cost changes at recertification or when the HH moves. If a household voluntarily reports a decrease in housing costs mid-period, the next SAR 7 is NOT considered incomplete if the household fails to report it since the change wasn’t required to be reported.

• The SAR 7 is NOT signed and dated by the appropriate person. [Refer to “Signature [63-508.43],” page 25-5].]

25.3.7 Reporting Requirements on the Semi-Annual Report (SAR 7)

The SAR recipients must provide information and answers to all questions and items on the SAR 7 and attest, under penalty of perjury, that they have truthfully reported all required information. The SAR 7 is not an affidavit of income and does not count as attestation. It is an affidavit of the change in income, therefore, the household needs to verify the change in income in addition to reporting it on the SAR 7.

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 following items are reporting requirements which require verification when first reported in the SAR 7 or when there is a change:

• Gross nonexcluded earned income and nonexcluded unearned income.
Exception:

Households are not required to report a change of $100 or less in unearned income on the SAR 7 form.

- Source and amount of all excluded income when first reported on the SAR7 and any changes in the source and amount of the income.
- Verification for actual costs of producing self employment income.
- Residency when there is a change.
- Social security numbers or citizenship or noncitizen status for household members when there is a change.
- A change in the legal obligation to pay child support to a person not in CalFresh household and/or an increase in the amount of child support payments.
- A change in household composition or loss of job or source of earned income on the applicability of the work registration or voluntary quit requirements.

Note:

If verification does not exist or is not available, an affidavit or sworn statement is acceptable verification of earrings. Collateral contacts may also be used for the households.

25.3.8 Deductions

Reporting and Verification Requirements

Households must report AND/OR verify these expenses with the SAR 7.

<table>
<thead>
<tr>
<th>EXPENSE</th>
<th>MUST BE REPORTED WHEN:</th>
<th>VERIFICATION REQUIRED WHEN:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>• Household moves</td>
<td>• Questionable</td>
</tr>
<tr>
<td>Utilities</td>
<td>• Household moves</td>
<td>• Questionable</td>
</tr>
<tr>
<td>Dependent care</td>
<td>• Each semi-annual period on SAR 7</td>
<td>• Questionable</td>
</tr>
<tr>
<td>Medical expenses</td>
<td>• There is a change of $25 or more</td>
<td>• It is allowed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(EW must act on reported changes without verification if these will result in the household ineligibility or a decrease in benefit allotment. Verification must be obtained prior to the HH recertification.)</td>
</tr>
<tr>
<td>Self-employment</td>
<td>• Each semi-annual period with SAR 7</td>
<td>• Each semi-annual period.</td>
</tr>
<tr>
<td>ACTUAL business expenses</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[Refer to “Verification,” page 6-1] for information on verification requirements.]
Households are NOT required to report the following changes in expenses, but verification must be requested if a household does report changes in allowable medical expenses for an aged/disabled household member.

If the household fails to provide verification of a change of expense when one is reported. [Refer to “Missing Information/Verification,” page 25-9] to determine the required action.]

**Consistency**

Evaluate the answers to questions on the SAR 7 for consistency with each other, and with previous case information.

**Missing Information/Verification**

When required information or verification of a deduction is not included with the SAR 7, follow the steps below. DO NOT send a “NA 960Y SAR” NOA or otherwise delay benefits.

