

Par.1. **Material Transmitted and Purpose** – Transmitted with this Manual Letter are changes to Service Chapter 400-19 – Temporary Assistance for Needy Families to incorporate the changes made with the following IM's:

- IM 5167 – Housing and Shelter Assistance for TANF and Diversion Households who are Homeless
- AMENDED IM 5168 – Public Assistance Reporting Information System (PARIS)
 - Amended Attachment #1 - PARIS Alerts in TECS & Vision
 - Amended Attachment #2 - PARIS Income Verification Notice
- IM 5174 – Felony Drug Conviction Disqualifications
- AMENDED IM 5176 – Kinship Care Clothing Allowance Reimbursement – Initial and Special
- IM 5178 – Special Items of Need – Essential Services Child/Dependent Care Maximum
- IM 5197 – TANF Intentional Program Violation (IPV)
- AMENDED IM 5192 Standardized EAP Self-Employment Policy
- IM 5212 JOBS Program Supportive Service
- IM 5229 Cooperative Distributions (Patronage Dividends)

Par. 2. **Effective Date** – Changes included in this manual letter are effective the date the IM was effective that pertains to the section.

Definitions - 400-19-05

1. **400-19-05** – Updated the definition of self-employment as a result of the standardized EAP Self-Employment Policy. This supersedes AMENDED IM 5192 which was effective January 1, 2014. This supersedes IM 5229 which was effective January 1, 2015.

Definitions - 400-19-05

Self-Employment– Employment where people work for themselves rather than an employer. ~~, are responsible for their own work schedule, do not have taxes or FICA withheld by an employer, and do not have coverage under an employer's liability or Workforce Safety and Insurance.~~

Self-employed individuals:

1. Earn the income directly from a business or trade, not from wages or salary from an employer.
2. Are responsible for the payment of entire Social Security and Federal withholding taxes. [If an employee, the employer would pay half of their Social Security Tax and withhold federal income tax from the employee's salary.]
3. File self-employment tax forms, however, not all individuals file tax forms.

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

2. **400-19-45-95-10** - Included policy to reflect legislation passed in ND House Bill 1176 which changed TANF disqualification period for individuals convicted of a Drug Felony after August 22, 1996. This supersedes IM 5174 which was effective August 1, 2013.

Convicted Drug Felon - 400-19-45-95-10

An individual convicted of a federal or state felony which occurred after August 22, 1996, involving the possession, use, or distribution of an illegal drug (as defined in section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)) ~~and whose sentence is consistent with a felony conviction may be permanently~~ is ineligible to participate in the TANF Program for seven (7) years from the date of conviction. The individual will be permanently ineligible if in addition to the conviction, there is a sentence consistent with felony conviction. Action to deny or terminate TANF for the individual can be taken only if verification is obtained concerning such conviction.

Only convictions overturned in a court of law may be removed with approval from Economic Assistance Policy Division.

Note: This does not apply to alcohol-related convictions.

If an individual is convicted of a drug related felony in a local, state, or federal court, the following information must be sent to the Economic Assistance Policy Division for review on the SFN 376 - Drug Related Felony Review form:

- Indicate TANF Program
- Eligibility Worker's Full Name and County Name
- Individual's Date of Birth
- Individual's Full Name, Including Middle Name
- Individual's Case Number
- Individual's Client ID Number
- Individual's Gender
- Application Date
- Date Case Must be Processed
- Copies of the Criminal Complaint and Judgment or Order which substantiates the individual's drug-related felony.

In order to determine whether an individual's conviction is disqualifying the court documents sent to the state office must include:

1. The date of the offense(s);
2. The sentence or judgment of the court; and
3. The nature of the offense(s).

This information is usually contained in the Criminal Complaint and Judgment document. However, the offense date is not always listed on the Criminal Complaint and Judgment.

If the Criminal Complaint and Judgment document does not contain the offense date(s), please request a copy of the "Information" or "Criminal Information" document from the arresting authority clerk of court where the felony drug conviction occurred and forward it to the state office Economic Assistance Policy Division. The "Information" or "Criminal Information" document will may include the offense date(s).

The State TANF Office Economic Assistance Policy Division will review the information to determine if the conviction disqualifies the individual from the TANF Program. and notify the worker. If an individual is disqualified,

the Economic Assistance Policy Division will notify the Eligibility Worker of the seven (7) year disqualification period.

The earliest date an individual whose disqualification has reached the seven (7) year period may regain eligibility in the benefit month following the month the seven (7) year period ends.

Convicted drug felons who are disqualified from receiving TANF assistance continue to have their income and assets considered when determining eligibility for remaining household member(s). Disqualified individuals are permitted applicable income disregards (i.e., standard employment expense allowance, employment incentive disregard and work-related child/adult dependent care). Individuals participating in the JOBS program are eligible for Supportive Services.

Individuals who have been disqualified from TANF due to a drug related felony may regain eligibility if the felony drug conviction has been reduced to a misdemeanor. If an individual reports, or it is discovered, that a felony has been reduced to a misdemeanor, the eligibility worker must complete the SFN 376 with the required information and resubmit the Criminal Complaint and judgement judgment documents to the Economic Assistance Policy Division.

Upon completion of the review by the state Economic Assistance Policy Division, eligibility workers will receive a formal notification indicating if the individual is continues to be disqualified. This notification will include wording indicating whether the disqualification can be reduced to a misdemeanor. It is NOT up to the eligibility worker to monitor if an individual can regain eligibility. However, aAll drug related felony convictions should be reviewed at application and annual review.

The earliest date an individual whose conviction has been reduced to a misdemeanor may regain eligibility is the benefit month following the month the client reports the change or the change is discovered. If the client regains eligibility, the eligibility worker will receive notification from the State office Economic Assistance Policy Division indicating the month for which the client has regained eligibility.

Note: The eligibility worker will need to uncheck the 'Felony Drug Conviction: Offense committed after 8-22-96' checkbox on the Felony

~~Information Window in the Benefit Month equal to the month indicated on the notice from State Office. When creating a felony drug disqualification on the Disqualification Window in Vision, upon entering the conviction date, the disqualification start and end dates are determined by the system.~~

TANF Financial Eligibility Factors - 400-15-55

3. **400-19-55-15-25** - Section title has been changed from 'Earned Income from Self-Employment' to 'Self-Employment Income'. This section incorporates the standardized EAP Self-Employment Policy that became effective January 1, 2014. This supersedes AMENDED IM 5192 which was effective January 1, 2014.

Earned Income From Self-Employment Income - 400-19-55-15-25

~~To arrive at the most equitable method for determining the amount of a household's countable earned income from self-employment, it is necessary to consider the type of business activity, expense, and income. Based on this, utilize one of the applicable calculations identified below.~~

~~**Note:** Items such as interest, depreciation, personal business and entertainment expenses, personal transportation, purchase of capital equipment, and payments on the principle of loans for capital assets or durable goods are not business expenses.~~

- ~~1. Self employed individuals whose business does not require the purchase of goods for resale. An example of this type of business is a person who provides child care services in their own home, a Qualified Service Provider (QSP) who is not an employee of an agency, etc. Such income may be accounted for on a monthly basis, or the income tax return from the previous year may be used if it reflects a full year's operation. When the tax return is used, 1/12th of the annual gross income is monthly earnings. Twenty five (25%) percent of the gross monthly earnings shall be disregarded to offset the cost of producing the income and will cover such things as additional food, utilities, supplies, etc. The remaining 75% is the gross monthly earnings. The appropriate share percentage must be applied to the gross monthly income based on the number of individuals listed on the self employment schedules. This is the figure to which the appropriate earned income disregards are applied to arrive at monthly net income.~~

