

Par.1. **Material Transmitted and Purpose** – Transmitted with this Manual Letter are changes to Service Chapter 430-05 SNAP. This manual letter also incorporates changes made with:

- 2nd Amendment IM 5203 Standard Utility Allowance (HLSU)
- Amended IM 5192 Standardized EAP Self-Employment
- IM 5208 Group Home and Alcohol/Drug Treatment Center Reporting

Par. 2. **Effective Date** – Changes included in this manual letter are effective with all new applications and reviews received on or after October 1, 2014, unless otherwise indicated. For ongoing cases the changes must be made at the next desk review or at the next certification review, whichever occurs first.

Items that include a change in policy are indicated. All other items are corrections or clarifications.

Second Amended Manual Letter: The SNAP department received directive indicating the definition of spouse cannot be changed at this time. The definition will not be changed with this manual letter.

After issuance of Manual Letter #3410, further directive was received from Food and Nutrition Services (FNS) to include a new asset limit for households. The asset limit for households will increase from \$2,000 to \$2,250 for all applications and reviews received on or after October 1, 2014. The asset limit for households if at least one person is age 60 or older, or is disabled, will remain unchanged at \$3,250. The sections affected are not included as part of this manual letter. DN1375 will not have this new asset limit as the pamphlet was printed prior to receiving this new directive from FNS on September 5, 2014.

This manual letter also includes the SNAP 2015 Cost of Living Adjustments (COLAS). The sections affected are not included as part of this manual letter cover. All SNAP cases will be unauthorized for the benefit month October 2014 to reflect these mass changes. Adequate notice must be provided. The mass changes include the following:

- Increase in the 200% and 130% Gross Income Limits and 100% Net Income Limit.
- Increase in the standard deduction for a household size of
 - 1-3 from \$152 to \$155
 - 4 from \$163 to \$165
 - 5 from \$191 to \$193
 - 6+ from \$219 to \$221
- Increase in the Gross Income Limits for Companion Households
- Increase in the Thrifty Food Plan
- Increase in the maximum shelter deduction from \$478 to \$490
- Increase to the mandatory utility standards
 - HLSU from \$590 to \$635
 - LUSA from \$217 to \$219
 - MU from \$181 to \$182
 - TL remained unchanged
- The minimum benefit amount also increased from \$15 to \$16.

Definitions 430-05-10

1. 430-05-10 – Definitions. The Definition of EBT Card and trafficking have been updated.

EBT Card

A North Dakota Department of Human Services and ~~South Dakota~~ Department of Social Services debit card issued to access SNAP benefits from EBT accounts.

Trafficking

1. The buying, selling, stealing, or otherwise affecting an exchange of SNAP benefits issued and accessed via Electronic Benefit Transfer (EBT) cards, card numbers and personal identification numbers (PINS), or by manual voucher and signatures, for cash or consideration other than eligible food, either directly, indirectly, in complicity or collusion with others, or acting alone;
2. The exchange of firearms, ammunition, explosives, or controlled substances for SNAP benefits;
3. Purchasing a product with SNAP benefits that has a container requiring a return deposit with the intent of obtaining cash by discarding the product and returning the container for the deposit amount, intentionally discarding the product, and intentionally returning the container for the deposit amount;
4. Purchasing a product with SNAP benefits with the intent of obtaining cash or consideration other than eligible food by reselling the product, and subsequently intentionally reselling the product purchased with SNAP benefits in exchange for cash or consideration other than eligible food; or
5. Intentionally purchasing products originally purchased with SNAP benefits in exchange for cash or consideration other than eligible food.

Application Processing 430-05-20

2. 430-05-20-15 – Application. Procedures were added to this section for situations when a household has a pending application and chooses to file a second application for SNAP.

Application 430-05-20-15

An SFN 405 - Application for Assistance is considered incomplete if it contains only the applicant's name, address (residential or mailing) and signature of a responsible household member or authorized representative.

The household must be advised that it does not have to be interviewed before filing the application and may file an incomplete application form. The incomplete application must be registered, the pending notice sent and the interview scheduled.

If the household files an application without an address (residential or mailing), it is not an application. The county must file the application and note on the form that it is not considered an application.

If a household provides a residential address but does not provide a mailing address and the applicant is not able to get their mail at their residence, General Delivery must be used. The worker must explain to the household that they may not get information necessary to keep their case open. If mail is returned with an unknown address, the case, if otherwise eligible, would continue until review.

