

ATTACHMENT J

◆ Electronic Benefit Transaction (EBT) Restrictions ◆

ELECTRONIC BENEFIT TRANSACTION (EBT) RESTRICTIONS

Section 408(a)(12) of the Act requires states to maintain policies and practices as necessary to prevent assistance provided under the State program funded under this part (IV-A) from being used in any electronic benefit transfer transaction in: (i) any liquor store; (ii) any casino, gambling casino, or gaming establishment; or (iii) any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclad state for entertainment.

Section 408(a)(12) also provides definitions for the following terms: (i) any liquor store; (ii) any casino, gambling casino, or gaming establishment; and (iii) electronic benefit transfer transaction.

Federal regulations at 45 CFR 265.9(b)(10) require that states provide the information below on an annual basis. However, 265.9(d) provides:

(d) If the State has submitted the information required in paragraphs (b) and (c) of this section in the State Plan, it may meet the annual reporting requirements by reference in lieu of re-submission. If the information in the annual report has not changed since the previous annual report, the State may reference this information in lieu of re-submission.

Federal regulations at 45 CFR 265.9(b)(11) require that:

(11) The state's TANF Plan must describe how the state will:

(i) Implement policies and procedures as necessary to prevent access to assistance provided under the State program funded under this part through any electronic fund transaction in an automated teller machine or point-of-sale device located in a place described in section 408(a)(12) of the Act, including a plan to ensure that recipients of the assistance have adequate access to their cash assistance; and

(ii) Ensure that recipients of assistance provided under the State program funded under this part have access to using or withdrawing assistance with minimal fees or charges, including an opportunity to access assistance with no fee or charges, and are provided information on applicable fees and surcharges that apply to electronic fund transactions involving the assistance, and that such information is made publicly available.

Iowa opts to comply with the requirements of 45 CFR 265.9(b)(10) and (b)(11)(i) through this Attachment J. The requirements of 265.9(b)(11)(ii) are addressed within the main body of the State Plan.

45 CFR 265.9 What information must the state file annually?

(b) Each **State** must provide the following information on the **TANF** program:

(10) A comprehensive description of the state's policies and practices to prevent assistance (defined at § 260.31(a) of this chapter) provided with federal TANF or state

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TANF MOE funds from being used in any electronic benefit transfer transaction in any: liquor store; casino, gambling casino or gaming establishment; or retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.

Reports must address:

(i) Procedures for preventing the use of TANF assistance via electronic benefit transfer transactions in any liquor store; any casino, gambling casino, or gaming establishment; and any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment;

Section 4004 of the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) required states to implement and maintain policies and procedures to prevent electronic benefit transfer (EBT) transactions of TANF benefits at specified types of businesses, and to submit a report describing these policies and procedures to the Secretary of Health and Human Services, no later than February 22, 2014. Pending federal regulations further clarifying state requirements, the Office of Family Assistance (OFA) for the Administration for Children and Families (ACF) advised states to “formulate policies and implement requirements in section 4004 of P.L. 112-96 based on its reasonable interpretation of these requirements.” (TANF Q&A March 2013).

Iowa’s reasonable interpretation of section 4004 emphasizes recipient responsibility and accountability. This interpretation is expressed in changes to state law enacted during the state’s 2013 legislative session. See Exhibit 1 for actual language. Briefly, this legislation makes compliance with the prohibition a condition of continued eligibility for TANF cash assistance and violation of this condition a fraudulent practice. The legislation incorporates federal definitions whether in law or regulation for the prohibited locations, and authorizes the Iowa Department of Human Services (DHS), the state TANF agency, to implement additional measures if required by federal regulations, and to adopt administrative rules as necessary.

DHS adopted administrative rules to implement the statutory changes. These rules provide that if DHS receives a detailed complaint or otherwise suspects that TANF benefits have been accessed by EBT at a prohibited location, a referral will be made to the state’s Department of Investigations and Appeals (DIA) to investigate. If the DIA determines that benefits were accessed at a prohibited location, the household will be canceled and ineligible for a period of three months for a 1st violation and six months for each subsequent violation, and be required to repay any amount accessed at a prohibited location. See Exhibit 2 for actual language.

Iowa’s policies prohibiting EBT of TANF benefits at prohibited locations became effective February 1, 2014.

Steps taken prior to this effective date included:

1. Meeting with staff from the Department of Inspections and Appeals to discuss the policy change and DIA’s role. As DIA is contracted by DHS to conduct investigations related to

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the state's TANF cash assistance program, including eligibility, this is considered to be covered by the terms of the contract.

DIA investigations can include interviews with TANF recipients and witnesses as well as the subpoena of video or other records that may be available from the business in question, or from the vendor providing electronic access card services for the state's TANF program.

2. Developing language advising of the new eligibility requirement and penalties, and adding it to all relevant forms. With only slight variations, if any, this language states:

Effective February 1, 2014: You cannot access your cash benefits with your electronic access card (EAC) at a:

- Liquor store or any place that mainly sells liquor,
- Casino or other gambling or gaming establishment, or
- Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

If the department determines that you have accessed your cash benefits with your EAC at one of the above places you:

- Will have committed fraud,
- Have to repay the amount of cash accessed at the location, and
- Your family will not get cash benefits for three months with the first misuse and six months for each additional misuse.

This language was added to the following forms provided to TANF applicants and recipients, prior to the February 1, 2014, effective date.

- Application – paper and on-line versions
- Review/recertification form
- Brochure describing the TANF cash assistance program
- Rights and Responsibilities form
- Sheet describing the electronic access card used to issue TANF cash benefits
- Notices of Decisions for approval, changes and reinstatement

3. Similar language was added to the card carrier, card brochure and frequently asked questions document issued with the TANF electronic access card by the state's vendor that provides electronic funds transfer services for the TANF cash assistance program.
4. Letters were mailed at the beginning of January 2014 to all currently active TANF cases, as well as those closed within 30 days, advising of the change. See Exhibit 3.
5. A press release about the change was prepared and posted to the DHS website in January 2014. See Exhibit 4.
6. A flyer describing the change was prepared and provided to local DHS offices for posting. See Exhibit 5.

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7. A similar flyer was provided to the state's Racing and Gaming Commission and Alcoholic Beverages Division with a request to provide the flyer to entities subject to their authority. See Exhibit 6.
8. Changes were made to DHS Employees' Manuals (See Exhibit 7) to correspond with the policy change, including the following:
 - During the initial interview, reviews and at other times deemed appropriate, workers should explain that the electronic access card cannot be used to access FIP benefits at certain locations.
 - New eligibility criteria related to electronic access card usage.
 - Procedures for responding to complaints of card usage at prohibited locations and making referrals to the Department of Inspection and Appeals to investigate.
 - Including use of the electronic access card at prohibited locations under the definition of client error for purposes of recoupment.
 - Making appropriate entries to the TANF eligibility system to impose a 1st and subsequent sanction for using the electronic access card at a prohibited location.
9. The following changes were made to the TANF eligibility and related systems (see Exhibit 7):
 - New reason codes for cancelation, denial and sanctions associated with violating the prohibition.
 - New notice language corresponding with cancelations and denials due to violating the prohibition.
 - Programming to calculate the end of an ineligibility period based on whether it is a 1st or subsequent violation.
 - New "tag" language added to Notices of Decisions as previously described.
 - New cause code for the Overpayment Recovery system related to overpayments caused by violating the prohibition.
10. Training material was developed and conducted, both a preliminary "heads-up" in December 2013 (see Exhibits 8a and 8b), and more detailed training held in January 2014 (see Exhibits 9a and 9b).
11. Information describing the policies and practices were added to the State TANF Plan when it was renewed in December 2013 effective October 2013 (See Exhibit 10).
12. After confirming with the Office of Refugee Resettlement that there was no federal prohibition, the state elected to apply the same policies and procedures with respect to Refugee Cash Assistance (RCA).

Final federal regulations issued on January 15, 2016, provided additional clarification concerning states' responsibilities in complying with section 4004 of P.L. 112-96. The regulations specified the four components that must be addressed in a state's policies and procedures, as well as provided guidance and suggestions for different ways that states can comply with each component. While states are required to include all four components in their policies and procedures, the final regulations also stress that states have some flexibility in how they do so.

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The final federal regulations described nine options or steps that states could use to comply with the first required component. These options focus on who is responsible for preventing EBT transactions of TANF benefits at the types of businesses listed. Options fall into three categories: (1) requirements for ‘third-party processors’ – entities that actually process EBT transactions; (2) retailers – the actual businesses where transactions are prohibited; and (3) the families receiving TANF benefits. The regulations do not require that states utilize any particular option(s) listed, or that states use options under more than one category. The preamble to the regulations does clarify that notification approaches to TANF applicants/recipients alone are not sufficient, except for EBT transactions from private bank accounts, on tribal lands and in other states.

In evaluating each of the nine options identified in the final regulations, the state determined that several options were not separate, but rather were an integral part to one or more other options. Other options were not readily available to the state and /or would not be cost effective.

Iowa’s policies and procedures continue to focus on applicants and recipients. In addition to the extensive notification practices described above, Iowa also holds applicants and recipients responsible for any failure to comply. As described above, under FIP administrative rules already in effect at the time the final federal regulations were published, recipients found to have accessed their TANF benefits at a prohibited location by way of EBT have committed fraud, must repay any benefits accessed at such location, and are ineligible for FIP for a period of three months for a first-time violation, and for a period of six months for each subsequent violation.

The final regulations identify “Requiring cardholders to agree in writing not to use TANF assistance at prohibited locations as a condition of receipt” as a separate means or option than notification. Effective January 1, 2017, FIP administrative rules were amended to require that “as a condition of eligibility, applicants and recipients must agree in writing to not use an electronic access card at prohibited locations.” See Exhibit 11 for details. In addition, the following language was added to the section of the FIP application form describing EBT prohibitions:

By having signed this application, you agree that no member of your household will use the EAC or your personal debit card to access FIP/RCA funds at prohibited locations.

Comparable language was also added to the FIP review and recertification eligibility form effective January 1, 2017. Households failing to sign an application or recertification form containing this language are ineligible for FIP.

Iowa has made additional changes to its policies and procedures prohibiting EBT transactions based on guidance and instructions in the final regulations. These changes are also effective January 1, 2017:

- Administrative rules were amended by revising definitions of prohibited locations. These definitions are used to identify such locations by clarifying when EBT restrictions apply. See next report component for details. See Exhibit 11.

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- Administrative rules were amended to include fees associated with accessing benefits at prohibited locations in the amount required to be paid back. See Exhibit 11. This change was also made to other forms including language advising that TANF benefits accessed at prohibited locations must be repaid to the state. See Exhibits 12A-D.
- Language was added to forms and elsewhere as appropriate or necessary clarifying that the EBT restrictions apply to TANF benefits accessed using a personal debit card as well as the state-issued electronic access card, and to transactions involving TANF benefits conducted on tribal lands and in other states. See Exhibits 12A-D. Revised versions of Exhibit 12B, Comm.108, the FIP pamphlet provided to applicants, and Exhibit 12C, Rights and Responsibilities, also provided to applicants for FIP and other DHS services, will be used once existing supplies are exhausted. The changes to these forms are not considered to be significant as they are not used as the basis for taking any negative action against applicants or recipients. The same or similar language is found in other forms issued to applicants and recipients.
- Policies and procedures in Employees' Manuals were also updated. See Exhibit 13A.
- Corresponding system changes to generate updated language for Notices of Decision. See Exhibit 13B.

(ii) How the state identifies the locations specified in the statute;

1. As already described, Iowa statute incorporates the definitions for prohibited types of businesses found in section 4004 of P.L. 112-96, and in federal regulations implementing this section. The final federal regulations issued on January 15, 2016, provided minimal further clarification of the definitions in P.L. 112-96. The state subsequently adopted administrative rules effective January 1, 2017, to further refine these definitions as follows.

Changes/additions are in italics (and not bold).

Casino, gambling casino, or gaming establishment means an establishment with a primary purpose of accommodating the wagering of money. It does not include:

- (i) A grocery store which sells groceries including staple foods and which also offers, or is located within the same building or complex as, casino, gambling, or gaming activities; or
- (ii) Any other establishment that offers casino, gambling, or gaming activities incidental to the principal purpose of the business.

This definition was refined by adding the following clarification to address buildings and complexes that include multiple business activities, not limited to those involving gambling. Complexes that include areas designated for gambling may also include hotels, restaurants, theaters, and other separate and distinct types of businesses. This clarification allows for making a clear, consistent and uniform distinction for when the prohibition applies with respect to such complexes.

Automated teller machines (ATM) and point-of-sale (POS) terminals located within those areas of the establishment where individuals are banned due to age restrictions associated with gambling, established by state or federal law or by any other regulatory entity having

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the authority to do so, are considered to be in a casino, gambling casino, or gaming establishment.

EBT transactions outside these designated areas are not prohibited on this basis.

Liquor store means any retail establishment which sells exclusively or primarily intoxicating liquor *or other alcoholic beverages*. Such term does not include a grocery store which sells both intoxicating liquor and groceries including staple foods (within the meaning of Section 3(r) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(r))).

This definition was refined by adding reference to “other alcoholic beverages” based on a clarification in the final federal regulations issued January 15, 2016. This definition was further refined by adding the following clarification to better distinguish when an establishment that does not sell liquor/alcohol exclusively, is subject to the prohibition. This clarification allows for making a clear, consistent and uniform distinction for when the prohibition applies.