2. Self employed individuals whose business requires the purchase of goods for resale. Examples of this type of business enterprise include Avon, Tupperware, Amway, Mary Kay Cosmetics, etc. Such income may be accounted for on a monthly basis, or the income tax return from the previous year may be used if it reflects a full year's operation. In these instances, subtract the cost of the goods from the gross monthly or annual receipts to arrive at the adjusted gross income. If the cost of goods includes any labor or wage amounts, those amounts must be deducted from the cost of goods before subtracting the cost of goods sold from the gross monthly or annual receipts. When the tax return is used, 1/12th of the annual adjusted gross income is monthly earnings. Twenty five (25%) percent of the adjusted gross income shall be disregarded to offset the costs of producing the income and will cover such things as sample kits, demonstrations, supplies, etc. Seventy five (75%) percent of the adjusted gross income will be the monthly income. The appropriate share percentage must be applied to the monthly adjusted gross income based on the number of individuals listed on the self employment schedules. This is the figure to which the appropriate earned income disregards are applied to arrive at monthly net income.
3. Self employment income from a room and board arrangement. The first \$100 per month received from each individual will be disregarded to defray the associated expenses. The remaining amount(s) will be the monthly income to which the appropriate earned income disregards are applied to arrive at the monthly net income.
4. Self employed individuals in a service business requiring purchase of goods or parts for repair or replacement. These include mechanics, TV repairmen, beauty salons, restaurants, etc. Such income may be accounted for on a monthly basis, or the income tax return from the previous year may be used if it reflects a full year's operation. In this instance, subtract the cost of goods or parts from the gross monthly or annual receipts to arrive at the adjusted gross income. If the cost of goods or parts sold includes any labor or wage amounts, those amounts must be deducted from the cost of goods or parts before subtracting the cost of goods or parts from the gross monthly or annual receipts. When the tax return is used, 1/12th of the annual

adjusted gross income is monthly earnings. Seventy five (75%) percent of the adjusted gross monthly income shall be disregarded to offset the cost of expenses such as heat, lights, phone, rent, or building, etc. Twenty five (25%) percent of the adjusted gross income will be the monthly income. The appropriate share percentage must be applied to the monthly adjusted gross income based on the number of individuals listed on the self employment schedules. This is the figure to which the appropriate earned income disregards are applied to arrive at monthly net income.

5. Income of self employed individuals received other than monthly. In such cases, income must be established on the basis of the past year's total income to arrive at the amount of income to be anticipated for the current year and reduced to monthly increments. This is the preferred method of considering income arising from self employment such as farming or other business enterprises. It is first necessary to establish the amount of total annual gross income. For purposes of TANF, annual net income is normally defined as one-fourth of the annual gross income shown on Schedule F, Part I, of U.S. Form 1040, "Individual Income Tax Return," if the business is farming, or annual gross income shown on Schedule C, Part I, of Form 1040, if the business is other than farming.
6. CRP payments and cooperative distributions, which are considered unearned income, should be deducted from the total income figure on Form 1040, Schedule F, and prorated over a 12 month period.
7. After the appropriate percentage disregard is applied to self-employment income, Capital gains and losses are considered.

Income resulting from the sale of capital items or ordinary gains may be offset by a loss from the sale of capital items. The net result, but not less than zero, must be added to the other annual net income to arrive at total net annual income.

The monthly income is the figure to which the appropriate earned income disregards are applied to arrive at monthly net income.

Note: Capital gains and losses are always counted when considering actual income for a prior period. When using the prior

income to estimate income for a prospective period, however, use capital gains and losses that are reasonably expected to occur in the prospective period.

Capital gains, short term and long term, and ordinary gains are found on the federal tax form as follows:

1. Short term capital gains Schedule D, Part I;
2. Long term capital gains Schedule D, Part II; and
3. Ordinary gains Form 1040 Supplemental gains or losses.

The following example demonstrates this process:

Gross annual income (from federal income tax return)	\$16,500.00
Net annual income (25% of \$16,500)	4,125.00
Capital and other gains	1,200.00
Yearly income	5,325.00
Monthly income (yearly income divided by 12)	443.75

The appropriate share percentage must be applied to the monthly adjusted gross income based on the number of individuals listed on the self employment schedules. The monthly income is the figure to which the appropriate earned income disregards are applied to arrive at monthly net income.

8. The pro-rata method of determining and deducting monthly income is not practical in instances where the business was only recently established and the federal income tax return for the previous year does not reflect a full year's operation. Similarly, termination or a severe change of the business, such as a decrease or increase in the size of the operation, or an uninsured loss, or other situations which may require special considerations. In these situations, the self employed individual can report income and cost of goods on a monthly basis, or the TANF Eligibility Worker and self-employed individual can, using the best information available, estimate the affect of the change on the annual income. If the business is a type in which income is

~~received other than monthly, the income must be prorated over a 12-month period.~~

~~No income from any other source may be used to offset a self-employment loss.~~

~~9. When determining income based on income tax forms attention should be paid to other sources of income listed on page one of Form 1040. Other types of income that may be reflected on page one of Form 1040 are interest income, dividend income, rental income, royalty income, etc. Interest, dividend, rental and royalty income are to be considered separately from the self employment income.~~

An individual who is working for themselves, rather than for an employer, is considered self-employed. The individual may be a contractor, franchise holder, owner/operator, partner, etc. The individual must meet the following criteria to be considered self-employed:

1. Earn the income directly from business or trade, not from wages or salary from an employer.
2. Be responsible for the payment of entire Social Security and Federal withholding taxes. [If an employee, the employer would pay half of their Social Security Tax and withhold federal income tax from the employee's salary].
3. File self-employment tax forms, however, not all individuals file tax forms. In these special circumstances, income must be anticipated.

4. 400-19-55-15-25-05 – Updated this section to incorporate additional forms that may be required as a result of the standardized EAP Self-Employment Policy that became effective January 1, 2014. This supersedes AMENDED IM 5192 which was effective January 1, 2014.

Documentation/Verification of Self-Employment Income - 400-19-55-15-25-05

~~Self-employment income is determined by comparing gross receipts minus business expenses or using the income tax return. Document or other record generally available from the client~~

- ~~• Income Tax return – State and/or Federal~~

- ~~Self employment Bookkeeping records of client~~
- ~~Sales & expenditure records~~
- ~~1099~~

Verification of self-employment income can be completed by obtaining copies of the individual's income tax returns. If the individual is involved in a partnership or corporation, copies of the partnership or corporation's tax return must also be obtained, if needed.

When a household has not filed a self-employment income tax return or there has been a significant increase or decrease in the operation of the business, income tax forms, monthly ledgers or bookkeeping records may be used as verification.

5. **400-19-55-15-25-10** – This new section incorporates the standardized EAP Self-Employment Policy. This supersedes AMENDED IM 5192 which was effective January 1, 2014.

Calculating Self-Employment Income - 400-19-55-15-25-10

Self-employment income is normally calculated by completing the EAP Self-Employment Worksheet using data from tax forms as verification.

Information for each business must be calculated separately. When a household has filed self-employment income taxes the income is determined as follows:

- If the income represents a household's annual income, the income must be annualized over a 12-month period of time, even if the income is received within a shorter period of time during those 12 months.
- If a self-employment enterprise has been in existence for less than a year and continues to operate, the income must be averaged over the period of time the business has been in operation.
- If an individual is self-employed for only part of the year to supplement their income from regular employment, the self-employment income must be averaged over the period of time it is intended to cover rather than a 12-month period.

Example: An individual may be a self-employed painter during the three summer months and also works as a housekeeper for regular wages the rest of the year. The self-employment income

from painting is averaged over the three summer months because it is intended to meet the individual's needs for only part of the year.

When the total business 'profit' as calculated above results in a loss, zero income will be used.

6. **400-19-55-15-25-15** - This new section incorporates the standardized EAP Self-Employment Policy. This supersedes AMENDED IM 5192 which was effective January 1, 2014.