Section 1 of the SFN 405 – Application for Assistance can be filed and is used to screen applicants for expedited service. If the household files section 1, it must be registered as an application and an interview scheduled. The remainder of the application with signature on the last page, an interview and all mandatory verifications are required to process the application.

Exception:

For households entitled to expedited service, all mandatory verifications with the exception of identity must be postponed in order to meet the expedited processing standard.

The date of application is the date the county receives a signed SFN 405 – Application for Assistance provided the application was submitted during normal county business hours. When an application is submitted after normal county business hours, on a weekend, or on a North Dakota Department of Human Service holiday, the application is considered received the next business day. The county must document the date an application is filed by recording the date it was received on the application. The processing timeframe begins the day following the date of application.

For residents of institutions who apply prior to release, the date of application is the date of the release.

If an applicant completes an application online at a county social service office, the county must print a copy and provide it to the household.

An individual's signature on the application attests to providing full information and to understanding the reporting requirements of the program.

If a household has a pending application and files a second application the application date of the first application is used along with any additional information reported and verified from the second application to determine eligibility. Documentation on the second application must clearly state there already is a pending application for SNAP.

3. 430-05-20-15 – Interviews. Clarification was added to this section for situations when individuals who are applying for SNAP do not voluntarily indicate their race or ethnicity. **This is a change in policy.**

Interviews 430-05-20-45

All applicant households, including those submitting applications by mail, must have face-to-face interviews with a worker prior to initial certification. An interview must be conducted at the county office or other mutually acceptable location (including a household's residence – this must be scheduled in advance). The primary purpose of interviewing an applicant is to obtain and furnish information. The interview must be conducted as an official and confidential discussion of household circumstances. The applicant's right to privacy must be protected during the interview. Facilities must be adequate to preserve the privacy and confidentiality of the interview.

The individual interviewed may be the applicant, spouse or any other responsible member of the household, or an authorized representative. The worker must review the information that appears on the application, explore and resolve inconsistent and incomplete information.

Households must be advised of their rights and responsibilities during the interview, including the appropriate processing timeframes and the household's responsibility to report changes.

Households that are applying for or receiving TANF must be advised that time limits and other requirements that apply to TANF do not apply to SNAP. These households must also be advised that they may still be eligible for SNAP if they are no longer receiving TANF because they have reached the TANF time limit, have begun working or for other reasons.

Workers, during the interview, must inquire about any changes in household circumstances between the time the application was completed and the time of the interview.

Any changes received or reported prior to the application being processed must be acted on.

1. The worker must also:
 - a. Document the date the application was filed by recording on the application the date it was received by the county.
 - b. Document the date the interview was conducted and the name of the individual interviewed on the application.
 - c. Examine and explore each section of the application with the household or its authorized representative.
 - (1) If the application is incomplete, assist the household in completing the form.
 - (2) Ensure that the application is completed and signed.
 - d. The household is asked to provide information about race and ethnicity of all persons for whom they want assistance through questions on the application. This information is voluntary and used to make sure benefits are provided without regard to race, color, or national origin. Providing this information does not affect the household's eligibility or benefit amount. If the applicant does not voluntarily

provide racial and ethnic data, this information must be documented by the eligibility worker through observation.

- e. If the household has not designated an authorized representative, explain to the household the functional capacity of the authorized representative and allow them the opportunity to designate someone.
 - f. The worker must remain flexible, avoid biases, be sincerely interested in people, and be sensitive to their individual circumstances.
2. The worker must keep in mind an interview is **not**:
- a. A criminal investigation.
 - b. A counseling session.
 - c. An interrogation.

Success in interviewing is attained by discovering, mastering, and integrating proper habits, skills, and techniques appropriate to accomplishing the intended purpose of the interview.

4. 430-05-20-55-15 – Sources of Verification. System Interfaces has been updated by removing BENDEX, SDX, and TPQY and adding Other Benefit Information which is found in NDVerify. PARIS was also added to the list of system interfaces.

Sources of Verification 430-05-20-55-15

Acceptable sources of verification include documentary evidence, collateral contacts, home visits and system interfaces.

Documentary Evidence

Wage stubs, rent receipts and utility bills.

Whenever documentary evidence is insufficient to make a determination of eligibility or benefit level, the worker must pend the application and request sufficient verification from the household.