<table>
<thead>
<tr>
<th>STEP</th>
<th>ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Send a “CalFresh Notice of Change For Semi-Annual Reporting Household” (CF 377.4) listing the missing information/verification. If a handwritten CF 377.4 is sent, check the boxes “Change in Benefits” and “Proposed Change in Benefits” and document the specific missing information on the Maintain Case Comments window.</td>
</tr>
<tr>
<td>2.</td>
<td>IF THE CHANGE IS: THEN:</td>
</tr>
<tr>
<td></td>
<td>An unverified increase in housing AND the HH did not move, • Enter the increased amount in the future SAR Payment Period budget, unless questionable. • Continue to allow the new amount whether or not verification is received. • If verification is received, make sure to check that the information is consistent with the case record.</td>
</tr>
<tr>
<td></td>
<td>An unverified decrease in housing AND the HH did not move, • Enter the decreased amount in the future SAR Payment Period budget. • Send a second NOA (CF 377.4) 10-days in advance to notify the household of the decrease in benefits. • Continue to allow the new amount whether or not verification is received. • If verification is received, make sure to check that the information is consistent with the case record.</td>
</tr>
<tr>
<td></td>
<td>Any other change in expenses (such as a move) with missing information/verification • Enter the NEW amount in the future SAR Payment Period budget, unless questionable. • Send a second change NOA (CF 377.4) to notify the household of the resulting change in benefits. 10-day notice is required for a benefit decrease. • Continue to allow the new amount whether or not verification is received. • If verification is received, make sure to check that the information is consistent with the case record.</td>
</tr>
</tbody>
</table>
EW Responsibility

EWs must make every effort to clear questionable information by the extended filing date. This may be done through a telephone call, text or mail.

25.3.9 Other Questionable Missing Information/Verification [63-300.5, 63-508.613]

If information or verification is questionable for ELIGIBILITY items such as a change in residency, citizenship or noncitizen status, and the household has failed to provide clarification, follow the steps below.

<table>
<thead>
<tr>
<th>STEP</th>
<th>ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>• Call the client; • Send a text message via &quot;Message Media&quot; to ask the client to contact the EW; or • If the household's consent for text is not on file, send a &quot;Request for Information&quot; (CF 387), requesting the missing information and/or verification and allowing the household at least 10 days to provide it. Do not send a NA 960Y SAR NOA.</td>
</tr>
<tr>
<td>2.</td>
<td>IF THE HOUSEHOLD: THEN:</td>
</tr>
<tr>
<td></td>
<td>FAILS* to provide the missing information/verification by the due date,</td>
</tr>
<tr>
<td></td>
<td>REFUSES* to provide the missing information/verification,</td>
</tr>
</tbody>
</table>


25.4 Processing the SAR 7

25.4.1 How to Process a Complete and Timely SAR 7 with All Verifications [63-508.322]

Review and Compare

Review the report to make sure it is complete. Compare the report with the previous SAR 7 and other information in the case record for consistency.
Income Tests (for Non-CE Households)

For Non-Categorically Eligible households, determine the household's eligibility prospectively. [Refer to “Budgeting Concepts,” page 22-1.]

Compute the gross and net monthly income tests prospectively for the future payment period and document.

Passed The reasonably anticipated income for the payment period to determine the upcoming SAR Payment Period’s benefit amount.

Not passed Discontinue benefits and send a timely notice. Document this on the Maintain Case Comments window.

CE Households

For Categorically Eligible (CE) households, the gross and net monthly income tests are not required.

Budgeting

Determine the household’s level of benefits based on the information reported on the SAR 7.

If budgeted income results in zero benefits for the next SAR period, discontinue the CalFresh case.

The following income and deductions must be considered:

- Earned and unearned income anticipated for the upcoming SAR Payment Period. [Refer to “Budgeting Concepts,” page 22-1] for more policy information.

- Legally obligated child support payments that will be PAID (as opposed to billed) in the upcoming SAR Payment Period. [Refer to “Income Deductions,” page 20-1] for more policy information.

- Other allowable deductions as billed or averaged for the SAR Payment Period. [Refer to “Income Deductions,” page 20-1] and [Refer to “Shelter Deductions,” page 21-1] for more policy information.

Action on Changes

Take prompt action on all changes.

- If the household becomes ineligible, terminate the household.

- If the household benefits will increase, the change is effective from the first month of the new SAR Payment period.
• If the household benefits will decrease, the change is effective the next payment period.

Reminder:

If income changes are reported on the SAR 7 for the upcoming SAR period, the income must be anticipated for the upcoming payment period.

If a household reports a change in unearned income on the SAR 7, whether the change is under or over the unearned income reporting threshold, the EW must act on the reported change and adjust the unearned income amount used to determine the household’s CalFresh budget effective the first month of new SAR period.

