

Nutrition Services

Texas Department of State Health Services

Effective August 1, 2009

Policy No. FD: 09.0

Liability of Local Agency for Food Benefit Reconciliation

Purpose

To provide the state agency (SA) with a method for reconciling food benefits paid to vendors to a valid participant issuance record ensuring an adequate audit trail.

Authority

7 CFR Part 246.12

Policy

It is the responsibility of the LA to ensure that all redeemed food benefits are reconciled to a valid issuance record. The LA may be held financially accountable for all redeemed food benefits that are improperly issued. The SA may assess the LA a monetary sum equal to the actual redeemed value of food benefits improperly issued.

Procedure

- I. To ensure the propriety of redeemed food benefits as required by 7CFR Part 246.12, LAs shall investigate all redeemed food benefits that are identified as unreconciled by the SA by tracking the food benefit issuance back to the actual original retained shopping lists.
- II. LAs shall submit a signed response to the SA verifying that unreconciled transactions were compared against the LA's copy of the benefit issuance log/shopping list.

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- III. If all reasonable attempts have been made and the LA cannot locate/identify the disposition of an unreconciled benefit issuance, the LA shall submit a written explanation to the SA.
- IV. LAs with an excessive or repetitive incidence of unreconciled EBT transactions shall be assessed a monetary amount based on the redeemed value of benefits.
- V. As part of the LA's on-site monitoring review, SA staff shall examine a random sampling of the signed responses submitted by an LA as proof that the LA verified unreconciled benefit issuances against the LA's copy of the benefit issuance log/shopping list. If unable to support a signed response, the LA shall be required to submit copies of the benefit issuance log/shopping lists that cover all identified unreconciled benefits paid by the SA for a 12-month period.
- VI. LAs shall have 30 days from receipt of the SA written notification to respond to identified unreconciled benefits paid by the SA. If a LA does not respond, a monetary amount based on redemption value may be assessed.

Guidelines

It is recommended that LAs file their copies of the participant's benefit issuance log/shopping lists by date and time.