

Par.1. Material **Transmitted and Purpose** – Transmitted with this Manual Letter are changes to Service Chapter 400-19 Temporary Assistance for Needy Families. This manual letter also incorporates changes made with:

- IM 5267 Sharing of Information with Child Welfare Agencies
- IM 5287 Telephone Assistance Program

Par. 2. **Effective Date** – Changes included in this manual letter are effective January 1, 2017.

Child Support Enforcement agency has changed their name to Child Support Division. Effective with this manual letter, Child Support Enforcement has been changed to Child Support Division throughout the TANF manual. Unless already included in this Manual Letter, the remaining sections affected are not included as part of this manual letter cover.

Effective with this manual letter reference to US Bank is being changed to 'electronic payment card vendor' and TANF ReliaCard is being changed to 'TANF electronic payment card' Division throughout the TANF manual. Unless already included in this Manual Letter, the remaining sections affected are not included as part of this manual letter cover.

This manual letter has been amended to correct item number 3. Section 400-19-45-105, Eligibility Factors for Refugee Households was amended to change the refugee arrival date back to October 1, 2010.

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## **Administrative Requirements 400-19-15**

**1.** 400-19-15-15 Confidentiality. Added policy that information may be disclosed to public child welfare agencies. This incorporates IM 5267 Sharing of Information with Child Welfare Agencies which was effective December 8, 2015.

## **Confidentiality 400-19-15-15**

Federal and state law recognizes the privacy rights of individuals who receive services and assistance under programs administered by the Department. **Information concerning households receiving TANF may be released only for purposes directly connected with the administration of the program or to public child welfare agencies. Public child welfare agencies are defined as agencies authorized under titles IV-B (Child Welfare Services) and IV-E (Foster Care and Adoption Assistance).** For further information regarding TANF confidentiality policies, refer to Administrative Manual Section 448-01-25-10-10-30.

In accordance with agreements with the Social Security Administration (SSA), the Internal Revenue Service (IRS), Vital Statistics and Job Service North Dakota Unemployment Insurance Benefits (UIB), information cannot be released to the applicant or recipient or any other agency and can only be used for the purpose of determining eligibility.

For additional information, including guidelines to county personnel who are subpoenaed to testify in court, see:

1. Service Chapter 110-01, Confidentiality, located on the County Intranet in the 'Legal' folder;
2. Service Chapter 448-01-25, Confidentiality and Safeguarding Information.
3. North Dakota Administrative Code (N.D.A.C.) Section 75-01-02.
4. North Dakota Century Code, Section 50-06-15.

## **TANF Non-Financial Eligibility Factors 400-19-45**

**2.** 400-19-45-85 Apply for Earned Rights Benefits. **Information previously under Countable Unearned Income Types, 400-19-55-20-15 relating to Earned Rights Benefits has been moved to this section.**

## **Apply for Earned Rights Benefits 400-19-45-85**

All applicants and recipients must apply for any and all potential sources of income (i.e. Workmen's Compensation, Unemployment Benefits, Social Security Disability and Retirement Benefits) which might be available to the household, and to provide proof that such application has been made. Applicants and recipients must comply with the requirements of the program to establish eligibility for and receive benefits.

Failure to apply for, comply with the requirements of the program to establish eligibility for, or refusal of receipt of earned rights benefits to which an individual is entitled shall result in ineligibility of the household containing the individual.

Retirement, Survivors, and Disability Insurance (RSDI) is administered by the Social Security Administration. This program provides workers and/or their families with partial replacement for loss of income due to retirement, disability, or death of the insured person.

Because of the broad coverage offered under RSDI, an exploration of a household's potential eligibility for benefits must be made whenever the employment history or other pertinent data suggest the possibility of entitlement.

Private pensions may be available to assist families with partial replacement for loss of income due to retirement, disability, or death of an employed person. TANF requires that all potential sources of income for earned rights benefits be explored by the household.

Railroad Benefits can include payments for sickness or accident, dependent or survivors' benefits, job insurance, retirement, and funeral expenses.

Veteran's pension or compensation, veteran's vocational rehabilitation subsistence payments and military allotments should be explored for potential earned rights benefits.

**3. 400-19-45-105 Eligibility Factors for Refugee Households.**

- In the last paragraph, US Bank has been changed to electronic payment card vendor and TANF ReliaCard has been changed to electronic payment card.

**Eligibility Factors for Refugee Households 400-19-45-105**

~~Currently,~~ Lutheran Social Services (LSS) provides services to all Refugees during the first eight (8) months they reside in the United States, and may refer the family to TANF after the eight (8) month period. As a result of a change in Federal Law, Refugees who arrive on or after October 1, 2010, will no longer receive Refugee Cash Assistance from LSS during the first eight (8) months they reside in the this country if the household meets the eligibility criteria for TANF. However, Refugee's eligible for TANF will receive the Reception and Placement assistance and some case management services from LSS during this period.

**Note:** Lutheran Social Services will continue to provide cash assistance, case management and employment services for individuals that are not TANF eligible.

LSS will provide Reception and Placement Program services to individuals eligible for TANF for 90 days from the date of entry. After the 90 days, LSS will continue to provide limited case management services. Case management services will be provided by the JOBS Employment Contractors, as is done with all JOBS participants.

All factors of eligibility for TANF apply to Refugee Households.

LSS will provide a payment to TANF eligible Refugees, in an amount equal to the difference between the TANF benefit and the Refugee Cash Assistance Benefit. These benefits will be paid directly to the landlord as a Vendor Payment and therefore are not countable for TANF.

**Note:** Since these payments are paid directly to the landlord for rental expenses, households will be considered as receiving a housing subsidy and will not be eligible for the \$50 housing allowance.

The unrestricted money payment is the basic method for providing assistance to eligible households. However, the individual must have a Social Security Number (SSN) in order to issue the TANF benefit through use of the electronic funds transfer. For households where the Primary Individual (PI) does not have an SSN, payment of the TANF benefits must be issued through the Protective Payee method until the PI receives their SSN.

Once the SSN is received, enter the SSN and remove the Protective Payee data. That information will then be sent to ~~US Bank~~ the electronic payment card vendor who will set up an account and issue the household an electronic payment card ~~TANF ReliaCard~~.

## **TANF Financial Eligibility Factors 400-19-55**

**4.** 400-19-55-05-10 Asset Availability. **References to assets as a result of nonrecurring lump sum payments been moved to this section from the Nonrecurring Lump Sum Payments 400-19-55-10-20-05 section.**

### **Asset Availability 400-19-55-05-10**

Assets must be available to the TANF household for current use. To be considered an asset, an interest in property (real or personal) must be owned by the individual and available for disposition. In general, an individual who has legal title to property has the right to control and dispose of it. If property cannot be disposed of, it is not an available asset.

All assets owned by any SSI recipient shall be exempt in determining TANF eligibility. An asset owned solely or jointly with an SSI recipient is exempt.

All assets owned individually or jointly are presumed available to the household.

1. Assets owned jointly by members of separate households, where there is a legal obligation to support, are also presumed available, in their entirety, to the TANF household.
2. Real property owned jointly by members of separate households, where there is no legal obligation to support must have the equity value equally divided among all property owners. The applicant/recipient's share is considered when determining eligibility. However, if the applicant or recipient can show that the assets are in fact not available, those assets may be exempt. If the applicant or recipient can demonstrate that it has access to only a portion of a given asset, only that portion will be considered.

An asset shall be considered not available if it cannot be practically subdivided and/or the household's access to the asset is dependent on the agreement and cooperation of a joint owner who refuses and cannot reasonably be forced to comply (e.g. motor vehicle).

Liquid (e.g. bank accounts, certificates of deposits, etc.) and non-liquid (e.g. real or personal property, etc.) assets owned solely or jointly but which can be made available to the applicant or recipient, are considered in their entirety.

Nonrecurring lump sum payments are considered assets beginning the second month following the month of receipt. For the second month following the month of receipt, the remaining lump sum amount is included with all other countable assets in determining eligibility.

**Example:** If the non-recurring lump sum payment is received in May, the amount of the lump sum payment remaining as of June 1 is added to the other assets held by the family and reported on the June 5 monthly report form when determining eligibility for July. If the total amount of the assets is in excess of the program limits,

the family must be notified that their case will be closed as of June 30 unless they furnish proof that the assets have been spent down to program levels by June 30th.

Policy for treatment of nonrecurring lump sum payments can be found at 400-19-55-25, Disregard of Certain Income.

An individual identified on an account signature card as an individual who can draw on the account of a non-household member has no legal ownership of the funds in the account. Thus, the funds are not considered available and are exempt as an asset.

A checking or savings account is sometimes opened jointly in the names of a non-household member and the applicant or recipient of TANF. Such accounts are established for the convenience of the parties involved. However, the TANF applicant or recipient may not have contributed to the account and may or may not have knowledge of its existence. Regardless of the source of the funds, whenever the applicant or recipient is a joint account holder and can legally withdraw funds from that account, the individual is presumed to have unrestricted access to the funds. As such, the individual is deemed to be the sole owner of those funds.

If it is clearly established that, despite having access to the account, the household has neither contributed to nor withdrawn funds from the account, the applicant or recipient should be given the opportunity to have their name removed from the account or, by other action, preclude all access to the funds.

- If the household is in the process of applying for TANF, such action must be taken before the initial benefit is authorized.
- If the household is already receiving TANF, the action must be completed within 30 days of notification by the TANF Eligibility Worker.

In both situations, failure to do so will result in consideration of the asset when determining eligibility for TANF.

An asset may be temporarily unavailable (exempt) while the family is taking reasonable measures to overcome a legal impediment. Examples of a legal impediment are divorce proceedings that will eventually result in the distribution individually of jointly owned property and the refusal of other owner(s) to agree to the sale of jointly held assets. A jointly owned vehicle that is taken by a deserting parent may not be a "currently available" asset but may later become available when the legal impediment is overcome. On rare occasions, the process of liquidating an asset, even though technically "available" to the family, would be unreasonable to pursue, particularly if costly litigation is required. Such assets, on a carefully evaluated case-by-case basis, can be disregarded.

The question of availability is particularly critical to individuals being served by shelters for abused women and children. Assets, regardless of ownership rights, may have to be at least temporarily considered inaccessible until such time as the legal and social ramifications can be resolved. Staff are urged not to apply the "availability" concept so stringently as to risk worsening an already tense situation.

As in all instances in which there is a question of ownership, the household should be given the opportunity to present evidence in rebuttal of the presumption that a joint account is an available asset. A successful rebuttal will result in a finding that the funds in the joint account are in fact not owned by the TANF household. For example, when the funds are clearly available to the TANF household only in the event of the co-owner's death, access is restricted and the funds are therefore not an asset. The funds are likewise not an asset to the TANF household if withdrawals from the account are possible only with the surrendering of the passbook, which is not accessible to the applicant or recipient, or with dual signatures and the co-owner will not sign.

Staff must be alert to interruptions in eligibility resulting from changes in assets (e.g., conversion from one form of asset to cash or an increase in



the value of an asset). Applicants and recipients should understand that they are required to report such changes. Although eligibility normally does not exist during any month in which the equity limitation on assets is exceeded, funds from the sale of an exempt asset or from a property insurance settlement can be temporarily reserved for the replacement or repair of an essential item such as a house, car, furniture, or appliance. In this instance, the household should indicate immediately that it intends to replace or repair a given item and should be given 30 days to complete the repair or replacement of the exempt asset. The repair or replacement of a house may take considerably longer. This time can be extended as appropriate or for extenuating circumstances.

Assets, once determined available for current use, must be reasonably evaluated in accordance with their equity value (fair market value minus legal debts). A reasonable evaluation of an asset is an amount that a willing buyer would pay. In some instances, the asking price of an asset may need to be lowered, perhaps more than once, until such time as there is a market.

Proceeds from the sale of an asset continue to be an asset subject to the appropriate asset level.

Neither the household's TANF benefit, nor the income (earned and unearned), taken into account in determining the benefit for a particular month is to be considered part of the asset test for that same month.

#### **5. 400-19-55-05-35 Disqualifying Transfer of Assets**

- Policy has been changed to align with SNAP and is effective for applications received on or after January 1, 2017.
- Look back period has been changed to 3 months prior to the date of application.
- Calculation of the disqualification period has been changed to a period of disqualification based on the amount of the transfer.
- Policy regarding multiple disqualifying transfers and disqualifying transfers made within the same month has been removed.

- Calculation for a disqualification period when a household member joins another household has been changed to reflect the new disqualification periods.
- Policy addressing reducing period of ineligibility due to returning of a disqualifying transfer has been removed.
- Policy added to contact State TANF policy for any transfers received on or after January 1, 2017.

## Disqualifying Transfers of Assets 400-19-55-05-35

The transfer of any property without adequate consideration is disqualifying if the transfer was for the purpose of becoming eligible or to remain eligible for TANF. The household's intent, lapse of time between such transfer, and the date of TANF Application are among the factors which must be evaluated. The ~~12-month period~~ 3 month period prior to the date of application prior to the month in which a TANF Application is received must be reviewed for the occurrence of a transfer of assets. On-going cases must be periodically reviewed for a disqualifying transfer of assets.

**Note #1:** A transfer of an exempt asset (See Section 400-19-55-05-30, Exempt Assets) is not considered a Disqualifying Transfer.

**Note #2:** Disqualifying Transfer of assets by individuals with participation codes of 'OU' (other than due to Pay After Performance), 'SS' and 'MP' are not considered disqualifying transfers.

If a transfer is determined to be disqualifying at time of application, the TANF household will be ineligible from receiving TANF benefits for a period beginning with the month of application. For on-going cases, the disqualification periods begins the month the transfer took place. ~~in which the transfer took place and continuing for a number of months equal to the result of dividing the known or estimated equity value of the asset transferred by the TANF Basic Standard of Need (including the Kinship Care maintenance payment) at the time of the transfer (without add-on's for special items of need). Any amount remaining will be counted as unearned income for the first potential month of eligibility after the disqualification period ends.~~ The length of disqualification is as follows:

<u>Amount in Excess of Asset Limit</u>	<u>Period of Disqualification</u>
<u>\$ 0 through \$249.99</u>	<u>1 month</u>
<u>\$250 through \$999.99</u>	<u>3 months</u>
<u>\$1000 through \$2999.99</u>	<u>6 months</u>
<u>\$3000 through \$4999.99</u>	<u>12 months</u>

**Note:** Any period of ineligibility begins the first day of the month of transfer.

**Example:** If the equity value of the transferred asset for a TANF household was \$10,000 and the TANF Basic Standard of Need was \$533, the ineligibility period is 18 months plus \$406 remains to be counted as unearned income for the first potential month of eligibility after the disqualification period ends. ( $\$10,000 \div \$533 = 18.76$  months. 18 months times \$533 equals \$9,594.  $\$10,000$  minus \$9,594 equals \$406).

If a TANF household member makes multiple transfers of assets, each asset transferred must have a disqualification period calculated, and ineligibility for each transfer begins the month in which the transfer took place.

**Note:** Multiple transfers made in the same month cannot be added together when determining the period of ineligibility.

Multiple transfers made in the same month cannot be added together when determining the period of ineligibility.

If the TANF household member who caused the household's ineligibility due to a disqualifying transfer leaves the household, the remaining household members are no longer subject to the disqualification period if the transferred asset was owned solely by the departing household member. Effective the day following the day in which the individual left the TANF household, the disqualifying transfer will no longer affect the remaining household members.