Anticipating Self-Employment Income - 400-19-55-15-25-15

When a household has not filed a self-employment income tax return or there has been a significant increase or decrease in the operation of the business, income tax forms, monthly ledgers or bookkeeping records may be used as verification. The income is determined as follows:

1. Business not in operation a complete calendar year or tax forms not filed;
 - a. The applicant will need to provide monthly income and expense ledgers to anticipate self-employment income and unearned income as a result of self-employment. The EAP Anticipated Self-Employment Worksheet will assist with determining the monthly net farming and business income.
2. Partial liquidation of business;
 - a. If a business sells some land, equipment, or other capital items to obtain money for current operating expenses and/or pay off a loan, and does not expect a substantial reduction in self-employment income as a result of the sale, continue to look at the most recent income tax forms.
 - b. If the business liquidates a large enough portion of the business to result in an anticipated substantial reduction in the self-employment income, the income tax forms must be appropriately adjusted to accurately anticipate the current year's income using the most recent income tax forms. Income and expenses (other than depreciation and depletion) for the

portion of the business that is not being liquidated is used to determine net self-employment income.

Capital gains/losses on sale of property are counted as income.

NOTE: Use only the income or loss from the sale of capital items that can be reasonably anticipated to recur during the current year.

- c. If the business expects to liquidate partially but has not done so yet, use the most recent income tax forms in their entirety until the liquidation takes place.
3. Significant increase or decrease in operation;
A farm or business may have a significant increase or decrease in operation that is temporary and does not result in liquidation of the business. In these cases, one of the following methods must be used:
 - a. If the client has had an estimated tax return prepared for the current business year, use the estimated tax return forms to complete the EAP Self-Employment Worksheet.
 - b. If the client has prepared documents (such as farm plans) from a lender or bank or monthly income and expense ledgers, these documents may be used to arrive at the current year's anticipated income and expenses. The EAP Anticipated Self-Employment Worksheet will assist with determining the monthly net farming and business income.
4. Termination of business;
 - a. If a business expects to completely liquidate but has not done so yet, continue to use the most recent income tax forms or one of the methods described in #3 above until the business has liquidated.
 - b. If a business has been completely liquidated, tax forms cannot be used to evaluate the applicant's income. Use only whatever income is currently available from other sources.

7. **400-19-55-15-25-20** - This new section incorporates the standardized EAP Self-Employment Policy. This supersedes AMENDED IM 5192 which was effective January 1, 2014. This supersedes IM 5229 which was effective January 1, 2015.

Treatment of Self-Employment Income - 400-19-55-15-25-20

When an individual is actively engaged in a self-employment business, the income they receive is considered earned income. The following types of income are always considered earned income:

- Capital or Ordinary Gains/Losses
- Farm Income
- Business Income
- Partnership – Ordinary income, guaranteed payments to partners, depreciation and depletion

However, there are some types of income included on the self-employment income tax forms that are considered unearned income. The following types of income are considered unearned income:

- Royalty income
- Partnership – rental, interest and dividend income
- Income from S-Corporations
- Estate or trust income

The following types are considered earned or unearned depending on whether the individual is actively engaged in earning the income and the self-employment tax forms filed.

- Farm rental income
- Other rental income

The earned income must be separated from the unearned income and will be when using the self-employment calculation worksheet.

8. **400-19-55-15-25-25** – This new section incorporates the standardized EAP Self-Employment Policy. This supersedes AMENDED IM 5192 which was effective January 1, 2014.

Determining Self-Employment Income - 400-19-55-15-25-25

1. Capital or Ordinary Gains or Losses – A capital or ordinary gain or loss is the difference between the sale price and the cost basis. The cost basis may include improvements and sales expenses such as broker's fees and commissions.

Capital or ordinary gains or losses are considered part of the EARNED income from self-employment. The gain or loss is calculated by deducting the cost basis from the gross sale price. The result is then added to or subtracted from the calculation of the self-employment income for the business the property was used in.

NOTE: Use only the income or loss from the sale of capital items that can be reasonably anticipated to recur during the current year.

This income is generally included on the Schedule D or Form 4797.

2. Farm Income – Income earned through the operation of a farm or ranch including farm rental income and CRP.
 - a. Farm Rental Income – Income received by a landowner from the sale of crops or livestock produced by the tenant. This does not include cash rent of pasture or farmland.
 - b. Conservation Reserve Program Payments (CRP) – Cost share and payment program under the USDA that encourages farmers to convert highly erodible crop land or other environmentally sensitive acreage to vegetative cover.

Farm income, including farm rental income and CRP:

- Is considered EARNED income when the individual is actively engaged in farming. The total farm income or loss is determined by taking the taxable amount of cooperative distributions (patronage dividends) from the net farm income and adding in the depreciation. The amount of cooperative distributions is deducted from farm income as it is disregarded income. Depreciation is added back in as this is not an allowable expense.

NOTE: Cooperative distributions (patronage dividends) may include income from the sale of goods (grain, milk,

cattle, etc.). Any portion of cooperative distributions that is income from the sale of goods must not be deducted from farm income.

This income is generally included on the Schedule F.

- Is considered **UNEARNED** income as a result of self-employment when the individual is NOT actively engaged in farming. The total farm rental income or loss is determined by taking the taxable amount of cooperative distributions (patronage dividends) from the net farm rental income and adding in the depreciation.

The amount of cooperative distributions is deducted from farm rental income as it is disregarded income. Depreciation is added back in as this is not an allowable expense.

NOTE: Cooperative distributions (patronage dividends) may include income from the sale of goods (grain, milk, cattle, etc.). Any portion of cooperative distributions that is income from the sale of goods must not be deducted from farm income.

This income is generally included on the Form 4835.

3. Business Income – Income earned through the operation of a business other than farming or ranching.

Business income is considered EARNED self-employment income. Business income is determined by taking the net business income profit or loss and adding in the depletion or depreciation. Depreciation and depletion are added back in as they are not allowable expenses.

This income is generally included on the Schedule C.

4. Partnerships – A partnership is a self-employment business set up as a partnership with two or more partners. A partner's share of income, gain, loss, deductions or credits is determined by a partnership agreement.
 - Ordinary income and guaranteed payments to partners in a partnership is considered **EARNED** self-employment income.

This income is generally included on the Schedule K-1 (Form 1065). The partner's share of the partnership income is determined by adding the partner's share of depreciation or depletion to their ordinary income and guaranteed payments. Depreciation and depletion are added back in as they are not allowable expenses. **The depreciation and depletion are generally included on the Form 1065.**

- Rental, interest and dividend income paid to partners in a partnership is considered **UNEARNED** income as a result of self-employment. The partner's share of the partnership income is the total of the rental, interest and dividend income. **This income is generally included on Schedule K-1 (Form 1065).**

5. Other Rental Income – Income received from the cash rental of property.

Other rental income is considered **UNEARNED** income as a result of self-employment. Rental income is determined by taking the total net rental income from all rental properties and adding in the depreciation or depletion. Depreciation and depletion are added back in as these are not an allowable expense. **This income is generally included on Schedule E.**

6. Royalty Income – a percentage of gross or net revenues derived from the use of an asset or a fixed price of a unit sold of an item. Income individuals receive from royalties is considered **UNEARNED** income as a result of self-employment. **Royalty income is generally included on Schedule E.**

7. S-Corporation – a separate business entity with 1 to 100 shareholder(s) that passes through the net profit or loss to their shareholder(s). The business profits are taxed at individual tax rates on each individual shareholder's income tax.

Income shareholders receive from a corporation is considered **UNEARNED** income as a result of self-employment. This income is

generally included on the Schedule K-1 (1120S). The shareholder's income is determined by adding the shareholder's share of depreciation or depletion to their ordinary business income, net rental real estate income, interest income and dividend income. Depreciation and depletion are added back in as these are not an allowable expense. **Depreciation and depletion are generally found on the Form 1120S.**

NOTE: An owner or employee of a corporation is not a self-employed individual because the business income and liabilities belong to the corporation, not the individual. Wages that an owner or employee receive from a corporation are considered **EARNED** income.

8. **Estate or Trust Income** – Income received from an estate or trust. Income individuals receive from estate or trusts is considered **UNEARNED** income as a result of self-employment. **Estate or trust income is generally included on Schedule E.**
9. **400-19-55-15-25-30** - This new section incorporates the standardized EAP Self-Employment Policy. This supersedes AMENDED IM 5192 which was effective January 1, 2014.

Other Types of Self-Employment Income - 400-19-55-15-25-30

The following types of income may or may not be listed on self-employment tax forms. If the income is not listed on the self-employment tax forms, the income must be verified separately.