Example:

The June SAR 7 is submitted on July 10. The client reports that their DIB has increased by $50 as of July 1. The EW must take appropriate action to change the CalFresh budget effective August 1.

Example:

The household consists of two parents. On the July SAR 7 (submitted on 8/5) the mother reports that the father moved out as of 8/2. The father was the only member of the HH that had income. Removing the father from the CalFresh HH would result in an increase in CalFresh benefits, therefore the father is removed effective 8/31/08.

Benefit Issuance

Benefits must be issued by the household’s issuance stagger date to an eligible household which has provided a complete SAR 7 by 10 days before the end of the submit month.

NOA

Send a “CalFresh Notice of Change For Semi-Annual Reporting Household” (CF 377.4) if processing a complete SAR 7 results in a:

• Decrease in benefits (send the NOA 10 days before effective date of change), or
• Increase in benefits (send the NOA no later than the date the household receives benefits).
25.4.2 Complete SAR 7 Received After NOA Cutoff [63-508.65]

Issuance Deadline

Benefits must be issued as soon as possible to an eligible household that files a complete SAR 7 in the last 10 days of the submit month or on the extended filing date. The EW must ensure that benefits are issued within 10 days after the normal issuance date.

Before Month-End Cutoff

An Inadvertent Household Error (IHE) overissuance MUST be established when a recipient submits a late SAR 7 (after the 11th of the SAR Submit Month) which results in the household receiving more benefits than to which it is entitled because of the county’s inability to decrease benefits due to the 10-day notice requirement.

Reminder:

If the SAR 7 was received timely (by the 11th of the Submit Month) but was not processed or was processed incorrectly by the county, then an Administrative Error (AE) overissuance must be established if the household received more benefits than to which it was entitled for the SAR Payment Period. If the SAR 7 is received after the 11th of the Submit Month then the overissuance is considered an IHE.

Process the SAR 7 as if it had been received before NOA cutoff. Follow the chart below when determining the amount of benefits.

<table>
<thead>
<tr>
<th>IF BENEFITS WILL...</th>
<th>THEN...</th>
</tr>
</thead>
</table>
| Increase or remain the same, | Revise the budget.  
Issue benefits in a timely manner.  
Send an automated NOA, if applicable. |
| Decrease, | Issue benefits for at least the same amount as was indicated on the last valid NOA sent.  
Make a mid-period change for the remaining months of the payment period to decrease benefits.  
Establish an overissuance for the 1st month of the SAR payment period which occurred due to the inability to decrease benefits with a 10-day notice. |

After Month-End Cutoff

After month-end cutoff, restore the case as an erroneous discontinuance. Then follow the directions above for “Before Month-End Cutoff,” page 25-13.
25.4.3 Complete SAR 7 With Missing Verifications Received After NOA Cutoff

[Refer to “Deductions,” page 25-8] for verification and budgeting instructions.]

Upon receipt of a complete SAR 7 which lacks verification that will result in a decrease or disallowance, follow the steps below:

<table>
<thead>
<tr>
<th>STEP</th>
<th>ACTION</th>
</tr>
</thead>
</table>
| 1.   | Follow the instructions under [Refer to “Deductions,” page 25-8] to determine whether to disallow or reduce the deduction.  
• If the deduction should be disallowed or reduced, then GO TO STEP 2.  
• If the deductions should not be disallowed or reduced, then process the SAR 7 according to directions in [Refer to “Complete SAR 7 Received After NOA Cutoff [63-508.65],” page 25-13]. |
| 2.   | Send a “CalFresh Notice of Change For Semi-Annual Reporting Households” (CF 377.4) to explain what verification is needed. (A blank SAR 7 need not be sent with the notice, but may be included if helpful.) |
| 3.   | Follow the chart below.  
| IF BENEFITS WILL... | THEN... |
| Increase or remain the same, | Revise the budget, disallowing or reducing unverified deduction(s), if required. Allow benefits to be issued. Issue a supplement, if necessary. Send an automated increase NOA, if applicable. |
| Decrease, | Issue benefits for at least the same amount as was indicated on the last valid NOA sent. Make a mid-period change for the remaining months of the Payment Period to decrease benefits, due to disallowing or reducing unverified deduction(s). Establish an overissuance for the 1st month of the SAR Payment Period when benefits cannot be decreased due to the 10-day noticing regulations. |
| 4.   | If the missing verification is received:  
  a. By the extended filing date, allow the deduction in the payment period and issue a supplement, if appropriate.  
  b. After the extended filing date and this will be a continuing expense, the receipt of the verification is considered a voluntary mid-period report. |
25.4.4 Incomplete SAR 7