**Note:** However, if the transferred asset was jointly owned with any

~~remaining member of the household, the disqualification period will continue as initially calculated.~~

If the transferred asset was jointly owned with any remaining member of the household, the disqualification period will continue as initially calculated.

~~If the household member who caused a disqualification moves to another TANF household, the period of ineligibility that was determined in the previous household does not remain in effect for the new TANF household. A new disqualification period must be calculated for the new household based on the remaining amount of the transferred asset and the TANF Basic Standard of Need of the new household.~~

If the household member who caused a disqualification moves to another TANF household, a new disqualification period must be calculated for the new household based on the remaining period of disqualification. The disqualification period for the new TANF household is effective the month following the month in which the individual entered the new household.

**Example:** ~~Continuing on with the Example above, If the individual moves to a new TANF household after 5 months of ineligibility, a revised period of ineligibility for the new TANF household is calculated as follows: \$533 (Old TANF household Standard of Need) X 5 months = \$2,665. \$10,000 (original equity value of transferred asset) less \$2,665 = \$7,335. \$7,335 is the remaining amount of the transferred asset which must be divided by the TANF Basic Standard of Need of the new TANF household.~~

~~If the TANF Basic Standard of Need of the new TANF household is \$335, the disqualification period is 21 months plus \$300 remains to be counted as unearned income for the first potential month of eligibility after the disqualification period ends. (\$7,335 divided by \$335 = 21.89 months. 21 months times \$335 equals \$7,035. \$7,335 minus \$7,035 equals \$300).~~

~~The disqualification period for the new TANF household is effective the month following the month in which the individual entered the~~

~~new household.~~

Household members who leave a disqualified household are no longer subject to the disqualification penalty if the departing member did not own the transferred asset.

~~There is no recalculation of the disqualification period based on any changes in the TANF Basic Standard of Need (e.g. change in household size, mass change in the basic standard of need, etc.).~~

~~Any portion of the transferred asset that is returned must reduce the amount of the disqualifying transfer and reduce the period of ineligibility. However, the period of ineligibility will not end prior to the date of the return.~~

Contact State TANF policy for assistance in processing disqualifying transfers for applications received on and after January 1, 2017.

**Note:** ~~Refer to the Special Processing section of the Vision User Manual for instructions on processing TANF Disqualifying Transfers. Contact State TANF Policy for assistance if:~~

- ~~• All or a portion of the asset transferred has been returned;~~
- ~~• The household member who made a disqualifying transfer moves to another TANF household; or~~
- ~~• The participation code for the household member who made a disqualifying transfer changes to 'OU' (other than due to Pay After Performance), 'SS' or 'MP'.~~

**6. 400-19-55-10-05 Definition of Income**

- Definition of income been rewritten to align with other EAP policies (CCAP, LIHEAP and SNAP).
- Policy relating to pay received earlier or later than normal has been removed from this section as it is existing policy in Earned Income – When Received 400-19-55-15-10 and Treatment of Unearned Income 400-19-55-20-10.
- Policy relating to averaging of self-employment has been removed from this section as it is existing policy in Calculating Self-Employment Income 400-19-55-15-25-10 and Anticipating Self-Employment Income 400-19-55-15-25-15.
- Policy relating to income as a result of prorate has been removed from this section and has been moved to TANF Budgeting 400-19-105, Overview 400-19-105-05.
- Policy relating to averaging of contractual basis income policy has been removed from this section as it is existing policy in Earned Income Received on a Contractual Basis 400-19-55-15-15.

**Definition of Income 400-19-55-10-05**

Income is the gain or benefit, earned or unearned, derived from labor, business, capital, or property which is received or is available to the TANF household ~~for current maintenance~~. It is considered when actually available and when the applicant or recipient has a legal interest in a liquidated sum and has the legal ability to make such sum available for support or maintenance.

~~Occasionally an employee normally paid on a given day of a month is paid earlier or later than normal. In such instances, income shall be considered as being received on the date the income is normally received.~~

~~**Example #1:** A pay check normally received on the first day of January is paid prior to January 1, due to the holiday. This income should be budgeted as received in January, because January 1 is the normally occurring schedule.~~

~~**Example #2:** An individual usually paid on December 31 is paid after January 1. This income should be considered as received in~~

~~December because the normally occurring pay schedule is a December date.~~

~~Yearly self-employment income must be averaged over the number of months the business was in operation, even if the income is received in fewer months. The income that results from this prorate applies to applicants and recipients, and is used to determine eligibility and the benefit amount.~~

~~Income received on a contractual basis must be averaged over the number of months covered by the contract even if the income is paid in fewer months at the convenience or option of either party. The income that results from this prorate applies to applicants and recipients, and is used to determine eligibility and the benefit amount.~~

#### **7. 400-19-55-10-20-05 Nonrecurring Lump Sum Payments**

- This section is being repealed in aligning with other EAP policies (CCAP, LIHEAP and SNAP).
- Policy relating to assets as a result of nonrecurring lump sum payments has been moved to Asset Availability 400-19-55-05-10.
- Policy relating to income policy from nonrecurring lump sum payments has been moved to Disregard of Certain Income 400-19-55-25 section.
- Policy relating to military reimbursement has been moved to Earned Income 400-19-55-15-05 and Disregard of Certain Income 400-19-55-25.

### **Nonrecurring Lump Sum Payments 400-19-55-10-20-05**

~~Unearned income received on a non-recurring or irregular basis is considered nonrecurring lump sum payments. This income is not countable but, instead, is considered an asset beginning the second month following the month of receipt. For the second month following the month of receipt, the remaining lump sum amount is included with all other countable assets in determining eligibility.~~

~~**Example:** If the non-recurring lump sum payment is received in~~

~~May, the amount of the lump sum payment remaining as of June 1 is added to the other assets held by the family and reported on the June 5 monthly report when determining eligibility for July. If the total amount of the assets is in excess of the program limits, the family must be notified that their case will be closed as of June 30 unless they furnish proof that the assets have been spent down to program levels by June 30th.~~

~~Nonrecurring lump sum payments are limited to only those payments that can reasonably be expected not to occur again. Examples of nonrecurring lump sum payments include, but are not limited to:~~

- ~~• Lump sum payments from Social Security;~~
- ~~• Lump sum payments from Railroad Retirement;~~
- ~~• Lump sum payments from Veterans benefits;~~
- ~~• Lump sum payments from Workforce Safety and Insurance;~~
- ~~• Lump sum payments from Unemployment Compensation;~~
- ~~• Military Re-enlistment payments;~~
- ~~• Insurance settlements;~~
- ~~• Inheritances;~~
- ~~• Contests;~~
- ~~• Gambling winnings;~~
- ~~• Severance pay (represents a nonrecurring compensation outside of regular earnings);~~
- ~~• Employee's withdrawal of a retirement fund taken in a lump sum payment;~~
- ~~• Supplemental Security Income (SSI) back payment; and~~
- ~~• Bonus payments on mineral leases.~~



- ~~A lump sum child support payment received as a result of treasury offset.~~

~~For treatment of lump sum earned income, see Section 400-19-55-15-10, Earned Income – When Received~~

## **8. 400-19-55-10-20-10 Recurring Lump-sum Payments**

- This section is being repealed in aligning with other EAP policies (CCAP, LIHEAP and SNAP).
- Policy relating to recurring lump-sum payments has been moved to Countable Unearned Income Types 400-19-55-20-15.
- Policy relating to budgeting of income for recurring lump sum payments has been moved to TANF Budgeting 400-19-105 Overview 400-19-105-05.
- Policy relating to land rental income and CRP is existing policy in 'Determining Self-Employment Income' 400-19-55-15-25-25.
- IIM monies have been moved to a new section, Tribal Payments and IIM Accounts 400-19-55-20-15-03.

## **Recurring Lump-sum Payments 400-19-55-10-20-10**

~~Unearned income received on a recurring or regular basis is considered recurring lump sum payments. This income is countable and must be prorated over the period the payment is intended to cover.~~

~~Recurring lump sum payments received after application for TANF are prorated over the number of months the payment is intended to cover.~~

~~**Note:** The prorated lump sum payment must continue to be counted if the case closes and then reopens during the prorate period or within the following prorate period. This prevents cases from being closed temporarily to avoid using the lump sum income.~~

~~Examples of recurring lump sum payments include, but are not limited to:~~

- ~~Land rental income;~~

- ~~CRP;~~
- ~~IIM monies;~~
- ~~Mineral Royalty/Lease Income;~~
- ~~Oil and gas revenue~~

~~For treatment of Earned income lump sum payments, see Section 400-19-55-15-10, Earned Income - When Received.~~

**9. 400-19-55-15-05 Definition of Earned Income**

- Section title has been changed to 'Earned Income'
- Policy has been changed to align with other EAP policies (CCAP, LIHEAP and SNAP).
- Policy relating to verification and documentation of income has been removed from this section and has been moved to Earned Income - When Received 400-19-55-15-10.
- Policy relating to the earned income disregards of standard employment expense allowance and employment incentives has been removed from this section as it is existing policy in Earned Income Disregards 400-19-105-25.
- Policy relating to child or adult dependent care expense deduction has been removed from this section as it is existing policy in Expenses 400-19-55-30.
- #3 remains in this section. 'Green Thumb Program' is now referred to as 'Experience Works Program'.
- #4 has been removed from this section as the Title I of the Elementary and Secondary Act has been repealed.
- Policy relating to #12 has been removed from this section as it is existing policy in Other Types of Self-Employment Income 400-19-55-15-25-30.
- Policy relating to #13 has been removed from this section as it is existing policy in Treatment of Self-Employment Income 400-19-55-15-25-20.
- #16 has been reworded and renumbered within this section. WIA has been replaced with WIOA.

- Policy relating to #18 is addressed in this section and also in Disregard of Certain Income 400-19-55-25.
- The remaining numbers not identified above are reworded and renumbered within this section.

## **Earned Income 400-19-55-15-05**

~~Earned income is defined as income earned through the receipt of wages, salaries, commissions, bonuses or profit from activities in which an individual is engaged through employment or self-employment. Earned income must entail personal involvement and effort on the part of the applicant or recipient. All countable income must be verified by the household and documented in the case record.~~

~~The types of earned income listed below are subject to the earned income disregards, such as the standard employment expense allowance, employment incentives, and child or adult dependent care expense deduction, when appropriate:~~

- ~~1. Wages (including paid sick, vacation and holiday leave (but not public or private disability payments), salaries, commissions, bonuses, or profits received as a result of self-employment, subsistence supplemental allowance for members of the armed forces;~~
- ~~2. Earnings from on-the-job training including Job Opportunities and Basic Skills (JOBS);~~
- ~~3. Wages received as the result of participation in the Mainstream and Green Thumb Programs, both funded by the U.S. Department of Labor;~~
- ~~4. Earnings of individuals employed by schools as teachers' aides, etc., under Title I of the Elementary and Secondary Act;~~
- ~~5. Wages received by an individual participating in a Job Corps Program, when the wages are not provided by the Job Corps Program.~~

- ~~6. Wages received from sheltered workshop employment;~~
- ~~7. Loss of time private insurance paid for the loss of employment due to illness or injury;~~
- ~~8. Compensation for jury duty;~~
- ~~9. Compensation for plasma donations, participation in medical studies, etc.;~~
- ~~10. ——— Tips. When tips are not shown on wage stub, the recipient's statement as to the amount of tips received each month is adequate if consistent with place, type of employment and number of hours worked;~~
- ~~11. ——— Wages received by an individual or Qualified Service Provider (QSP) for providing services under Family Home Care, when the individual is employed by an agency. (When an individual or QSP is not an employee of an agency, the income is considered self-employment.)~~
12.       Income from boarders;
- ~~13. ——— Income from room rentals;~~
- ~~14. ——— Income from employment internships and stipends;~~
- ~~15. ——— In kind income/non-monetary if the recipient has the option of receiving cash payment or a non-monetary benefit. (e.g. Payment for a service in a form other than money, such as rent, food, or clothing);~~
- ~~16. ——— Income received through the Workforce Investment Act (WIA) or YouthBuild\_USA by adult TANF household members, minor parents, and children not attending school full-time is considered earned income and used to determine the TANF benefit.~~
- ~~17. ——— Alternative Trade Adjustment Assistance/Reemployment Trade Adjustment Assistance wage subsidy, provided under the Trade~~

~~Adjustment Assistance (TAA) Extension Act of 2011, is considered earned income as the individual must be employed to receive this assistance. This wage subsidy is paid to eligible workers over the age of 50 and pays a portion of the individuals wage (the difference between the individual's new wage and old wage).~~

- ~~18. In-store credit/bonuses provided to employees are considered earned income if the employee has the option of receiving a cash payment. The in-store credit/bonus will be disregarded as income if the employee does not have the option of receiving a cash payment.~~

Earned income is profit from activities in which an individual is engaged through employment. Earned income must entail personal involvement and effort on the part of the applicant or recipient.

The following types of earned income are countable unless identified otherwise:

1. Wages and salaries including:
  - Paid sick, vacation and holiday leave.
  - Commissions
  - Wages garnished by the employer
  - Advances are counted when received
  - Tips. When tips are not shown on wage stub, the recipient's statement as to the amount of tips received each month is adequate if consistent with place, type of employment and number of hours worked.
  - Bonuses – recurring and non-recurring.
2. Self-Employment.
3. Employment Contracts.
4. Wages received by an individual or Qualified Service Provider (QSP) for providing services under Family Home Care, when the individual is employed by an agency. (When an individual or QSP is not an employee of an agency, the income is considered self-employment.)

5. Short term or long term disability or loss of time insurance payments for illness or injury paid by the employer.

**EXCEPTION:**

Short term or long term disability or loss of time insurance payments for illness or injury paid by someone other than the employer is unearned income.

6. In-kind income is paid or given in goods, credit, including in-store credit or services instead of money. In-kind income is considered earned income when the individual has the option to receive a wage or monetary payment.

The value of the goods received may have been verbally negotiated or specified in a written document and must be verified. Otherwise a mutually acceptable market value must be negotiated.

**Example:**

An individual working as an apartment manager receives a \$330 deduction from the rent. The \$330 deduction would be counted as income when the employee has the option to receive payment of \$330.

7. Income earned by higher education students from internships, or stipends, teaching assistantships, or fellowships which **require work participation** to receive the income.

**EXCEPTION:**

Wages earned under the State and Federal Work Study Programs are excluded.

8. Military Pay, including:
- a. Basic Allowance for Subsistence (BAS) and Family Subsistence Supplemental Allowance (FSSA) for members of the armed forces.
  - b. Variable Housing Allowances (VHA), Basic Allowance for Quarters (BAQ) and Basic Allowance for Housing (BAH) paid to military personnel for housing costs.
  - c. Military re-enlistment bonus.

If a household receives up to 50% of the bonus amount as an initial payment with the remainder paid in equal annual installments, the initial payment and the annual installments are annualized.

If a household receives the bonus as a lump-sum payment, it is excluded as a non-recurring lump-sum payment.