A collateral contact is a verbal confirmation of a household's circumstances by an individual outside the household and used when documentary evidence is insufficient or incomplete. The collateral contact may be either in person or over the telephone. The worker must rely on the household to provide the name of any collateral contact. The household may request assistance in naming a collateral contact.

- Employers
- Landlords
- Social service agencies
- Community action agencies
- Migrant service agencies

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When the collateral contact designated by the household is unacceptable, the worker must ask the household to name another collateral contact or substitute a scheduled home visit.

The county should only disclose the information that is absolutely necessary to get the information being sought. The county should avoid disclosing that a household has applied for SNAP and should not disclose any information provided by the household. Counties should not suggest that a household is suspected of any wrong doing.

In directly contacting a collateral contact, the worker must always identify themselves by name, position and the name of the county social services office. In doing so and then inquiring about a particular client by name, the contact may be able to determine that the client is applying for assistance. This does not constitute a violation of confidentiality.

If the collateral contact requests information about the recipient's status, the worker must refuse the inquiry and briefly explain the confidentiality requirements.

Verification obtained in non-written form must be documented in the case file.

Home visits are used on a case-by-case basis when documentary evidence or collateral contacts are insufficient or cannot be obtained. A home visit must be scheduled in advance with the household.

Workers have access to the following interfaces that are acceptable types of verification:

- NDVerify
 - Birth/Death Records (ND Vital Records)
 - Health Insurance (DEERS)

- ND Child Support (FACES)
- ND Department of Corrections
- ND Motor Vehicle/Watercraft (Motor Vehicle/Game & Fish)
- ND State Directory of New Hire
- ND State Hospital Admission/Discharge
- ND Unemployment Insurance Benefits (Job Services)
- ND Wages (Job Services)
- Other Benefit Information
- SNAP Intentional Program Violations
- WSI Medical Claims Status
- Request UPA
- Request 40 Quarters
- BENDEX
- SDX
- TPQY
- New Hire
- Job Service Unemployment Insurance Benefits
- SAVE
- IEVS
- PARIS
- Motor Vehicle
- FACES
- NUMIDENT -This interface is used to verify an individual's social security number and identity. Administrative Manual Section 448-01-50-15-60 provides additional information regarding the NUMIDENT

interface, and defines the alerts that are created when the NUMIDENT match is determined 'Invalid'.

When the return NUMIDENT file is processed, the following indicators display in the NUMIDENT field on Client Profile in TECS with the results of the match:

- Blank – means the information has not been sent to Social Security Administration
- I – Invalid match for social security number
- S – Sent to Social Security Administration for verification
- V – Valid match for social security number

If the indicator is 'I' (invalid) the SSN, name, date of birth or sex of the individual was an invalid match with the SSA information.

When the worker receives one of the following alerts, a valid or active SSN has not been provided.

- SSN Invalid
- SSA has different SSN for client, a valid SSN has not been provided.
- More than 1 SSN at SSA

The worker must send Notice F419 to the household requesting verification of a valid active social security number. If the household does not respond the case continues until review. Verification of the SSN is required at the next review.

When the worker receives one of the following alerts, information entered into TECS may be incorrect or the individuals NUMIDENT record at SSA has incorrect information

- SSN Invalid – sex does not match

- SSN Invalid – DOB does not match
- Sex & DOB do not match SSA
- Name does not match SSN

TECS may be incorrect or the individuals NUMIDENT record at SSA has incorrect information. The worker should check the information entered into TECS for accuracy. If the worker is unable to determine if the information in TECS is accurate, the worker must contact the household (via phone or F419) to determine the correct date of birth or sex and then correct the information in TECS. If the worker contacts the household by phone, the contact must be thoroughly documented in the narrative. If the worker is not able to clarify the information, it needs to be clarified as part of the next review.

Narrative/Documentation

Casefiles must be documented to support eligibility, ineligibility, and benefit level determinations. Documentation must be detailed to permit a reviewer to determine the reasonableness and accuracy of the determination.

Where verification was required to resolve questionable information, the worker must document why the information was considered questionable or at a minimum, indicate where the inconsistency exists, and what documentation was used to resolve the questionable information.

The worker must document the reason why a collateral contact or home visit was needed.

The worker must also document the reason a collateral contact was unacceptable and an alternate requested.