1. **Qualified Service Provider (QSP)** – Qualified Service Providers (QSPs) are individuals who provide care for people who want to continue to live in their own homes and communities. QSPs do not need to have a special certificate or license, but they do need to prove they have the skills to provide care.
 - QSP income is considered **EARNED** self-employment income when the individual is not an employee of an agency.
 - QSP income is considered regular earned income when the individual is employed by an agency.

2. Boarder - Individuals or groups of individuals residing with others and paying reasonable compensation for lodging and meals.

Income from boarders is considered **EARNED** self-employment income when the individual providing the board is actively engaged in providing the lodging and meals and the boarder is not included in the household based on program policy.

To calculate income from room and board, take the monthly gross receipts less \$100 per boarder.

10. **400-19-55-15-25-35** – This new section incorporates the standardized EAP Self-Employment Policy. This supersedes AMENDED IM 5192 which was effective January 1, 2014.

Wages Paid to Family Members - 400-19-55-15-25-35

Wages paid to family members are an allowable business expense. However, the wages paid to family members must be counted as earned income separately from self-employment income unless the earned income is specifically excluded by program policy. (Refer to 400-19-55-15-30, Student Earned Income Treatment for information regarding treatment of income earned by a child).

The income tax forms identify wages paid to family members as wages or labor hired but does not separate outside labor hired from wages paid to family members. The household will need to identify and verify the amount paid to family members (cancelled checks, W-2 forms, bank books showing transfer of funds).

11. **400-19-55-15-25-40** - This new section incorporates the standardized EAP Self-Employment Policy. This supersedes AMENDED IM 5192 which was effective January 1, 2014.

Allowable Expenses - 400-19-55-15-25-40

The following expenses are allowable deductions from self-employment income. Because the EAP Self-Employment Worksheet uses net income any of these expenses claimed on the tax form are already deducted.

The Anticipated Self-Employment Worksheet also accounts for these expenses.

If a household verifies any of the following expenses incurred as a result of self-employment income that were not included on the tax forms, the expense must be allowed by deducting it from the net income.

- Advertising
- Car and truck expenses
- Chemicals
- Commissions and fees
- Conservation expenses
- Contract labor
- Custom hire (machine work)
- Employee benefit programs
- Feed
- Fertilizers and Lime
- Freight and Trucking
- Gasoline, Fuel and Oil
- Insurance (other than health)
- Interest (mortgage and other)
- Labor hired
- Legal and professional services
- Office expenses
- Pension and profit-sharing plans
- Rent or lease (vehicles, machinery, equipment, business property, land, animals)
- Repairs and maintenance
- Seeds and Plants
- Storage and Warehousing
- Supplies
- Taxes (Real estate, employer's match of payroll taxes, contributions to state unemployment insurance, licenses)
- Travel, meals, entertainment
- Utilities and phone
- Veterinary, breeding and medicine
- Wages
- Other expenses such as:
 - Bad debts

- Bank service charges
- Dues and publications
- Laundry and cleaning
- Tools
- Day care meal expenses (if not reimbursed through a food program)

12. **400-19-55-15-25-45** - This new section incorporates the standardized EAP Self-Employment Policy. This supersedes AMENDED IM 5192 which was effective January 1, 2014.

Non-Allowable Expenses - 400-19-55-15-25-45

The worker must determine if an expense is non-allowable based on whether the expense is part of producing income. The following expenses are not allowable deductions from self-employment income:

- Expenses and net operating losses (NOL) from previous periods
- Depreciation/depletion - to allow these costs would result in exclusion for amounts that are not actual costs.
- Other expenses that are not incurred as a result of self-employment income, such as:
 - Charitable contributions
 - Penalties and fines

Disregard of Certain Income 400-19-55-25 - This section incorporates the disregard of Cooperative Distributions (Patronage Dividends). This supersedes IM 5229 which was effective January 1, 2015.

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.
 - a. 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.
21. **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.
22. **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.

Special Items of Need – 400-19-60

13. **400-19-60-10** - Maximum allowable daily rate has been changed from \$30 to \$35 per day under Essential Services. This supersedes IM 5178 which was effective July 1, 2014.

Types of Special Items of Need - 400-19-60-10

2. Essential Services - The cost of a service considered essential to the wellbeing of a Diversion household member, including an ineligible caretaker or SSI recipient who is not the parent of a child in the household, shall be provided for in the Diversion benefit. If the need for the essential service is related to a special need or condition of a household member, the cost can be met through the benefit. The nature of the infirmity or illness must create a condition where the household cannot perform independently, and services will be considered to meet such needs. The necessary service(s) may require a person in the home temporarily or from outside the home to discharge a specific, transitory need. Medical documentation must substantiate the need for essential services.

Essential services are intended to accommodate such needs as housekeeping duties and/or child/dependent care during a parent's illness or hospitalization, attendant services, and extraordinary costs of accompanying a member of the family to a distant medical or rehabilitation facility.

Note: Transportation, lodging and meals for individuals who must travel to a distant medical or rehabilitation facility can be paid through Medicaid, with prior approval. If the household fails to obtain prior approval, or if Medicaid denies the claim as the treatment can be obtained within the state, the cost cannot be paid under Essential Services.

Essential Services:

- a. Can only be paid if all other resources have been exhausted;
- b. Must be based on negotiation with the provider;

c. **Note:** The allowable maximum daily rate for child/dependent care cannot exceed the amount allowed for emergency foster care, which currently is ~~\$30~~ \$35 per day per child;

A provider need not be licensed, self-certified, registered, or an approved relative in order to provide emergency child care. Emergency care that necessitates care of a child shall be limited to three (3) calendar months. Resources other than essential services provided to TANF household members must be explored for placements of longer duration.

JOBS Supportive Services - 400-19-65

14. **400-19-65-15** - The following changes have been made:

- Expanded policy under the Housing/Shelter JOBS Supportive Services for TANF to allow payment of housing/shelter expenses for recipient households who are homeless or at-risk of experiencing homelessness. This supersedes IM 5167 which was effective April 1, 2013.
- Increased JOBS Supportive Services maximum allowable amounts per state fiscal year (July 1 through June 30) effective 07/01/2014 for:
 - Job Readiness Assistance
 - License, Certification, and Examination Fees
 - Tools for Employment
 - Vehicle Repair and Insurance

This supersedes IM 5212 which was effective July 1, 2014

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

1. **Care of Incapacitated Household Members** - Assistance in the purchase of care for an incapacitated or disabled member of the participant's household to whom the JOBS participant owes a legal duty to provide care may be approved, provided:
 - a. There is no other individual in the household who can provide the care; and
 - b. The incapacitated or disabled household member cannot provide self-care.

The cost must be negotiated with the provider. The amount paid must be the actual costs incurred but cannot exceed \$610.00 per month per incapacitated or disabled household member. Payment for these expenses is made to the vendor utilizing the Vendor Payment process.

2. **Child Care Expense** - Assistance with child care expenses is made available to allow referred individuals to participate in approved work activities or self-initiated educational activities. Child care expenses paid through the Child Care Assistance (CCAP) program must be processed based on the rules of that program with the exception that payment will be made at 100% of the allowable expenses. (Refer to the Child Care Assistance Manual Chapter 400-26.)

Allowable activities of the parent or caretaker include paid employment, education/training, and/or any approved JOBS or Tribal NEW activities. Child care expenses may be paid through the Child Care Assistance (CCA) Program at 100% of allowable costs for a TANF recipient who is meeting the requirements of JOBS or Tribal NEW and who incurs costs while engaged in other self-initiated activities, including school/training.

Note: A participant who is engaged in paid employment may choose to have their child care costs treated as an expense rather than reimbursed through the CCA Program. TANF households who choose to use that disregard and who also incur child care expenses for non-employment activities may have the non-employment expenses paid through the CCA Program. However, the amount paid through the CCA Program when combined with the disregard amount cannot exceed the monthly maximum allowable amount per child per provider per month.