9. Wages received by an individual enrolled in a Job Corps Program, when the wages are not provided by the Job Corps Program.
10. Sheltered workshop employment - An organization that employs people with disabilities.
11. Earnings from on-the-job training.
12. Mainstream and Experience Works Programs.
13. Compensation for jury duty.
14. Compensation for plasma donations, participation in medical studies, etc.
15. Alternative Trade Adjustment Assistance/Reemployment Trade Adjustment Assistance wage subsidy, provided under the Trade Adjustment Assistance (TAA) Extension Act of 2011. This wage subsidy is paid to eligible workers over the age of 50 and pays a portion of the individuals wage (the difference between the individual's new wage and old wage).
16. Workforce Innovation and Opportunity Act (WIOA) or Youthbuild earnings.

**EXCEPTION:**

Earnings of minor parents who reside with a caretaker within the 5<sup>th</sup> degree of relationship and attend school full-time, dependent children under the age of 18 who are full-time students, or dependent

children age 18 who are full-time students and can reasonably be expected to complete their secondary education before attaining age 19 are not counted.

**10.** 400-19-55-15-10 Earned Income - When Received

- This section has been rewritten to align with other EAP policies (CCAP, LIHEAP and SNAP). There are no policy changes.
- Policy relating to verification and documentation of income has been moved to this section from Earned Income 400-19-55-15-05.
- Policy relating to self-employment income has been removed from this section as it is existing policy in Calculating Self-Employment Income 400-19-55-15-25-10 and Anticipating Self-Employment Income 400-19-55-15-25-15.

## **Earned Income - When Received 400-19-55-15-10**

~~Earned income received on a regular basis is considered received in the month in which available and normally received. If the income is irregular, the income is considered received in the month it is actually received.~~

~~**Note:** When the receipt of income varies because of weekends or holidays, the income must continue to be counted in the month it would have normally been received or considered available had there not been a weekend or holiday.~~

~~Wages held at the request of an employee shall be considered income in the month normally received.~~

~~Income from self-employment received on other than a monthly basis should be determined by a review of the individual's federal income tax return from the previous year and the annual profit converted to 12 equal monthly amounts.~~

~~**Note:** If the tax return does not reflect an entire year's income or it is not indicative of the business's yearly income, monthly income and expenses or ledgers must be used.~~

Earned income received on a recurring basis is considered received on the



date the income is normally received regardless of changes due to mailing cycles, pay dates or because weekends or holidays cause additional payments to be received within a given month.

Infrequent or irregular earned income is considered received in the month it is actually received.

**Examples:**

1. An employer may issue checks early because the normal payday falls on a weekend or holiday. Income will be counted in the month it would normally be received, rather than the month it is actually received.
2. An individual is paid on the 1st and the 15th of each month. If the 1st falls on a weekend or holiday, the employer issues the check early, on the last working day prior to the weekend or holiday. This income (1st of the month check) is counted in the month it would normally be received, regardless of when it is actually received.

Wages held at the request of the employee must be considered income in the month in which they would otherwise have been paid by the employer.

Wages held by the employer as a general practice, even if in violation of law, will not be counted as income to the household until actually received.

All income must be verified by the household and documented in the case record.

**11.** 400-19-55-15-15 Earned Income Received on a Contractual Basis. This section has been rewritten to align with other EAP policies (CCAP, LIHEAP and SNAP). There are no changes in policy.

## **Earned Income Received on a Contractual Basis 400-19-55-15-15**

~~Regardless of when earned income is received, the total wage amount identified in the contract must be prorated over the period of the contract.~~

**Note:** ~~This policy can only be applied when a written employment contract exists.~~

**Example:** ~~A contract begins August 23 and ends May 31. Although the first pay is not received until September, begin counting the income in August, which is the first month of the contract period. Conversely, even though the last pay is received in June, do not count any income received in June because the contract period ended May 31.~~

Contract income is a contracted wage which covers a specified period of work, usually 12 months or less. A contract for income must be written and the salary amount identified in the contract.

**Examples:**

School teachers, bus drivers, coaches, etc.

Earned income received on a contractual basis must be averaged over the number of months covered by the contract regardless of when the income from the contract is received or if the income is paid in more or fewer months at the convenience or option of either party.

**Example:**

A contract begins August 23 and ends May 31. Payment for the contract will not be received until June 1. The income must be prorated over the months covered by the contract (August through May) even if payment is received in June.

**12. 400-19-55-15-30 Student Earned Income Treatment.** This section has been rewritten. There are no changes in policy.

## **Student Earned Income Treatment 400-19-55-15-30**

~~All earned income of any child attending elementary or high school full-time is disregarded, except minor parents who are not residing with the minor parent's parents. The earned income of a minor parent who is not~~

~~residing with the minor parent's parents is countable in determining the TANF Benefit.~~

All earned income counts when:

- A child is not attending elementary or high school full time
- Minor parents are not residing with the minor parent's parents
- Minor parents who reside with the minor parent's parents and are not attending elementary or high school full time.

A child is defined as:

1. Under age 18; or
2. Age 18 and a full-time student in elementary or high school, GED course of study, alternative high school or a vocational or technical school that is equivalent to secondary school if, before attaining age 19, such student can reasonably be expected to complete the training curriculum.

A minor parent is defined as an individual who has a marital status of never married, is under age 18, and is a natural or adoptive parent to a child. An individual is considered age 18 on the first day of the month of their 18th birthday. An individual under age 18 and in the third trimester of pregnancy is not considered a minor parent.

**13.** 400-19-55-20-05 Definition of Unearned Income. Policy relating to verification of unearned income and documented in the case file has been moved from this section to Documentation/Verification of Unearned Income 400-19-55-20-15-05.

## **Definition of Unearned Income 400-19-55-20-05**

Unearned income is income not gained by current labor, service, or skill. Most unearned income is the result of past labor, services, or investments, which have enabled the individual to receive a current benefit or pension. ~~All unearned income must be verified and documented in the case file.~~

**14. 400-19-55-20-10 Treatment of Unearned Income**

- This section has been rewritten to align with other EAP policies (CCAP, LIHEAP and SNAP).
- Policy has been added if a repayment is from an overpayment from the same source, the net amount must be counted. There are no other changes in policy.

**Treatment of Unearned Income 400-19-55-20-10**

If unearned income is withheld for:

- Child support or taxes, the gross amount must be counted.
- Repayment of an overpayment from the same source, the net amount must be counted.
- Repayment of another source, the gross amount must be counted.

**Examples:**

1. Back Taxes
2. Defaulted Student Loan

When unearned income is held at the request of an individual, it is considered income in the month normally received.

Unearned income received on a recurring basis is considered received on the date the income is normally received regardless of changes due to mailing cycles, pay dates or because weekends or holidays cause additional payments to be received within a given month.

**Example:**

1. State or federal assistance payments such as SSI or Social Security received on a recurring basis shall be considered as having been received once a month, even if mailing cycles

may cause two payments to be mailed in one month and none in another month.

Infrequent or irregular unearned income is considered received in the month it is actually received.

~~All countable unearned income shall be considered available in the month in which it is received. Unearned income is usually received at fixed intervals and at regularly scheduled dates. State or federal assistance payments such as SSI or Social Security received on a recurring basis shall be considered as having been received once a month, even if mailing cycles may cause two payments to be mailed in one month and none in another month.~~

When a member of the TANF household serves as a representative payee for federal benefits (i.e. SSI, Social Security, Veterans benefits, etc.) for a person or persons who are not members of the TANF household, the benefits paid to the representative payee on behalf of such individual(s) shall not be considered income available to the TANF household.

#### **15.** 400-19-55-20-15 Countable Unearned Income Types

- Policies in this section have been rewritten to align with other EAP policies (CCAP, LIHEAP and SNAP).
- #7 has been removed from this section and moved into a new section, Child Support and Spousal Support – Court Ordered and Voluntary 400-19-55-20-15-02.
- #9 and 11 has been removed from this section and moved into a new section, Tribal Payments and IIM Accounts 400-19-55-20-15-03.
- #17 Dividends and interest derived from savings and checking accounts paid directly to a TANF household member is no longer counted as unearned income. This is a change in policy. Policy relating to accrued dividends and interest are considered assets rather than income based on existing policy as 400-19-55-05-15 Countable Assets.
- #19 has been removed from this section as it is existing policy in Determining Self-Employment Income 400-19-55-15-25-25.

- #20 and 26 has been removed from this section as they are existing policy in Treatment of Self-Employment Income 400-19-55-15-25-20.
- #29 has been removed as it is no longer an unearned income type in the aligned policy.
- Information in #1, 2, 3, 4 and 24 relating to Earned Rights Benefits has been removed from this section and moved to Apply for Earned Rights Benefits, 400-19-45-85. The remaining information in these numbers are reworded and renumbered within this section.
- The remaining numbers not identified above are reworded and renumbered within this section.

## Countable Unearned Income Types 400-19-55-20-15

~~The types of unearned income listed below are counted in their entirety when determining TANF eligibility:~~

- ~~1. **Retirement, Survivors, and Disability Insurance**—Retirement, Survivors, and Disability Insurance (RSDI) is administered by the Social security Administration. This program provides workers and/or their families with partial replacement for loss of income due to retirement, disability, or death of the insured person.~~

~~Because of the broad coverage offered under RSDI, an exploration of a household's potential eligibility for benefits must be made whenever the employment history or other pertinent data suggest the possibility of entitlement.~~

~~Third Party Query (TPQY) and State Data Exchange (SDX) interfaces have been designed to provide TANF Eligibility Workers with prompt and accurate social security benefit entitlement information from the Social Security Administration. (For further information regarding these two interfaces, see Service Chapter 448-01-50-15.)~~

~~Additionally, private pensions may be available to assist families with partial replacement for loss of income due to retirement,~~

disability, or death of an employed person. TANF requires that all potential sources of income for earned rights benefits be explored by the household.

**Note:** Lump sum retroactive adjustment payments from Social Security due to changes in an individual's earnings record will be considered as follows:

- If the individual received SSA benefits AND had earnings in the year prior to the adjustment payment, the adjustment payment will be considered a recurring lump sum benefit.
- If the individual did not receive Social Security OR did not have earnings in the calendar year prior to the adjustment payment, the adjustment payment will be considered a non-recurring lump sum.

2. **Railroad Benefits** — Benefits can include payments for sickness or accident, dependent or survivors' benefits, job insurance, retirement, and funeral expenses. In order to attain a fully insured status and qualify for benefits, an individual must have a minimum of 120 months of railroad employment with 40 full quarters of coverage (10 years).

Applicants for and recipients of TANF with backgrounds in railroad employment must, whenever appropriate, be referred to the Railroad Retirement Board for an exploration of possible benefits. The Railroad Retirement Board is located in Room 219, Post Office Building, 657 Second Avenue North, Box 383, Fargo, North Dakota 58107. Information about railroad retirement benefits may be obtained by forwarding a written request to the Railroad Retirement Board at the Fargo address.

3. **Workforce Safety and Insurance (WSI), Unemployment Insurance Benefits (UIB), and VA Benefits** — Workforce Safety and Insurance Benefits, Unemployment Benefits, and Veteran's Benefits must be considered in determining the TANF benefit.

Since WSI and UIB benefits are also paid on an Electronic Benefits Card, income is considered received on the date:

- a. ~~The income is received; or~~
- b. ~~When available and the recipient has a legal ability to access the income for support or maintenance.~~

~~If the household cannot verify the date of actual receipt, the receipt date is deemed to be either:~~

- a. ~~The date funds were deposited into the account based on a bank statement from U.S. Bank or their personal bank account; or~~
- b. ~~Two working days after the date the WSI or UIB was processed.~~

4. ~~**Public or Private Disability Payments**~~ — Disability insurance coverage is designed to provide assistance to individuals who are injured, ill, or disabled and unable to work by paying them all or a portion of their salaries. A private disability insurance type of coverage can be obtained through an employer or through the purchase of a private insurance. These plans can provide short-term and long-term disability coverage or both. (E.g. State of North Dakota Disability benefits, AFLAC, CIGNA, Thrivent, etc.)

5. ~~**Cash Contributions and Cash Gifts**~~

~~Cash contributions, regular and irregular, will be counted as unearned income and deducted dollar for dollar from the benefit. This will also include voluntary or court ordered support paid directly to the family by a responsible person or legally responsible obligor.~~

~~**Note:** A responsible person is someone who is not yet subject to a court order or someone who has not been legally adjudicated as the father of the child. A legally responsible obligor is someone who is subject to a court order for support.~~

~~Cash Gifts — Cash received by household members for special occasions such as birthdays, graduation, confirmation, Christmas, etc. are considered to be complementary in nature and will be disregarded up to \$500 per month per household. The cash gift~~



must be related to a special occasion. If the cash gift is not related to a special occasion, it will be counted as a cash contribution and deducted dollar for dollar.

6. ~~**Continuing Education and Job Training through PATH, Inc.**~~

Continuing Education and Job Training funds through PATH, Inc., a private agency, are money payments that are to be used for rent, school supplies and other living costs. Since this is used to meet the same basic needs as those provided under TANF, these payments are considered unearned income and not disregarded as a student educational assistance.

7. ~~**Voluntary or Court-Ordered Support Payments**~~ If child support received or assigned during the first prospective month results in ineligibility, the application must be denied.

After initial TANF eligibility is established and authorized, support payments are normally paid to the Department of Human Services. The automated computer system generates a child support alert informing the TANF Eligibility Worker that child support has been paid to the State Disbursement Unit.

If child support received or assigned during the second prospective month results in ineligibility, the case must be closed effective the last day of the first prospective month. The household shall be advised to notify the TANF Eligibility Worker if child support for the second prospective month is not received by the last workday of the month.

If the household notifies the TANF Eligibility Worker by the last workday of the month following the effective closing date that child support was not received or was received in a lesser amount, the case shall be reverted to open without a new Application and eligibility redetermined based on the new information.

**Example:** A case is closed effective June 30 (the last day of the first prospective month) due to anticipated child support. The household must contact the TANF Eligibility Worker by the last workday of July if child support is not received or received in a lesser amount. If reported by the last workday of July,

~~the case must be reverted to open and eligibility redetermined for July, based on the new information.~~

~~If the household fails to contact the TANF Eligibility Worker by the last workday of the month following the effective closing date, a new application is required. The case must be budgeted prospectively for the first two months and benefits are prorated from the date of the application or date of eligibility, whichever is later.~~

- ~~1. **Child Support Received by the Household**—Child support payments received by a household prior to the date the case is authorized must be counted when determining eligibility and the TANF benefit. This income, along with any child support that can be anticipated to be received in the initial two months (whether or not it is assigned to the State), must be considered when determining eligibility. If the household is financially eligible, only the child support received is counted when determining the TANF benefit.~~

~~Note: Any child support received by the TANF recipient on behalf of a benefit cap child or a child subject to Pay After Performance (PAP) requirements is considered unearned income to the household.~~

~~Child Support Enforcement defines the collection month of a Child Support Payment as the date on which the payment is received by the State Disbursement Unit. Any child support received by the household during the first two prospective months which Child Support Enforcement has credited as a prior months collection is not considered countable income when determining eligibility. For that reason, special care should be taken to identify the collection month on any support received early in either of the initial months.~~

~~When retrospectively budgeting, countable child support income is considered received on the date:~~

- ~~1. The income is received; or~~

- ~~2. When available and the recipient has a legal ability to access the income for support or maintenance.—~~

~~If the household cannot determine the date of receipt, the receipt date is:~~

- ~~1. The date funds were deposited into the account based on a bank statement from U.S. Bank or their personal bank account; or~~
- ~~2. Two working days after the date on a child support check; or~~
- ~~3. Two working days after the date in the 'Check Date' field on the "View Eligibility Worker Ledger Details" screen in FACES.~~

~~Any support collected for the current month by a Clerk of Court, the State Disbursement Unit, an out of state collection system, or other disbursement agency which is received and retained by the household after authorization of the application is subject to recovery by the Child Support Enforcement program. If the TANF Eligibility Worker becomes aware the family has received support, the family should be advised that the support must be turned over to Child Support Enforcement program and the TANF Eligibility Worker should notify the State Disbursement Unit of the specific situation. Retention of assigned child support by the household and a failure to turn over such payments may be referred to the appropriate authority for investigation for welfare fraud. Any retained support should be considered as child support assigned.~~

~~Voluntary or court ordered support received directly from a responsible or legally responsible obligor after the case is authorized and is retained by the family is treated as a cash contribution, is unearned income, and will be deducted dollar for dollar from the TANF benefit. The TANF Eligibility Worker is responsible for establishing overpayments if this type of unearned income occurs.~~

**Note:** A responsible person is someone who is not yet subject to a court order or someone who has not been legally adjudicated as the father of the child. A legally responsible obligor is someone who is subject to a court order for support.