Good documentation habits save time. Documentation need not be lengthy and no specific format is required but it must address the following:

- Who did the information come from?
- What was the information received?

- When was it received?
- Why is the information pertinent?
- How was the information treated?

- 430-05-20-60-15 – Identity. Identity has been updated by removing TPQY and adding Other Benefit Interface that is found in NDVerify.

Identity 430-05-20-60-15

The identity of the individual making application must be verified. When an authorized representative applies on behalf of a household, the identity of **both** the authorized representative and the applicant must be verified.

Identity may be verified through readily available documentary evidence, or if this is unavailable, through a collateral contact. Any documents that reasonably establish the applicant's identity must be accepted and no requirement for a specific type of identity verification document may be imposed.

Acceptable documentary evidence includes but is not limited to:

- Driver's license
- A work or school identification.
- An identification card for health benefits, other assistance or social service program.
- Wage stubs
- Birth certificate

- ~~TPQY (Worker must document when TPQY was used as verification of identity.)~~
- Other Benefit Interface in NDVerify.

6. 430-05-20-60-30 – Gross Income. Gross income has been corrected to reflect month of application rather than review.

Gross Income 430-05-20-60-30

1. The unearned income for all household members must be verified.
2. Gross earned income must be verified for the following individuals:
 - a. Age 18 and older.
 - b. Age 16 and older if not attending school at least half-time.

If the person or organization providing the income has failed to cooperate with the household and the worker, and all other sources of verification are unavailable, the worker must determine an amount based on the best available information provided by the household. The worker must document the attempt to verify income and the income used.

Actual income from the month of application **through the date of interview** must be verified and documented. Income for the remainder of the month must be established and documented based on client information and prudent person judgment. This may include using verification of the last month's income if that is what the household anticipates for the month of application. ~~first month of the review period.~~

If **all** income for the month of application is available prior to or on the interview date, that income must be used for the month of application. If the household anticipates a change, ~~for the first month of the new review period,~~ that change must be verified and used.

For all cases where income (both earned and unearned) is received either weekly or biweekly, income must be converted for benefit determination.

Biweekly is defined as receiving earnings every two weeks.

Example:

Individual receives a paycheck every other Monday.

To convert weekly earnings, total the weekly checks and divide by the number of checks (4 or 5) to arrive at the weekly average. The weekly average is then multiplied by 4.3.

To convert biweekly earnings, total the biweekly checks and divide by the number of checks (2 or 3) to arrive at the biweekly average. The biweekly average is then multiplied by 2.15.

Exception:

- 1. Income conversion does not apply to self-employment income.**
- 2. Income will not be converted when it is known that a household will not receive the income on each of the weekly or biweekly pay dates.**
- 3. Income conversion does not apply to child support income as this income is base month budgeted.**

If tips, commissions, bonuses or incentives are paid weekly or biweekly and are included in the gross income on the weekly or biweekly paycheck or pay stub, they are converted.

If tips, commissions, bonuses or incentives are paid weekly or biweekly and are included on the paycheck or pay stub, but not in the gross income and the paychecks are received weekly or biweekly, they must be added to the gross income and converted.

If tips, commissions, bonuses or incentives are not paid weekly or biweekly, they are not converted. The tips, commissions, bonuses or incentives must be counted separately as earned income.

Examples:

- 1. Cash tips received daily and reported monthly are not converted.**
- 2. Tips paid in a separate check that is not paid weekly or biweekly are not converted.**
- 3. Household applies for benefits on October 5th and is interviewed on October 17th. At the interview the household reports they are paid every week on Fridays and verifies all earnings received in September and October to the date of interview. September earnings were received on the 1st, 8th, 15th, 22nd and 29th. The household received paychecks on October 6th and 13th and will receive additional paychecks on October 20th and 27th. They state at the interview that they expect the October 20th and 27th paychecks to be the same as what they received on the October 6th and 13th paycheck. The October 6th and 13th paycheck must**

be totaled and divided by two. This amount must then be multiplied by 4.3 and used to determine eligibility and level of benefits for the month of October.