Child care for required JOBS activities or self-initiated educational activities may be allowed for any child living within the household as long as the participant is responsible for the care of that child and no other legally responsible adult residing in home is available or capable to provide the care (ineligible parent or legal guardian).

Note: Child care for SSI or Benefit Cap children whose parent/caretaker is in TANF must be paid for in the Child Care Assistance Program.

Child care expenses for months in which a TANF case is suspended will continue to be processed as if a TANF benefit had been paid. If the child care was not allowed as an expense, it can be paid for two months prior to and the month of suspension.

Example: The TANF benefit is suspended for April due to the receipt of extra check. Child Care for February and April may be paid at 100% of the allowable maximum rate.

When an individual is participating in Tribal NEW and incurs child care expenses, those expenses can be paid through the State or Tribal Child Care Assistance Program. TANF Eligibility Workers need to ensure that payment of these expenses is not made by both programs.

3. **Housing/Shelter Assistance** ~~Housing/shelter assistance may be used to pay rent or mortgage, a deposit on a rental unit, utility bills to avoid a shut-off or costs to resume service after a shut-off and must be the payer of last resort. Payment of rent can be made for two months prior to the month of application, the month of application, and one month following the month of application provided the family did not receive TANF in the month prior to the month of application. The family must be able to demonstrate that they will be able to sustain payment of these expenses for future months. (The income remaining after subtracting other expenses must be sufficient to pay the housing/shelter expenses without additional assistance.)~~

Note: Refer to Job Readiness Assistance (below) for assistance relating to utility shut-offs for ongoing cases.

Housing/Shelter Assistance – Assistance with housing/shelter expenses is available for households who are eligible for TANF and are homeless or at risk of experiencing homelessness.

Housing/shelter assistance may be used to pay:

- **Rent or mortgage expenses**
- **A deposit on a rental unit**

- Utility bills to avoid a shut-off or the costs to resume services after a shut off
- A deposit for utility hookups that are necessary for the family to reside in the home
- Hotel/motel room rental (for a maximum of three nights)

- a. Applicant Household's Payment of housing/shelter expense maybe made for:
 - Two months prior to the month of application and
 - The month of application, and
 - One month following the month of application, provided the family did not receive TANF in the month prior to the month of application.
- b. Recipient Households: Effective April 1, 2013, payment of housing/shelter assistance may be made for a maximum of two months for each occurrence a household who is experiencing homelessness or at risk of experiencing homelessness.

For recipient households, the maximum payment of the rent or mortgage expense is limited to two months.

In both situations:

- The caretaker or caretaker's spouse must be participating in the JOBS Program.
- The family must be able to demonstrate that they will be able to sustain payment of these expenses for future months. (The income remaining after subtracting other expenses must be sufficient to pay the housing/shelter expenses without additional assistance.)

NOTE: Refer to Job Readiness Assistance (below) for assistance relating to utility shut-offs for ongoing cases.

All requests for assistance with housing/shelter expenses must be submitted to the State TANF/JOBS policy staff for approval. The request must include the calculation for sustainability. Hard copy verification of the expense is required from the family before a payment may be made.

- Payment of rent or mortgage expenses through supportive services is temporary in nature and not considered subsidized housing.
- JOBS Supportive Services for housing/shelter must be the payer of last resort.

NOTE: ~~Payment of rent or mortgage expenses through supportive services is temporary in nature and not considered subsidized housing.~~

Payments for Housing/Shelter expenses cannot exceed actual costs and are made to the vendor utilizing the Vendor Payment process. (See Section 400-19-65-35, Vendor Payment Process.)

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:

- a. Expenses related to the participant's purchase of employment related clothing;
- b. Expenses for obtaining a driver's license or reinstatement of a driver 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 driver's 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 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:

- 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 ~~\$250~~ ~~\$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.

5. **License, Certification, and Examination Fees** - Assistance with professional license, certification, or examinations fees may be allowed when necessary for the participant to become employed, where there is no other available source of funding (including fee waivers), and the professional license or examination is necessary to achieve an employment-related goal.

License, certification, and examination fee assistance is limited to a maximum of ~~\$150~~ ~~\$200~~ per participant, per state fiscal year (July 1 through June 30) and cannot exceed actual costs. Payment for

these expenses is made to the vendor utilizing the Vendor Payment process.

6. **Relocation Assistance** - Relocation assistance may be provided to a JOBS participant if:
 - a. The individual has a bona fide offer of employment, verified by the JOBS Employment Contractor, which will increase the individual's potential for increased earnings, job advancement, or permanent employment; or
 - b. The individual requests and receives approval from the JOBS Employment Contractor to move from an area of the state with few employment opportunities to another area of the state (or out of state) with greater employment opportunities.

The relocation should be accomplished in the most economical manner possible taking into consideration the physical abilities of the participant and the participant's family. In most instances, the use of a rental truck or van would be preferred to accomplish the relocation.

The participant is responsible to provide the following documentation to the JOBS Employment Contractor to justify the proposed relocation expenses:

- a. Two estimates of the household moving cost, if utilizing a moving company;
- b. An estimate for the use of a non-commercial personal vehicle; and
- c. A letter from the employer confirming the individual's employment start date and beginning wage if the relocation request is based on an offer of employment.

The JOBS Employment Contractor must agree that the relocation will increase the individual's potential for becoming employed, obtaining higher wages, job advancement, or permanent employment.

The plan must be approved prior to any expenses being incurred. Expense reimbursement may include but is not limited to:

- a. Transportation of household goods via the most economical source;

- b. Transportation costs including fuel and other mileage related costs;
- c. Relocation of a mobile home; and
- d. Security deposits and utility hook-up expenses such as gas, electricity, rent, water, sewer, garbage, and telephone.

Relocation assistance cannot exceed actual costs, up to a maximum of \$1000 per household, per state fiscal year, (July 1 through June 30). Payment for these expenses is made to the vendor utilizing the Vendor Payment process.

7. **Tools for Employment** - Assistance for the purchase of tools and/or equipment required for a participant to accept or retain employment may be provided to participants in the JOBS program. The tools become the property of the participant. If the tools are subsequently lost or stolen, the individual is responsible for the costs of their replacement.

Tools for Employment assistance cannot exceed actual costs, up to a maximum of ~~\$150~~ ~~\$200~~ 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.

8. **Transportation Assistance** - Transportation assistance not exceeding \$150.00 per month may be paid to a JOBS or Tribal NEW participant in orientation, assessment, a self-initiated educational activity, or any approved work activity including paid employment.

Transportation assistance may be utilized for monthly transportation expenses for the JOBS participant's private vehicle, public transportation passes, cab fares, or rides provided through an informal arrangement.

Transportation assistance may be utilized to pay fees or fines which prevent an individual from legally operating a vehicle. Allowable fees may include a reinstatement fee on a suspended license, registration fee for a DUI seminar, defensive driver's class required prior to reinstatement of a driver's license, driver's license exam fee, and vehicle insurance, license, or titles.

Traffic fines and DUI fines may be paid at the discretion of the JOBS Employment Contractor provided the individual demonstrates the ability to contribute in paying a portion of the fine. The portion of the fine to be paid by the individual will be determined by the JOBS Employment Contractor.

Once an individual's TANF case has been authorized as TANF eligible and the individual is participating in JOBS, the JOBS Employment Contractor is responsible to determine the participant's anticipated transportation needs and to document the anticipated need on the Employability Plan. Any changes in the participant's anticipated transportation needs should be communicated to TANF Eligibility Worker in writing.

Note: Once a transportation assistance payment has been issued to an individual, overpayments are not to be established.

This same process is to be followed by Tribal NEW if the Tribal NEW participant will be receiving transportation assistance through the county/state.

If transportation assistance is based on mileage, a monthly stipend or flat amount is not allowed. Instead, a mileage calculation must be identified on the Employability Plan. Transportation assistance based on mileage is calculated by multiplying the number of actual or estimated miles required to support the individual's approved work activity and a self-initiated educational activity by \$0.45, the current reimbursement rate for travel under the TANF program.

When public transportation or informal transportation arrangements are used, the participant must review their transportation needs and plan with the JOBS Employment Contractor. If appropriate, the JOBS Employment Contractor will approve the individual's plan.