“Y” NOA [63-508.6]

A SAR 7 can have all verification of deductions attached and still be incomplete.[Refer to “Definition of a Complete SAR 7,” page 25-4].

Upon receipt of an incomplete SAR 7 by the 11th of the submit month, the EW must follow the steps below.

<table>
<thead>
<tr>
<th>STEP</th>
<th>ACTION</th>
</tr>
</thead>
</table>
| 1. | Send an NA 960Y SAR NOA, listing what information on the SAR 7 is incomplete, no later than ten days before the end of the submit month.  
   • Record the SAR 7 in CalWIN as Incomplete, in order to auto generate a NA 960Y SAR NOA.  
   • Manually generate a duplicate SAR 7, since the “NA 960Y SAR” NOA does not automatically produce a duplicate SAR 7.  
   • Mark the incomplete SAR 7 as Returned, in order to trigger an alert when the SAR 7 is not returned complete.  
   If there is missing verification of a deduction, a “CalFresh Notice of Change For Semi-Annual Reporting Households” (CF 377.4 SAR) must also be sent to explain what verification is needed. |
| 2. | Allow the household until the extended filing date to submit a complete SAR 7. Process the SAR 7 according to instructions in this section when it is received.  
   If the household responds to the “NA 960Y SAR” NOA by sending another INCOMPLETE SAR 7, do not send a second “NA 960Y SAR” NOA. See “SAR 90” below for instructions. |
| 3. | If a complete SAR 7 is not received by the extended filing date, the CalFresh case will be discontinued. |

25.4.5 Personal Contact

Assembly Bill (AB) 79 mandates that the EW contact the household after sending the X or Y discontinuance NOA to complete the SAR 7. Personal contact should be made before the monthly “Immediate NOA Cutoff” date.

**Text/Email Message**

When sending a text using “Message Media,” the message must include the EW’s direct telephone number for the client to call for assistance. For required verification, the website for uploading documents securely https://ssadocupload.sccgov.org/DEBS should be provided.

For guidance for the script and the process, refer to DEBS Common Business Processes (DCBP) Chapter 28.

**Telephone Contact**

If the EW successfully reaches the household, the EW must:
• Explore any missing or unclear information with the household and complete the report over the phone if the household agrees.
• Attempt to collect the information needed to complete the report, except for signing the report on behalf of the client. TS must be used to capture the client’s signature.

If the EW cannot reach the household or collect the information necessary to complete the report, the EW must document in the case record that an attempt was made to contact and collect the necessary information to complete the report.

**Reminder Letter**
For households that did not provide consent for electronic communications, or do not have a working phone number, the “Reminder Letter” (SAR 90) for an incomplete SAR 7 or SCD 50 must be sent. The reminder contact letter must be scanned in the IDM system.

**SCD 50**
The SCD 50 must be sent to households who failed to submit their SAR 7. This reminder letter must be sent after the X NOA is sent but prior to the “Immediate NOA Cutoff” date.

**SAR 90**
When an incomplete SAR 7 is received after sending an NA 960X SAR or NA 960Y SAR, send a “Reminder Letter” (SAR 90) specifying:

• What questions need to be answered.
• What verifications need to be provided for the SAR 7 to be complete.
• Which program is affected (CalWORKs or CalFresh or both).
• CalFresh benefits will still be discontinued on the effective date.

**Note:**
If the SAR 7 is complete for one program, but not the other, only check the box for the program still needing additional information.