After the initial two months of eligibility, any child support received by the household which is intended for a month in which the family was not in receipt of TANF benefits is treated as a cash contribution. Cash contributions are considered unearned income and deducted dollar for dollar from the TANF benefit.

**Note:** A lump sum child support payment received as a result of treasury offset is considered a non-recurring lump sum.

- b. ~~**Extra Child Support Received by Household**~~ – Extra child support received by a TANF recipient is deducted dollar for dollar from the TANF benefit. Extra money is support received by the State Disbursement Unit, which exceeds the total unreimbursed public assistance.
- c. ~~**Child Support Retained Offset**~~ – Federal law governs the distribution of child support payments.

For a family who is receiving a TANF cash benefit, all support collected that does not exceed the monthly obligated amount for all months the family received TANF must be retained and applied against any UPA. Current support collected which exceeds the total of all the monthly obligated amounts for all months the family received TANF is paid to the family.

**Example:** A family has \$100 child support owing for the months of January and February, while in receipt of TANF. The family continues to be eligible for TANF and the absent parent pays \$500 support in March. The total UPA for January, February and March is \$250. The state retains \$250 of the \$300 owed for January, February and March and pays \$50 to the family. The remaining \$200 is also paid to the family.

8. ~~**Proceeds Paid to Tribal Members from Gaming or Gambling**~~— Any proceeds from tribal gaming, gambling establishments, or tribal enterprises distributed to enrolled tribal members (residing on or off a reservation) must be considered unearned income. Payments made to enrolled tribal members from the proceeds of gaming or gambling businesses are not per capita payments; therefore the income cannot be disregarded. (e.g. Three Affiliated Tribal Elderly Payments, Spirit Lake Social Impact Payments, Sisseton Wahpeton Oyate of the Lake Traverse Reservation District Days and quarterly cash payments from the Food Distribution Program, etc.);
9. ~~**Proceeds Paid to Tribal Members from Oil and Gas Revenue**~~— Any proceeds from Tribal oil and gas revenue distributed to tribal members (residing on or off a reservation) must be considered unearned income. Payments made to enrolled tribal members from the proceeds of oil and gas are not per capita payments; therefore the income cannot be disregarded (e.g. Three Affiliated Tribe General or People's Fund).
10. ~~**Gaming or Gambling Winnings**~~— Gaming or gambling winnings from games of chance, such as slot machines, video machines, bingo, poker, black jack, pull tabs, etc. must be considered a non-recurring lump sum payment subject to the asset limitations in the second month following month of receipt. However, if a person receives any of the above on a regular basis, the income is counted as unearned income in the month of receipt.
11. ~~**Individual Indian Monies (IIM)**~~— Most IIM accounts receive income from the use or sale of a trust asset, such as agricultural or grazing leases, coal production, timber harvesting, and oil and gas leases, gravel pit contract, sales, royalties. Funds can also come from a per capita payment, and from income earned on deposited funds. Some accounts receive proceeds from an estate account following a probate.

Income received by an individual Indian derived from that Indian's interests in trust or restricted lands will be counted as income. This includes leases on individually owned or restricted Indian lands. The

~~income generally comes from interests in lands allotted to individual Indians many years ago.~~

~~The Omnibus Budget Reconciliation Act of 1993 provides that up to \$2,000 per year of this income must be disregarded. Funds in the IIM accounts that do not have a specific exclusion must be counted for TANF. Other moneys deposited in the accounts, such as inheritances, VA, SSA, SSI, gaming profits, per capita payments, etc. are not part of the \$2,000 exclusion, as they are either considered countable or excluded assets, or countable or exempt income in the month received.~~

~~Beginning January 1, 2003, client statement is an accepted verification of the amount in an IIM account unless one of the following applies:~~

- ~~1. The amount is more than \$2000 for the year;~~
- ~~b. The client statement information is questionable; or~~
- ~~c. The IIM account includes countable income such as inheritance, bonuses, and other income that is not derived from leases, trust, or restricted land.~~

#### Verification Options

~~There are three options by which verification may be obtained:~~

- ~~1. Request for verification of IIM account information using form SFN 413, Individual Indian Monies Account. This form will need to be notarized per requirements of the United States Department of the Interior, Office of the Special Trustee for American Indians, Office of Trust Funds Management. These releases are valid for one (1) year and must be renewed annually.~~
- ~~b. Individuals with IIM accounts receive statements from the Office of Trust Funds Management on a quarterly basis. A copy of this form may be requested from the recipient. However, the recipient will not receive the statement if the~~

~~Office of Trust Funds Management does not have a current address.~~

- ~~c. The individual may obtain a statement of their IIM account directly from the Office of Trust Funds Management through the Bureau of Indian Affairs (BIA) by requesting the information in person or by making a telephone request. In both cases, the individual will need to know their account number and provide at least two forms of identification.~~

~~At the time of application, verification of the deposits into the IIM account for the 12 month period prior to the month of application must be obtained. Deposits such as inheritances, VA, SSA, SSI, gaming profits, etc. must be deducted. Any countable income remaining must be divided by 12 to determine the monthly countable income for the next 12 months.~~

~~For on-going cases, a review of the IIM account is required on a yearly basis, when a child turns 18 years of age, when adding an individual to a case, and when the amount in the account reaches the maximum allowable amount or is questionable. Countable income is pro-rated over a 12 month period. Any of the verification options identified above may be utilized to obtain the information.~~

#### New Source Income

~~When new source income is deposited into an individual's IIM account, the countable amount for TANF will be determined as follows:~~

~~Verification of the IIM account must be obtained for the most recent FULL 12 month period through one of the three options identified above. Once verification of the IIM account is received, any deposits that will not be counted as IIM income will be subtracted (inheritances, VA, SSA, SSI, gaming profits, etc.). The most current month's countable new source income (or an average if received for multiple months) will be multiplied by 12 and added to all countable deposits for the 12 month period (excluding the new source income deposited into the IIM account). The \$2000 disregard will be subtracted and the remaining balance divided by 12 to determine the monthly countable unearned income.~~

~~**Example #1:** In 02/2009, the TANF Eligibility Worker learns that the individual began receiving a new source income in 02/2009 through their IIM account. The TANF Eligibility Worker will request verification of the IIM account for the period of 02/01/2008 thru 02/28/2009 (the most recent FULL 12 month period, plus the current month of 02/2009) to capture the amount of the new source income.~~

~~Reviewing the ledger, the TANF Eligibility Worker would determine which income is countable. The new source income deposited in February was \$850. Multiplying \$850 by 12 equals \$10,200. The countable income, not including the new source income, for the FULL 12 month period (02/01/2008 thru 01/31/2009) totals \$1,500. The total of income to be considered for the 12 month period is \$11,700 (\$10,200 plus \$1,500). After deducting the \$2000 disregarded amount from \$11,700, \$9,700 must be annualized and the monthly amount of \$808.33 counted as unearned income.~~

~~**Example #2:** A new application is received in 07/2009 and the TANF Eligibility Worker requests verification of the IIM account for the period of 07/01/2008 thru 06/30/2009, the most recent FULL 12 month period.~~

~~Reviewing the ledger, the TANF Eligibility Worker determines a new source income began to be deposited in 04/2009. The TANF Eligibility Worker would first determine which income is countable. The new source income deposited in April was \$850, in May was \$790 and in June was \$825. The three months of the new source income would be totaled and divided by 3 and the average would be projected for a 12 month period (\$2,465 divided by 3 equals \$821.67). Multiplying \$821.67 by 12 equals \$9,860.04. The countable income, not including the new source income, for the 12 month period totals \$87.29. The total of income to be considered for the 12 month period is \$9,947.33 (\$9860.04 plus \$87.29). After deducting the \$2000 disregard from \$9,947.33, \$7,947.33 must be annualized and the monthly amount of \$662.28 counted as unearned income.~~



Once a determination of the countable income has been made, TANF must begin counting the income when received and budgeted consistent with the individual's budget methodology.

12. — **Refugee Cash Assistance Payments** — Payments received under the Refugee Cash Assistance Program or the Wilson/Fish Alternative Program, received by any member of a TANF household must be considered as unearned income in the calculation of TANF benefits for that household.
13. — **Stipends/Subsistence Payments** — Any stipend/subsistence payment received while attending training that is specifically identified to cover the cost of daily living expenses must be counted as unearned income, as it is intended to cover the same basic needs as those provided under TANF.
14. — **State Long Term Care Subsidy** — Individuals receiving a payment of up to \$20 from the State Long Term Care Subsidy Program.
15. — **Workforce Investment Act (WIA)** — The Workforce Investment Act (WIA) reformed federal job training programs and created a new, comprehensive workforce investment system.

The groups covered under WIA are as follows:

- ~~Low income workers — workers on assistance (SNAP, Medicaid, and TANF) or below the poverty level. This group includes the teens working in the summer program.~~
- ~~Dislocated workers — farmers, homemakers, etc.~~
- ~~Adult Program — employed adults who have not attained self-sufficiency.~~
- ~~Youth Program — the program includes activities that promote youth development and citizenship, such as leadership development through voluntary community service opportunities; adult mentoring and follow-up; and targeted~~

~~opportunities for youth living in high poverty areas. WIA may issue payments to these individuals.~~

~~Many of the programs offered are needs based assistance, on-the-job training, work experience activities, summer employment, and educational training.~~

~~WIA income received by adult TANF household members, minor parents, and children not attending school full-time is considered earned income and used to determine the TANF benefit. WIA income, earned or unearned, is disregarded when received by a dependent child under the age of 18, or age 18, and a full-time student in elementary or high school, GED course of study, alternative high school or in a vocational or technical school that is equivalent to secondary school if, before attaining age 19, such student can reasonably be expected to complete the training curriculum.~~

16. ~~**YouthBuild**~~ -- Income received by adult TANF household members, minor parents, and children not attending school full-time is considered earned income and used to determine the TANF benefit. YouthBuild income, earned or unearned, is disregarded when received by a dependent child under the age of 18, or age 18 and a full-time student in elementary or high school, GED course of study, alternative high school or in a vocational or technical school that is equivalent to secondary school if, before attaining age 19, such student can reasonably be expected to complete the training curriculum.

17. ~~**Dividends and Interest**~~ -- Dividends and Interest derived from savings and checking accounts, investments, and insurance proceeds, but not settlements, paid directly to a TANF household member is counted as unearned income in the month in which it is received.

~~Accrued dividends and interest are considered assets rather than income and are subject to the asset limit even if the dividends and interest are later withdrawn.~~

18. ~~**Money deposited into a Joint Checking or Savings Account**~~ — Money deposited, when the depositor is not a member of the TANF household, is counted as unearned income in the month in which it is deposited.
19. ~~**Conservation Reserve Program (CRP) Income**~~ — When a CRP contract is set up, the full payment may be received by the landlord or operator, or a portion of the payment may be paid to a tenant of the farm. A portion of the payment is allowed to be paid to a tenant when the tenant was farming the land, or had an interest in the property (i.e. was on the previous contract), in the year before the contract was signed. The CRP contract specifies the amount of the payment and to whom the payment is made. For purposes of determining eligibility, only count the share the applicant or recipient receives per the CRP contract. Allowable expenses are those allowable costs of doing business that are claimed on the applicant or recipients tax return, including property taxes and insurance as a deduction.
20. ~~**Lease Payments**~~ — Payments made to persons for the use of lands occupied or owned by those persons.
- If the payments are received in equal monthly payments, that amount would be counted as monthly income.
  - If the payments are received annually or received in regular annual totals, but in irregular intervals, the total of the annual income must be prorated over a twelve-month period and one-twelfth of the amount would be counted as monthly income.
21. ~~**Mineral Lease Payments**~~ — Payment from mineral leases is considered unearned income except initial leasing bonus payments.
22. ~~**Trust Income Received on a Regular Basis**~~ — When it is unclear whether an arrangement constitutes a trust, contact the Legal Advisory Unit. Submit all trusts to the Legal Advisory Unit for review and identify who is applying for assistance, send a complete copy of the trust agreement, provide verification of all assets owned

by the trust, and provide any other relevant documents or information.

23. — **General Assistance** — General assistance paid by cash or check directly to a TANF household, from the county social service office or Bureau of Indian Affairs, is treated as unearned income. General Assistance paid by voucher on behalf of a TANF household by the county social service office or the Bureau of Indian Affairs is disregarded.

24. — **Veterans Benefits** — Veteran's pension or compensation, veteran's vocational rehabilitation subsistence payments and military allotments are counted as unearned income.

25. — **Private Pensions** — Income from private or employer pensions are counted as unearned income.

26. — **Rental Income** — Income from rental of rooms, apartments, or other property is considered unearned income.

**Note:** Income from room rentals is considered "earned" if the recipient is actively engaged in the venture by such means as making the bed, changing linens, cleaning the room, etc. If the income is determined to be earned, the first \$25 of income from each roomer is exempt to defray any associated expenses;

27. — **Royalty Income** — Royalty income less mandatory production taxes withheld prior to distribution is counted as unearned income (income taxes withheld are not allowed to reduce the royalty payment);

28. — **Trade Readjustment Allowance** — Payments made to individuals under the Trade Adjustment Assistance (TAA) Extension Act of 2011 who are not attending training as a result of being eligible under a training waiver (is under a waiver of the requirement to participate in training as training may be determined not feasible or appropriate and waived as a requirement for basic TRA eligibility) are considered unearned income.

29. ~~**Other Unearned Income**~~ — Other unearned income, received on a regular basis, is counted as unearned income.

The following types of unearned income are countable:

1. Payments from Social Security Administration (Retirement, Survivors, and Disability Insurance (RSDI)):

Lump sum retroactive adjustments from Social Security due to changes in an individual's earnings record will be considered as follows:

If the individual received SSA benefits AND had earnings in the year prior to the adjustment, the adjustment will be considered a recurring lump sum benefit.

If the individual did not receive SSA benefits OR did not have earnings in the year prior to the adjustment, the adjustment will be considered a non-recurring lump sum benefit.

2. Unemployment and Workforce Safety and Insurance

These benefits are paid on an Electronic Benefits Card and are considered income:

- a. On the date received; or
- b. When available and the recipient has a legal ability to access the income for support or maintenance.