- 4. Household applies for benefits on October 17 and is interviewed on October 26th. At the interview the household reports they are receiving biweekly unemployment benefits and verifies checks received on October 3rd and October 17th. The household will receive a third check on October 31st. Unemployment benefits are expected to continue. The October 3rd and October 17th checks must be totaled and divided by two. This amount must then be multiplied by 2.15 and used to determine eligibility and level of benefits for the month of October.**
- 5. Household applies for benefits on January 15 and is interviewed on January 17. At the interview the household reports they are paid weekly, however, they only received three of four weekly paychecks in December due to the weather. The household does not know if they will receive all of the weekly earnings in February. Since it is not known whether the household will receive weekly earnings in February, the income must be converted. The three checks from December must be divided by three and then multiplied by 4.3.**

7. 430-05-20-60-35 – Deductible Expenses. Policy was clarified for deductible expenses when the expenses are not provided by the household at the time of application.

Deductible Expenses 430-05-20-60-35

If obtaining verification of deductible expenses delays the household's certification or verification cannot be provided within 30 days of the date of

application, the household must be advised that its eligibility and benefit level will be determined without allowing a deduction for the unverified expense.

~~If the household would be ineligible unless the expense is allowed, the household's application must be handled and processed based on the delay in processing standards.~~

If the household subsequently provides the missing verification, the worker must act on the change and provide increased benefits. ~~if any, based on 10-10-10.~~

The household is entitled to an underpayment of benefits **only** if the worker failed to allow the household sufficient time to verify the expense and/or failed to attempt to offer the household assistance in obtaining the verification.

The worker must document the request for verification of the following deductible expenses. **If they are not provided, do not allow the expense.**

There is no requirement that expenses be paid, only incurred.

Exception:

Child Support must be paid.

Types of Deductible Expenses

1. Rent
2. Mortgage Payment
3. Mobile Home Lot Rent
4. Condominium and Association Fees
5. Property Taxes
6. Homeowners Insurance

7. Legally Obligated/Actual Child Support Paid
8. Dependent Care Deduction
9. Medical Expenses
10. Utility Expenses

Household Composition 430-05-25

8. 430-05-25-35 – Non-Household Members. The ND Department of Corrections has been removed from the list of computer matches completed by the state office because it is an interface within NDVerify.

Non-Household Members 430-05-25-35

The following individuals residing with a household **must not** be considered household members when determining the households' eligibility or benefit. The non-household member must be excluded from the household while determining household size. Correct participation codes for these individuals on SSDO are listed.

1. **Boarders including foster care individuals.** When the household providing the boarder service has not requested that the individual(s) be included as a member of the household. (OU)

2. **Individuals who live with the household** (regardless of relationship) who do not eat the majority of their meals (over 50% of three meals daily) as a part of that household. (OU)

Examples:

1. **Over the road truck drivers or salespersons, who have no separate residence and return home on weekends, but are out of the home during the week and eat the majority of their meals away from home.**
 2. **A child who is attending school in another community and is only home on weekends.**
3. **Live-in attendants.** Individuals who reside with a household to provide medical, housekeeping, child care, or similar personal services. (OU)
4. **Residents of an institution.** Including those in prison, jail, work release, state hospital, developmental centers and those on approved leave that have not been discharged and residents of Burdick Job Corp. (OU)
- The State Office will perform a computer match comparing the TECS active SNAP caseload with the Social Security Administration's State Verification and Exchange System (SVES). ~~and the ND Department of Corrections Listing of Inmates Incarcerated file to determine if any currently participating individuals have been incarcerated.~~ The State Office will notify a worker of any match.
5. **Roomers.** Individuals to whom a household furnishes lodging, but no meals, for compensation. (OU)
6. **Students.** Individuals enrolled in an institution of higher education that are ineligible because they fail to meet the student eligibility criteria. (OU)

7. **Supplemental Security Income recipients in "cash-out" states.**
The only Supplemental Security Income cash out state is California.
(OU)
8. **Others.** Other individuals who share common living quarters with the household but do not customarily purchase and prepare meals with the household. (OU)

Example:

If the applicant household shares living quarters with another family to save rent, but does not purchase and prepare food together with that family, the members of the other family are not members of the applicants household.

Work Requirements

Work Requirements for participation do not apply to non-household members.

Treatment of Assets

The assets of non-household members are excluded while determining household eligibility and benefit level.

Exception:

Assets owned jointly by an eligible household member and a non-household member are counted in their entirety to the SNAP household.

Treatment of Income

The income of a non-household member living with a household is not considered in determining eligibility or level of benefits of the household, **unless** the non-household member makes the money available to the other household members.