Unless exempt as described in this definition, a retail establishment meets the definition of a liquor store when it has a North American Industry Classification System (NAICS) number that categorizes it as either a beer, wine and liquor store, or as a drinking place (Alcoholic Beverages). A retail establishment that does not have either type of NAICS code is considered to exclusively or primarily sell intoxicating liquor when 95% or more of its gross sales are from intoxicating liquor and it is not a United States Department of Agriculture certified SNAP retailer.

If necessary, the Department of Inspections and Appeals (DIA) can subpoena business records to make this determination.

Retail establishment which provides adult oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment *includes live entertainment at locations such as, but not limited to, strip clubs and gentleman’s clubs. It also includes stores and theaters that exclusively or primarily sell or feature adult-oriented videos and movies such as, but not limited to, adult book stores and adult movie theaters. A retail establishment meets this definition when the department has confirmed the primary nature of the business through the description on the business’s website, phone contact with the establishment, a site visit, or other means such as common local knowledge.*

Language was added to correspond with clarification in the final regulations issued on January 15, 2016, and to identify ways to confirm that a business meets the definition.

2. Locations are identified as part of the investigative process following the receipt of a detailed complaint or other suspicion by the department leading to a referral to the Department of Inspections and Appeals (DIA).

Using the definitions above in conjunction with other resources that can specify or indicate the nature of a business, such as: business listings in the yellow pages or on-line; web sites,

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including the sites of individual businesses as well as the North American Industry Classification System (NAICS); lists from the Iowa Racing and Gaming Commission and the Iowa Alcoholic Beverages Division; as well as personal local knowledge and other sources of information that may be readily available, the DIA may be able to make a definitive determination whether a location named in a complaint does or does not meet the definition of a prohibited location.

In some instances, the DIA may contact the business directly or conduct an on-site visit to determine if the location is prohibited. If necessary, the DIA may subpoena business records or other documents that can be used to determine if the business is a prohibited location.

(iii) Procedures for ongoing monitoring to ensure policies are being carried out as intended; and

Most of the notification procedures advising applicants and recipients of the prohibition and penalties for failure to comply are automated, with language included on forms provided at the time of application, approval, or review. The electronic case file contains all forms completed by the applicant or participant and all notices of decisions (NODs) issued to the household. The on-line narrative function of the electronic case file is used to document all actions taken on the case.

Random supervisory case reading also helps ensure that: (1) the most current version of forms are being used showing that applicants and recipients have been advised of the prohibition; and (2) that reports of use of the FIP electronic access card at prohibited locations have been acted upon according to policy and procedure, including making referrals to the Department of Inspection and Appeals, and initiating recoupment of any benefits (and associated fees) accessed inappropriately.

Procedures for responding to complaints of card usage at prohibited locations and making referrals to the Department of Inspection and Appeals to investigate are found in Employees' Manuals, title 4, chapters A, B, C and H. See Exhibits 7 and 13A.

The FIP program manager can request ad hoc reports based on reason codes identifying cases where FIP has been canceled for accessing benefits at prohibited locations.

The DIA informs the FIP program manager of the status of investigations conducted and conclusions reached. The program manager maintains a spreadsheet on all investigations and the outcomes of those investigations. DHS retains the authority to make the final determination whether a violation has occurred and a penalty imposed.

All actions associated with a report of a violation, including notices to the family, are documented in the electronic case file.

(iv) How the state responds to findings of non-compliance or program ineffectiveness.

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As specified in administrative rules, a first instance of confirmed non-compliance results in a 3-month period of ineligibility and a requirement to repay any amount accessed at the prohibited location along with any associated fees that may apply. Subsequent non-compliance results in a 6-month period of ineligibility and recoupment of any amount accessed and associated fees.

(11) The state's TANF Plan must describe how the state will:

(i) Implement policies and procedures as necessary to prevent access to assistance provided under the State program funded under this part through any electronic fund transaction in an automated teller machine or point-of-sale device located in a place described in section 408(a)(12) of the Act, including a plan to ensure that recipients of the assistance have adequate access to their cash assistance;

Policies and procedures to prevent access through electronic fund transaction at prohibited locations are described in detail in the previous section.

To ensure that these policies and procedures do not prevent recipients from having adequate access to their cash assistance, the state has, to the extent not expressly precluded by federal law or regulation, or by the federal Office of Family Assistance (OFA), further defined the places described in section 408(a)(12) so as to minimize the number of locations where electronic benefit transactions are prohibited, and to maximize the number of locations where the prohibition does not apply.

Given the total number of financial institutions, automated teller machines (ATMs) and point-of-sale (POS) devices in the state that accept the state's EAC, and that the state's EAC allows for receiving cash back at point-of-sale devices in conjunction with making a purchase when such service is available, ATMs and POS devices at prohibited locations (as defined by the state), represent a very small percent. The sheer volume of alternative locations where electronic benefit transactions are not prohibited ensures that FIP families continue to have adequate access to their benefits.

EXHIBIT 1: 2013 STATE LEGISLATION

Sec. 90. Section 239B.5, Code 2013, is amended by adding the following new subsection:

NEW SUBSECTION. 4. *a.* The department shall implement policies and procedures as necessary to comply with provisions of the federal Middle Class Tax Relief and Job Creation Act of 2012, Pub. L. No. 112-96, to prevent assistance provided under this chapter from being used in any electronic benefit transfer transaction in any liquor store; any casino, gambling casino, or gaming establishment; or any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment. For purposes of this paragraph, the definitions found in the federal Middle Class Tax Relief and Job Creation Act and related rules and statutes apply.

b. Unless otherwise precluded by federal law or regulation, policies and procedures implemented under this subsection shall at a minimum impose the prohibition described in paragraph “*a*” as a condition for continued eligibility for assistance under this chapter.

c. The department may implement additional measures as may be necessary to comply with federal regulations in implementing paragraph “*a*”.

d. The department shall adopt rules as necessary to implement this subsection.

Sec. 91. Section 239B.14, subsection 1, Code 2013, is amended to read as follows:

1. *a.* An individual who obtains, or attempts to obtain, or aids or abets an individual to obtain, by means of a willfully false statement or representation, by knowingly failing to disclose a material fact, or by impersonation, or any fraudulent device, any assistance or other benefits under this chapter to which the individual is not entitled, commits a fraudulent practice.

b. An individual who accesses benefits provided under this chapter in violation of any prohibition imposed by the department pursuant to section 239B.5, subsection 4, commits a fraudulent practice.

EXHIBIT 2: AGENCY ADMINISTRATIVE RULES
Effective February 1, 2014

41.25(11) Access to benefits.

a. A recipient shall not use the recipient's electronic access card issued pursuant to 441—subrule 45.21(1) to access benefits at any of the following prohibited locations as defined by federal statute or regulation applicable to this prohibition:

- (1) A liquor store,
- (2) A casino, gambling casino or gaming establishment, or
- (3) A retail establishment that provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.

b. When the department receives a detailed complaint or suspects that a recipient has used the recipient's electronic access card at a prohibited location, the case shall be referred to the department of inspections and appeals for further investigation.

c. When the department of inspections and appeals finds that a recipient has used the recipient's electronic access card at a prohibited location, the household that includes the recipient is:

- (1) Considered to have committed a fraudulent act;
- (2) Liable for any amounts accessed at a prohibited location and required to repay such amount in accordance with 441—Chapter 46;
- (3) Ineligible for FIP for a three-month period after the first report by the department of inspections and appeals which includes a finding of misuse;
- (4) Ineligible for FIP for a six-month period after each subsequent report by the department of inspections and appeals which includes a finding of misuse.

d. When parents from a two-parent family separate during an ineligibility period, if:

- (1) The department of inspections and appeals investigation identifies the recipient who used the electronic access card at a prohibited location, the ineligibility period will follow that recipient.
- (2) The department of inspections and appeals investigation does not identify the recipient who used the electronic access card at a prohibited location, the ineligibility period will follow the recipient who is the case name when the violation occurred.

46.21 Definitions

“Client error” means and may result from:

1. False or misleading statements, oral or written, regarding the client's income, resources, or other circumstances which may affect eligibility or the amount of assistance received;
2. Failure to timely report changes in income, resources, or other circumstances as required by rule 441—40.27(239B);
3. Failure to refund to the child support recovery unit any nonexempt payment from the absent parent received after the date the decision on eligibility was made; or
4. Access of benefits issued via the electronic access card at a prohibited location pursuant to 441—subrule 41.25(11)

“Overpayment” means any assistance payment received in an amount greater than the amount the eligible group is entitled to receive or the amount of any payment accessed at a prohibited location pursuant to 441—subrule 41.25(11).

EXHIBIT 3: CLIENT LETTERS
Issued January 2013



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

IMPORTANT CHANGE IN YOUR FIP or REFUGEE CASH BENEFITS



January 10, 2014

Dear FIP or Refugee Cash participant,

Effective February 1, 2014, you cannot access your cash benefits with your electronic access card (EAC) at any of the following locations:

- Liquor stores or any places that mainly sell liquor,
- Casinos or other gambling or gaming establishments, or
- Businesses which provide adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

This includes using the card at cash registers to make purchases and/or get cash back and at any ATMs at these locations.

This change is required by federal law (section 4004 of the Middle Class Tax Relief and Job Creation Act of 2012).

If the Department determines that you accessed your cash assistance with your EAC at one of the above places you:

- Will have committed fraud,
- Have to repay the amount of cash used at the location, and
- Your family will not get cash benefits for 3 months with the first misuse and 6 months for each additional misuse.

If you have questions regarding this change please contact the Income Maintenance Customer Service Center at 1-877-347-5678.

EXHIBIT 3: CLIENT LETTERS
Issued January 2013



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

IMPORTANTE: CAMBIO EN BENEFIOS *FIP* o *REFUGEE CASH*



10 de enero de 2014

Estimado participante de *FIP* o *Refugee Cash*:

A partir del 1 de febrero de 2014, no podrá utilizar su tarjeta electrónica (EAC) para acceder a sus beneficios en efectivo en los siguientes locales:

- Licorerías o lugares donde se vendan bebidas alcohólicas principalmente.
- Casinos u otros establecimientos de juegos o apuestas.
- Locales que ofrecen entretenimiento para adultos donde los artistas se desnudan o actúan desnudos (como locales de strip-tease).

Esto incluye utilizar la tarjeta en cajas registradoras para hacer compras y/o extraer efectivo, y en cualquiera de los cajeros automáticos de esos locales.

Este es un cambio exigido por la ley federal (sección 4004 de la ley *Middle Class Tax Relief and Job Creation Act of 2012*).

Si el departamento determina que usted utilizó su tarjeta de asistencia en efectivo en uno de los lugares mencionados anteriormente:

- Habrá cometido un fraude;
- Tendrá que reintegrar el dinero en efectivo que gastó en dicho local; y
- Su familia no recibirá beneficios en efectivo por 3 meses la primera vez que cometa una infracción y por 6 meses cada vez que vuelva a hacerlo.

Si desea hacer preguntas con respecto a este cambio, comuníquese con el Centro de Servicios a Clientes de Income Maintenance al teléfono 1-877-347-5678.

EXHIBIT 4: PRESS RELEASE/TANF AGENCY WEB SITE
February 2014

January 21, 2014

For Immediate Release

DHS bans use of public assistance funds at some locations
Change will improve program integrity

The Iowa Department of Human Services announced today that households receiving assistance under the Family Investment Program (FIP) will not be allowed to use Electronic Access Cards (EAC) at the following locations:

- Liquor stores or any places that mainly sell liquor
- Casinos or other gambling or gaming establishments, or
- Businesses which provide adult-oriented entertainment in which performers disrobe or perform in an unclothed state

This includes using the cards at cash registers to make purchases and/or get cash back or withdraw funds at any ATMs at these locations.

Beginning February 1, 2014, households found accessing FIP benefits at these locations will lose eligibility – 3 months for the first violation, 6 months for each subsequent violation – and have to repay the amount accessed.

“This commonsense approach improves program integrity and helps ensure that Iowans in need use these benefits for their families,” said Wendy Rickman, who administers the program for DHS. “This move provides another level of assurance to Iowa’s taxpayers that funds are used properly, and we’re doing this without disrupting businesses.”

The Department is sending letters this month to households currently receiving FIP, or who have recently been canceled, advising of the change, which is required under federal law. This change also affects the Refugee Cash Assistance (RCA) program.

FIP is the state’s cash assistance program funded with federal dollars from the Temporary Assistance for Needy Families (TANF) block grant, as well as state dollars. The state receives a fixed annual TANF award of \$131 million. FIP is one of many programs using TANF funds.

Currently, about 13,300 Iowa families, or 33,500 individuals, receive a monthly FIP grant averaging about \$324. With few exceptions, adults receiving FIP are required to participate in work, education, training and other activities designed to lead to work. Adults are also limited to a lifetime maximum of 60 months FIP assistance unless they meet hardship criteria. The average time a family gets FIP is 22 months.

Refugee Cash Assistance uses 100 percent federal funds available from the Refugee Resettlement Program to provide cash assistance for no more than eight months as refugees

EXHIBIT 4: PRESS RELEASE/TANF AGENCY WEB SITE
February 2014

resettle in the state. There are currently 120 families or 134 individuals receiving a monthly grant averaging \$183. Adults considered employable are required to register for work and participate in employment services.