If the household cannot verify the date of actual receipt, the receipt date is deemed to be either:

- a. The date funds were deposited into the account based on a bank statement from U.S. Bank or their personal bank account; or
- b. Two working days after the date the WSI or UIB was processed.

3. Other benefits, including but not limited to:

- Monthly or regular payments from annuities, pensions and other retirement plans (including dividends and interest). Penalties if any should be deducted from the gross disbursement amount.
  - General Assistance
  - Military Allotment received from non-household member.
  - Short term or long term disability or loss of time insurance payments for illness or injury paid by someone other than the employer (AFLAC, CIGNA, Thrivent, etc.).
  - Railroad benefits
  - Veterans benefits other than those designated for education.
4. Child Support and Spousal Support - Court-Ordered and Voluntary.
5. Unearned income as a result of self-employment.
6. Tribal Payments and Individual Indian Monies (IIM) Accounts. See this section for treatment of this income.
7. Foster Care Payments, including continuing education and job-training through PATH Inc.
8. Recurring Lump Sum Payments are those payments that can be reasonably anticipated to be received more than once. Payments may be recurring monthly, quarterly, yearly, etc.

Recurring Lump Sum Payments include but are not limited to the following:

- Gambling winnings
- Mineral lease bonuses, oil and gas royalties. Any mandatory production taxes withheld prior to distribution are not counted and are allowed to reduce the amount of countable income. Any income taxes withheld are not allowed to reduce the amount of countable income.
- Alaska Permanent Fund Payments
- Insurance settlements
- Inheritance

- Income received from a trust - Submit SFN 1947 - Request for Trust Review, along with complete copies of all trust agreements to the Legal Advisory Unit of the Department of Human Services for review.
  - Lump sum retroactive social security payments when the individual had earnings in the year prior to the adjustment.
9. Cash Contributions received on a regular or irregular basis that can be reasonably anticipated.
10. Monetary gifts - Portions over \$500 per month per household received for special occasions such as birthdays, graduation, holidays etc. Monetary gifts not related to a special occasion are considered a cash contribution.
11. Contracts for Payment. When an applicant or recipient has sold property with a contract to receive a series of periodic payments, rather than one payment, the arrangement is usually called a "contract for deed". The essential feature of the contract for deed is the right to receive future payments, usually coupled with a right to get the property back if the payments are not made. Contractual rights to receive money payments also arise out of other types of transactions. The valuable contract document may be called a note, accounts receivable, mortgage, or by some other name.

**NOTE:** Some contractual rights may be written so the lender has the right to demand payment at any time. If so, the note is considered a demand note and can be called in at any time. If a note is written so the lender does not have the right to demand payment but the note is in default, it also becomes a demand note. Contractual rights may or may not have collateral or security to guarantee payment.

The payments will include both interest and a portion of the sale price of the property that was sold (principle) and must be calculated separately.

The interest portion of payments received for any contractual right to receive payments (such as Contracts for Deed) must be counted as

unearned income. The payment must be prorated over the period of time intended to cover.

12. Refugee Cash Assistance Payments – Payments received under the Refugee Cash Assistance Program or the Wilson/Fish Alternative Program.
13. State Long Term Care Subsidy – Individuals receiving a payment from the State Long Term Care Subsidy Program.
14. Money deposited into a Joint Checking or Savings Account - Money deposited, when the depositor is not a member of the household, is counted as unearned income in the month in which it is deposited.

**EXCEPTION:**

If the client's name appears on a signature card, but no member of the household has an ownership interest in that account, funds in the account are not available as income or asset.

15. Money obligated to the household which is diverted by the household for an expense.
16. Stipends/Subsistence Payments - Any stipend/subsistence payment received while attending training that is specifically identified to cover the cost of daily living expenses must be counted as unearned income, as it is intended to cover the same basic needs as those provided under TANF.
17. WIOA or Youthbuild allowances and payments

**EXCEPTION:**

Allowances and payments to dependent children under the age of 18 who are full-time students, OR age 18 who are full-time students and can reasonably be expected to complete their secondary education before attaining age 19 are not counted.

18. Trade Readjustment Allowance (TRA) - Payments made to individuals the Trade Adjustment Assistance (TAA) Extension Act of 2011 who



are not attending training as a result of being eligible under a training waiver (is under a waiver of the requirement to participate in training as training may be determined not feasible or appropriate and waived as a requirement for basic TRA eligibility) are considered unearned income.

**16. 400-19-55-20-15-02 Child Support and Spousal Support – Court-Ordered and Voluntary**

- Child support and spousal support policy has been moved from Countable Unearned Income Types 400-19-55-20-15 to this new section. There is no change in policy.

**Child Support and Spousal Support – Court-Ordered and Voluntary 400-19-55-20-15-02**

Child support and spousal support received by the household is countable unearned income.

**EXCEPTIONS:**

1. Any support received by the household during the first two prospective months which Child Support Division has credited as a prior months collection is not considered countable income when determining eligibility.
2. Any support collected for the current month by a Clerk of Court, the Child Support Division, an out-of-state collection system, or other disbursement agency which is received and retained by the household after authorization of the application is subject to recovery by the Child Support Division and is not counted as income.

Child support is counted as the child's income.

**EXCEPTION:**

When a household member keeps child support for a child that is not living in the home, the child support is counted as income to the household member that actually received it.

Spousal support is counted as income to the household member for which it is obligated.

Federal tax intercept payments are a non-recurring lump sum and are not counted as income. Federal tax intercept payments are not included in ND✓erify.

State and interstate state tax intercept payments are counted as income as these payments are applied to current support. State tax intercept payments are included in ND✓erify.

The date the payment is considered received is determined as follows:

- If disbursed via check, the date received is two working days after the date on the check.
- If direct deposited, the date received is the date the funds were deposited into the bank account as reflected on the bank statement.
- If deposited onto electronic payment card (EPC), the date received is two working days after the disbursed date in ND✓erify.

When an individual is in receipt of TANF, support assigned to the state is not counted as income.

If support received or assigned during the first prospective month results in ineligibility, the application must be denied.

After initial TANF eligibility is established and authorized, support payments are normally paid to the Department of Human Services. The automated computer system generates a child support alert that child support has been paid to the Child Support Division.

If support received or assigned during the second prospective month results in ineligibility, the case must be closed effective the last day of the first prospective month. The household shall be advised to notify the Worker if support for the second prospective month is not received by the last workday of the month.

If the household notifies the Worker by the last workday of the month following the effective closing date that support was not received or was received in a lesser amount, the case shall be reverted to open without a new Application and eligibility re-determined based on the new information.

**Example:**

A case is closed effective June 30 (the last day of the first prospective month) due to anticipated child support. The household must contact the Worker by the last workday of July if support is not received or received in a lesser amount. If reported by the last workday of July, the case must be reverted to open and eligibility re-determined for July, based on the new information.

If the household fails to contact the Worker by the last workday of the month following the effective closing date, a new application is required. The case must be budgeted prospectively for the first two months and benefits are prorated from the date of the application or date of eligibility, whichever is later.

- A. **Support Received by the Household** - support payments received by a household prior to the date the case is authorized must be counted when determining eligibility and the TANF benefit. This income, along with any support that can be anticipated to be received in the initial two months (whether or not it is assigned to the State), must be considered when determining eligibility. If the household is financially eligible, only the support received is counted when determining the TANF benefit.

Note: Any child support received by the TANF recipient on behalf of a benefit cap child or a child subject to Pay After Performance (PAP) requirements is considered unearned income to the household.

Child Support Division defines the collection month of a support payment as the date on which the payment is received by the Child Support Division. Any support received by the household during the first two prospective months which Child Support Division has credited as a prior months collection is not considered countable

income when determining eligibility. For that reason, special care should be taken to identify the collection month on any support received early in either of the initial months.

Any support collected for the current month by a Clerk of Court, the State Disbursement Unit, an out-of-state collection system, or other disbursement agency which is received and retained by the household after authorization of the application is subject to recovery by the Child Support Division. If the Worker becomes aware the family has received support, the family should be advised that the support must be turned over to Child Support Division and the Worker should notify the Child Support Division of the specific situation. Retention of assigned support by the household and a failure to turn over such payments may be referred to the appropriate authority for investigation for welfare fraud. Any retained support should be considered as support assigned.

Voluntary or court ordered support received directly from a responsible or legally responsible obligor after the case is authorized and is retained by the family is treated as a cash contribution, is unearned income, and will be deducted dollar for dollar from the TANF benefit. The Worker is responsible for establishing overpayments if this type of unearned income occurs.

A responsible person is someone who is not yet subject to a court order or someone who has not been legally adjudicated as the father of the child. A legally responsible obligor is someone who is subject to a court order for support.

After the initial two months of eligibility, any support received by the household which is intended for a month in which the family was not in receipt of TANF benefits is treated as a cash contribution. Cash contributions are considered unearned income and deducted dollar for dollar from the TANF benefit.

- B. Extra Support Received by Household** - Extra support received by a TANF recipient is deducted dollar for dollar from the TANF benefit. Extra money is support received by the Child Support Division, which exceeds the total unreimbursed public assistance.

C. **Support Retained Offset** - Federal law governs the distribution of support payments.

For a family who is receiving a TANF cash benefit, all support collected that does not exceed the monthly obligated amount for all months the family received TANF must be retained and applied against any UPA. Current support collected which exceeds the total of all the monthly obligated amounts for all months the family received TANF is paid to the family.

**Example:**

A family has \$100 child support owing for the months of January and February, while in receipt of TANF. The family continues to be eligible for TANF and the absent parent pays \$500 support in March. The total UPA for January, February and March is \$250. The state retains \$250 of the \$300 owed for January, February and March and pays \$50 to the family. The remaining \$200 is also paid to the family.

**17. 400-19-55-20-15-03 Tribal Payments and IIM Accounts**

- Policy for Tribal Payments and IIM Accounts has been moved from Countable Unearned Income Types 400-19-55-20-15 to this section.
- There are no changes in policy relating to Tribal Payments and IIM Accounts.

**Tribal Payments and IIM Accounts 400-19-55-20-15-03**

Following is policy regarding the treatment of income distributed to tribal members. These distributions are generally made directly to tribal members or put into an Individual Indian Monies (IIM) Account.

**Countable Unearned Income**

1. Tribal Distributions from tribal gaming or tribal enterprises distributed to enrolled tribal members (residing on or off a reservation).

Payments made to enrolled tribal members from the proceeds of gaming or gambling businesses are not per capita payments; therefore the income must be counted.

These payments are prorated over the period of time intended to cover with the exception of those noted. These payments include but are not limited to:

- Spirit Lake Social Impact Payments
- Sisseton-Wahpeton Oyate of the Lake Traverse Reservation Quarterly Casino Cash
- Three Affiliated Tribal Elderly Payments
- Three Affiliated Tribe's People's Fund Distributions
- General distributions from tribal revenue.

At application, review and when adding a new member to a case, payments received from the **Three Affiliated Tribes People's Fund** or **general distribution from tribal revenue** in the most recent FULL 12 month period are annualized and counted.

Verification of the IIM account must also be obtained when a child turns 18.

2. Amounts in excess of \$2,000 per year per person of monies derived from leases or other uses of individually owned trust or restricted lands are countable unearned income.

25 USC 1408

### **Excluded Income**

1. Indian per capita payments distributed from judgment awards and trust funds.

25 USC 1407

2. Amounts up to \$2,000 per year per person of monies derived from leases or other uses of individually owned trust or restricted lands are excluded.

25 USC 1408

3. Alaska Native Claims Settlement Act - payments received from a native corporation.

43 USC 1626 (b) (c)

4. Sisseton-Wahpeton Oyate of the Lake Traverse Reservation Food Distribution Program.
5. Monies derived from certain sub-marginal land held in trust for certain Indian tribes. The tribes that may benefit are:
  - Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin
  - Blackfeet Tribe
  - Cherokee Nation of Oklahoma
  - Cheyenne River Sioux Tribe
  - Crow Creek Sioux Tribe
  - Lower Brule Sioux Tribe
  - Devils Lake Sioux Tribe
  - Fort Belknap Indian Community
  - Assiniboine and Sioux Tribes
  - Lac Courte Oreilles Band of Lake Superior Chippewa Indians
  - Keweenaw Bay Indian Community
  - Minnesota Chippewa Tribe
  - Navajo Tribe
  - Oglala Sioux Tribe
  - Rosebud Sioux Tribe
  - Shoshone-Bannock Tribes
  - Standing Rock Sioux Tribe

25 USC 459e

6. Spirit Lake Nation incentives and payments for grades issued to individuals attending college.
7. Tribal High School Graduate/GED Payments - Payments from a federally recognized tribe to tribal members who graduate from high school or receive a GED are considered non-recurring lump sum.

### **Determining Countable Income in Individual Indian Money (IIM) Accounts**

Individual Indian Money (IIM) accounts are established for individual trust beneficiaries. These accounts can be created for a number of different reasons. The individual may:

- Be the original allottee of a parcel of land.
- Is an heir to the original allottee of a parcel of Indian trust land and have inherited the land through probate.
- Have received trust asset through a gift deed.
- Have received per capita trust payments from the tribe, a tribal settlement, or a judgment award.

Most IIM accounts receive income from the use or sale of a trust asset, such as agricultural or grazing leases, coal production, timber harvesting, and oil and gas royalties. Funds can also come from a per capita payment, income earned on deposited funds, inheritance, VA, SSA or SSI. Some accounts receive proceeds from an estate account following a probate.

Federal law requires that up to \$2,000 per year of deposits derived from leases, trusts and restricted lands must be excluded.

At application, review or when adding a new household member, verification of the IIM account must be obtained for the most recent FULL 12 month period prior to the month of application.

Verification of the IIM account must also be obtained when a child turns 18.

IIM accounts can be verified in the following ways:



1. Client statement is acceptable when the account balance is less than \$2000 and the income is derived solely from leases, trusts and restricted lands.
2. When client statement is questionable, the balance is over \$2,000, or the account includes income from sources other than leases, trusts and restricted lands verification is required:
  - a) Request for verification of IIM account information using form SFN 413, Individual Indian Monies Account. This form will need to be notarized per requirements of the United States Department of the Interior, Office of the Special Trustee for American Indians, Office of Trust Funds Management. These releases are valid for one (1) year and must be renewed annually.
  - b) Individuals with IIM accounts receive statements from the Office of Trust Funds Management on a quarterly basis. A copy of this form may be requested from the recipient. However, the recipient will not receive the statement if the Office of Trust Funds Management does not have a current address.
  - c) The individual may obtain a statement of their IIM account directly from the Office of Trust Funds Management through the Bureau of Indian Affairs (BIA) by requesting the information in person or by making a telephone request. In both cases, the individual will need to know their account number and provide at least two forms of identification.

Once verification is received the amount of countable income is calculated as follows:

1. Subtract any deposits that are not derived from leases, trusts or restricted lands. These sources of income would be considered separately based on policy.
2. The remaining deposits would be totaled for the twelve-month period.
3. Deduct the \$2000 disregard. (The result is the annualized countable income).
4. Divide the annualized countable income by 12 to determine the

monthly countable unearned income.