The SAR 90 form is not a NOA and will not reset the 10-day notice requirements or the case discontinuance date. Therefore, the SAR 90 does not confer new hearing rights, although households retain the right to request a hearing with respect to the original SAR 7 discontinuance notice.

**25.4.6 Completion of SAR 7 by Telephone**
Eligibility Workers (EWs) shall complete the SAR 7 for clients and obtain their telephonic signature (TS) when the clients contact us in the following situations:

• their SAR 7 was submitted timely, but it is incomplete,
• they sent in their SAR 7, but we have no record of it or are unable to locate it,
• they receive an ‘X’ NOA and call their EW,
• their case is discontinued for failure to turn their SAR 7 in during the submit month and they contact us in the month following discontinuance.

Refer to DCBP Chapter 28, “Completion of SAR 7 by Telephone” section for completion process.

25.4.7 DocuSign SAR 7

The Semi-Annual Report (SAR 7) is available in DocuSign format for clients to complete and sign. Before sending the document to the client, all required fields must be completed by the Eligibility Worker (EW). The case number, case name, client address etc. must all be entered on the form prior to sending it to the client via DocuSign. Once the SAR 7 is completed and returned by the client EWs will update the SAR 7 status in CalWIN then print the SAR 7 and place it in the designated IDM area for clerical staff to image.

Note:
The requirements for completing the SAR 7 via DocuSign are the same as a paper SAR 7 and workers are still responsible for obtaining the required signatures on the SAR 7.

25.5 Discontinued Households

25.5.1 Discontinued HH Reapplies in Month Following Discontinuance [63-504.362, 63-102.b(1)]

If a recipient reapplies for aid after the first working day of the SAR Payment Period following discontinuance for failure to submit a complete SAR 7, but during the calendar month following discontinuance, a determination must be made of whether the recipient had good cause for failure to submit a complete and timely SAR 7 for the previous SAR period.

Good Cause Determination

Good Cause exists in the following situations:

• When the recipient is suffering from a mental or physical condition which prevents timely and complete reporting.
• When the recipient’s failure to submit a timely and complete report is directly attributable to county error.
• When the county finds other extenuating circumstances.
Erroneous Discontinuance

If it is determined that the client had good cause for failing to submit the SAR 7, the discontinuance must be rescinded and benefits issued at the prior level. The household must provide the SAR 7 due for the past data month.

Note:

Ensure that the Batch AU Exception Special Indicator is entered for CalFresh in order to prevent the issuance of Transitional CalFresh in CalWIN.

If information reported on the SAR 7 results in a decrease in benefits, a 10-day notice must be provided before taking action to decrease benefits. If the 10-day notice requirement prevents action from being taken to decrease benefits the first of the month following receipt of the late SAR 7, a mid-period change is made in the SAR Payment Period. An overissuance must be established for the months in the SAR Payment Period when benefits were issued at a higher level than the client is entitled to based on the information on the SAR 7 report due to 10-day noticing requirement.

If information reported on the SAR 7 results in an increase in benefits, a supplement shall be issued, if applicable, and benefits increased for the remaining months of the SAR Payment Period.

Restoration of Aid Waiver

If it is determined that the client did not have good cause for failing to submit the SAR 7, then the rules for Restoration of Aid Waiver will apply. [Refer to “Restoration of Aid Waiver,” page 25-19]

25.5.2 Discontinued HH Reapplies After a Calendar Month Break in Benefits [63-504.363]

A SAR 7 discontinuance may be rescinded until the end of the month following the date of discontinuance if the client had good cause for failing to submit a SAR 7 report. Once a full calendar month has passed since the discontinuance date, the recipient may not claim good cause and must reapply for benefits.

This application is considered an initial application with a new certification period.

- [Refer to “Application,” page 3-1] for the required application forms.] SAR 7's are not required.

- Eligibility for expedited services must be explored if the household completes the appropriate section of the SAWS 1 or DFA 285-A1.