EXHIBIT 4: PRESS RELEASE/TANF AGENCY WEB SITE
February 2014

“The majority of Iowans in need who apply for these programs use the temporary funds properly to help care for their families, whether it’s through purchasing household items, fixing their car, paying utilities or buying school clothes for their children,” said Rickman. “This new approach allows for more accountability from the small number of individuals who try to abuse the benefits.”

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For more information
Amy Lorentzen McCoy
515-281-4848



FIP BENEFIT CHANGES and REFUGEE CASH ASSISTANCE (RCA)



Effective February 1, 2014, do not access your FIP or RCA benefits at:

- Liquor stores or any places that mainly sell liquor
- Casinos or other gambling or gaming establishments
- Adult-oriented entertainment businesses where performers disrobe or perform in an unclothed state, such as a strip club

This includes using the card at cash registers to make purchases and/or get cash back and at any ATMs at these locations.

If you have questions regarding this change please contact the Income Maintenance Customer Service Center at 1-877-347-5678.





FIP BENEFIT CHANGES and REFUGEE CASH ASSISTANCE (RCA)

(CAMBIOS EN BENEFICIOS FIP y REFUGEE CASH ASSISTANCE (RCA))



A partir del 1 de febrero de 2014, no acceda a sus beneficios FIP o RCA en:

- Licorerías o lugares donde se vendan bebidas alcohólicas principalmente
- Casinos u otros establecimientos de juegos o apuestas
- Locales de entretenimiento para adultos donde los artistas se desnudan o actúan desnudos, como locales de strip-tease

Esto incluye no utilizar la tarjeta en las cajas registradoras para hacer compras y/o extraer efectivo, ni en cualquiera de los cajeros automáticos de dichos locales.

Si desea hacer preguntas con respecto a este cambio, comuníquese con el Centro de Servicios a Clientes de Income Maintenance al teléfono 1-877-347-5678.





FIP BENEFIT CHANGES and REFUGEE CASH ASSISTANCE (RCA)



Effective February 1, 2014, do not access your FIP or RCA benefits at:

- Liquor stores or any places that mainly sell liquor
- Casinos or other gambling or gaming establishments
- Adult-oriented entertainment businesses where performers disrobe or perform in an unclothed state, such as a strip club

This includes using the card at cash registers to make purchases and/or get cash back and at any ATMs at these locations.



FIP BENEFIT CHANGES and REFUGEE CASH ASSISTANCE (RCA)

(CAMBIOS EN BENEFICIOS FIP y REFUGEE CASH ASSISTANCE
(RCA))



A partir del 1 de febrero de 2014, no acceda a sus beneficios FIP o RCA en:

- Licorerías o lugares donde se vendan bebidas alcohólicas principalmente
- Casinos u otros establecimientos de juegos o apuestas
- Locales de entretenimiento para adultos donde los artistas se desnudan o actúan desnudos, como locales de strip-tease

Esto incluye no utilizar la tarjeta en las cajas registradoras para hacer compras y/o extraer efectivo, ni en cualquiera de los cajeros

automáticos de dichos locales.

EXHIBIT 7: EMPLOYEE MANUAL CHANGES
February 2014

4-B page 8a

- If none of the previous three bullets apply, explain that payments will be made by electronic access card. Consider and do the following:
 - If it is a two-parent case, explain that only one card will be issued for the household, in the name of the parent who is the case name.
 - Provide a copy of Comm. 377, *Electronic Access Card*.
 - Explain that the electronic access card cannot be used at certain locations to access FIP benefits and the penalties for accessing benefits with the card at those locations.
 - If the case name individual has a "blank" in the EAC indicator field on ABC system's TD03 screen indicating that they have never had an EAC account, explain that if FIP is approved, an electronic access card will be mailed to them. It is important that they keep the card and read the materials that tell them how to use it and especially how to avoid fees.
 - If the case name individual has a "Y" in the EAC indicator field on ABC system's TD03 screen, ask if they still have their FIP EAC card. If they still have it, they will be able to use that card to get their FIP benefits when FIP is approved. If they do not have their FIP card, or if their old card is past the expiration date printed on the front of the card, explain that they will have to call the Xerox Customer Service Center at 1-866-899-5611, to request a replacement card.
 - Explain that it is important to report promptly if their address changes before receiving the EAC card. EAC cards cannot be forwarded by the post office. If the card is mailed to the wrong address, the client will have to call the Xerox Customer Service Center to report that they did not receive the card and request a new card.
 - Explain that they should keep their card even if they leave FIP or begin getting FIP by direct deposit or warrant, because they will be able to use the same card if they begin getting benefits by EAC again in the future.

4-C-top of page 41 right after Duplicate Assistance

Electronic Access Card Usage

Legal reference: 441 IAC 41.25(11)

Policy:

A participant cannot use their electronic access card (EAC) to access FIP benefits at a:

- Liquor store or any place that mainly sells liquor,
- Casino or other gambling or gaming establishment, or
- Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

When the department receives a detailed complaint or suspects that a participant used their EAC at a prohibited location refer the case to Department of Inspections and Appeals (DIA) for further investigation.

When DIA finds that a participant accessed FIP benefits with their EAC at a prohibited location the household:

- Will have committed fraud,
- Have to repay the amount of cash accessed at the location, and
- Will be ineligible for FIP for:
 - three months for the first misuse and
 - six months for each additional misuse.

When parents from a two-parent family separate during an ineligibility period, if the DIA report:

- identifies the participant who used the EAC at a prohibited location, the ineligibility period will follow that participant.
- does not identify the participant who used the EAC at a prohibited location, the ineligibility period will follow the participant who is the case name when the violation occurred.

Procedure:

At the application interview, at review and whenever appropriate, explain to the applicant or participant that the EAC cannot be used at certain locations. This includes using the card at the cash register's point-of-sale terminals as either a debit or credit card and at any ATMs at the location.

When the department receives a complaint that a participant has used their EAC at a prohibited location gather as much of the following information from the person making the complaint:

- The participant's demographic data (name, date of birth, social security number, address),
- Where the EAC was used (type of business the card was used at and business's name and address), and
- When the EAC was used (month, date, year).

To make a referral to DIA we must have enough details to shows that the person is:

- A FIP participant who has an EAC,
- The type of prohibited location the card was used at, and
- When, at minimum the month and year, the card was used at the prohibited location.

When the department has this information make a referral to DIA for an investigation.

4-H-4

Clients cannot use their electronic access card (EAC) to access FIP benefits at a:

- Liquor store or any place that mainly sells liquor,
- Casino or other gambling or gaming establishment, or
- Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

This includes using the card at the cash register's point-of-sale terminals as either a debit or credit card and at any ATMs at the location.

Clients ~~will be able to~~ can use the ~~electronic access card~~ EAC at locations other than those above to:

- ◆ Make purchases and get cash back at store point-of-sale terminals, and
- ◆ Withdraw cash at an ATM or bank teller window.

Client Errors

Legal reference: 441 IAC 46.21(239B), 46.24(3)

Policy:

Client errors include the following situations:

- ◆ False or misleading statements (oral or written) about the client's income, resources, or other circumstances that affect FIP eligibility or the benefit amount.
- ◆ Failure to timely report changes in beginning income, resources, or other circumstances that affect FIP eligibility or the benefit amount.

- ◆ Failure to refund to the Collection Services Center any direct support received from an absent parent for members of the eligible group after the date the eligibility information is entered into the ABC system.
- ◆ Access of benefits issued via the EAC at a prohibited location.

Procedure:

Compute an overpayment due to client error as if the information had been timely reported.

For overpayments caused by accessing benefits at a prohibited location the amount of the overpayment is the total amount of FIP accessed at the prohibited location.

6-D-13

Place after Duplicate Assistance

Electronic Access Card Usage

Legal reference: 441 IAC 41.25(11)

A person who receives an RCA grant cannot use their electronic access card to access FIP benefits at a:

- Liquor store or any place that mainly sells liquor,
- Casino or other gambling or gaming establishment, or
- Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

See 4-C, Electronic Access Card Usage, for more information.

14-B

| 14-B manual page for placement | ACTION | CD/PGM | MESSAGE AND MANUAL CITATION | ENTER IN: |
|--------------------------------|--------|--------|---|------------------|
| 14-B-161 | FIP | 294 | <p>Effective February 1, 2014: You cannot access your cash benefits with your electronic access card (EAC) at a:</p> <ul style="list-style-type: none"> • Liquor store or any place that mainly sells liquor, • Casino or other gambling or gaming establishment, or • Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club). <p>If the department determines that you have accessed your cash benefits with your EAC at one of the above places you:</p> | TD02 FIP rea2 |

| | | | | |
|----------|---|-----|---|------------------|
| | | | <ul style="list-style-type: none"> • Will have committed fraud, • Have to repay the amount of cash accessed at the location, and • Your family will not get cash benefits for three months with the first misuse and six months for each additional misuse. <p>EM 4-C Electronic Access Card Usage; 441 Iowa Admin. Code 41.25(11)</p> <p>A partir del 1 de febrero de 2014: No podrá acceder a sus beneficios en efectivo con su tarjeta electrónica (EAC) en:</p> <ul style="list-style-type: none"> • Licorerías o cualquier lugar donde se vendan principalmente bebidas alcohólicas. • Casinos u otros establecimientos de juegos o apuestas. • Locales de entretenimiento para adultos donde los artistas se desnuden o actúen desnudos (como locales de strip-tease). <p>Si el departamento determina que usted utilizó su tarjeta electrónica de beneficios en efectivo en uno de esos lugares:</p> <ul style="list-style-type: none"> • Se considerará que usted cometió fraude. • Tendrá que reintegrar el importe gastado en dicho local. • Su familia no recibirá beneficios en efectivo por 3 meses la primera vez que utilice la tarjeta incorrectamente y por 6 meses sucesivamente. <p>EM 4-C Electronic Access Card Usage; 441 Iowa Admin. Code 41.25(11)</p> | |
| 14-B-169 | FIP EAC Ineligibility Period (3 months) | 310 | <p>you accessed your cash benefits at a prohibited location. You are not eligible through XXX.</p> <p>EM 4-C Electronic Access Card Usage 441 Iowa Admin. Code 41.25(11)</p> <p>Usted accedió a sus beneficios en efectivo en un local prohibido. No será elegible hasta XXX.</p> <p>EM 4-C Electronic Access Card Usage 441 Iowa Admin. Code 41.25(11)</p> | TD02 FIP rea2 |
| 14-B-169 | FIP EAC Ineligibility Period (6 months) | 311 | <p>you accessed your cash benefits at a prohibited location again. You are not eligible through XXX.</p> <p>EM 4-C Electronic Access Card Usage 441 Iowa Admin. Code 41.25(11)</p> <p>Usted accedió a sus beneficios en efectivo en un local prohibido nuevamente. No será elegible hasta XXX.</p> | TD02 FIP rea2 |

| | | | | |
|----------|---|-----|---|------------------|
| | | | EM 4-C Electronic Access Card Usage 441 Iowa Admin. Code 41.25(11) | |
| 14-B-169 | FIP EAC Ineligibility Period (application denial) | 312 | <p>you accessed your cash benefits at a prohibited location. You cannot get cash assistance through XXX.</p> <p>EM 4-C Electronic Access Card Usage 441 Iowa Admin. Code 41.25(11)</p> <p>Usted accedió a sus beneficios en efectivo en un local prohibido nuevamente. No podrá recibir asistencia en efectivo hasta XXX.</p> <p>EM 4-C Electronic Access Card Usage 441 Iowa Admin. Code 41.25(11)</p> | TD02 FIP rea2 |

14-B(6) page 66

| ACTION | SCREEN FIELDS USED | INSTRUCTIONS |
|-------------------------------|--|---|
| Sanctions Program Sanction | <p>TD02 FIP ENTRY RSN</p> <p>TD02 FIP STATUS</p> <p>TD02 FIP REA2</p> <p>TD02 FIP NEG DT</p> | <p>Use this action to enter FIP program ineligibility due to a sanction.</p> <p>Enter G or H.</p> <p>Enter I.</p> <p>Enter the notice reason code. See 14-B-Appendix, NOTICE CODES, for valid codes.</p> <p><u>When reason code 310 or 311 is used:</u></p> <ul style="list-style-type: none"> • <u>The system will populate the last day of the last month of the sanction period,</u> <u>or</u> • <u>The date of the last day of the last month</u> |

| | | |
|--|--|--|
| | | <p><u>of the sanction period can be entered.</u></p> <p><u>When other notice codes are used,</u> if there is a fixed period of ineligibility, enter the date of the last month of the sanction period. Enter zeros if there is no fixed period of ineligibility.</p> |
|--|--|--|

14-B(6) page 69

| ACTION | SCREEN FIELDS USED | INSTRUCTIONS |
|------------------------------|--------------------|--|
| Sanctions: Changing End Date | | These instructions can be used to shorten or remove the sanction period (other than child support sanction). |
| Program Sanctions | TD02 FIP ENTRY | RSN Enter ↓ H. |
| | TD02 FIP NEG DT | Enter the last day of the last month of the <u>revised</u> sanction period. |

FIP: Limiting Where the Electronic Access Card (EAC) Can Be Used

Policy:

Effective February 1, 2014: FIP participants cannot access their cash benefits with their electronic access card at a:

- ❖ Liquor store or any place that mainly sells liquor,
- ❖ Casino or other gambling or gaming establishment, or
- ❖ Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

This includes using the card at the cash register's point-of-sale terminal as either a debit or credit card and at any ATMs at the location.