When a non-household member makes money available (e.g. deposit to joint account) from a **countable income** source to other household members, it is counted as unearned income.

1. The net earned income of the non-household member is the portion counted as unearned income when the non-household member is making all of their earned income available to the household.
2. Cash payments from any countable income source made to the household by the non-household member are treated as unearned income to the household.
3. When the earned income of a non-household member and other household members is combined into one wage, the income is determined as follows:
 - a. If the household's share can be identified, count the portion due to the household as earned income.
 - b. If the household's share cannot be identified, prorate the earned income among individuals earning the combined wage. The portion of the prorated amount is counted as earned income.

Treatment of Expenses

If the household shares deductible expenses with the non-household member, **only** the amount actually paid by or billed to the SNAP household is deducted as a household expense. If deductible expenses cannot be separated they are prorated evenly among the individuals making the payments and only the household's pro rata share allowed.

Exception:

The appropriate utility standard must not be prorated. The household is entitled to the entire standard.

Households with Special Circumstances 430-05-30

9. 430-05-30-10 – Drug Addiction/Alcohol Treatment/Rehabilitation Program. Monthly reports from each facility in which SNAP recipients reside or had resided must be included with the SNF 788-Group Living Arrangement and Drug/Alcohol Treatment Center Report which is due quarterly. **This supersedes IM 5208.**

Drug Addiction/Alcohol Treatment/Rehabilitation Program 430-05-30-10

An individual and their children under 22 years of age who reside with them at a drug or alcohol treatment center on a resident basis are certified as a separate household.

Exception:

Narcotic addicts or alcoholics who live under the supervision of a private nonprofit institution, or a publicly operated community mental health center for the purpose of regular participation in a treatment program are considered individual households.

Prior to certifying any residents for SNAP, the county must verify that the treatment center is authorized by FNS as a retailer or is certified by the DHS, Substance Abuse Services Unit, including a determination that the center is a nonprofit organization.

Centers must provide the county with a monthly SFN-202 Group Homes and Drug/alcohol Treatment Centers Monthly Listing ~~list~~ of currently participating residents. ~~on a monthly basis.~~ The SFN – 202 ~~The list must include a statement~~ must be signed by a responsible center official attesting to the validity of the list. Additionally, the county must make periodic random on-site visits to assure the accuracy of the listing and that county records are consistent and up-to-date. These random onsite visits must be conducted at least annually and the following information must be submitted to the State office:

- Date of the visit.
- Name of the individual conducting the onsite visit.
- Name of the center visited.

- Name of the individual at the center that assisted in the onsite visit.
- The accuracy of the monthly list supplied by the center. If a discrepancy is identified it must be included in the report to the State office.

Treatment/Rehabilitation Center Responsibilities

1. Each authorized center must provide the county with a monthly SFN – 202 Group Homes and Drug/Alcohol Treatment Centers Monthly Listing list of currently participating residents ~~including a statement~~ signed by a responsible center official attesting to the validity of the list. The listing must include the following identifiable information for each individual participating in the program and additional information for individuals who leave the facility:

- Individual's first and last name.
- SSN
- Case Number
- Any changes required to be reported.
- Date the individual left the center.
- Amount of SNAP benefits returned to the individual upon their departure.

When the monthly SFN-202 is received, the county is responsible to:

- a. Verify that the client's case status is appropriate as reported by the center.
- b. Make any appropriate changes to the case based on the information reported by the center.
- c. Validate that the correct amount of benefits have been credited to the client's EBT account.
- d. Complete SFN 788 – Group Living Arrangement and Drug/Alcohol Treatment Center Report, ~~is completed~~

quarterly and a copy provided to the State SNAP Office. This report lists the facilities in which a client currently resides or had resided at some time during the quarter.

- e. Make a copy of the SFN – 202 Group Homes and Drug/Alcohol Treatment Centers Monthly listing received from each facility to attach to the SFN 788 which is due quarterly to the State SNAP office.
2. The county must conduct periodic random on-site visits to assure the accuracy of the list and that the county's records are consistent and up-to-date. These reviews must be conducted at least annually using SFN 450 – County Social Service Office On-Site Review Report, which is then sent to the State SNAP Office.
3. Once the individual leaves the center, the center is no longer allowed to act as that individual's authorized representative.
4. The treatment center must give the individual their EBT card when they leave the center.
5. If the individual leaves the center after benefits have been issued and no benefits were spent, the center must provide the individual with the full month's benefit. This applies at any time during the month.