### **New Source of Income**

When a new source of income is identified during the most recent FULL 12 month period the amount of countable income is calculated as follows:

1. Subtract any deposits that are not derived from leases, trusts or restricted lands. These sources of income would be considered separately based on policy.
2. Subtract the new source income from each month the income was received.
3. The remaining deposits would be totaled for the twelve-month period.
4. Total the new source income and divide by the number of months it was received. Multiple by 12 to determine a new annual amount of the new source income.
5. Add the annual amount of the new source income to the total of the remaining deposits.
6. Deduct the \$2000 disregard. (annualized countable income).
7. Divide the annualized countable income by 12 to determine the monthly countable unearned income.

25 USC 1408

- 18.** 400-19-55-20-15-05 Documentation/Verification of Unearned Income.
- Verification of unearned income and documented in the case file have been moved to this section from Unearned Income 400-19-55-20 Definition of Unearned Income 400-19-55-20-05.
  - Child Support Enforcement has been changed to 'Child Support Division' and U.S. Bank Statement has been changed to 'electronic payment card statement'.

### **Documentation/Verification of Unearned Income 400-19-55-20-15-05**

All unearned income must be verified and documented in the case file.

The primary verification for Social Security benefits (SSDI or SSI) will be the established Beneficiary Data Exchange (BENDEX) or State Data Exchange (SDX) systems. When circumstances warrant, contact with the Social Security District Office to obtain benefit information may be necessary.

In regard to benefits other than Social Security, (e.g. Unemployment Compensation, Workmen's Compensation, Veteran's Pension, child support, etc.), inquiry should be made with the agency responsible for payment of the benefit. Veteran's benefits should be verified through the Veteran's Administration for appropriate cases.

Document or other record generally available from the client

- SSDI or SSI
- Benefit Check
- Unemployment Compensation award letter
- Pension award notice
- VA award notice
- Correspondence on benefits
- Railroad and Retirement award letter

Verification information from other sources

- BENDEX System
- SDX System

- Social Security District Office
- Job Service North Dakota
- Insurance Company Records
- Lodge or Fraternal Association Records
- Personal and Income Tax Records
- Railroad Retirement Board
- Employer Records
- Union Records
- Workforce Safety and Insurance
- Veteran's Administration
- Lawyer's Record

#### Child Support Payments

##### Document or other record generally available from the client

- Divorce or separation papers
- Court Order
- Support Agreement
- Correspondence on support payments

##### Verification information from other sources

- Court Record

- Receipts for contribution
- Income Tax Returns
- Employer Records of attached wages
- Child Support Division's Enforcement's FACES ledger
- Child Support Enforcement's U.S. Bank Statement Division's electronic payment card (EPC) statement.

**19.** 400-19-55-25 Disregard of Certain Income

- Policies have been rewritten to align with other EAP policies (CCAP, LIHEAP and SNAP).
- #1, 17 and 19 have been removed.
- #2, Sisseton-Wahpeton Oyate Lake Traverse Reservation Food Distribution Program in #9, has been removed from this section and moved into a new section in the TANF manual, Tribal Payments and IIM Accounts 400-19-55-20-15-03. The remainder of #9 are reworded and renumbered within this section.
- #26, 27, 35, and 38 have been removed from this section and moved into a new section in the TANF manual, Tribal Payments and IIM Accounts 400-19-55-20-15-03.
- The remaining numbers are reworded and renumbered within this section.

## **Disregard of Certain Income 400-19-55-25**

The following types of income will be disregarded when determining eligibility for TANF:

- ~~1. **Agent Orange Settlement Program** – Pursuant to Public Law 101-201, Agent Orange settlement payments are disregard income for TANF.~~

2. ~~**Alaska Native Claims Settlement Act**~~ — As provided by Public Law 92-203, any tax exempt portions of payments made as a result of the Alaska Native Claims Settlement Act.
3. ~~**AmeriCorps Payments**~~ — There are three different programs under AmeriCorps. The education awards for college tuition or loan repayment and the living allowances are disregarded from consideration. Eligible individuals for the AmeriCorps income will include students at least 17 years old who have or agree to get a high school diploma and must be a U.S. citizen or permanent resident.
  1. ~~AmeriCorps State and National:~~ Provides funds to local and national organizations and agencies committed to using national service to address critical community needs in education, public safety, health and the environment.
  - b. ~~AmeriCorps VISTA:~~ A national service program designed specifically to fight poverty. Founded as Volunteers in Service to America in 1965 and incorporated into the AmeriCorps network of programs in 1993, VISTA has been on the front lines in the fight against poverty in America for more than 40 years.
  - c. ~~AmeriCorps NCCC (National Civilian Community Corps):~~ A full-time team-based residential program for men and women age 18-24. Members are assigned to one of five campuses, located in Denver, CO, Sacramento, CA, Perry Point, MD, Vicksburg, MS and Vinton, IA.
4. ~~**Census Income**~~ — Census income is disregarded as income.
5. ~~**Child and Adult Food Program**~~ — The program provides cash reimbursement for meals and snacks to licensed families who provide day care in their homes.
6. ~~**Children of Vietnam Veterans Born with Spina Bifida Payments**~~ — Payments made pursuant to Public Law 104-204 to

children of Vietnam veterans who are born with spina bifida shall be disregarded in determining TANF eligibility.

7. **Children of Female Vietnam Veterans with Birth Defects Allowances**—These allowances, paid under Public Law 106-419 must be disregarded as income in determining eligibility and level of benefits under any federal or federally assisted program covering children with certain covered birth defects. This statute provides for monthly allowances, based on the degree of disability suffered by the child. The amounts range from \$100 to \$1272 monthly.

8. **Combat Pay**—TANF will disregard any additional monies received by a household as the result of the deployment of a service member to a designated combat zone.

TANF counts the gross income for all adult members of the household unit and considers the entire income of the parent temporarily away from home, including a parent in military service.

To determine the amount of service member's income that will be disregarded, compare the amount received before deployment and the amount received after the deployment. The difference between the two amounts is the amount that will be disregarded.

**Example:** Dad was making \$1,000 gross pay before deployment to a combat zone. He now is receiving \$1,400. Disregard the additional \$400.

**Combat Zone Tax Exclusion Areas—Executive Order 12744 (effective January 17, 1991)**

Arabian Sea Portion that lies north of 10 degrees North Latitude and West of 68 degrees East Longitude

- Bahrain
- Gulf of Aden
- Gulf of Oman

- Iraq
- Kuwait
- Persian Gulf
- Qatar
- Oman
- Red Sea
- Saudi Arabia
- United Arab Emirates

Direct Support of EO 12744

- Turkey effective January 1, 2003 – December 31, 2005
- Israel effective January 1 – July 31, 2003
- Eastern Med effective March 19 – July 31, 2003
- Jordan effective March 19, 2003
- Egypt effective March 19 – April 20, 2003

Executive Order 13239 (effective September 19, 2001)

- Afghanistan

Direct Support of EO 13239

- Pakistan effective September 19, 2001
- Tajikistan effective September 19, 2001
- Jordan effective September 19, 2001



- ~~Incirlik AFB effective September 21, 2001 – December 31, 2005~~
- ~~Kyrgyzstan effective October 1, 2001~~
- ~~Uzbekistan effective October 1, 2001~~
- ~~Philippines (only troops w/orders that reference OEF) effective January 9, 2002~~
- ~~Yemen effective April 10, 2002~~
- ~~Djibouti effective July 1, 2002~~
- ~~Somalia effective January 1, 2004~~

~~Executive Order 13119 (effective March 24, 1999)~~

~~Public Law 105-21 Establishing Kosovo as Qualified Hazardous Duty Area (March 24, 1999)~~

- ~~The Federal Republic of Yugoslavia (Serbia/Montenegro)~~
- ~~Albania~~
- ~~The Adriatic Sea~~
- ~~The Ionian Seas north of the 39th parallel~~

~~Public Law 104-117 Establishing a Qualified Hazardous Duty Area (November 1995)~~

- ~~Bosnia~~
- ~~Herzegovina~~
- ~~Croatia~~
- ~~Macedonia~~

9. ~~**Complementary Program Assistance**~~ — To the extent these do not serve the same purpose as TANF, assistance payments from other programs, agencies, or organizations will not be considered in determining the amount of TANF to be paid. In these complementary program relationships, there must be assurance that no duplication exists between such other assistance and TANF. Non duplication of assistance shall be assured in relation to:

- a. ~~The different purpose for which the other program or agency grants such aid; or~~
- b. ~~The need for goods and services that are not included in the TANF benefit. If either of these two conditions are met, complementary assistance by another program, agency, or organization will not constitute duplication.~~

~~Types of Complementary Program Assistance include but are not limited to:~~

- ~~**Cash**~~, up to \$500 per month per household, received by household members for special occasions such as birthdays, graduation, confirmation, Christmas, etc. (Refer to #5 in Section 400 19 55 20 15, Countable Unearned Income Types)
- ~~**Adoption Assistance Payments/Subsidized Adoption Payments**~~ — Adoption assistance payments are disregarded in determining eligibility and benefit amount for TANF since those funds are intended for a different purpose or for items not included in the TANF Basic Standard of Need. When the adopted child is included in the TANF benefit, the adoption assistance payment is disregarded as income to the household.
- ~~**Employer Funded Medical Savings or Health Reimbursement Accounts**~~ — Contributions by an employer into a Medical Savings or Health Reimbursement account are considered complimentary assistance and are disregarded as income to the household.

- ~~**Family Subsidy Payment**~~ — The Family Subsidy Program is a resource to families who maintain a developmentally disabled child at home but incur extraordinary financial obligations. Modest monthly payments to eligible households are intended to offset such expenses as therapy, counseling, respite and day care, related transportation and special clothing equipment and diets. These payments are considered complementary assistance and disregarded as income to the household.
- ~~**Foster Care Payments**~~ — Foster care payments are disregarded in determining eligibility or the amount of the TANF benefit as they are intended for a different purpose or for items not included in the TANF Basic Standard of Need. The foster child cannot be included in the TANF household for any period in which a foster care payment is made.
- ~~**Fund Raisers**~~ — In order for donations/proceeds resulting from fund raisers or benefit functions conducted by civic, fraternal, religious organizations, etc. on behalf of a TANF household member(s) to be considered complementary assistance, such funds cannot be given or made available to the TANF household. In order to meet the definition of complementary assistance, those funds must be controlled by an organization or an individual not included in the TANF household and used for the payment of expenses on behalf of the household member. Memorials, donations, remembrances, commemorations, etc. received by a household following the death of a family member shall be considered complementary assistance.
- ~~**Job Corps Program**~~ — All wages, living and readjustment allowances, and bonuses issued by the Job Corps Program are provided to offset either past, present, or future expenses which are not included in the TANF Basic Standard of Need. Therefore, Job Corps Program monies are considered complementary in nature and disregarded as income.

- ~~**Sisseton Wahpeton Oyate Lake Traverse Reservation Food Distribution Program**~~ — The Sisseton Wahpeton Oyate Lake Traverse Reservation has a Food Distribution Program in which they provide funds to individuals ages 55 and older to assist with purchasing food. Individuals age 55—64 receive a \$100 and individuals age 65 and older receive \$150 per month food coupon. These coupons can be used at only certain stores in the area.

These monthly food coupons will be disregarded as income for TANF as they are considered Complementary Program Assistance that does not duplicate the purpose of the TANF grant.

- ~~**Subsidized Guardianship Payments**~~ — The Subsidized Guardianship Project is a new program through Children and Family Services (CFS) that began in March 2000. It is designed to serve North Dakota children who are in foster care, but who need a permanency alternative. The program was created in response to the Adoption and Safe Families Act of 1997.

Subsidized guardianship payments are considered complementary assistance and are disregarded in determining eligibility and the benefit amount of TANF. The child for whom the subsidized guardianship payment is received is not eligible for TANF and cannot be included in the household.

10. ~~**Contributions by an Employee into a Medical Savings Account**~~ — Benefits withdrawn from this type of an account are not counted as income as TANF counts gross income in the month received. Therefore, the funds deposited into the account would have previously been counted as income or received by the HH prior to the month they became TANF eligible.

11. ~~**Cooperative Distributions (Patronage Dividends)**~~

Exception: Any portion of cooperative distributions (patronage dividends) that is income from the sale of goods is countable

income.

12. ~~**Crime Victim Compensation**~~ Crime victim compensation is disregarded as income.
13. ~~**Deposits**~~ Returned deposits from rental units (apartments, storage unit, etc.) and utility companies are disregarded as income.
14. ~~**Disaster Payments**~~ Federal payments issued due to a presidential declaration of disaster. Federal payments include, but are not limited to, grants from the Federal Emergency Management Agency (FEMA); Disaster Unemployment Insurance Benefits under the authority of section 408 of the Robert T. Stafford Disaster Relief and Emergency Act (43 USC 5174) and Title 44 of the Code of Federal Regulations. State and local governments and disaster relief organizations such as Red Cross and Salvation Army may also provide disaster assistance.
15. ~~**Donated Food**~~ The value of foods donated by the U.S. Department of Agriculture (surplus commodities).
16. ~~**Earned Income Tax Credit**~~ Federal Earned Income Tax Credit (EITC) refunds are disregarded as earned and unearned income unearned income.
17. ~~**Economic Stimulus Tax Rebates**~~ are disregarded as unearned income.
18. ~~**Educational Loans, Grants, Scholarships and Stipends**~~ Student assistance programs, for both undergraduate and graduate students, shall be disregarded as income. The following are disregarded:

a. ~~Title IV aid includes:~~

- ~~Pell or BEOG grants.~~
- ~~Presidential Access Scholarships (Super Pell).~~

- ~~Supplemental Education Opportunity Grants (SEOG).~~
- ~~Stafford Loan (formerly Guaranteed Student Loan).~~
- ~~PLUS/DEAL loans.~~
- ~~Perkins Loans (formerly NDSL).~~
- ~~SLS (formerly ALAS).~~
- ~~Robert C. Byrd Honor Scholarships.~~
- ~~Federal work study income.~~
- ~~Bureau of Indian Affairs Grant Program.~~
- ~~High School Equivalency Program (HEP).~~
- ~~College Assistance Migrant Program (CAMP).~~
- ~~Upward Bound (Trio Grants).~~
- ~~National Early Intervention Scholarship and Partnership Program.~~
- ~~Robert E. McNair Post-Baccalaureate Achievement.~~
- ~~Stipends funded until Title IV.~~
- ~~Indian Vocational Education Program (IVEP)~~

b. ~~Aid that is federally funded but not under Title IV includes:~~

- ~~Workforce Investment Act (WIA).~~
- ~~Veteran's benefits or other benefits through the United States Armed Services.~~
- ~~Reserve Education Assistance Program (REAP)~~

- ~~Recruitment/Retention of American Indians Into Nursing (RAIN)~~
- ~~Education funds received through the John H. Chafee Foster Care Independence Program.~~

c. ~~Aid that is not federally funded includes:~~

- ~~SELF loan program.~~
- ~~State work study income.~~
- ~~Division of Rehabilitation Services.~~

~~All aid extended to students by way of scholarships, grants, loans, stipends and awards by federal, state, tribal, civic, fraternal, and alumni sources to pursue training or education, either an undergraduate level or graduate level goal, is disregarded. This includes incentives and payments for grades the Spirit Lake Nation issues to individuals attending college.~~

~~**Note:** Any stipend received while attending training that is specifically identified to cover the cost of daily living expenses must be counted as unearned income, as it is intended to cover the same basic needs as those provided under TANF.~~

19. ~~**Family Home Care**~~ The Family Home Care Program provides Medicaid eligible persons, who have been determined to need a level of services provided by long term care facilities, with the option of receiving such services at home under Medicaid. Payment for home care services may be made to either the aged or disabled person receiving the services or to the provider of the services. In either instance, if the service is provided by a non-member of the TANF household, the payment is disregarded for TANF.