If the department determines that a participant has accessed their cash benefits with their electronic access card at one of the above places the participant:

- ❖ Will have committed fraud,
- ❖ Have to repay the amount of cash accessed at the location, and
- ❖ The FIP household will be ineligible for FIP for 3 months with the first misuse and 6 months for each additional misuse.

IM Responsibilities:

- At all application and review interviews explain that the electronic access card cannot be used at certain locations and the penalties for using the card at those locations.
- FIP applicants = give Comm. 233, Rights and Responsibilities and Comm. 377, FIP Electronic Access Card.
- January Reviews = for the month of January give all participant households that have a review that month a copy of Comm. 377.
- Document this policy was explained to the applicant/client in the Online Narrative.



FIP: Limiting Where the Electronic Access Card Can Be Used



Background: The Middle Class Tax Relief and Job Creation Act of 2012.

- Federal legislation enacted on February 22, 2012, requires states to maintain policies and practices to prevent TANF assistance from being used in any electronic benefit transfer transaction in any:
 - ❖ liquor store,
 - ❖ casino, gambling casino or gaming establishment, or
 - ❖ retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (strip clubs).
- States must comply with these requirements by February 22, 2014, or have the state's TANF grant reduced by 5%.

Policy

Effective February 1, 2014: FIP participants cannot access their cash benefits with their electronic access card at a:

- ❖ Liquor store or any place that mainly sells liquor,
- ❖ Casino or other gambling or gaming establishment, or
- ❖ Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

This includes using the card at the cash register's point-of-sale terminal as either a debit or credit card and at any ATMs at the location.

Policy Continued

If the department determines that a participant has accessed their cash benefits with their electronic access card at one of the above places the participant:

- ❖ Will have committed fraud,
- ❖ Have to repay the amount of cash accessed at the location, and
- ❖ The FIP household will be ineligible for FIP for 3 months with the first misuse and 6 months for each additional misuse.



- Alicia uses her FIP EAC card at the ATM at a local bank to access her FIP money. She then goes to the liquor store and purchases some liquor with the cash.
- Alicia uses her FIP EAC card at the ATM in the liquor store to access her FIP money. She then purchases some liquor with the cash.

No problem

FRAUD

Informing FIP Applicants and Participant's about this Change

- A letter that explains that the electronic access card cannot be used at the prohibited locations and the penalties for using the card at those locations will be mailed to active and recently closed FIP households on 1/10/14.

- We are working with Xerox to update the Card Carrier and the Brochure to include this information.



Form Changes

- The following forms and Comms. Have been updated to include information regarding this change.
 - ❖ Health and Financial Support Application
 - ❖ RRED
 - ❖ Comm. 108, The Family Investment Program brochure
 - ❖ Comm. 233, Rights and Responsibilities
 - ❖ Comm. 377, FIP Electronic Access Card

January 1, 2014

Begin using the revised forms effective 1/1/14 so that all FIP applicants and participants are aware they cannot use their electronic access card at the prohibited locations.

- The local office should have the new version of the application.
- Comm. 108 and the English version of Comm. 233 are available at IPI. (Iowa Prison Industries)
- The Spanish version of Comm. 233 can be printed from 6-appendix.
- The RRED has been updated in the system and e-forms.
- Comm. 377 is available for you to print from 6-appendix or e-forms.

Interviews

- At all application and review interviews explain that the electronic access card cannot be used at certain locations and the penalties for using the card at those locations.
- FIP applicants = give Comm. 233, Rights and Responsibilities and Comm. 377, FIP Electronic Access Card.
- January Reviews = for the month of January give all participant households that have a review that month a copy of Comm. 377.

Documentation

- Document in OLN that you explained that electronic access card cannot be used at certain locations and the penalties for using the card at those locations and that you provided the household with Comm. 233 and/or Comm. 377.

Limiting Where the FIP EAC Card Can Be Used

- Use revised forms
- Inform households of the policy change
- Issue revised forms to applicants and review participants
- Document action taken in the online narrative.



Thank You

Please submit any questions to

Barb Caruso

By End Of Day

Monday, Dec. 23rd, 2013

FIP – Limited Use of EAC System Entries

When completing any of the following actions, the worker needs to be sure to clearly document all actions in OLN.

Entering a first offense sanction – three months

| Enter on the TD02 FIP section: | | |
|--|--------|--|
| Entry RSN | G or H | |
| Status | I | The “I” status and the NEG DT will both roll to the TD03 screens of all active hh members including step parents & ineligible hh members. Exception: SSI parents and caretakers. For these individuals, the worker needs to clearly document the sanction information in OLN so, benefits are not incorrectly approved during the sanction period. Be sure to document the fraud referral from DIA, actions taken and the sanction period. |
| REA2 | 310 | |
| Note: The system will populate the NEG DT field with the last day of the last month of the sanction period. | | |

Entering a subsequent offense sanction – six months

| Enter on the TD02 FIP section: | | |
|--|--------|--|
| Entry RSN | G or H | |
| Status | I | The “I” status and the NEG DT will both roll to the TD03 screens of all active hh members including step parents & ineligible hh members. Exception: SSI parents and caretakers. For these individuals, the worker needs to clearly document the sanction information in OLN so, benefits are not incorrectly approved during the sanction period. |
| REA2 | 311 | |
| Note: The system will populate the NEG DT field with the last day of the last month of the sanction period. | | |

Denying an application received during a sanction period

| Enter on the TD02 FIP section: | | |
|---|-----|--|
| Entry RSN | A | |
| Status | M | |
| REA2 | 312 | |
| Note: The system will retain the “I” status and the NEG DT of the sanction period instead of the denial status and date. This allows the worker to continue viewing the sanction period information. | | |

Removing/shortening sanction and reinstating benefits pending an appeal

When a client request benefits to continue pending an appeal of sanction, the worker will need to remove/shorten the sanction period prior to reinstating benefits.

Example:

2/12/14 – DIA report is received confirming fraud occurred through use of EAC at a prohibited location. On the same day, the worker makes entries to impose the first offense three month sanction. Allowing for timely notice, the sanction will begin 3/1/14 and the system will populate the NEG DT field with 5/31/14.

2/14/14 – HH files an appeal prior to the effective date and the worker makes entries to stop the sanction and reinstate benefits.

| To shorten the sanction period, enter on the TD02 FIP section: | | |
|---|---|--|
| Entry RSN | H | |
| NEG DT | Enter the last day of the month prior to the date the action is being taken. For this example, enter 1/31/14. | |
| Note: The system will not allow any approvals to be completed on a case with an “I” status and a future NEG DT. In this example, if 2/28/14 were entered, the worker would not be able to reinstate benefits until 3/1 or later. | | |

Update entries in ABC and then reinstate benefits as follows:

| To reinstate benefits, enter on the TD02 FIP section and each eligible individual’s TD03: | | |
|--|----------|--|
| TD02 Entry RSN | B | |
| TD02 Status | B | |
| TD02 REA1 | 208 | |
| TD02 POS DT | 03/01/14 | |
| TD03 Entry RSN | B | Complete the TD03 for each individual to be reinstated |
| TD03 FIP ST | B | |

Reimposing a sanction following an appeal final decision supporting DHS

Example:

8/12/14 – DIA report is received confirming a second fraud incident occurred through use of EAC at a prohibited location. On the same day, the worker makes entries for to impose a subsequent offense six month sanction. Allowing for timely notice, the sanction will begin 9/1/14 and the system will populate the NEG DT field with 2/28/15.

The HH filed an appeal prior to the effective and the worker makes entries to stop the sanction and reinstate benefits. On 12/10/14, the FINAL decision is received and supports the Department’s action of imposing the sanction. The worker will need to reimpose the sanction, if there is any time remaining on the original sanction period, and file a recoupment for benefits received during the appeal process.

| Enter on the TD02 FIP section: | | |
|--|----------|--|
| Entry RSN | G or H | |
| Status | I | The “I” status and the NEG DT will both roll to the TD03 screens of all active hh members including step parents & ineligible hh members. Exception: SSI parents and caretakers. For these individuals, the worker needs to clearly document the sanction information in OLN so, benefits are not incorrectly approved during the sanction period. |
| REA2 | 311 | |
| NEG DT | 02/28/15 | The worker will need to manually enter the NEG DT to reflect the last day of the last month of the ORIGINAL sanction period. If left blank, the system will incorrectly generate a new six month sanction period. |
| Note: If the sanction period has expired prior to the final decision being received, the worker would file a recoupment for all FIP benefits received during the sanction period. The sanction period cannot be reimposed after the original sanction period end date has passed. | | |

2 Parent HH - Removing/shortening sanction due to offending parent moving out of the home

Note: In two parent households, the sanction is applied to the entire HH, regardless of “who” committed the fraud. However, if one of the parent’s leaves the home AND it can be clearly established which parent committed the fraud, the remaining FIP HH members may regain eligibility.

Example:

Two parent hh consisting of mom, dad, and two children. *Case name is in mom’s name.* On 3/6/14, IM is notified of fraud by DIA & imposes a first offense three month sanction. The sanction period is 4/1/14 – 6/30/14. On 3/15/14, mom reports that dad has left the home and that he was the one who committed the fraud. This is verified with information in the DIA investigative report.

In addition to making changes to FIP benefits, the worker will need to review any other active benefits the family may be receiving such as Food Assistance, Medicaid or Child Care Assistance and take appropriate action in either removing dad from the benefits or notifying the appropriate work unit to take action on their case.

| To shorten the sanction period, enter on the TD02 FIP section: | | |
|---|---|--|
| Entry RSN | H | |
| NEG DT | Enter the last day of the month prior to the date the action is being taken. For this example, enter 2/28/14. | |
| Note: The system will not allow any approvals to be completed on a case with an "I" status and a future NEG DT. In this example, if 3/31/14 were entered, the worker would not be able to reinstate benefits until 4/1 or later. | | |

Update entries in ABC and then reinstate benefits as follows:

| To reinstate benefits, enter on the TD02 FIP section and each eligible individual's TD03: | | |
|---|----------|--|
| TD02 Entry RSN | B | |
| TD02 Status | B | |
| TD02 REA1 | 207 | |
| TD02 POS DT | 04/01/14 | |
| TD03 Entry RSN | B | Complete the TD03 for each individual to be reinstated |
| TD03 FIP ST | B | |

2 Parent HH - Removing/shortening sanction due to offending parent moving out of the home

Note: In two parent households, the sanction is applied to the entire HH, regardless of "who" committed the fraud. However, if one of the parent's leaves the home AND it can be clearly established which parent committed the fraud, the remaining FIP HH members may regain eligibility.

Example:

Two parent hh consisting of mom, dad, and two children. **Case name is in dad's name.** On 3/6/14, IM is notified of fraud by DIA & imposes a first offense three month sanction. The sanction period is 4/1/14 – 6/30/14. On 3/15/14, mom reports that dad has left the home and that he was the one who committed the fraud. This is verified with information in the DIA investigative report.

Since the case is in dad’s name and he has left the home, no action is required on the FIP program. The worker will need to remove mom and children from any other benefits on dad’s case and review dad’s eligibility for any other active program and take appropriate action.

Worker will need to contact the DHS, SPIRS Help Desk for assistance in removing the FIP “I” status for mom and the children. Once completed, open a new case for mom and children and make entries to approve mom and children for FIP.

Sanctioned Parent Enters a Different Household

Example:

Dad is currently sanctioned for using his card at a prohibited location. His sanction period is 03/14 – 05/14. He has moved in with his girlfriend and common child. The hh files a FIP application on 04/02/14. The worker will deny the FIP application with the following entries:

| Enter on the TD02 FIP section: | | |
|--|---------|---|
| Entry RSN | A | |
| Status | M | |
| REA2 | 312 | |
| NEG DT | 5/31/14 | In this situation, the worker will need to manually enter the NEG DT to reflect the last day of the last month of the ORIGINAL sanction period. Note: The correct negative can be found on dad’s TD03 FIP line. Do not make any entries on the TD03. |
| Note: Even though dad committed the fraud while active on a different case; the sanction applies to the entire household. | | |

Sanctioned Child Leave the Household

Example:

Household consisting of mom and three children has a subsequent offense sanction imposed on FIP. The sanction period is 6/1/14 – 11/30/14

The children move in with an aunt on 8/7/14 and she applies for FIP benefits for the children on 08/15/14. The worker will need to contact the DHS, SPIRS Help Desk for assistance in removing the FIP “I” status for each child. Once completed, process the FIP caretaker application as normal.

Already Cancelled, Remain Cancelled Notice

If a case is already cancelled for another reason, such as failure to provide info, the worker will still need to issue the sanction notice IF the notification of fraud is received before the end of the month.