Payments for Transportation Assistance are issued to the recipients via the TANF ReliaCard or are paid to the vendor utilizing the Vendor Payment process.

Advance Transportation Assistance Payments

The TANF Eligibility Worker shall not provide a transportation assistance payment to an individual who is being referred to JOBS/Tribal NEW until the individual's case has been approved, unless the TANF Eligibility Worker or JOBS Employment Contractor determines that an individual would be unable to participate without receiving transportation assistance.

- When an advance transportation assistance payment is provided to a sanctioned individual who needs to complete a Proof of Performance, the payment should be sufficient to cover the individual's transportation expenses from the time of the referral until the payment can be included in the regular TANF grant (or is provided through Tribal NEW as appropriate).

Note: The TANF Eligibility Worker may decide not to allow another Transportation assistance payment to the individual until the outstanding sanction is cured.

- When an advance transportation assistance payment is provided to a non-sanctioned individual, the advance payment should be sufficient to cover the individual's transportation expenses to attend the Orientation and complete the Assessment and Employability Plan.

When a TANF Eligibility Worker determines the need for an advance transportation payment, the TANF Eligibility Worker is to inform the JOBS Employment Contractor or Tribal NEW Coordinator that an advance payment was made.

9. **Tuition Assistance** - Reimbursement for expenses associated with approved or self-initiated training, including the cost of books, tuition and fees, provided:
 - a. Other educational funding sources, including grants and scholarships, have been explored and are exhausted; and
 - b. The participant is eligible for TANF benefits.

Tuition Assistance may not be allowed during periods when an individual is not eligible for financial aid as a result of their actions

or inactions. Employment Contractors may contact State TANF policy for guidance in these situations.

The participant must submit a copy of the financial aid award and an itemized listing of costs for tuition, books, and fees.

Tuition assistance cannot exceed actual costs, up to a maximum of \$1000 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.

10. **Vehicle Repair and Insurance** - Assistance for necessary vehicle repairs and insurance for basic liability coverage may be provided to participants in the JOBS program and approved by the JOBS Employment Contractor.

Vehicle insurance for basic liability coverage not to exceed one-fourth of the annual premium may be paid to the insurance provider.

The purchase of tires, wheel alignments, or other repairs considered essential for the safe operation of a vehicle may be approved, though normal maintenance such as oil changes, tune-ups, or nonessential vehicle repairs are not allowed.

The costs for repairs must be reasonable and necessary to return a participant's vehicle to operable condition. The JOBS Employment Contractor may request additional information to justify the need for repair, including two estimates.

The vehicle:

- a. Must be registered to a mandatory member of the household; and
- b. Must be covered by basic liability insurance; and
- c. Must be needed by the participant to engage in an approved work activity; and
- d. Must be in good general condition and the value of the vehicle justifies repairs.

Note: JOBS Supportive Services may not be used to purchase a vehicle.

Vehicle repair and insurance cannot exceed actual costs, up to a maximum of ~~\$500~~ \$650 for a state fiscal year (July 1 through June 30). Payment for these expenses is paid to the vendor utilizing the Vendor Payment process.

Following closure of a TANF case, the individual may continue to be eligible for Post-TANF Supportive Services. (See Section 400-19-155, Post TANF Supportive Services.)

For information about supportive services available to Tribal NEW participants, please see Section 400-19-80-50, Tribal NEW Supportive Services.

For information about providing supportive services to an individual who chooses to participate in JOBS/Tribal NEW pending the outcome of a Fair Hearing, please see Section 400-19-125-15, Requesting a Fair hearing – JOBS Sanction.

Overpayments and Underpayments 400-19-130

15. **400-19-130-15** – Included policy relating to Public Assistance Reporting Information System (PARIS) which is a new match for potential unreported income. This supersedes Amended IM 5168 was effective May 1, 2013.

Obtaining Verification of Unreported Information - 400-19-130-15

In instances where the household has failed to provide information that is necessary to determine eligibility, the following process may be used:

1. When unreported information is received, regardless of the source, the household must be sent notification requesting verification of the questionable information.

Note: Requested verification may include, but is not limited to, members of the household, place of residence, when income started and ended, whether the income continues, the owner of the asset, the current value of the asset or if the information is in error.

If the household fails to respond to the appropriate notice within 30 days, an advance (10-day) notice must be sent to the household advising the household their case will be closed. The verification process must continue and the TANF Eligibility Worker must contact the source to verify the information.

2. If the verification cannot be obtained from the household, send a letter to the source requesting the verification and include a Release of Information.

Note: Release of Information forms include SFN 970, Multi-Agency Authorization to Disclose Information, SFN 1059, Authorization to Disclose Information. A Release of Information is also included on the SFN 405, Application for Assistance, SFN 719, TANF Request for Benefits, and the Statement of Facts.

3. If the information was revealed by IEVS and verification from the source cannot be obtained:

Income:

- a. For earned income, use the quarterly wage match and divide that figure by three to determine the monthly amount of income to use.
- b. For unearned income, divide that figure by the number of months in the 'Reported Period' of the IEVS alert to determine the monthly amount of income to use.

Assets:

- a. If the total of the unreported and reported assets are less than the TANF asset limit, no further action is required.
- b. If the total of the unreported and reported assets are more than the TANF asset limit, the assets must be counted for each month of the 'Reported Period' of the IEVS alert, which will result in a complete overpayment for each month.

4. If the income information was revealed by PARIS and verification from the source cannot be obtained:

- a. For earned and unearned income:
 - i. If the monthly amount of the benefit is listed in the alert, use that amount.
 - ii. If the monthly amount of the benefit is not listed in the alert, a monthly amount will need to be determined, by

dividing the amount by the number of months the payment represents.

Once verification of the unreported income and/or assets is received, or the calculation completed as indicated in #3 or #4 above, the case must be reworked for the affected month(s) and overpayments established.

Note: The process of determining monthly income or assets defined in #3 or #4 above can only be used when the source is IEVS or PARIS.

If a client does not cooperate by providing actual information or the verification cannot be obtained through other sources, the TANF Eligibility Worker must use the best estimate or the best information available to determine the amount of the incorrect payment.

An overpayment is a benefit which a household received that exceeds the amount for which they are eligible. The TANF Eligibility Worker must promptly take all reasonable and practical steps to correct all overpayments.

Note: Anytime an overpayment is discovered, a determination must be made whether or not to pursue an Intentional Program Violation. (See Section 400-19-135-10, Intentional Program Violation.)

Individuals responsible for repayment are all caretakers age 18 or older as well as a minor parent under age 18 who were members of the household at the time the overpayment occurred. Overpayments follow the responsible member to a new case if the member was part of the overpaid benefit received in another case at the time the overpayment occurred. All responsible individuals remain equally responsible for the overpayment.

If the overpayment is a result of unreported earned income or earnings that were not reported timely, the individual loses all earned income disregards when reprocessing benefit months affected by the unreported income. The TANF Eligibility Worker must select the 'Apply TANF Loss of Disregard' indicator on the Income Window in the automated computer system to apply the loss of disregards.

Note: The earned income disregards consist of the 27% (or \$180 whichever is greater) deduction, the time-limited percentage (TLP) deduction, and all job-related expenses (e.g. child care).

With the exception of JOBS Transportation, overpayments must be established for all JOBS Supportive Services or Special Items of Need.

Once the benefit has been recalculated and authorized, the TANF Eligibility Worker must create the Recoupment Plan by:

1. Entering the appropriate 'Error Code';
2. Selecting the Recoupment Method ('Monthly Amount' or 'Percent');
3. Authorizing the Recoupment Plan; and
4. Sending the Notification of Overpayment notice.

Intentional Program Violation - 400-19-135

16. **400-19-135-05** - Changed policy to reflect Section 404 of the Middle Class Tax Relief and Job Creation Act of 2012, individuals who use their TANF ReliaCard in a liquor store, a casino, gambling casino, or gambling establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment shall be referred to the Administrative Disqualifications Hearings Officer for a determination of an Intentional Program Violation (IPV). This supersedes IM 5197 which was effective January 1, 2014.

