

§261.63

individuals on the TANF Data Report and, if applicable, the SSP-MOE Data Report, each State must:

(1) Establish and employ procedures for determining whether its work activities may count for participation rate purposes;

(2) Establish and employ procedures for determining how to count and verify reported hours of work;

(3) Establish and employ procedures for identifying who is a work-eligible individual;

(4) Establish and employ internal controls to ensure compliance with the procedures; and

(5) Submit to the Secretary for approval the State's Work Verification Plan in accordance with paragraph (b) of this section.

(b) A State's Work Verification Plan must include the following:

(1) For each countable work activity:

(i) A description demonstrating how the activity meets the relevant definition at §261.2;

(ii) A description of how the State determines the number of countable hours of participation for self-employed individuals; and

(iii) A description of the documentation it uses to monitor participation and ensure that the actual hours of participation are reported;

(2) A description of the State's procedures for identifying all work-eligible individuals, as defined at §261.2;

(3) A description of how the State ensures that, for each work-eligible individual, it:

(i) Accurately inputs data into the State's automated data processing system;

(ii) Properly tracks the hours through the automated data processing system; and

(iii) Accurately reports the hours to the Department;

(4) A description of the procedures for ensuring it does not transmit to the Department a work-eligible individual's hours of participation in an activity that does not meet a Federal definition of a countable work activity; and

(5) A description of the internal controls that the State has implemented to ensure a consistent measurement of the work participation rates, including the quality assurance processes and

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sampling specifications it uses to monitor adherence to the established work verification procedures by State staff, local staff, and contractors.

(c) We will review a State's Work Verification Plan for completeness and approve it if we believe that it will result in accurate reporting of work participation information.

§261.63 When is a State's Work Verification Plan Due?

(a) Each State must submit its interim Work Verification Plan for validating work activities reported in the TANF Data Report and, if applicable, the SSP-MOE Data Report no later than September 30, 2006.

(b) If HHS requires changes, a State must submit them within 60 days of receipt of our notice and include all necessary changes as part of a final approved Work Verification Plan no later than September 30, 2007.

(c) If a State modifies its verification procedures for TANF or SSP-MOE work activities or its internal controls for ensuring a consistent measurement of the work participation rate, the State must submit for approval an amended verification plan by the end of the quarter in which the State modifies the procedures or internal controls.

§261.64 How will we determine if the State is meeting the requirement to establish and maintain work verification procedures that ensure an accurate measurement of work participation?

(a) We will determine that a State has met the requirement to establish work verification procedures if it submits an interim Work Verification Plan by September 30, 2006 and a complete Work Verification Plan that we approve by September 30, 2007.

(b) A "complete" Work Verification Plan means that:

(1) The plan includes all the information required by §261.62(b); and

(2) The State certifies that the plan includes all the information required by §261.62(b) and that it accurately reflect the procedures under which the State is operating.

(c) For conduct occurring after October 1, 2007, we will use the single audit