These entries will need to be made if notification is received any time in the month even if received **AFTER** timely notice. ABC has been updated to “ignore” timely notice requirements in this specific instance. This allows the worker to issue a remain cancelled NOD on the last day of the month if the DIA investigative report is received on that day.

| Enter on the TD02 FIP section: | | |
|--|------------|--|
| Entry RSN | G or H | |
| Status | I | The “I” status and the NEG DT will both roll to the TD03 screens of all active hh members including step parents & ineligible hh members. Exception: SSI parents and caretakers. For these individuals, the worker needs to clearly document the sanction information in OLN so, benefits are not incorrectly approved during the sanction period. |
| REA1 | 170 | |
| REA2 | 311 or 311 | Enter 310 for an initial three month sanction or 311 for a subsequent six month sanction. |
| Note: The system will populate the NEG DT field with the last day of the last month of the sanction period. | | |



FIP: Limiting EAC Usage

Additional training including:

- DIA Referrals
- System Entries

Policy

Effective February 1, 2014, FIP & RCA participants cannot access their cash benefits with their electronic access card (EAC) at a:

- Liquor store or any place that mainly sells liquor,
- Casino or other gambling or gaming establishment, or
- Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state, such as a strip club.

This includes using the card at the cash register's point-of-sale terminal as either a debit or credit card and at any ATMs at the location.

Interviews

At all application and review interviews explain that the electronic access card cannot be used at certain locations and the penalties for using the card at those locations.

All FIP applicants must be given Comm 233, *Rights and Responsibilities* and Comm 377, *FIP Electronic Access Card*.

Documentation

Effective February 1, 2014, OLN entries must document that FIP applicants and participants have received:

- Explanation of prohibited locations where their EAC cannot be used.
- Notification of the penalties associated with using their EAC at a prohibited location.
- Comms 233 and 377 (applicants only).

Example

Proper Use

Sam uses his EAC at a grocery store ATM to make a cash withdrawal. He can spend this money at any location such as a liquor store.

Fraudulent Use

Alicia uses her EAC at the ATM in a liquor store to make a cash withdrawal. Accessing her FIP money at this location is considered fraud.

Receiving a Complaint

When receiving a complaint about EAC use at a prohibited location gather as much of the following from the complainant:

- The participant's name, date of birth, social security number, address,
- Business name/address and type of business where EAC was used,
- The date the EAC was used (month, date, year).

Making a Referral

To make a referral to DIA we must have enough details to show:

- The person is a FIP participant who has an EAC,
- The type of prohibited location the card was used at, and
- When, at minimum the month and year, the card was used at the prohibited location.

When the department has this information make a referral to DIA for an investigation by completing and submitting Form 470-5130, *DHS Investigative Referral to DIA*.

Referral Findings

When DIA finds that a participant accessed FIP benefits with their EAC at a prohibited location the household will:

- Have committed fraud,
- Have to repay the amount of cash accessed at the location, and
- Be ineligible for FIP for three months for the first misuse and six months for each additional misuse.

When parents separate during an ineligibility period, if DIA identified the parent who used the EAC at a prohibited location, the ineligibility period will follow them, otherwise it follows the case name at time of violation.

Referral Findings

The IM workers needs to complete and submit to DIA, Form 470-5129, *Referral Follow-Up* to document what actions were taken regarding the investigation findings.

ABC System

Three new Notice Reasons have been created:

- 310 – First Offense, three month sanction
- 311 – Subsequent Offenses, six month sanction
- 312 – Denial code for apps rec'd during sanction period

Coding a Three Month Sanction

On the TD02, enter:

- ENTRY RSN - G or H
- FIP STATUS - I
- FIP REA2 - 310

FIP NEG DT - System populates this field with the last day of the last month of the sanction period

Coding a Six Month Sanction

On the TD02, enter:

- ENTRY RSN - G or H
- FIP STATUS - I
- FIP REA2 - 311

FIP NEG DT - System populates this field with the last day of the last month of the sanction period

Denying App Received During Sanction Period

On the TD02, enter:

- ENTRY RSN - A
- FIP STATUS - M
- FIP REA2 - 312

Removing/Shortening A Sanction Period

On the TD02, enter:

- ENTRY RSN - H
- FIP NEG DT - The last day of the last month of the revised sanction period

OPR Changes

OPR Direct Claim Entry changes include:

- New Cause Code – **72 - EAC PROHIB**
- General Description - **“Using your EAC card at a prohibited location”**

This cause code can be used with FIP program codes :

- 01 – FIP
- 31 – Refugee Cash Assistance
- 65 – Transportation (PROMISE JOBS)
- 67 – Other PROMISE JOBS Expense Allowances

Recap

Workers need to continue:

- Using revised forms
- Informing households of the policy change
- Issuing revised forms to applicants and review participants
- Documenting actions taken in OLN

Recap

Workers must also:

- Use Form 470-5130 to make a referral to DIA
- Use Form 470-5129 to notify DIA of worker actions taken regarding the investigative findings.
- Enter proper IABC coding to start or end/shorten a sanction period and to deny an application received during the sanction period.
- Use appropriate coding when entering a sanction recoupment in OPR

Questions?

Please submit questions to

Audrey Upah

By End Of Day

Friday, January 31, 2014

EXHIBIT 10: TANF STATE PLAN PROVISIONS
February 2014

(vii) The document shall indicate how the State intends to implement policies and procedures as necessary to prevent access to assistance provided under the State program through any electronic fund transaction in an automated teller machine or point-of-sale device located in a place described in section 408(a)(12).

The State has implemented the following policies and procedures to comply with this requirement. These policies and procedures are based on the State's reasonable interpretation of P.L. 112-96 and are supported by state statute and administrative rules.

Effective February 1, 2014, FIP participants are prohibited from using their electronic access card (EAC) to access benefits at any of the following locations as defined by federal statute or regulation:

- (1) A liquor store,
- (2) A casino, gambling casino or gaming establishment, or
- (3) A retail establishment that provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.

When the Department receives a detailed complaint or suspects that a participant has used their EAC at a prohibited location, the case shall be referred to the Department of Inspections and Appeals (DIA) for further investigation. If the referral is founded the action will be considered fraudulent. Penalties for the participant household shall include:

- Requirement to repay any amounts accessed at a prohibited location;
- Three-months of FIP ineligibility for the first finding of misuse;
- Six-months of FIP ineligibility for each subsequent finding of misuse.

When parents from a two-parent family separate during an ineligibility period:

- If the participant that misused the EAC is identified, the ineligibility period will follow only that participant.
- If the participant that misused the EAC at a prohibited location is not identified, the ineligibility period will follow the participant identified as the head of the household when the violation occurred.

Beginning January 1, 2014, information regarding the Middle Class Tax Relief and Job Creation Act of 2012 requirement that limits where FIP participants can use their EAC and the penalties for using the card at a prohibited location will be added to essential FIP forms. These forms include:

- FIP Notice of Decisions (NOD) for benefit approval, change and reinstatement
- FIP Application
- *Review/Recertification Eligibility Document* (RRED), form 470-2881, 470-2881(S)
- Comm. 108-Family Investment Program Brochure
- Comm. 377 FIP Electronic Access Card

EXHIBIT 10: TANF STATE PLAN PROVISIONS
February 2014

- Comm. 233 Right and Responsibilities

State statute gives the Department the authority to take additional measures if required by federal law – such measures could require changes in administrative rules, Employee Manuals, systems, forms and other informational materials issued to FIP applicants and recipients, and the contract the Department have with the vendor managing EAC accounts.

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed

Pursuant to the authority of Iowa Code section 239B.4(6), the Department of Human Services hereby amends Chapter 40, “Application for Aid,” Chapter 41, “Granting Assistance,” and Chapter 46, “Overpayment Recovery,” Iowa Administrative Code.

These amendments update and clarify existing language and ensure that the rules comply with federal requirements, including final regulations (Section 4004 of the Middle Class Tax Relief and Job Creation Act of 2012 (Pub. L. No. 112-96), 45 CFR Parts 262, 264, and 265) issued after the rules were last updated.

Specifically, these amendments add definitions for locations where applicants and recipients are prohibited from accessing Family Investment Program (FIP) funds with an electronic access card. These amendments also require applicants and recipients to agree in writing that they will not use an electronic access card at prohibited locations, and these amendments add to the amount the client must repay any fees associated with accessing FIP funds at a prohibited location.

Notice of Intended Action was published in the Iowa Administrative Bulletin as **ARC 2684C** on August 17, 2016. The Department received no comments during the public comment period. These amendments are identical to those published under Notice of Intended Action.

The Council on Human Services adopted these amendments on October 12, 2016.

These amendments do not provide for waivers in specified situations because requests for the waiver of any rule may be submitted under the Department’s general rule on exceptions at 441—1.8(17A,217).

After analysis and review of this rule making, no impact on jobs has been found.

These amendments are intended to implement Iowa Code section 239B.4(6), Section 4004 of the Middle Class Tax Relief and Job Creation Act of 2012 (Pub. L. No. 112-96) and 45 CFR Parts 262, 264, and 265.

These amendments will become effective January 1, 2017.

The following amendments are adopted.

ITEM 1. Adopt the following **new** definitions in rule **441—40.21(239B)**:

“*Casino, gambling casino, or gaming establishment*” means an establishment with a primary purpose of accommodating the wagering of money. It does not include:

1. A grocery store which sells groceries including staple foods and which also offers, or is located within the same building or complex as, casino, gambling, or gaming activities; or
2. Any other establishment that offers casino, gambling, or gaming activities incidental to the principal purpose of the business.

An automated teller machine (ATM) or a point-of-sale (POS) terminal located within those areas of an establishment where individuals are banned due to age restrictions associated with gambling, established by state or federal law or by any other regulatory entity having the authority to do so, is considered to be in a casino, gambling casino, or gaming establishment.

“*Electronic benefit transfer transaction*” means the use of a credit or debit card service, automated teller machine, point-of-sale terminal, or access to an online system for the withdrawal of funds or the processing of a payment for merchandise or a service.

“*Liquor store*” means any retail establishment which sells exclusively or primarily intoxicating liquor or other alcoholic beverages. Such term does not include a grocery store which sells both intoxicating liquor and groceries including staple foods (within the meaning of Section 3(r) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(r))).

Unless exempt as described in this definition, a retail establishment meets the definition of a liquor store when it has a North American Industry Classification System (NAICS) number that categorizes the retail establishment as either a beer, wine and liquor store or as a drinking place (alcoholic beverages). A retail establishment that does not have either type of NAICS code is considered to exclusively or primarily sell intoxicating liquor when 95 percent or more of the retail establishment’s gross sales are

from intoxicating liquor and it is not a United States Department of Agriculture-certified Supplemental Nutrition Assistance Program (SNAP) retailer.

“Retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment” means an establishment that includes live entertainment at locations such as, but not limited to, strip clubs and gentleman’s clubs. It also includes stores and theaters that exclusively or primarily sell or feature adult-oriented videos and movies such as, but not limited to, adult book stores and adult movie theaters. A retail establishment meets this definition when the department has confirmed the primary nature of the business through the description on the business’s Web site, phone contact with the establishment, a site visit, or other means such as common local knowledge.

ITEM 2. Amend subrule 41.25(11) as follows:

41.25(11) Access to benefits. As a condition of eligibility, applicants and recipients must agree in writing to not use an electronic access card at prohibited locations. By signing Form 470-0462 or 470-0462(S), Financial Support Application, or Form 470-2881, 470-2881(S), 470-2881(M), or 470-2881(MS), Review/Recertification Eligibility Document, the applicant, the applicant’s authorized representative or, when the applicant is incompetent or incapacitated, someone acting responsibly on the applicant’s behalf agrees to this condition of eligibility. When both parents, or a parent and a stepparent, are in the home and eligibility is determined on a family or household basis, one parent or stepparent may sign the application and agree to this condition for the assistance unit. Failure to sign a form agreeing to not use the electronic access card at prohibited locations creates ineligibility for the entire eligible group.

a. A recipient shall not use the recipient’s electronic access card issued pursuant to 441—subrule 45.21(1) to access benefits at any of the following prohibited locations as defined by federal statute or regulation applicable to this prohibition and as further defined in rule 441—40.21(239B):

- (1) A liquor store,
- (2) A casino, gambling casino, or gaming establishment, or
- (3) A retail establishment ~~that~~ which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.

b. No change.

c. When the department of inspections and appeals finds that a recipient has used the recipient’s electronic access card at a prohibited location, the household that includes the recipient is:

- (1) No change.
- (2) Liable for any amounts accessed and any associated fees for accessing the benefits at a prohibited location and required to repay such amount in accordance with 441—Chapter 46;
- (3) and (4) No change.
- d. and e. No change.

ITEM 3. Amend paragraph **46.24(3)“c”** as follows:

c. An overpayment due to a recipient’s accessing benefits via the electronic access card at a prohibited location shall be the total of the transactions and any associated fees for accessing the benefits at the prohibited location pursuant to 441—subrule 41.25(11).

[Filed 10/17/16, effective 1/1/17]

[Published 11/9/16]

EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 11/9/16.



FIP BENEFIT CHANGES and REFUGEE CASH ASSISTANCE (RCA)



~~Effective February 1, 2014,~~ Do not access your FIP or RCA benefits at:

- Liquor stores or any places that mainly sell liquor
- Casinos or other gambling or gaming establishments
- Adult-oriented entertainment businesses where performers disrobe or perform in an unclothed state, such as a strip club

*This includes using the **electronic access card** or your **personal debit card** at cash registers to make purchases and/or get cash back and at any ATMs at these locations.*

If you have questions regarding this change



please contact the Income Maintenance
Customer Service Center at 1-877-347-5678.



The Family Investment Program (FIP)

What is the Family Investment Program?

The Family Investment Program (FIP) provides temporary cash assistance to families with children. The goal of FIP is to help you leave poverty and become self-supporting.