Overview - 400-19-135-05

Any individual who is suspected of withholding information for the purpose of improperly establishing or maintaining eligibility for benefits shall be referred to the Administrative Disqualification Hearings Officer for a determination of an IPV, or the court system for a determination of fraud.

TANF Eligibility Workers must pursue IPV's and may refer to the state's attorney any household suspected of fraudulently obtaining or attempting to obtain assistance. It is the act and not the amount of improper benefit received that must be considered.

Any individual who is suspected of having used their TANF ReliaCard in a liquor store; a casino, gambling casino, or gaming establishment, or a retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state of entertainment shall be referred to the Administrative Disqualification Hearings Officer for a determination of an IPV.

EXCEPTION: An IPV will NOT be pursued against a TANF recipient who uses their TANF Reliacard in any liquor store; casino, gambling casino, or gaming establishment, or any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state of entertainment when:

- A recipient of TANF does not have any adequate access to their cash assistance other than one of the establishments listed above; or
- A recipient of TANF does not have access to using or withdrawing assistance with a minimal fee or charge, including an opportunity to access assistance with no fee or charge.

When pursuing an IPV, the TANF Eligibility Worker must give the individual notice if there are unresolved questions, provide the individual an opportunity to reply to those questions, advise the individual of the right of appeal, and note the possible need to refer the matter to the state's attorney if a referral is applicable. If the TANF Eligibility Worker concludes that the recipient's failure to disclose full and accurate information or misuse of their TANF ReliaCard may have been intentional, a referral of all relevant information, whether or not confidential, is proper and consistent with the necessary administration of the program.

Suspected fraud violations occurring on Indian reservations should be referred to the state's attorney. If the state's attorney's office does not have jurisdiction over the matter, the case will be referred to the U.S. Attorney's office that has jurisdiction on that reservation. If the state's attorney does not refer the matter to the U.S. Attorney's office, the county social service office should do so.

17. **400-19-135-10** - Changed policy to reflect Section 404 of the Middle Class Tax Relief and Job Creation Act of 2012, individuals who use their TANF ReliaCard in a liquor store, a casino, gambling casino, or gambling establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment shall be referred to the Administrative Disqualifications Hearings Officer for a determination of an Intentional Program Violation (IPV). This supersedes IM 5197 which was effective January 1, 2014.

Intentional Program Violation - 400-19-135-10

An Intentional Program Violation (IPV) is defined as "an action by an individual, for the purpose of establishing or maintaining eligibility for TANF or for increasing or preventing a reduction in the amount of assistance or having used their TANF ReliaCard in a liquor store; a casino, gambling casino, or gaming establishment, or a retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state of entertainment".

In order to determine if an individual(s) has committed an IPV, that individual must have intentionally:

1. Made a false or misleading statement, misrepresented, concealed, or withheld facts.

Examples:

- A source of income or assets
- A household member

2. Committed any act intended to mislead, misrepresent, conceal, or withhold facts that constitutes a violation of the TANF program or any State statute.

Example: Trafficking of the Electronic Payment Card or PIN

3. Used their TANF ReliaCard in a liquor store; a casino, gambling casino, or gaming establishment, or a retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state of entertainment.

The use of the term "intentionally" in the regulations does not mean the TANF Eligibility Worker has the burden of proving that an individual intended to commit a fraudulent act. The TANF Eligibility Worker does

not have to prove a deliberate intent to defraud. An individual's signature on the application or monthly report attests to providing full information and to understanding the reporting requirements.

Example: Intent is satisfied if an individual is aware of the mandatory reporting requirements, but for whatever reason did not report.

If an individual does not report a change within five calendar days of such change, a program violation may have occurred. An IPV may exist regardless of whether an overpayment is established. There is no requirement that an overpayment exist when pursuing IPV.

If it is learned through the Income Eligibility Verification System (IEVS) or any other source and later verified that a recipient received earned income during a previous month or months when TANF was received and the income had not been reported, the case must be reworked for the month(s); and if it is determined to be an intentional program violation, the late penalty applies.

18. **400-19-135-20** - Changed policy to reflect Section 404 of the Middle Class Tax Relief and Job Creation Act of 2012, individuals who use their TANF ReliaCard in a liquor store, a casino, gambling casino, or gambling establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment shall be referred to the Administrative Disqualifications Hearings Officer for a determination of an Intentional Program Violation (IPV). This supersedes IM 5197 which was effective January 1, 2014.

Types of Intentional Program Violations - 400-19-135-20

An Intentional Program Violation (IPV) disqualification can be established in the following three ways:

1. Administrative Disqualification Hearing (ADH) is pursued when an individual is suspected of intentionally withholding information that results in improperly establishing or maintaining eligibility for TANF benefits or having used their TANF ReliaCard in a liquor store; a casino, gambling casino, or gaming establishment, or a retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state of entertainment. ADH procedures should be initiated in instances

when there is sufficient documentary evidence to substantiate that an individual has committed one or more acts of intentional program violation.

- Waiver of Hearing - An individual has the right to waive an Administrative Disqualification hearing. The worker must possess sufficient evidence to warrant holding a disqualification hearing before allowing an individual to waive the hearing.
 - Waiver A - Allows an individual to admit to the facts and accept the disqualification period.
 - Waiver B – Allows an individual to accept the disqualification without admitting to the facts.

In order to waive their Administrative Disqualification Hearing, the individual must sign either part A or B of the waiver located on Page 3 of SFN 1940, TANF/SNAP Notice of Intentional Program Violation. A signed waiver is a statement that the household has been informed a disqualification penalty will result.

Section 400-19-135-30, Initiating Administrative Disqualification Hearing Process, explains the Administrative Disqualification Hearing process.

2. Court Conviction – Fraud is a result of an individual being convicted in federal or state court of having made a fraudulent statement or representation which results in improperly establishing or maintaining eligibility for TANF benefits.

Upon receipt of the judgment:

- If the judgment includes a TANF disqualification period, impose the disqualification following the TANF disqualification timeframes. (See Section 400-19-135-40, Disqualification Time Frames.)
- If the judgment does not include a disqualification period, the TANF Eligibility Workers must forward the following information to the Appeals Supervisor to process the findings under the Intentional Program Violation (IPV) provisions:

- Criminal Complaint;
- Judgment or Order; and
- A cover letter detailing the violation and providing the name, address, and Vision Case and Client ID # number. Inclusion of any prior disqualifications should also be noted.

The Appeals Supervisor must then process the Findings and Order for the disqualification which the Executive Director signs.

Upon receipt of the Findings and Order, signed by the Executive Director of the Department, the TANF Eligibility Worker must impose the disqualification following the TANF disqualification timeframes. (See Section 400-19-135-40, Disqualification Time Frames.)

3. Disqualification for Fraudulent Representation of Residence – Any individual convicted in federal or state court after July 1, 1997, of having made a fraudulent statement or representation with respect to their place of residence in order to receive TANF, Medicaid, SNAP or SSI simultaneously from two or more states shall be disqualified from TANF for a period of 10 years, effective the date of conviction. In addition to the court conviction, the individual shall also be referred for an Intentional Program Violation (IPV). Since the individual was convicted in federal or state court, the period of disqualification for the IPV will remain 10 years if it is the individual's first or second, and permanently, if it is the individual's third.
 - If the court conviction does not include the period of disqualification, the TANF Eligibility Worker must forward the following information to the Appeals Supervisor to process the findings under the Intentional Program Violation (IPV) provisions:
 - Criminal Complaint;
 - Judgment or Order; and
 - A cover letter detailing the violation and providing the name, address, and Vision Case and Client ID # number. Inclusion of any prior disqualifications should also be noted.

- Upon receipt of the Findings and Order, signed by the Executive Director of the Department, the period of disqualification for the IPV will remain 10 years if it is the individual's first or second, and permanently, if it is the individual's third.