If the individual leaves the center prior to the 16th day of the month and some or all of the benefits have been spent, the treatment center must provide the individual with their EBT card and one half of the individual's monthly benefit.

If the individual leaves on or after the 16th day of the month, the EBT card and all remaining benefits must be returned to the individual.
6. If the individual leaves the center unannounced, the center must, at the end of the month, return the individual's EBT card and remaining benefits to the county along with identifying information from the individual.

- The center is responsible for any misrepresentation of facts as it relates to residents. The center is liable for all misuse of SNAP benefits.

Treatment of Assets

Assets of an individual and their children under 22 years of age are counted.

Treatment of Income

Income of an individual and their children under 22 years of age is counted.

Treatment of Expenses

Expenses of an individual and their children under 22 years of age are allowed as a deduction.

10. 430-05-30-15 – Group Home Living Arrangement. Monthly reports from each facility in which SNAP recipients reside or had resided must be included with the SNF 788-Group Living Arrangement and Drug/Alcohol Treatment Center Report which is due quarterly. **This supersedes IM 5208.**

Group Home Living Arrangement 430-05-30-15

For SNAP eligibility, a resident of a group home must be blind or disabled as defined in the definition of disabled.

Prior to certifying any residents for SNAP, the county must verify that the group home serves no more than 16 individuals, is authorized by FNS as a retailer, or is certified or licensed by Developmental Disabilities (328-8932) or Regional Human Service Centers, including a determination that the center is a nonprofit organization.

Group homes must provide the county with a list of currently participating residents on a monthly basis. The list must include a statement signed by a

responsible center official attesting to the validity of the list. Additionally, the county must make periodic random on-site visits to assure the accuracy of the listing and that county records are consistent and up-to-date. These random onsite visits must be conducted at least annually and the following information must be submitted to the State office:

- Date of the visit.
- Name of the individual conducting the onsite visit.
- Name of the group home visited.
- Name of the individual at the group home that assisted in the onsite visit.
- Number of individual's living in the group home.
- The accuracy of the monthly list supplied by the group home. If a discrepancy is identified it must be included in the report to the State office.

Group Home Responsibilities

1. Each authorized group home must provide the county with a monthly SFN-202 Group Homes and Drug/Alcohol Treatment Centers Monthly listing list of currently participating resident including a statement signed by a responsible group home official attesting to the validity of the list. The listing must include the following identifiable information for each individual participating in the program and additional information for individuals who leave the group home:
 - Individual's first and last name.
 - SSN
 - Case Number
 - Any changes required to be reported.

- Date the individual left the group home.
- Amount of SNAP benefits returned to the individual upon their departure.

When the monthly SFN -202 ~~list~~ is received, the county is responsible to:

- a. Verify that the client's case status is appropriate as reported by the center.
 - b. Make any appropriate changes to the case based on the information reported by the center.
 - c. Validate that the correct amount of benefits have been credited to the client's EBT account.
 - d. Complete the SFN 788 – Group Living Arrangement and Drug/Alcohol Treatment Center Report. ~~is completed quarterly and a copy provided to the State SNAP Office.~~ This report lists the facilities in which a client currently resides or had resided at some time during the quarter.
 - e. Make a copy of the SFN-202 Group Homes and Drug/Alcohol Treatment Centers Monthly Listing received from each facility to attach to the SFN 788 which is due quarterly to the State SNAP office.
2. The county must conduct periodic random on-site visits to assure the accuracy of the list and that the county's records are consistent and up-to-date. These reviews must be conducted at least annually using SFN 450 – County Social Service Office On-Site Review Report, which is then sent to the State SNAP Office.
 3. Once the individual leaves the group home, the group home is no longer allowed to act as that individual's authorized representative.

4. The group home must give the individual their EBT card when they leave the group home.
5. If the individual leaves the group home after benefits have been issued and no benefits were spent, the group home must provide the individual with the full months benefit. This applies at any time during the month.

If the individual leaves the group home prior to the 16th day and some or all of the benefits have been spent, the group home must provide the individual with their EBT card and one half of the individual's monthly benefit.

If the individual leaves on or after the 16th day of the month their EBT card and all remaining benefits must be returned to the individual.