FIP is available to one-parent and two-parent families and to relatives caring for children whose parents are not in the home. FIP payments are based on the size of your family and your family's income.

Is there a time limit for FIP?

Federal law limits how long you can get FIP to a total of 60 months (five years). Months you get FIP or cash assistance in another state count toward the limit.

- Months are not counted for:
- Persons on SSI
 - Caretakers who don't get FIP for themselves. Caretakers are relatives who care for a child, but are not the child's parent.
 - Children

If a parent gets FIP for 60 months, FIP stops for the whole family. If a caretaker gets FIP for 60 months, the caretaker is taken off the FIP grant but FIP can continue for the child.

The five years don't have to be in one block of time. For example, if you get FIP for 30 months, then go off FIP and come back on later, you can still get FIP for 30 more months.

The only way you can get FIP for more than 60 months is if you can prove that you have a reason why you cannot support your family. This is called a "hardship exemption". Examples of hardship are:

- Physical or mental health problems
- Substance abuse problems
- Domestic violence

A hardship exemption can last up to six months. To get an exemption you must:

- Fill out a form called "Request for FIP Beyond 60 Months" and turn it in at the local DHS or PROMISE JOBS office.
- Give us proof of why you cannot support your family.
- Sign a six-month Family Investment Agreement (FIA) that lists the steps you must take to overcome the hardship.

You may be able to get more than one hardship exemption if you work on overcoming your hardship and follow all of the FIP rules.

What is PROMISE JOBS?

To get a FIP check, you must work with PROMISE JOBS. PROMISE JOBS is a work and training program that will help you make a plan to support your family. This plan is called a **Family Investment Agreement (FIA)**.

You will meet with a PROMISE JOBS worker to plan and write your FIA. An FIA is a signed agreement between you and the state of Iowa. It will show:

- The steps you will take to be able to support your family, and
- How the state will help with those steps.

Your PROMISE JOBS worker will talk to you about help with child care and transportation while you do your FIA activities.

PROMISE JOBS activities that may be included in your FIA include:

Assessment

- Looking at your family's needs and goals so that you can choose activities for your FIA that will help you become self-supporting in the shortest amount of time.

Work-Related Activities

- **Individual Job Search:** Your PROMISE JOBS worker will help you develop a plan which includes the types of jobs you are looking for.
- **Monitored Employment:** Help for you to keep your job while you work. Your PROMISE JOBS worker also may be able to help you find a better job.
- **Self-Employment:** Classes may be available in your area to help you set up your own business or increase the income you get from your self-employment business.
- **Work Readiness Training:** Classes that prepare you for work and help you learn how to write a resumé, find job openings, complete job applications and letters of application, schedule a job interview, and how to dress and handle yourself in an interview and on the job.
- **Work Experience Placement:** Unpaid work experience in a real employment setting to get you ready for a job that pays a wage.
- **Unpaid Community Service:** A chance to learn basic skills while providing services to your community.

Training and Education

- **High School Completion Activities:** Including high school equivalency classes to help you earn a high school diploma.
- **Adult Basic Education:** Classes to help you improve your reading, writing, and math.
- **English as a Second Language:** Classes that help you speak, read, and understand English.
- **Post-Secondary Education:** Training courses that help you prepare for a specific area of employment. This includes:
 - ♦ Short-term training such as truck driving or nurses' aide.
 - ♦ Long-term training up to a four-year college degree.

Family Support Activities

- **Family Development and Self-Sufficiency (FaDSS):** A voluntary program that provides services and support in your home, to help you and your family become stable and deal with problems that keep you from becoming self-supporting.
- **Parenting Skills Training:** Training and support to be a good parent.

If you have problems or barriers that keep you from doing your FIA activities or from finding or keeping a job, tell your PROMISE JOBS worker. Activities related to removing these barriers, such as attending doctor's appointments, may be able to be included in your FIA.

Your PROMISE JOBS worker will answer your questions about PROMISE JOBS activities.

What is a Limited Benefit Plan (LBP)?

If you don't do what you said you would do in your FIA, you'll be choosing a Limited Benefit Plan (LBP). Your family cannot get FIP while you are in an LBP.

The first time you choose an LBP, your FIP benefits will stop right away. You must sign an FIA before you can get FIP again.

If you or the other parent in the home choose an LBP and either of you had one before, your family can't get FIP for at least six months. To get FIP after the six months end, you must:

- Sign an FIA
- Complete 20 hours of approved PROMISE JOBS activity
- Meet all other FIP rules

Are there other FIP rules?

- Other FIP rules are:
- **Age** — Children must be under the age of 18. A child who is age 18 may get FIP only if they are going to high school and will complete high school before age 19.

- **Minor Parents** — If you are a parent under age 18 and never married (or the marriage was annulled), you must live with a parent or legal guardian or show proof of good reasons for not living with them. If you do live with your parents, we will count your parent's income to decide if you can get FIP.

Minor parents must attend family development and parenting classes, and may have to take classes to finish high school.

- **Citizenship** — Family members must be U.S. citizens or eligible aliens.
- **Residency** — Your family must live in Iowa. Children must live with the parent or relative who applies for or gets FIP for them.
- **Social Security Number** — You must have a social security number for each family member to get FIP for them. If you don't have a number for a family member, you must apply for a number and give us the number when you get it.
- **Applying for Other Benefits** — You must apply for other benefits that are available to you, such as social security.
- **Child Support** — If a parent is absent from the home, you must give us information about that parent and help us collect child support from that parent. If you don't want to give us this information, you must prove that you have a good reason.

When you get FIP, you give (assign) to the state of Iowa your rights to child support for the months you are on FIP. If the other parent gives you support, you must turn it in to DHS. The state will keep child support collected to pay back the state for the FIP you get. The state won't keep more than the total amount of FIP you get.

You can ask DHS to stop your FIP at any time. Child support paid after your FIP stops will be sent to you. If more support is paid than is owed to you, the state will keep the additional money to pay back the state for the FIP you got.

Keep track of how much support the other parent pays to DHS, so you can decide if you would be better off staying on FIP or going off FIP and getting child support instead. You can find out how much child support the other parent pays by checking the report the DHS sends you every three months, or by calling the free number, 1-888-229-9223.

- **Resource (Asset) Limits** — Your family may have up to \$2,000 worth of resources when you apply. After you are on FIP, you can have up to \$5,000 in resources. Resources include cash, bank accounts, stocks and bonds, real estate, and motor vehicles.

Some resources are not counted toward the limit, including the home you live in and one car for the family. If you have more than one car, part of the value of the other cars may count toward the limit.

- **Income** — Your family must meet the FIP income limits. Income includes pay from a job, social security income, unemployment benefits and any other money you get.

How do I apply for FIP?

You can get an application from any county DHS office. Fill out the application and take or mail it to the local DHS office in the county where you live. The earliest you can get FIP is seven days from the date we get your application.

You will be asked to come to an interview and show proof of some things, such as your income. If you have questions about your application, ask your DHS worker.

Your application should be handled within 30 days. You will get a written notice telling you if you can get FIP. If you are approved for FIP, you'll get your first check within seven days after you get the letter.

When do I have to fill out reports?

Everyone on FIP will be sent a report to fill out twice a year. Fill out the report and return it with proof of your income, by the due date on the form.

What changes do I need to report as soon as they happen?

You must report any changes in your family's situation, including changes in:

- Mailing or living address
- Employment or other income when it starts or stops
- Resources
- Someone moving in or out of your home
- Receipt of a social security number
- Change of school attendance of a child

Tell us about these changes within 10 days if you are on FIP or within five days if you are applying for FIP.

What if my family has income besides FIP?

Your family's income may be subtracted from your FIP grant. Income includes pay from work, social security payments, unemployment benefits or other money you get.

If you work, some of your earnings are used to figure your FIP grant. We subtract 20% and then 58% from your gross earnings. We use the remaining earnings after the deductions to figure your FIP grant.

You may also qualify for the federal and state Earned Income Tax Credit (EITC). EITC reduces taxes you must pay and may give you more take home pay on each paycheck or a refund when you file an income tax return. See your employer or call the IRS at 1-800-829-1040 for more information. EITC is not counted against your FIP.

A booklet called, *One-Time Payments*, gives important information about what to do if you get a one-time cash payment such as an inheritance, insurance or lawsuit settlement, gift or lottery winnings. If you think you will get one of these payments, ask your DHS worker for this information before you get or spend the money.

What happens if I quit my job?

You may be choosing a Limited Benefit Plan (LBP) and your FIP will stop if:

- You quit your job without a good reason, or
- You lose your job for a reason such as not showing up for work or not calling in.

If you're thinking about quitting your job, first talk to your PROMISE JOBS worker to find out what will happen to your FIP.

What happens if I get married or my children's other parent moves into the home?

Tell your DHS worker if you get married or your child's other parent moves into your home. You may still get FIP, depending on this person's income and resources.

If your child's other parent moves in, also contact your local child support recovery office. They can give you information on how this change affects child support the other parent may owe you, including information on how to stop an ongoing support order.

Can I get help if my child needs things for school?

You may be able to get help with your child's school expenses. We can help pay for things like gym shoes and some class fees. The item must be required for all students in the class and not available free of charge. We cannot pay tuition, or pay the cost of everyday school supplies like pens and notebooks.

How will I get my FIP payment?

Your FIP payments can be deposited to an electronic access card (also called a debit card) or your own checking or savings account.

- **Electronic Access Payment Card**

If you get your payments on the electronic access card, you will be sent information about how to use the card. Be sure to keep the card and read the information when you get it. It will tell you how to use the card in ways that will help you get your money without cost.

If you have questions about your card, call 1-866-899-5611 (toll free).

- **Direct Deposit**

If you would like to have your payments deposited to your own checking or savings account, you must have an open checking or savings account at a bank, savings and loan or credit union.

If you would like your payments deposited to your own account, ask your DHS worker how to sign up for direct deposit.

You cannot access your cash benefits with your electronic access card **or personal debit card** at a:

- Liquor store or any place that mainly sells liquor,
- Casino or other gambling or gaming establishment, or
- Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

This includes these types of businesses located in Iowa, on tribal land, or in any other states.

If the Department determines that you have accessed your cash benefits with your electronic access card **or personal debit card** at one of the above places you:

- Will have committed fraud,

- Have to repay the amount of cash accessed at the location, **as well as any access fees**, and
- Your family will not get cash benefits for three months with the first misuse and six months for each additional misuse.

What if I don't agree with a decision made on my case?

You have the right to appeal if your application is denied, your FIP is reduced or canceled, or you disagree with your FIA or participation in PROMISE JOBS activities. Information about appeals is listed on each Notice of Decision you get from DHS. If you wish to appeal:

- File a written appeal in your county DHS office. You may ask for help in filing your appeal.
- Talk to your DHS or PROMISE JOBS worker or your worker's supervisor to see if you can work out the problem.
- Attend the appeal hearing when it is scheduled. An administrative law judge will hold the hearing, review the facts, and rule on whether the action was correct.

Are there other programs that can help my family?

- Medicaid can help pay for medical and dental services.
- The Food Assistance program can help buy food.
- Child Care Assistance (CCA) can help with childcare costs while you work or are in training with PROMISE JOBS.

You may be able to get help from these DHS programs and others in your area that are not run by DHS, like the Women, Infants and Children (WIC) program. You can ask us how to apply.

If your FIP stops because of a Limited Benefit Plan or because of the 60-month limit, you still may be able to get Food Assistance, Medicaid, and other kinds of assistance.

If you have questions, contact your worker in your local Human Services office. You may also call Iowa Legal Aid for help. The toll free number is: 1-800-532-1275



Policy Regarding Discrimination, Harassment, Affirmative Action and Equal Employment Opportunity

It is the policy of the Iowa Department of Human Services (DHS) to provide equal treatment in employment and provision of services to applicants, employees and clients without regard to race, color, national origin, sex, sexual orientation, gender identity, religion, age, disability, political belief or veteran status.

If you feel DHS has discriminated against or harassed you, please send a letter detailing your complaint to:

Iowa Department of Human Services, Hoover Building, 5th Floor—Bureau of Policy Coordination, 1305 E. Walnut, Des Moines IA 50319-0114 or via email contactdhs@dhs.state.ia.us

(Food Assistance only) USDA - Director, Office of the Assistant Secretary for Civil Rights, 1400 Independence Ave SW, Washington DC 20250-9410, or call 1-866-632-9992.

Your FIP payments can be deposited to an electronic access card (also called a debit card) or your own checking or savings account.

- **Electronic Access Payment Card** If you get your payments on the electronic access card, you will be sent information about how to use the card. Be sure to keep the card and read the information when you get it. It will tell you how to use the card in ways that will help you get your money without cost. If you have questions about your card, call 1-866-899-5611 (toll free).

- **Direct Deposit** If you would like to have your payments deposited to your own checking or savings account, you must have an open checking or savings account at a bank, savings and loan or credit union.

If you would like your payments deposited to your own account, ask your DHS worker how to sign up for direct deposit.

You cannot access your cash benefits with your electronic access card **or personal debit card** at a:

- ◆ Liquor store or any place that mainly sells liquor,
- ◆ Casino or other gambling or gaming establishment, or
- ◆ Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

This includes these types of businesses located in Iowa, on tribal land, or in any other states.