- Prorate benefits, if applicable.
25.6 Restoration of Aid Waiver

Effective October 1, 2010, discontinued NON-ASSISTANCE (NA) CalFresh households may have their eligibility and benefits restored within the month following termination without the need for a new application or an interview, should the household resolve the reason(s) for the discontinuance within 30 days following the effective date of discontinuance. Assembly Bill (AB) 959 extended this opportunity to CalWORKs and PACF households. CalFresh households must provide the necessary documentation/verification or satisfy any other condition of eligibility that prompted the termination in order to have the case restored. Before restoring benefits, the household MUST meet all other eligibility conditions.

Note:

The California Department of Social Services (CDSS) has been authorized by the United States Department of Agriculture (USDA), Food and Nutrition Service (FNS) to continue implementing the Reinstatement Waiver for a period of five years effective July 1, 2022 through June 30, 2027. This waiver does not make changes to the required information and verification needed to maintain CalFresh eligibility.

Approval of this waiver is based on the following conditions being met before the case is reinstated:

- The household's case must be in closed status;
- The household's eligibility can only be reinstated without a new application or interview, if the missing report, information, or verification is received by the local office within 30 days of the date the household became ineligible for program benefits;
- The household has at least one month remaining in the certification period after the effective date of ineligibility;
- The household must fully resolve the reason for the case closure and re-establish eligibility which may include reporting and verifying any changes in household circumstances;
- The household must be eligible for benefits during the reinstatement month and the remaining months of the certification period;
- Benefits for the initial month of reinstated eligibility must be prorated from the date the household took the required action to re-establish eligibility;
- For households other than those that submit a new application, the county must retain the current certification period.

25.6.1 Proration of Benefits

Once the missing information is provided by the HH and verified by the Eligibility Worker (EW), eligibility must be reinstated and benefits pro-rated from the date the HH resolves the discontinuance.
Reminder:

A determination must be made of whether the household had good cause for failure to submit a complete and timely SAR 7 for the previous semi-annual period. Current good cause rules for failure to submit a complete and timely SAR 7 continue to apply. If the household is determined to have good cause for not submitting a complete and timely SAR 7, the County is still required to rescind the discontinuance and restore full benefits back to the first of the month following discontinuance.

[Refer to “Discontinued Households,” page 25-17] for more information about good cause.

25.6.2 Exceptions

Households that are terminated for the following reasons are not eligible for restoration and MUST reapply for CalFresh:

- Terminated for failure to complete recertification,
- Terminated for returning to a county of residence after moving out of the county,
- Disqualified from the CalFresh program.

25.6.3 Reapplication / Recertification

Restored HHs are considered continuing cases. Therefore, the HH is NOT REQUIRED to submit a new application or participate in any application interview. In addition, the HH will be allowed to retain their original certification period.

However, if it would be more advantageous and convenient for the HH to file a new application instead of being restored (e.g., the date of the HH’s recertification is approaching), the EW must provide this option to the HH.

25.6.4 Wrongful Termination

During the restoration process, if it is discovered that a HH has been mistakenly terminated, the EW MUST rescind the discontinuance and restore eligibility and benefits at the prior level without proration.

25.6.5 Expedited Services

HHs who have had their eligibility restored under this waiver are not considered applicants and are, therefore, NOT entitled to expedited services.
25.6.6  Transitional CalFresh

When the CalWORKs Program is restored for the household receiving Transitional CalFresh (TCF), regular CalFresh benefits will be restored effective the first of the following month, providing the county issues a timely NOA prior to the termination of TCF benefits. Therefore, if there is no time to send the termination NOA (i.e., CF 1239) within the 10 day timeframe, TCF benefits must be continued.

Example:

A PACF household is terminated on March for income over IRT and begins receiving TCF in April. The household submits a new income below IRT on April 7 and continues to receive TCF for April. The county must send a timely NOA terminating the TCF effective April 30. Regular CalFresh benefits are restored effective May 1.

Example:

In the same scenario as above, a PACF household is terminated on March 31 for exceeding the income limit and begins receiving TCF in April. The household submits a complete SAR 7 on April 23. The TCF has already been issued for April and it is too late to send a timely NOA to stop the TCF allotment for May. The county must send a timely NOA terminating TCF effective May 31. Regular CalFresh benefits are restored effective June 1. There is no overissuance May.

