of the results of all quality control re-
views during each review period.

[Amdt. 160, 45 FR 15898, Mar. 11, 1980, as
amended by Amdt. 260, 49 FR 6304, Feb. 17,
1984; Amdt. 262, 49 FR 50597, Dec. 31, 1984]

Subpart B—Management
Evaluation (ME) Reviews

§ 275.5 Scope and purpose.

(a) Objectives. Each State agency
shall ensure that project areas operate
the Food Stamp Program in accord-
ance with the Act, regulations, and
FNS-approved State Plan of Operation.
To ensure compliance with program re-
quirements, ME reviews shall be con-
ducted to measure compliance with the
provisions of FNS regulations. The ob-
jectives of an ME review are to:

(1) Provide a systematic method of
monitoring and assessing program op-
erations in the project areas;

(2) Provide a basis for project areas
to improve and strengthen program op-
erations by identifying and correcting
deficiencies; and

(3) Provide a continuing flow of infor-
mation between the project areas, the
States, and FNS, necessary to develop
the solutions to problems in program
policy and procedures.

(b) Frequency of review. (1) State
agencies shall conduct a review once
every year for large project areas, once
every two years for medium project
areas, and once every three years for
small project areas, unless an alternate
schedule is approved by FNS. The most
current and accurate information on
active monthly caseload available at
the time the review schedule is devel-
oped shall be used to determine project
area size.

(2) A request for an alternate review
schedule shall be submitted for ap-
proval in writing with a proposed
schedule and justification. In any al-
ternate schedule, each project area
must be reviewed at least once every
three years. Approval of an alternate
schedule is dependent upon a State
agency’s justification that the project
areas that will be reviewed less fre-
cently than required in paragraph
(b)(1) of this section are performing
adequately and that previous reviews
indicate few problems or that known
problems have been corrected. FNS re-
tains the authority for approving any
alternate schedule and may approve a
schedule in whole or in part. Until FNS
approval of an alternate schedule is ob-
tained, the State agency shall conduct
reviews in accordance with paragraph
(b)(1) of this section.

(3) FNS may require the State agen-
cy to conduct additional on-site re-
views when a serious problem is de-
tected in a project area which could re-
sult in a substantial dollar or service
loss.

(4) State agencies shall also establish
a system for monitoring those project
areas’ operations which experience a
significant influx of migratory workers
during such migrations. This require-
ment may be satisfied by either sched-
uling ME reviews to coincide with such
migrations or by conducting special re-
views. As part of the review the State
agency shall contact local migrant
councils, advocate groups, or other or-
ganizations in the project area to en-
sure that migrants are receiving the
required services.

[Amdt. 160, 45 FR 15900, Mar. 11, 1980, as
amended by Amdt. 262, 49 FR 50597, Dec. 31,
1984; Amdt. 266, 52 FR 3408, Feb. 4, 1987]

§ 275.6 Management units.

(a) Establishment of management units.
For the purpose of ME reviews, State
agencies may, subject to FNS approval,
establish “management units” which
are different from project areas des-
ignated by FNS for participation in the
program. For example, State-estab-
lished welfare districts, regions or
other administrative structures within
a State may be so designated. Manage-
ment units can be designated as either
large, medium, or small for purposes
of frequency of review. However, estab-
ishment of management units solely
for the purpose of reducing the fre-
cency of review will not be approved
by FNS.

(b) FNS approval of management units.
State agencies shall submit requests
for establishment of management units
to FNS, which shall have final author-
ity for approval of such units as well as
any changes in those previously ap-
proved by FNS.

(1) The following minimum criteria
must be met prior to requesting FNS
approval:
§ 275.7 Selection of sub-units for review.

(a) Definition of sub-units. Sub-units are the physical locations of organizational entities within project areas responsible for operating various aspects of the Food Stamp Program, exclusive of Post Offices which may issue coupons. Sub-units shall be classified based upon functional responsibility as one or more of the following.

(1) Certification office. Any sub-unit which has the responsibility for accepting applications, conducting interviews, determining eligibility, maintaining (or having easy access to) casefiles, and transmitting information to the data management unit shall be designated as a certification office.

(2) Issuance office. Any sub-unit which has the responsibility for issuing coupons to participating households and storing coupons shall be designated as an issuance office.

(3) Data management unit (DMU). Any sub-unit which has the responsibility for maintaining the household issuance record (HIR) masterfile shall be designated as a DMU.

(4) Bulk storage point. Any sub-unit which has the responsibility for accepting and storing supplies of coupons prior to shipment to issuance sites shall be designated as a bulk storage point.

(5) Reporting point. Any sub-unit which has the responsibility for preparation and submittal of Form FNS–250 for more than one issuance unit shall be designated as a reporting point, regardless of whether or not the unit actually issues coupons.

(b) Reviewing Issuance Offices and Bulk Storage Points. The issuance office and bulk storage point review required by § 274.1(c)(2) of this chapter may be satisfied through the ME review system.

(c) Combined responsibilities. (1) When a sub-unit has more than one of the areas of functional responsibility specified in paragraph (a) of this section, it shall be included in each applicable classification and if selected for review, all functions performed shall be examined. For example, if a sub-unit has an organizational entity which certifies households and also has an entity which regularly issues coupons, the sub-unit shall be designated as both a certification and an issuance office. Thus, in an HIR issuance system, sub-units designated as issuance offices would usually also be designated as DMU’s since the HIR masterfile is usually maintained at the issuance site in this system.

(2) Certain sub-units shall not be designated as having combined responsibilities, even though they may perform certain functions related to more than one of the areas. For example, coupon issuers must maintain a level of coupon inventory to ensure that participants’ needs are met on a daily basis but do not supply other issuance sites with bulk supplies of coupons. Such a sub-unit would not be classified as a bulk storage point. Certification...