If the Department determines that you have accessed your cash benefits with your electronic access card **or personal debit card** at one of the above places you:

- ◆ Will have committed fraud,
- ◆ Have to repay the amount of cash accessed at the location, **as well as any access fees**, and
- ◆ Your family will not get cash benefits for three months with the first misuse and six months for each additional misuse.

EXHIBIT 12C RIGHTS AND RESPONSIBILITIES



Iowa Department of Human Services

Rights and Responsibilities

What Are My Rights?

You have the right to:

- Apply for any program.
- File an application in-person at your local DHS office, online, fax or by mail. For Medicaid, you can also file by phone.
- Have someone help you apply.
- Have all of your questions answered.
- Get information about the programs you applied for and any other DHS program that you may be able to get.
- Be sent a notice within 30 days (45 days for most Medicaid programs) of the day we get your application telling you if your application was approved.
- Have information about you and your family kept private.

You Have the Right to Appeal

You, or the person helping you, may request an appeal hearing if you do not agree with any action taken on your case. For Food Assistance, you can appeal in person or by telephone. For all other programs, you must appeal in writing. To appeal in writing do one of the following:

- Fill out an appeal electronically at <https://dhssecure.dhs.state.ia.us/forms/>, **or**
- Write a letter telling us why you think a decision is wrong, **or**
- Fill out an *Appeal and Request for Hearing* form. You can get this form at your local DHS office.

Send or take your appeal to the Department of Human Services, Appeals Section, 5th Floor, 1305 E Walnut Street, Des Moines, IA 50319-0114. If you need help filing an appeal, ask your local DHS office. You can represent yourself or you can have a friend, relative, lawyer, or someone else act on your behalf. You may contact your local DHS office about legal services. You may have to pay for these legal services. If you do, your payment will be based on your income. You may also call Iowa Legal Aid at **1-800-532-1275**. If you live in Polk County, call **243-1193**.

You Will Not Be Discriminated Against

It is the policy of the Iowa Department of Human Services (DHS) to provide equal treatment in employment and provision of services to applicants, employees, and clients without regard to race, color, national origin, sex, sexual orientation, gender identity, religion, age, disability, political belief, or veteran status. If you feel DHS has discriminated against or harassed you, please send a letter detailing your complaint to:

Iowa Department of Human Services, Office of Human Resources, Hoover Building – 1st Floor, 1305 E Walnut, Des Moines IA 50319-0114 or via email contactdhs@dhs.state.ia.us

(*Food Assistance only*) USDA – Office of the Assistant Secretary for Civil Rights, 1400 Independence Ave SW, Washington, DC 20250-9410, 866-632-9992.

Things You Need to Know for All Programs

We Check What You Tell Us

The information you give us may be checked by federal, state, and local officials to make sure it is true. Things we might check are any listed person's: social security number, job and pay, bank account amount, alien status, and amounts received from other sources like social security or unemployment. If any information you give us is not correct, we may deny your application.

We may check records from other states to see if any person in your household can get benefits in Iowa. This may be because a person was disqualified from a program in another state.

As part of the eligibility determination process, we may need to retrieve your information from sources like the Internal Revenue Service (IRS), Social Security Administration (SSA), the Department of Homeland Security, and the state Income and Eligibility Verification System. If something you told us is different from what the computer system tells us, we will check to find out what is correct. We might check your information by contacting your employer, your bank, or other people. To do this kind of checking with your employer, bank, or other people, we will ask you first. Such information may affect your household's eligibility and level of benefits.

Social Security Number Information

We can give help only to people who give us their social security number (SSN) or proof of application from the Social Security office, and we will deny assistance to the people for whom you do not give us an SSN. There are some exceptions to this. Please ask your worker if you have questions.

You don't have to give us the SSN for people in your household who you do not want help for, but you can choose to give us their SSN. However, we will use any SSN given to us the same way we use the SSN of people getting assistance.

We will not give any SSN to the U.S. Citizenship and Immigration Services (USCIS).

Other Things You Need to Know

- You must apply for and accept any other benefits and medical help you may be able to get. You must agree to help in the application process. (This is not a requirement for Food Assistance.)
- You must give us information and provide proof when we ask for it.
- You must fill out review forms when you are asked to.
- DHS may give your answers to law enforcement officials to catch persons fleeing to avoid the law.
- The Quality Control unit or Investigations unit may review your case. They may contact other people or organizations to get proof of your information. By signing this application, you give permission to release confidential information to the Quality Control unit or Investigations unit. You must cooperate with them to keep your benefits. You are not required to cooperate with Investigations for Food Assistance.
- You will have to pay back any benefits you received or that were paid to a third party on your behalf for which you were not eligible.
- Section 1128B of the Social Security Act provides federal penalties for fraudulent acts and false reporting in connection with these programs.

EXHIBIT 12C RIGHTS AND RESPONSIBILITIES

- Anyone who gets, tries to get, or helps any other person get assistance to which they are not entitled, is guilty of violating the laws of the state of Iowa. This includes, but is not limited to, Iowa Code Chapters 239B, 243, 249, and 249A.

EXHIBIT 12C RIGHTS AND RESPONSIBILITIES

- Your expenses may be used to figure the assistance you get (for Food Assistance and Medicaid only). You may have expenses included in your benefit calculation by reporting and giving proof of your expenses. If you do not report or give proof of your expenses, you choose not to claim the expense. You can report and give proof later, and the expense can be used for future months.
- ***Giving wrong information on purpose may result in us taking criminal or civil legal action against you. It might also mean we reduce your benefits or take money back from you.***

How to Report a Change

To report a change:

- Call 1-877-347-5678, or
- Email IMCustomerSC@dhs.state.ia.us, or
- Fax information to 1-877-238-0015.

Things You Need to Know Regarding Food Assistance

You must tell DHS by the 10th day of the next month if your income goes over the limit provided to your household.

You may not be denied Food Assistance benefits just because you were denied benefits from other programs. Food Assistance applications will not be delayed due to requirements of other programs you may apply for.

Things You Need to Know Regarding Medicaid or State Supplementary Assistance (SSA)

You must tell DHS about changes within 10 days, such as:

- Income, including lump sum payments, such as past due child support, inheritances, settlements, or cash medical support.
- Starting or stopping a job or other income.
- Resources or assets, including getting an inheritance.
- Someone moving in or out of your home.
- Your health insurance coverage.
- You file an insurance claim or get an attorney to recover bills paid by Medicaid.
- Mailing or living address.

If you get money from another person or an insurance company to pay for your medical bills, you will need to give that money to DHS if Medicaid paid the bill. This will be used to repay bills that Medicaid paid for you.

The Department will provide documents or claim forms describing the services paid by Medicaid upon your request or the request of an attorney acting on your behalf. Such documents may also be provided to a third party when necessary to establish the extent of the Department's claim for reimbursement.

If the state of Iowa was made the remainder beneficiary on an annuity in order for you to qualify for Medicaid payment of long-term care, the state of Iowa will get any benefits remaining in the annuity, up to the amount of the Medicaid benefits paid.

EXHIBIT 12C RIGHTS AND RESPONSIBILITIES

You must give the social security numbers for everyone who wants Medicaid. This is required by Section 1137(a)(1) of the Social Security Act and 42 CFR 435.910. We use social security numbers to:

- Check income, eligibility, and Medicaid payments.
- Determine a person's right to Medicaid.
- Comply with federal law.
- Match records with other agencies.

Immigration or alien status may be subject to verification with the Department of Homeland Security which will require submission of certain information from your application or review form. Information received from the Department of Homeland Security may affect your household's eligibility and level of benefits.

You can apply for part of your household even if some members do not have lawful immigration status. For example, parents who do not have lawful immigration status may apply for their children who are U.S. citizens or qualified aliens. The Department of Homeland Security will not be contacted about people you do not apply for. However, their income may be used to see if the rest of the household can get Medicaid.

You must cooperate with the Health Insurance Premium Payment (HIPP) Program and enroll in a health plan through your employer if DHS asks you to. The website www.dhs.state.ia.us/hipp explains this program.

If you only want Medicaid, you can choose whether or not you want the Child Support Recovery Unit to help you get child support or health insurance from an absent parent.

You can ask for the Child Support Recovery Unit's help any time. Once you've asked for it, you must cooperate with them to continue getting Medicaid as a parent or caretaker. If you want your child support services stopped, call 1-888-229-9223 to find out how to contact a local child support office.

- If medical assistance is approved, support payments intended for medical costs must be assigned and paid to the Department of Human Services to the extent of the benefits you receive.
- The Department may intervene, according but not limited to, Iowa Code Chapters 252A, 252B, 252C, 252D, 598, and 600B, to make claim and secure support from any person or party who may be responsible for your support or that of your children.
- If you receive Medicaid, the Department will pursue non-medical support for you and your children upon your request. Medical support services include the establishment of paternity and the establishment and enforcement of medical support.
- If you think that cooperating to collect medical support will harm you or your children, you can tell Medicaid and you may not have to cooperate.

If you become enrolled in a managed health care plan, you consent to disclosure of medical information, including any clinical mental health or substance abuse information, by your medical providers to the HMO, PHP, other managed care providers or to the authorized administrative body contracted by the managed care provider to determine appropriateness, quality, or utilization of services you received while enrolled in managed health care. A medical certification from the Iowa Medicaid Enterprise (IME) is needed for certain medical programs.

Payments on any future unpaid medical services will be paid directly to the doctors and medical suppliers under the Medicare Insurance Program (Medicare Part B). If a change is not reported within 10 working days of when the change happens and any child for whom you are applying gets coverage when they were not eligible, you may be liable for the full amount of any payments made by the state to the health and dental plan in which the child was enrolled. These payments are approximately \$200 per child each month.

EXHIBIT 12C RIGHTS AND RESPONSIBILITIES

By signing an application or review form, you give your permission for DHS to share:

- Your medical and other health care records with federal and state officials.
- The status of your Medically Needy case, the amount of your spend down, and the bills used to meet your spend down with the provider whose bills are being used.
- The premium due date for Medicaid for Employed People with Disabilities (MEPD) with your medical provider.
- The information on your application for Home- and Community-Based Services (HCBS) waivers with the chosen case management agency or with the Iowa Department of Public Health (IDPH) Brain Injury Services Program manager (for HCBS brain injury waiver applications).
- The filing date of your application with your nursing facility.

By signing an application or review form, you give your permission for your medical provider to share:

- Your medical history with an HMO, PHP, or other managed care provider.
- Information with IME Medical Services Unit to certify a medical need for certain Medical Assistance programs or services.

You agree to assign medical payments from a third party to the Medicaid agency for yourself and others who are eligible for Medicaid for whom you legally can assign benefits. You also agree to cooperate in obtaining medical payments from third parties.

This permission ends when your Medicaid stops.

Things You Need to Know Regarding the Family Investment Program (FIP) or Refugee Cash Assistance (RCA)

You must tell DHS about changes within 10 days of the date the change happens, such as:

- Income, when it starts or stops, including getting an inheritance or a one-time payment of past due child support.
- Resources or assets.
- Someone moving in or out of your home.
- Mailing or living address.
- Receipt of a social security number.
- Change of school attendance of a child.

If your application for FIP or RCA is approved, your Food Assistance may go down or stop.

PROMISE JOBS

To get FIP, you will need to meet with PROMISE JOBS to write and sign a plan to support your family. This plan is called a *Family Investment Agreement* (FIA). If FIP is approved, you will need to work with PROMISE JOBS and follow your plan to keep getting FIP. By signing this application, you agree that all members of your family who must work with PROMISE JOBS will do so. Talk with your worker if you feel you have a reason not to work with PROMISE JOBS.

Absent Parent and Child Support

If a parent is absent from the home, you must give us information about that parent and help us collect child support from that parent.

EXHIBIT 12C RIGHTS AND RESPONSIBILITIES

While you get FIP, you give up your rights to child support for the months you are on FIP. The state of Iowa will keep your child support to pay back the money you get from FIP. You must cooperate with the Child Support Recovery Unit.

Using your Electronic Access Card (EAC)

You cannot access your cash benefits with your electronic access card (EAC) or personal debit card at a:

- Liquor store or any place that mainly sells liquor,
- Casino or other gambling or gaming establishment, or
- Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

This includes these types of businesses located in Iowa, on tribal land, or in any other state.

If the Department determines that you have accessed your cash benefits with your EAC or personal debit card at one of the above places you:

- Will have committed fraud,
- Have to repay the amount of cash accessed at the location, as well as any access fees, and
- Your family will not get cash benefits for three months with the first misuse and six months for each additional misuse.

Penalty for Getting FIP in More Than One State

You will not get FIP for 10 years if you are found guilty of getting or trying to get FIP in more than one state at a time. This penalty happens if you give wrong information about where you live.

Information for those Applying for WIC or Maternal and Child Health Services

- A declaration of income and persons in your family and living in your household is necessary to ensure that federal and state funds are directed to those persons least able to secure services from other sources.
- The maternal and child health director of the Iowa Department of Public Health, the WIC director, or their designees shall have access to all information available from records maintained by the agency providing maternal health, child health, or WIC services.

Information for those Applying for Presumptive Medicaid Services

- Your answers to some questions will not impact the presumptive Medicaid eligibility decision. These answers are needed for the Department to make a decision for ongoing Medicaid only.
- If you are only applying for presumptive Medicaid, not all of your information will be checked against data in computer systems like the state Income and Eligibility Verification System.
- If you choose to have your application forwarded to the Department for an ongoing Medicaid determination, the Department will verify income, citizenship, immigration status, identity, and other information as necessary.
- All presumptive Medicaid is granted on a daily basis and may be terminated on any given day, without notice, once it is determined that the individual is no longer presumptively eligible.
- Appeal hearings are not granted for presumptive Medicaid.