~~**Note:** Income received by an individual or Qualified Service Provider (QSP) for providing services under Family Home Care when the individual is employed by an agency is considered wages and counted as regular earned income. (When an individual or QSP is not an employee of an agency, the~~

income is considered self-employment.)

20. ~~**Flexible Spending Accounts—Employee Funded**~~—Benefits withdrawn from this type of an account are not counted as income, as TANF counts gross income in the month received and therefore, the funds deposited into the account would have already been counted as income or were received by the HH prior to the month they became TANF eligible.
- ~~**General Assistance**~~—General Assistance paid by voucher on behalf of a TANF household by the county social service office or the Bureau of Indian Affairs. Any General Assistance paid by cash or check directly to a TANF household from the county social service board or Bureau of Indian Affairs must be treated as unearned income.
  - ~~**Gift Cards/Gift Certificates**~~—Gift cards and gift certificates are disregarded as income.
23. ~~**Homestead Tax Credit**~~—Refunds from local or tax office paid to low income individuals who are responsible to pay property taxes or rent, including mobile home lot rent.
24. ~~**Housing Assistance Programs**~~—The value of any public rent or housing subsidy, which includes HUD Section 8, utility allowances, HUD Public Housing, other HUD Programs, and all state and local government housing subsidies.
25. ~~**Income Tax Refunds**~~—Federal or state income tax refunds are disregarded as unearned income.
26. ~~**Individual Indian Monies (IIM)**~~—The Omnibus Budget Reconciliation Act of 1993 provides that up to \$2,000 per year of income received from Individual Indian trust or restricted lands will not be counted as income.
27. ~~**Indian Per Capita Funds**~~—Per capita payments made to members of Indian tribes under the Indian Tribal Judgment Funds Use and Distribution Act [25 U.S.C. 1407 et seq.], including all



interest and investment income accrued on such funds while held in trust, are disregarded.

28. — **JOBS (Job Opportunity and Basic Skills) Program Supportive Service Payments** — Supportive Services paid to TANF recipients, either through the TANF grant or Vendor Payment, are considered reimbursements and are disregarded as income.
29. — **Loans** — A loan from any source subject to a written documentation requiring repayment by a TANF household member.
30. — **Payments to Volunteers** — Payment for services or reimbursement for out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides or senior companions, persons serving in the Service Corp of Retired Executives (SCORE), Active Corps of Executives (ACE), AmeriCorps, and any other programs under Titles I, II, and III of Section 418, Public Law 93-113.
31. — **Radiation Exposure Compensation Act Settlement Payments** — Payment settlements as a result of the Radiation Exposure Compensation Act (P.L. 101-426) are disregarded as income.
32. — **Reimbursements for Incurred Expenses** — Reimbursements for meals, lodging, transportation, including transportation provided to another person, when providing transportation is not a business venture.
33. — **Rental and Utility Rebates and Deposit Refunds** — Rebates and deposits from rental and utility companies are exempt.
34. — **SSI (Supplemental Security Income) Benefits** — Recipients of SSI, including presumptive SSI, are not included as members of the TANF household and their income is not used to determine the benefit. If the individual is receiving a zero SSI benefit, the individual is not considered as receiving SSI benefits for TANF purposes and the individual and the income received is included in the household.

35. ~~**Submarginal Lands**~~ — Public Law 94-114 requires that the income derived from certain submarginal lands (low productivity; infertile) conveyed to Indian tribes and held in trust by the United States be disregarded. The land addressed by this law is located on the Fort Totten and Standing Rock Indian Reservations.

36. ~~**Supplemental Food Assistance**~~ — The value of any supplemental food assistance received under the Child Nutrition Act of 1966, the special food service program for children under the National School Lunch Act and Supplemental Nutrition Assistance Program (SNAP).

37. ~~**Trade Adjustment Assistance (TAA)**~~ — The following payments made to individuals under the Trade Adjustment Assistance (TAA) Extension Act of 2011:

- ~~Training Readjustment Allowances~~ — A wage subsidy available in the form of weekly cash payments to workers who are enrolled in a full-time training course;
- ~~Job Search Allowance~~ — A cash allowance provided to workers who cannot find an available job within the commuting area, which is used to cover transportation costs, etc.

~~**Note:**~~ If the individual is participating in the JOBS Program, the Employment Contractor must be notified of the individuals receipt of these funds.

- ~~Relocation Assistance~~ — A cash allowance provided to workers who have to accept a job outside of their commuting area and relocate.

~~**Note:**~~ If the individual is participating in the JOBS Program, the Employment Contractor must be notified of the individuals receipt of these funds.

- ~~Health Coverage Tax Credit – A tax credit offered to TAA participants to help pay for the health insurance premiums of the worker and their family.~~

~~**Note:** If the individual is requesting reimbursement for a health insurance premium from TANF, TANF policy will only reimburse the difference between the actual premium amount and the amount of tax credit the individual receives and only that premium for coverage of a TANF eligible unit member.~~

38. ~~**Tribal High School Graduate/GED Payments** – Payments from a federally recognized tribe to tribal members who graduate from high school or receive a GED are considered non-recurring lump sum. These payments are disregarded as income.~~
39. ~~**VISTA Payments** – See AmeriCorps~~
40. ~~**Volunteer Placement Program** – Children in the Volunteer Placement Program are not foster care placements and the parents retain care, custody, and control of the child. The child could be placed in a facility that is not inpatient care including PATH and county foster families or facilities, i.e. Manchester House, Dakota Boys Ranch, Prairie learning Center, etc.~~

~~Children in the Volunteer Placement Program are considered temporarily out of their home with a plan to return to their parental unit. The length of stay in a facility varies depending on the needs of the child. Children placed into a facility under the Volunteer Placement Program are eligible for the \$45.00 clothing allowance provided all other factors of eligibility are met for the TANF Program. The out of home payment will be part of the TANF benefit paid to the parent/caretaker.~~

41. ~~**WIC (Supplemental Food Program for Women, Infants, and Children)** – This program provides additional monetary benefits~~

to purchase healthy food for proper growth and development, and helps families choose healthier ways of eating.

42. ~~Workforce Investment Act (WIA)~~ – Income, earned or unearned, is disregarded when received by a dependent child under the age of 18 and a full-time student or if, before attaining age 19, is expected to complete high school or vocational training curriculum.

43. ~~YouthBuild~~ – Income, earned or unearned, is disregarded when received by a dependent child under the age of 18 and a full-time student or if, before attaining age 19, is expected to complete high school or vocational training curriculum.

**Complementary Program Assistance** - To the extent these do not serve the same purpose as TANF, assistance payments from other programs, agencies, or organizations will not be considered in determining the amount of TANF to be paid. In these complementary program relationships, there must be assurance that no duplication exists between such other assistance and TANF. Non-duplication of assistance shall be assured in relation to:

- a. The different purpose for which the other program or agency grants such aid; or
- b. The need for goods and services that are not included in the TANF benefit. If either of these two conditions are met, complementary assistance by another program, agency, or organization will not constitute duplication.

Types of Complementary Program Assistance include but are not limited to:

- Cash
- Adoption Assistance Payments/Subsidized Adoption Payments
- Employer Funded Medical Savings or Health Reimbursement Accounts
- Family Subsidy Payment
- Foster Care Payments
- Fund-Raisers

- Memorials, donations, remembrances, commemorations, etc., received by a household following the death of a family member shall be considered complementary assistance.
- Job Corps Program
- Sisseton-Wahpeton Oyate Lake Traverse Reservation Food Distribution Program
- Subsidized Guardianship Payments

All types Complementary Program Assistance listed above are addressed later in this section with the exemption of memorials, donations, remembrances, commemorations, etc., received by a household following the death of a family member.

The following types of income are excluded:

1. Non-recurring lump-sum unearned payments are those payments that cannot be reasonably anticipated to be received again. These payments include, but not limited to:
  - Retroactive Social Security payments (whether it is paid in a lump sum or installments)
  - Retroactive SSI (whether it is paid in a lump sum or installments)
  - Retroactive adjustment payments from SSA due to changes in the individual's earning record
  - Retroactive unemployment benefits
  - Retroactive railroad retirement benefits
  - Retroactive Veteran's benefits
  - Retroactive Workforce Safety and Insurance
  - Inheritance
  - Gambling winnings
  - Child support intercepted from Federal taxes
  - Insurance settlements
  - Mineral leasing bonuses and up-front payments
  - Contests
  - Employees retirement funds taken as a lump sum
  - Severance Pay
  - Income received from a trust - Submit SFN 1947 - Request for Trust Review, along with complete copies of all trust

agreements to the Legal Advisory Unit of the Department of Human Services for review.

All non-recurring lump sum payments are counted as assets in the second month following the month of receipt, unless specifically excluded by Federal Law. Policy for treatment of assets can be found in Asset Availability 400-15-55-05-10.

2. Earned income received as a non-recurring lump-sum payment including, but not limited to:

- Military re-enlistment bonuses

If a household receives up to 50% of the bonus amount as an initial payment with the remainder paid in equal annual installments, the initial payment and the annual installments are annualized.

If a household receives the bonus as a lump-sum payment, it is excluded as a non-recurring lump-sum payment.

3. Tribal Payments and Individual Indian Monies (IIM) Accounts. See this section for the treatment of this income.

4. Reimbursements to a household member or payments to third-party for past or future expenses, including but not limited to:

- Housing Assistance Program (HAP) and other subsidized housing authorities
- Housing and Urban Development (HUD)
- Utility reimbursements made by the Department of Housing and Urban Development (HUD), Rural Housing Service, and Tribal Utility Payments including Tribal LIHEAP.
- General Assistance reimbursements - BIA or CSSB
- Medical
- Child Care
- Employment and training
- Family Subsidy payments
- Adoption Assistance Subsidies
- Payments directed by a divorce decree to a third party

5. Child support or spousal support of a TANF recipient assigned to the Child Support Division.
6. Children's earned income. See Student Earned Income Treatment 400-19-55-15-30 for how Children's earned income is considered.
7. In-kind income that is paid or given in goods, commodities, credits, including in-store credits or services instead of money when the individual does not have the option to receive a wage or monetary payment.
8. Dividends and Interest derived from savings and checking accounts and investments.

**EXCEPTION:**

The interest portion of payments from investments, annuities, pensions, and other retirement plans will be considered countable income when withdrawn on a regular basis.

9. Money deposited into a checking or savings account when the client's name appears on a signature card, but does not have an ownership interest in the account.
10. Cooperative Distributions (patronage dividends)

**EXCEPTION:**

Any portion of cooperative distributions that is income from the sale of goods is countable income.

11. Withdrawals from medical savings, health reimbursements and flexible spending accounts.
12. Foster Care Payments, including continuing education and job-training through PATH Inc.
13. Subsidized Guardianship Payments.

14. Money received from a benefit or fund raiser and disbursed by a third party for a household expense.

**EXCEPTION:**

If the disbursement is given or made available to a household member the money is counted as unearned income.

15. When a member of the household serves as a representative payee for Federal benefits (SSI, Social Security, Veterans Benefit) for an individual who is not a member of the household, the income is not considered available to the household.
16. All income, allowances, and bonuses received as a result of participation in the Job Corps Program.
17. Refunds of a deposit from rental units, apartments, storage units, utility companies, child care providers, etc.
18. Homestead Tax Credit refunds.
19. Property Tax relief.
20. Loans that require repayment. A loan must be verified with a written agreement between the parties executed at the time the loan was agreed upon.
21. When monies are received and used by a household for the care and maintenance of a non-household member, the portion of the payment that is identified as belonging to the non-household member is excluded.

If the non-household member's portion cannot be identified, the payment is divided equally among the individuals for whom the payment is intended and the exclusion is applied to either the portion or the amount actually used for the non-household member's care, whichever is less.

**Example:**



1. A parent is receiving court ordered child support of \$350 per month for two children (prorated to \$175 per child). The parent reports that one of the children went to live with the grandparents. The parent sends \$175 of the monthly child support check to the grandparents for the care of the child. Only \$175 would be counted as unearned income to the parent and remaining child. The \$175 sent to the grandparents is not counted as income to the parent. If the parent does not send any of the \$350 monthly child support to the grandparents, the \$350 is counted as unearned income for the parent and remaining child. If the parent sends \$200, only the prorated \$175 would be excluded.
22. Census Income.
23. Trade Adjustment Assistance (TAA) - The following payments made to individuals under the Trade Adjustment Assistance (TAA) Extension Act of 2011:
  - Training Readjustment Allowances - A wage subsidy available in the form of weekly cash payments to workers who are enrolled in a full-time training course;
  - Job Search Allowance – A cash allowance provided to workers who cannot find an available job within the commuting area, which is used to cover transportation costs, etc.
    - If the individual is participating in the JOBS Program, the Employment Contractor must be notified of the individual's receipt of these funds.
  - Relocation Assistance – A cash allowance provided to workers who have to accept a job outside of their commuting area and relocate.
    - If the individual is participating in the JOBS Program, the Employment Contractor must be notified of the individual's receipt of these funds.
  - Health Coverage Tax Credit – A tax credit offered to TAA participants to help pay for the health insurance premiums of the worker and their family.

- If the individual is requesting reimbursement for a health insurance premium from TANF, TANF policy will only reimburse the difference between the actual premium amount and the amount of tax credit the individual receives and only that premium for coverage of a TANF eligible unit member.
- 24. Earned or unearned income set aside for the fulfillment of a Plan for Achieving Self-Support (PASS) under Title XVI of the Social Security Act (SSI).
- 25. The portion of monetary gifts under \$500.00 per month received by household members for special occasions such as birthdays, graduation, holidays, etc.
- 26. Gift Cards and Gift Certificates.
- 27. SSI (Supplemental Security Income) Benefits - Recipients of SSI, including presumptive SSI, are not included as members of the TANF household and their income is not used to determine the benefit. If the individual is receiving a zero SSI benefit, the individual is not considered as receiving SSI benefits for TANF purposes and the individual and the income received is included in the household.
- 28. Volunteer Placement Program - Children in the Volunteer Placement Program are not foster care placements and the parents retain care, custody, and control of the child. The child could be placed in a facility that is not inpatient care including PATH and county foster families or facilities, i.e. Manchester House, Dakota Boys Ranch, Prairie learning Center, etc. Children in the Volunteer Placement Program are considered temporarily out of their home with a plan to return to their parental unit. The length of stay in a facility varies depending on the needs of the child. Children placed into a facility under the Volunteer Placement Program are eligible for the \$45.00 clothing allowance provided all other factors of eligibility are met for the TANF Program. The out-of-home payment will be part of the TANF benefit paid to the

parent/caretaker.

29. National School Lunch Act provides assistance to individual through the following programs:

School Lunch Program

Summer Food Service Program for Children

Commodity Distribution Program

Child and Adult Care Food Program (reimbursements to child adult care providers such as Heartland)

(42 USC 1760 (e))

30. Child Nutrition Act provides assistance to children through the following programs:

Special Milk Program

School Breakfast Program

Special Supplemental Food Program for Women, Infants, and Children (WIC)

(42 USC 1780 (b))

31. Uniform Relocation Assistance and Real Property Acquisition Policy Act establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms.