If an individual is not convicted in federal or state court, but has made a fraudulent statement or representation after July 1, 1997, with respect to their place of residence in order to receive TANF simultaneously from two or more states, the 10 year penalty cannot be applied. However, the individual shall be referred for Intentional Program Violation (IPV). If it is the individual's first IPV, the disqualification penalty is 1 year, if it is the second IPV, the disqualification penalty shall be 2 years. If it is the individual's third IPV, the penalty is a permanent disqualification.

Regardless of the type of IPV, the appropriate Notice of Disqualification must be sent to the household notifying the household that an individual is disqualified and/or assistance will be reduced or ended. The conviction and disqualification information and copies of supporting documents (including conviction information) must be recorded in the casefile. If a disqualified person moves from one county to another, include disqualification information in the case transfer information.

After a disqualification hearing, there are no further appeal procedures available through the Administrative Hearing Process. The determination of Intentional Program Violation cannot be reversed by a subsequent hearing. The individual, however, is entitled to seek relief in a court of appropriate jurisdiction. The period of disqualification may be subject to stay or other action which would delay the imposition of the disqualification.

TANF Kinship Care - 400-19-140**19. 400-19-140-20** - TANF Kinship Care Clothing Allowance

Reimbursements were increased effective July 1, 2013. This supersedes Amended IM 5176 which was effective July 1, 2013.

TANF Kinship Care Supportive Services - 400-19-140-20**2. Clothing Allowance Reimbursement - Initial and Special:**

- a. Initial Clothing Allowance - During the first five months after the child enters a TANF Kinship Care arrangement, the child's clothing needs can be met with an initial clothing allowance, if needed. The initial clothing allowance must be requested and prior approval received. A list of clothing purchases and receipts must be submitted to the county for reimbursement. Approval for the initial clothing allowance should be included in the permanency planning document. The system limits the amount a payment may be made based on the age of a child but does not keep track of the five month period. Tracking the five month period is a manual process and should be kept in the TANF Kinship Care casefile.

Note: Once a child receives the initial clothing allowance, they should not receive it again while residing within the same TANF Kinship Care home. While it is expected that clothing purchased and reimbursed by Kinship Care follows the child, an additional allowance may be authorized if the child moves to the home of a new caretaker/relative. ~~new foster home~~.

Initial Clothing Allowance rates:

- Children ages 0 – 4 years of age \$400 maximum per year per child.
- Children ages 5 – 12 years of age \$400 maximum per year per child.
- Children ages 13 – 18 or over 18* years of age \$400 maximum per year per child.

- b. Special Clothing Allowance - A special clothing allowance (should the need arise) may be authorized to replace clothing lost in a fire, flood, theft, or other disasters, or for sudden spurts of growth. The special clothing allowance rate is for emergency and extraordinary circumstances and should rarely be used in meeting the needs of the child. The supportive service is not an entitlement, but an exception.
- c. ~~Following are the allowable rates for the initial and special clothing allowance (should the need arise) established under Family Foster Care:~~

Special Clothing Allowance rates:

- Children ages 0 – 4 years of age ~~\$150~~ \$250 maximum per year per child.
- Children ages 5 – 12 years of age ~~\$225~~ \$325 maximum per year per child.
- Children ages 13 – 18 or over 18* years of age ~~\$300~~ \$400 maximum per year per child.

***over age 18 – a child who is a fulltime student in a secondary or a vocational or a technical school that is equivalent to secondary school, before the end of the calendar month in which the student attains age 19, the student may reasonably be expected to complete the program of such school.**

Diversion - 400-19-145

20. 400-19-145-25 – The following changes have been made:

- Expanded policy under the Housing/Shelter Diversion Supportive Services for TANF to allow payment of housing/shelter expenses for recipient households who are homeless or at-risk of experiencing homelessness effective April 1, 2013. This supersedes IM 5167 which was effective April 1, 2013.
- Increased the maximum daily rate allowed for child/dependent care under essential services from \$30 to \$35 per day per child effective July 1, 2014. This supersedes IM 5212 which was effective July 1, 2014.

Diversion Support Services - 400-19-145-25

Diversion consists of payments to help with expenses associated with 'specific crisis or episode of need' and is paid through supportive services or vendor payment. All Diversion reimbursements must be rounded to the nearest dollar (if 50 cents or over round up and if under 50 cents round down).

1. Housing/Shelter Assistance: ~~Housing/shelter assistance may be used to pay rent or mortgage payments, a deposit on a rental unit, utility bills to avoid a shut-off, or a utility shut-off and must be the payer of last resort. Payment of rent can be made for two months prior to the application month, the month of application, and one~~

month following the application month. The family must be able to demonstrate that they will be able to sustain payment of these expenses for future months. (The income remaining after subtracting other expenses must be sufficient to pay the housing/shelter expenses without additional assistance.)

1. Housing/Shelter Assistance – Assistance with housing/shelter expenses is available for households who are eligible for TANF and are homeless, or at-risk of experiencing homelessness.

Housing/shelter assistance may be used to pay:

- Rent or mortgage expenses,
- A deposit on a rental unit
- Utility bills to avoid a shut-off or the cost to resume service after a shut-off,
- A deposit for utility hookups that are necessary for the family to reside in the home,
- Hotel/motel room rental (for a maximum of three nights)

- a. Applicant Households: Payment of housing/shelter expenses may be made for:
 - Two months prior to the month of application, and
 - The month of application, and
 - One month following the month of application, provided the family did not receive TANF in the month prior to the month of application.
- b. Recipient Households: Effective April 1, 2013, payment of housing/shelter assistance may be made for a maximum of two months per occurrence for a household who is experiencing homelessness or is at risk of becoming homeless.

For recipient households, the maximum payment of the rent or mortgage expense only is limited to two months.

In both situations,

- The family must be able to demonstrate that they will be able to sustain payment of these expenses for future months.
(The income remaining after subtracting other expenses must be sufficient to pay the housing/shelter expenses without

additional assistance.)

- All requests for assistance with housing/shelter expenses must be submitted to the State TANF/JOBS Policy Staff for approval. **The request must include the calculation for sustainability.** Hard copy verification of the expense is required from the family before a payment may be made.
- Payment of rent or mortgage expenses through supportive services is temporary in nature and not considered subsidized housing.

~~**Note: Payment of rent or mortgage expenses through supportive services is temporary in nature and not considered subsidized housing.**~~

Payments for Housing/Shelter expenses cannot exceed actual costs and are made to the vendor utilizing the Vendor Payment process. (See Section 400-19-65-35, Vendor Payment Process for instructions when processing Vendor Payments.)

Transition Assistance Supportive Services - 400-19-150

21. **400-19-150-25** - Expanded policy to include JOBS Supportive Services identified in Section 400-19-65-15 may be made available to individuals who are participants of the JOBS Program and eligible for Transition Assistance effective April 1, 2013. This supersedes IM 5167 which was effective April 1, 2013.

Transition Assistance Supportive Services - 400-19-150-25

Transition Assistance Supportive Services for job retention and transportation will be paid prospectively. Available Transition

Assistance Support Services consist of:

1. Job Retention – A monthly amount of \$200.00 will be paid unless the caretaker has a participation code of 'DD', 'DF' or 'DM'.

Note: When the Stepparent's earned income results in eligibility for Transition Assistance, the Job Retention must be entered next to the natural or adoptive parent in the automated computer system.

2. Transportation – A transportation allowance of up to \$150.00 per month may be paid. The amount of the transportation allowance will be determined by the JOBS Employment Contractor. **~~Note~~** Only caretakers participating in the JOBS Program are eligible to receive the transportation allowance.

~~Transition Assistance Supportive Services for job retention and transportation will be paid prospectively.~~

Individuals who are eligible for Transition Assistance and are participants of the Job Opportunity and Basic Skills (JOBS) Program are eligible to receive JOBS Supportive Services identified in section 400-19-65-15, Types of JOBS Supportive Services.

Effective with the Benefit Month of August 2011, child care expenses must be paid through the Child Care Assistance Program (CCAP), based on the rules of that program. (Refer to the Child Care Assistance Manual Chapter 400-26.). Child care expenses will no longer be paid directly to recipients using a debit card.