EXHIBIT 12D ELECTRONIC ACCESS CARD INFORMATION FOR FIP APPLICANTS



FIP ELECTRONIC ACCESS CARD

If you are approved for FIP, you will soon get the *Iowa Electronic Access Visa Prepaid Debit Card* (pictured) in the mail. The Iowa Department of Human Services (DHS) will put your monthly FIP benefits on this card.



When you get the card, **keep it**. It is not junk mail. Keep this card even if your benefits stop, just in case you need to reapply for future benefits.

The letter *D* after your name is to remind you that this is your DHS card. **This card is only for FIP benefits.** Any other state services you receive like **f**ood **a**ssistance, child support or unemployment benefits will not be on this card.

~~Effective February 1, 2014, y~~ You cannot access your cash benefits with your electronic access card (**EAC**) or your **personal debit card** at a:

- Liquor store or any place that mainly sells liquor,
- Casino or other gambling or gaming establishment, or
- Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

This includes these types of businesses located in Iowa, on tribal land, or in any other state.

If the **D**epartment determines that you have accessed your cash benefits with your ~~card~~ **EAC** or **your personal debit card** at one of the above places you:

- Will have committed fraud,
- Have to repay the amount of cash accessed at the location, **as well as any access fees**, and
- Your family will not get cash benefits for three months with the first misuse and six months for each additional misuse.

Make sure to **read the papers that come with the card**. The papers will tell you how to:

- Activate your card,
- Ways to avoid fees,
- Contact the toll-free customer service number, **1-866-899-5611**, and
- Check your account balance and find participating free ATM locations via the website, **www.EPPICard.com**.

For questions about the card, call customer service at 1-866-899-5611. You will never be charged for calls to:

- Report a lost, stolen or damaged card;

- Request a replacement card;
- Report problems using your card; or
- Ask for help to fix a problem with your account.

You will get 6 free customer service calls per month for all other services; after that each call costs \$0.40.

How to Avoid Fees:

- **Use your three (3) free cash withdrawals** each month at an Alliance One, Money Pass, or Wells Fargo ATM.
- **Make withdrawals at any Visa member bank teller window.**
- **Ask for cash back with purchases.** There are no fees on purchases or on cash back from purchases. The store may have a cash back limit.
- **Check your account balance using the www.EPPICard.com website.**

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4-A-2-put definition in appropriate place in list.

“Casino, gambling casino, or gaming establishment” means an establishment with a primary purpose of accommodating the wagering of money. It does not include:

1. A grocery store which sells groceries, including staple foods and which also offers, or is located within the same building or complex as, casino, gambling, or gaming activities; or
2. Any other establishment that offers casino, gambling, or gaming activities incidental to the principal purpose of the business.

An automated teller machine (ATM) or a point-of-sale (POS) terminal located within those areas of an establishment where individuals are banned due to age restrictions associated with gambling, established by state or federal law or by any other regulatory entity having the authority to do so, is considered to be in a casino, gambling casino, or gaming establishment.

4-A-3 put definition in appropriate place in list.

“Electronic benefit transfer transaction” means the use of a credit or debit card service, automated teller machine, point-of-sale terminal, or access to an online system for the withdrawal of funds or the processing of a payment for merchandise or a service.

4-A-4 put definition in appropriate place in list.

“Liquor store” means any retail establishment which sells exclusively or primarily intoxicating liquor or other alcoholic beverages. Such term does not include a grocery store which sells both intoxicating liquor and groceries including staple foods (within the meaning of Section 3(r) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(r)). Unless exempt as described in this definition, a retail establishment meets the definition of a liquor store when it has a North American Industry Classification System (NAICS) number that categorizes the retail establishment as either a beer, wine and liquor store or as a drinking place (alcoholic beverages). A retail establishment that does not have either type of NAICS code is considered to exclusively or primarily sell intoxicating liquor when 95 percent or more of the retail establishment’s gross sales are from intoxicating liquor and it is not a United States Department of Agriculture-certified Supplemental Nutrition Assistance Program (SNAP) retailer.

4-A-5 put definition in appropriate place in list.

“Retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment” means an establishment that includes live entertainment at locations such as, but not limited

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to, strip clubs and gentleman's clubs. It also includes stores and theaters that exclusively or primarily sell or feature adult-oriented videos and movies such as, but not limited to, adult book stores and adult movie theaters. A retail establishment meets this definition when the department has confirmed the primary nature of the business through the description on the business's web site, phone contact with the establishment, a site visit, or other means such as common local knowledge.

4-B-8

Discuss the options for receiving payment with each FIP applicant:

- If the applicant requests direct deposit, explain that:
 - A personal debit card cannot be used at certain locations to access FIP benefits that have been direct deposited into the applicant's account and the penalties for accessing benefits with their debit card at those locations, and
 - The initial payments may be issued by electronic access card (EAC) until the direct deposit can start.
- If the payee does not have a social security number, explain that payments will be made by warrant.
- If the payee will not be the case name (head of household), explain that payments will be made by warrant unless the payee chooses direct deposit.

4-B- 8a

- If none of the previous three bullets apply, explain that payments will be made by electronic access card. Consider and do the following:
 - If it is a two-parent case, explain that only one card will be issued for the household, in the name of the parent who is the case name.
 - Provide a copy of Comm. 377, *Electronic Access Card*.
 - Explain that the electronic access card or the applicant's personal debit card cannot be used at certain locations to access FIP benefits and the penalties for accessing benefits with the card at those locations.

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4-C-40-40a

Electronic Access Card Usage

Legal reference: 441 IAC 41.25(11)

Policy: A participant cannot use an electronic access card (EAC) or personal debit card to access FIP benefits at a:

- ◆ Liquor store or any place that mainly sells liquor,
- ◆ Casino or other gambling or gaming establishment, or
- ◆ Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

This includes these types of businesses located in Iowa, on tribal land, or in any other states.

As a condition of eligibility, all applicants and participants must agree, in writing, to not use the electronic access card or their personal debit card at prohibited locations by signing either:

- ◆ Form 470-0462 or 470-0462(S), Financial Support Application, or
- ◆ Form 470-2881 or 470-2881(S), Review/Recertification Eligibility Document (RRED)

When both parents or both a parent and stepparent are in the home, either parent or stepparent may sign the application or RRED agreeing to not use the EAC at prohibited locations. When a minor parent lives with a self-supporting parent and applies for or is receiving FIP, only the minor parent is required to sign the application or RRED to agree not use the EAC at prohibited locations. If the applicant or participant is incompetent or incapacitated, a person acting responsibly on the applicant's or participant's behalf must sign. Only one signature is required on the form. When the parent or stepparent signs the application or RRED they are agreeing to this condition for the entire household.

When the Department receives a detailed complaint or suspects that a participant used an EAC at a prohibited location, refer the case to the Department of Inspections and Appeals (DIA) for further investigation.

When DIA finds that a participant accessed FIP benefits with an EAC at a prohibited location, the household:

- ◆ Will have committed fraud,
- ◆ Will Have to repay the amount of cash accessed at the location, as well as any access fees, and
- ◆ Will be ineligible for FIP for:
 - Three months for the first misuse and
 - Six months for each additional misuse.

Note: When FIP funds are deposited into a participant's bank account the funds are considered comingled with private funds. Do not refer a complaint that a participant

EXHIBIT 13A EMPLOYEE MANUAL CHANGES

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has used a personal debit card at a prohibited location to DIA because we cannot identify if it was FIP funds accessed at the location.

When parents from a two-parent family separate during an ineligibility period, if the DIA report:

- ◆ Identifies the participant who used the EAC at a prohibited location, the ineligibility period will follow that participant.
- ◆ Does not identify the participant who used the EAC at a prohibited location, the ineligibility period will follow the participant who is the case name when the violation occurred.

Procedure:

At the application interview, at review, and whenever appropriate, explain to the applicant or participant that the EAC or personal debit card cannot be used at certain locations. This includes using the card at the cash register's point-of-sale terminals as either a debit or credit card and at any ATMs at the location.

When the Department receives a complaint that a participant has used an EAC at a prohibited location, gather as much of the following information from the person making the complaint:

- ◆ The participant's demographic data (name, date of birth, social security number, address),
- ◆ Where the EAC was used (type of business where the card was used and the business's name and address), and
- ◆ When the EAC was used (month, day, year).

To make a referral to DIA we must have enough details to show that the person is:

- ◆ A FIP participant who has an EAC,
- ◆ The type of prohibited location where the card was used, and
- ◆ When the card was used at the prohibited location. (At a minimum, the month and year.)

When the Department has this information, make a referral to DIA for an investigation.

Forward a copy of the DIA referral to the FIP policy specialist in the Bureau of Financial, Health and Work Supports in central office

4-H-4

Clients cannot use their electronic access card (EAC) or personal debit card to access FIP benefits at a:

- ◆ Liquor store or any place that mainly sells liquor,
- ◆ Casino or other gambling or gaming establishment, or
- ◆ Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

This includes these types of businesses located in Iowa, on tribal land, or in any other states.

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4-H-14

Client Errors

Legal reference: 441 IAC 46.21(239B), 46.24(3)

Policy: Client errors include the following situations:

- ◆ False or misleading statements (oral or written) about the client's income, resources, or other circumstances that affect FIP eligibility or the benefit amount.
- ◆ Failure to timely report changes in beginning income, resources, or other circumstances that affect FIP eligibility or the benefit amount.
- ◆ Failure to refund to the Collection Services Center any direct support received from an absent parent for members of the eligible group after the date the eligibility information is entered into the ABC system.
- ◆ Access of benefits issued with the EAC at a prohibited location.

Procedure:

Compute an overpayment due to client error as if the information had been timely reported.

For overpayments caused by accessing benefits at a prohibited location, the amount of the overpayment is the total amount of FIP accessed at the prohibited location, as well as any fees for accessing FIP at the location.

6-D-13

Electronic Access Card Usage

Legal reference: 441 IAC 41.25(11)

A person who receives an RCA grant cannot use an electronic access card or personal debit card to access ~~FIP~~ RCA benefits at:

- ◆ Liquor store or any place that mainly sells liquor,
- ◆ Casino or other gambling or gaming establishment, or
- ◆ Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

This includes these types of businesses located in Iowa, on tribal land, or in any other states.

See 4-C, Electronic Access Card Usage, for more information.

| ACTION | CD/PGM | MESSAGE AND MANUAL CITATION | ENTER IN: |
|-------------|--------|---|------------------|
| FIP (Cont.) | 211 | <p>... you do not have good cause for not living with a parent or legal guardian.</p> <p>... no existe un motivo justificado para que usted no viva con uno de sus padres o un tutor legal.</p> <p>EM 4-C Failure to Live with Parent or Legal Guardian or Establish Good Cause; 441 Iowa Admin. Code 41.22(15)</p> | TD02 FIP REA2 |
| | 213 | <p>Your PROMISE JOBS services are canceled because your FIP is canceled.</p> <p>La cancelación de su Cash Assistance (Asistencia en Efectivo) cancela sus servicios de PROMISE JOBS.</p> | No entry |
| | 280 | <p>... of your student status.</p> <p>... de su condición de estudiante.</p> <p>EM 4-C School Attendance; 441 Iowa Admin. Code 41.25(6)</p> | TD02 FIP REA2 |
| | 294 | <p>You cannot access your cash benefits with your electronic access card (EAC) or personal debit card at a:</p> <ul style="list-style-type: none"> • Liquor store or any place that mainly sells liquor, • Casino or other gambling or gaming establishment, or • Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club). <p>This includes these types of businesses located in Iowa, on tribal land, or in any other state.</p> | |

| ACTION | CD/PGM | MESSAGE AND MANUAL CITATION | ENTER IN: |
|-------------|-----------------------|--|------------------|
| FIP (Cont.) | 294 (Cont.) | <p>If the department determines that you have accessed your cash benefits with your EAC or personal debit card at one of the above places you:</p> <ul style="list-style-type: none"> • Will have committed fraud, • Have to repay the amount of cash accessed at the location, as well as any access fees, and • Your family will not get cash benefits for three months with the first misuse and six months for each additional misuse. <p>Usted no puede acceder a sus beneficios de efectivo con su tarjeta de acceso electrónica (EAC) o tarjeta de débito personal en los siguientes lugares:</p> <ul style="list-style-type: none"> • Licorería o cualquier lugar que principalmente venda bebidas alcohólicas, • Casino u otro establecimiento de juegos de azar o diversión, o • Negocio que provean entretenimiento para adultos donde los o las artistas se desnuden o actúen sin ropa (por ejemplo, un club de striptease). <p>Esto incluye a todos estos tipos de negocios en Iowa, en reservaciones indígenas o en cualquier otro estado.</p> <p>Si el departamento determina que usted ha accedido a beneficios de efectivo con su EAC o tarjeta de débito personal en uno de los lugares anteriores, usted:</p> <ul style="list-style-type: none"> • Habrá cometido un fraude, • Tendrá que pagar el monto de dinero accedido en el lugar, al igual los cobros de acceso, y • Su familia no tendrá beneficios de efectivo durante tres meses con el primer mal uso y seis meses por cada mal uso adicional. | TD02 FIP REA2 |