(42SC 4636)

32. All payments to volunteers under the National and Community Service Act which includes payments from the following programs:

- Americorps (Americorps State and National
- Americorps VISTA
- Americorps NCCC (National Civilian Community Corps))
- Retired Senior Volunteer Program (RSVP)
- Foster Grandparents Program

- Senior Companion Program

42 USC 5044 (f)

42 USC 5058

33. Disaster Relief Act - Federal major disaster and emergency assistance and comparable disaster assistance provided by States, local governments, and disaster assistance organizations.

This includes payments such as Federal Emergency Management Assistance (FEMA) payments, Emergency Unemployment Benefits, Red Cross and Salvation Army.

(42 USC 5155 (d))

34. Allowances, earnings, or payments received under WIOA or Youthbuild.

**EXCEPTIONS:**

Earnings of:

- minor parents not residing with a caretaker within the 5<sup>th</sup> degree of relationship are counted
- minor parent who reside with a caretaker within the 5<sup>th</sup> degree of relationship and does not attend school full-time are counted, or
- dependent children under the age of 18 who are not full-time students are counted.

35. Low-Income Home Energy Assistance Act - LIHEAP payments paid directly or indirectly on behalf of the LIHEAP household.

42 USC 8624 (f)

36. Supplemental Nutrition Assistance Program (SNAP) – Benefits received from SNAP are excluded.

7 USC 2017 (b)

37. Child Care and Development Block Grant Act - Child Care Assistance Program payments paid directly or indirectly on behalf of the Child Care Assistance Unit.

Payments received by providers are counted as self-employment income.

(42 USC 9858q)

38. Federal funded Student Financial Assistance - All educational loans, grants, scholarships and stipends that **do not require work participation** and wages earned under a work study program. State and local funded Student Financial Assistance.

**EXCEPTION:**

Any stipend received while attending training that is specifically identified to cover the cost of daily living expenses must be counted as unearned income, as it is intended to cover the same basic needs as those provided under TANF.

Title IV aid includes:

- Pell or BEOG grants.
- Supplemental Education Opportunity Grants (SEOG).
- Stafford Loan (formerly Guaranteed Student Loan).
- PLUS/DEAL loans.
- Perkins Loans (formerly NDSL).
- Federal work study income.
- Bureau of Indian Affairs Grant Program.
- High School Equivalency Program (HEP).
- College Assistance Migrant Program (CAMP).
- Upward Bound (Trio Grants).
- National Early Intervention Scholarship and Partnership Program.
- Stipends funded until Title IV.
- Indian Vocational Education Program (IVEP)

Aid that is federally funded but not under Title IV includes:

- Workforce Investment Opportunity Act (WIOA)

- Veteran's benefits or other benefits through the United States Armed Services
- Reserve Education Assistance Program (REAP)
- Recruitment/Retention of American Indians Into Nursing (RAIN)
- Education funds received through the John H. Chafee Foster Care Independence Program.

Aid that is not federally funded includes:

- SELF loan program.
- State work study income.
- Division of Rehabilitation Services.

20 USC 1087uu

39. Reduction in basic pay for veteran's educational assistance - Any amount by which the basic pay of an active duty or selected reserve member is reduced for educational assistance.

The funds are a pre-tax deduction from the service member's gross pay and are identified as a Montgomery GI Bill (MGIB) deduction.

38 USC 3011 (b)(3) and 38 USC 3012 (c)(3)

40. Payments to certain United States citizens of Japanese ancestry, resident Japanese aliens, and eligible Aleuts made under the Restitution for World War II Internment of Japanese-Americans and Aleuts.

50 USC appendix 1989b-4(f-2)

50 USC appendix 1989c-5(d-2)

41. Radiation Exposure Compensation Act.

42 USC 2210 (h) (2)

42. State or Federal tax refunds and Earned Income Tax Credits (EITC).

26 USC 6409

43. Crime Act - compensation paid through a crime victim's compensation program.

(42 USC 10602 (c))

44. Individual Development Accounts - funds (including interest accruing) in an individual development account.

(42 USC 604 (h) (4) & 42 USC 604nt Section 415)

45. Vietnam Veterans - the following payment made to the children of Vietnam veterans:

- Children of Vietnam Veterans Born with Spina Bifida
- Children of Women Vietnam Veterans Born with Certain Birth Defects
- Children of Certain Korea Service Veterans Born with Spina Bifida

(38 USC 1833 (c))

46. P.L. 108-447 - Combat Pay

Additional monies received by a household as the result of the deployment of a service member to a designated combat zone.

To determine the amount of service member's income that will be disregarded, compare the amount received before deployment and the amount received after the deployment. The difference between the two amounts is the amount that will be disregarded.

Combat Zone Tax Exclusion Areas - Executive Order 12744 (effective January 17, 1991).

Arabian Sea Portion that lies north of 10 degrees North Latitude and West of 68 degrees East Longitude

- Bahrain

- [Gulf of Aden](#)
- [Gulf of Oman](#)
- [Iraq](#)
- [Kuwait](#)
- [Persian Gulf](#)
- [Qatar](#)
- [Oman](#)
- [Red Sea](#)
- [Saudi Arabia](#)
- [United Arab Emirates](#)
- [Direct Support of EO 12744](#)
- [Turkey effective January 1, 2003 - December 31, 2005](#)
- [Israel effective January 1 - July 31, 2003](#)
- [Eastern Med effective March 19 - July 31, 2003](#)
- [Jordan effective March 19, 2003](#)
- [Egypt effective March 19 - April 20, 2003](#)
- [Executive Order 13239 \(effective September 19, 2001\)](#)
- [Afghanistan](#)
- [Direct Support of EO 13239](#)
- [Pakistan effective September 19, 2001](#)
- [Tajikistan effective September 19, 2001](#)
- [Jordan effective September 19, 2001](#)
- [Incirlik AFB effective September 21, 2001 - December 31, 2005](#)
- [Kyrgyzstan effective October 1, 2001](#)
- [Uzbekistan effective October 1, 2001](#)
- [Philippines \(only troops w/orders that reference OEF\) effective January 9, 2002](#)
- [Yemen effective April 10, 2002](#)
- [Djibouti effective July 1, 2002](#)
- [Somalia effective January 1, 2004](#)

[Executive Order 13119 \(effective March 24, 1999\)](#)

[Public Law 105-21 Establishing Kosovo as Qualified Hazardous Duty Area \(March 24, 1999\)](#)

- [The Federal Republic of Yugoslavia \(Serbia/Montenegro\)](#)
- [Albania](#)
- [The Adriatic Sea](#)
- [The Ionian Seas north of the 39th parallel](#)



Public Law 104-117 Establishing a Qualified Hazardous Duty Area (November 1995)

- Bosnia
- Herzegovina
- Croatia
- Macedonia

**20. Child or Adult Dependent Care 400-19-55-30-10**

- Title of SFN 616 has been changed from 'Child Care Service Report and Bill' to 'Child Care Request for Payment'.

**Child or Adult Dependent Care 400-19-55-30-10**

- Child Care -TANF allows a household the option of receiving child care expenses as a deduction from earned or unearned income, or as a reimbursement through the Child Care Assistance Program (CCAP).

Child care expenses as a result of employment are the ONLY child care expenses that can be allowed as a deduction from earned or unearned income. Child care expenses for education, training, participating in an allowable JOBS activity, etc., (other than paid employment) cannot be allowed as an expense from earned or unearned income. These expenses must be reimbursed through CCAP.

A family can switch from using their child care costs as an expense under TANF to requesting reimbursement of their costs through the CCAP any time before the end of the month or before benefits have been issued under TANF or the CCAP. Requests for such a change must be made in writing. However, once benefits are issued under either program, a family cannot request a change.

When CCAP pays a child care provider a portion of the child care expenses, any amounts not paid by CCAP cannot be allowed as a deduction.

The amount of the expenses allowed under TANF for the cost of child care, cannot exceed the maximum allowed under CCAP based on the age of the child and Provider Type of 'Center'.

Requests to allow an expense for the cost of child care provided to children between 13 and 18 years of age will require current, medical evidence from a physician, psychologist, or clinical specialist that clearly confirms the need.

Any child care expenses that exceed the allowable CCAP maximums can neither be paid through CCAP nor allowed as an income deduction. Child care costs deducted from the TANF gross income cannot be paid through CCAP.

If the employed TANF household member is a non-legally responsible ineligible TANF caretaker, the child care expense cannot be allowed as a deduction. However, the household may apply for assistance under the CCAP.

Child care costs must be verified by use of a completed SFN 616, Child Care Request for Payment ~~"Child Care Assistance Program and Child Care Service Report and Bill"~~ (See Forms Appendix), or by obtaining information from provider documents containing the same information. These costs are budgeted prospectively for the initial two months and retrospectively thereafter.

- Adult Dependent Care - The allowable deduction for the cost of adult dependent care for incapacitated adult living in the same home are not to exceed the maximum allowable rate for the provider type of 'Center' under CCAP per month, and will be disregarded from countable household income. However, the incapacitated adult must be an eligible TANF household member receiving TANF benefits.

Verification must be received from the incapacitated adult's medical provider showing care is required.

Adult dependent care expenses allowed when determining net household income cannot be paid through essential services or JOBS supportive services.

Adult dependent care costs must be verified and budgeted prospectively for the initial two months and retrospectively thereafter.

Adult dependent care costs shall be verified by obtaining a document signed by the provider which identifies the individual requiring the care, the month of service, the hours of care provided, and expenses incurred.

## **JOBS Supportive Services 400-19-65**

**21.** 400-19-65-15 Types of JOBS Supportive Services. #4 in Reference to Lifeline and Link Up program has been changed removing TANF and LIHEAP as qualifiers. This incorporates IM 5287 Telephone Assistance Program which was effective December 1, 2016. There are no other changes in policy in this section.

## **Types of JOBS Supportive Services 400-19-65-15**

4. **Job Readiness Assistance** - Job readiness assistance is intended to reimburse participants expenses associated with their preparation for work. Assistance may only be approved by the JOBS Employment Contractor and only when the expenses are necessary to help the individual achieve their employment goals.

Job readiness assistance may be used to reimburse:

1. Expenses related to the participant's purchase of employment related clothing;
2. Expenses for obtaining a driver's license or reinstatement of a driver's license;
- c. Expenses for utility bills in an ongoing case which are pre-approved by State TANF/JOBS Policy staff, when there is the threat of a utility shut-off; and
- d. Other expenses determined by the JOBS Employment Contractor to be reasonable and necessary for employment interviews including transportation, lodging, grooming and clothing.

Job readiness assistance may not be used to pay a participant's fines.

**Example:** Job readiness assistance may not be used to pay an individual's speeding tickets or a DUI fine. It could, however, be used to pay the registration fee for a DUI seminar or a defensive driver's class that the individual is required to attend prior to re-instatement of the individual's drivers license.

Job readiness assistance may be used to help cover the cost of phone installation charges but may not be used to pay delinquent phone bills. Participants should contact their local telephone company to inquire about applying ~~apply~~ for the Link Up and Lifeline telephone assistance programs.

The Link Up program can reduce an eligible individual's initial charges to hookup primary telephone service by up to 50 percent. The Lifeline program can reduce an individual's monthly phone bill for local service.

Persons qualified for TANF, SNAP, LIHEAP, or Medicaid are eligible for the Link Up or Lifeline programs if the service is made available by the local telephone company.

For additional information regarding the Link Up and Lifeline programs, please refer to [448 Administrative Procedures Manual](#):

- ~~Link Up and Lifeline Programs for Tribal Areas (76kb pdf)~~

OR

- ~~Link Up and Lifeline Programs (71kb pdf)~~

Job Readiness Assistance cannot exceed actual costs, up to a maximum of \$300 per participant, per state fiscal year (July 1 through June 30). Payment for these expenses is made to the vendor utilizing the Vendor Payment process.

## **TANF Budgeting 400-19-105**

### **22. 400-19-105-05 Overview**

- References to income as a result of prorate has been moved to this section from Income 400-19-55-10, Definition of Income 400-19-55-10-05.
- References to budgeting of income for recurring lump sum payments have been moved to this section from Recurring Lump-sum Payments 400-19-55-10-20-10.

### **Overview 400-19-105-05**

The process by which a household's financial needs are determined is known as budgeting. If income exceeds the Total TANF Standard of Need, no need or eligibility exists. If income is insufficient, financial need exists.

Income of household members for whom benefits are requested must be combined and considered in determining TANF eligibility and benefits.

Income prorated over a period of time or income in its entirety for applicants and recipients is used to determine eligibility and the benefit amount.

Income received from recurring lump sum payments must be prorated over the period the payment is intended to cover.

Recurring lump sum payments received after application for TANF are prorated over the number of months the payment is intended to cover. The prorated recurring lump sum payment must continue to be counted if the case closes and then reopens during the prorate period or within the following prorate period. This prevents cases from being closed temporarily to avoid using the lump sum income.

~~Unearned income received on a recurring or regular basis is considered recurring lump sum payments. This income is countable and must be prorated over the period the payment is intended to cover.~~

~~Recurring lump sum payments received after application for TANF are prorated over the number of months the payment is intended to cover.~~

~~**Note:** The prorated lump sum payment must continue to be counted if the case closes and then reopens during the prorate period or within the following prorate period. This prevents cases from being closed temporarily to avoid using the lump sum income.~~

## **Appendix 400-19-165**

- 23.** 400-19-165-95 SFN 616, Child Care Billing Report
- Section title has been changed to SFN 616, Child Care Request for Payment.
  - Child Care billing report form has been changed to Child Care Request for Payment.

**SFN 616, Child Care Request for Payment 400-19-165-95**

SFN 616, Child Care Request for Payment ~~Child Care Billing Report~~ form is to be used to verify child and adult dependent care expenses reported by TANF households. This form is used for JOBS, employment, training, and school-related child and adult dependent care.

This form is available through the Department of Human Services and may also be obtained electronically via E-Forms. (166kb pdf)

E-Forms are presented in Adobe Acrobat and require the Adobe Acrobat reader. If you do not currently have Adobe Acrobat reader installed, you may download a free copy by clicking the Get Adobe Reader icon below.

**24.** 400-19-165-150 Link up and Lifeline Program (Non-Tribal). ~~This section was repealed to incorporate policy in IM 5287 Telephone Assistance Program.~~

**Link up and Lifeline Program (Non-Tribal)  
400-19-165-150**

This document is available electronically through the link shown above. This document is presented in Adobe Acrobat and requires Adobe Acrobat reader. If you do not currently have Adobe Acrobat reader installed, you may download a free copy by clicking the Get Adobe Reader icon below.

Link Up and Lifeline Programs (71kb pdf)

**25.** 400-19-165-155 Link Up and Lifeline Programs (Tribal). This section was repealed to incorporate policy in IM 5287 Telephone Assistance Program.

## **Link Up and Lifeline Programs (Tribal) 400-19-165-155**

This document is available electronically by using the link shown above. This document is presented in Adobe Acrobat and requires Adobe Acrobat reader. If you do not currently have Adobe Acrobat reader installed, you may download a free copy by clicking the Get Adobe Reader icon below.

Link Up and Lifeline Programs for Tribal Areas (76kb pdf)