25.6.7  Data Month Information

If a SAR HH is discontinued due to missing SAR 7 information or failure to submit a SAR 7, but resolves the issue under the guidelines of this waiver, the EW will determine eligibility and benefit amount based on the information reported on the SAR DATA MONTH.

Example:

A HH is in a January through June SAR cycle. The HH fails to submit their SAR 7 and the case is discontinued June 31. On July 15, the HH submits their SAR 7. The EW must determine eligibility and benefits for the next SAR Period (i.e., July to December) based on information reported on the May SAR 7. If the HH is eligible based on information on the SAR 7, the EW must restore eligibility and benefits effective July 15. The EW must also issue a “CalFresh Notice of Restoration Approval” (CF 388) notice to the HH.

25.6.8  SAR Cycle / Recertification

When a HH is discontinued due to issues related to SAR 7 but resolves the discontinuance and has eligibility restored under the guidelines of the waiver, the HH’s SAR cycle and recertification WILL NOT CHANGE.
Example:

A HH applied for and was approved for CalFresh benefits on February 26. The EW used the application date to establish the SAR cycle. The HH is put into the February/March/April SAR cycle with a 12-month certification period. The HH is discontinued on April 30 for not providing proof of earnings as reported on the SAR 7. Subsequently, the HH provides the necessary documentation of earnings to the EW on May 7. The EW restores eligibility and benefits to the HH effective May 7. The SAR cycle and the existing certification date for the HH are NOT changes.

25.6.9 Ineligible Determination

If a discontinued SAR HH resolves the discontinuance by providing the missing information/verification, and the information/verification renders the HH ineligible, the original discontinuance will remain in effect. The EW is not required to restore the HH's CalFresh case and then establish an overissuance.

Example:

A HH is in a January through June SAR cycle. The HH did not submit their SAR 7 by June 5 and the EW discontinues the case effective July 1st. On July 15, the HH submits their SAR 7. The EW determines eligibility and benefits for the July through December SAR period based on information from the month of May SAR 7. The May SAR 7 information renders the HH ineligible for benefits due to income. The discontinued HH is NOT restored and the July 1st discontinuance remains intact. The EW MUST send a “Notice of Denial of Restoration” (DFA 389) notice to the HH.

25.6.10 Voluntary Report

During the restoration process, if the HH voluntarily reports or provides updated information in the SAR 7, the EW must treat this information as a voluntary mid-period report and act accordingly. SAR HHs are still responsible for adhering to SAR reporting rules by notifying the EW of any required mandatory changes.

25.6.11 Reestablish Eligibility

If a SAR HH has already been discontinued, but circumstances have changed that could reestablish eligibility, the EW may use the guidelines of this waiver to restore the case or have the HH file a new application if it is determined to be more advantageous and convenient for the HH.
Example:

A HH is in a March through August SAR cycle. The HH submits their SAR 7 timely in August. The HH reports anticipated income that will exceed income limits. The EW correctly discontinues the HH August 31 for income over the limit. On September 10, the HH reports and provides proof of the loss of income that was reported on the SAR 7. The EW must determine eligibility and benefits based on the new information and restore the HH effective September 10. The SAR cycle and existing certification date remain unchanged.

25.6.12 Good Cause

This waiver does not amend the criteria for determining good cause. The EW will still determine if the HH had a good cause for failure to submit a complete and timely SAR 7. If the HH does not meet the good cause criteria, the conditions of this waiver will be applied.

[Refer to “Discontinued Households,” page 25-17] for information on good cause determination.]

25.6.13 Notices of Action

EWs are required to send the following approval or denial Notices of Action (NOA) to HHs requesting restoration of aid. Since restoring discontinued benefits is considered a positive action, issuing an adequate approval NOA is sufficient.

- “CalFresh Notice of Restoration Approval” (CF 388)
- “Notice of Denial of Restoration” (CF 389).