6. If the individual leaves the group home unannounced, the group home must at the end of the month return the individual's EBT card and remaining benefits to the county along with identifying information for the individual.
7. The group home is responsible for any misrepresentation of facts as it relates to residents. The group home is liable for all misuse of SNAP benefits.

Treatment of Assets

Assets of an individual are counted.

Treatment of Income

Income of an individual is counted.

Treatment of Expenses

For residents who have a single payment for meals and lodging, the amount of the payment that exceeds the Thrifty Food Plan must be allowed as a shelter deduction.

Example:

A resident is charged a single charge of \$350 for meals and lodging, \$156 (\$350 – ~~\$155~~ \$194 Thrifty Food Plan) is used as a shelter deduction.

If a resident has a separate identifiable payment for room charges, that amount must be allowed as a shelter deduction.

11. 430-05-30-40 – Students in Higher Education. The definition of “being responsible for the care of a dependent child” along with examples was added to this section.

Students in Higher Education 430-05-30-40

A student is an individual enrolled in an institution of higher education at least halftime.

This section does **not apply** to individuals:

- Under the age of 18 (through the month the individual turns 18)
- Age 50 or older (effective the month an individual turns 50)
- Physically or mentally unable to work.

If an individual claims that they are physically or mentally unable to work and it is not evident, verification is required. Verification may consist of an application for or receipt of temporary or permanent disability benefits issued by a government or private source, individuals who are accepted and actively involved in services through Vocational Rehabilitation, including Veteran's Vocational Rehabilitation a statement from a physician, or a statement from a licensed or certified psychologist.

- Attending high school or working to obtain a GED.
- Participating in on-the-job training programs, including refugee training programs

- Not attending school at least half-time.
- Enrolled full-time in a school or training program which is not an institution of higher education.

Student status applies to individuals:

- Between the ages of 18 and 50.
- Physically or mentally able to work.
- Enrolled at least half time in an institution of higher education (defined by the institution).

Student's that have purchased a meal plan for more than half of their daily meals are not eligible to participate. This includes students living on or off campus.

Student status must be verified (class schedule or other verification from the institution). A student **is ineligible** to participate and considered a non-household member (OU) **unless** they comply with one of the following eligibility requirements:

1. Employed a minimum of 20 hours per week averaged monthly and paid for such employment.
2. If an individual is self-employed, they must be employed a minimum of 20 hours per week averaged monthly and receive weekly earnings at least equal to the Federal minimum wage multiplied by 20 hours.
3. Approved for state or federally financed work-study for the school term and the student must anticipate actually working during that time. School term is defined as the school year for this provision.

The exemption begins with the month the school term begins or the month work-study is approved, whichever is later. The exemption will continue until the end of the month the school term ends or it becomes known that the student has refused an assignment.

The exemption does **not** continue between terms when there is a break of a full month or longer unless the student is participating in work-study during the break.

4. Physically responsible for the care of dependent household member(s) under the age of six residing with the household. The dependent household member(s) **do not** need to be participating in the same SNAP household. Only one member may claim an exemption as the primary person responsible for the care of dependent(s) when the responsibility is shared.

The exemption for the primary care giver can be changed during the household's review period.

Example:

A household consists of a single parent and her seven year old child, as well as two foster children, ages three and five. Mom has elected to exclude the foster children from her SNAP household. The income and resources of the foster children are not counted in the SNAP budget and the children are not included in the household size determination.

Mom is a full time student and considered an ineligible student as she is not employed 20 hours per week averaged monthly or participating in a state or federally financed work study program during the regular school year. However, because there is a child under the age of six residing in the household, she is exempt from the student criteria and considered an eligible student.

5. Physically responsible for the care of dependent household member(s) who have reached the age of six but are under age 12, where the worker has determined that adequate child care is not available to enable the student to attend class and comply with the work requirements required to be considered an eligible student. The

dependent household member(s) **do not** need to be participating in the same SNAP household but **must be** residing with the household. Availability of adequate child care must be made on a case-by-case basis. Only one member may claim an exemption as the primary person responsible for the care of dependent(s) when the responsibility is shared.

Example:

A household consists of mom, dad, and their eight year old child. Dad is employed full-time, and mom is a full-time student. Mom is considered an ineligible student as she is not employed 20 hours per week averaged monthly or participating in a state or federally financed work study program during the regular school year. However, because adequate child care is not available, she is exempt from student criteria and considered an eligible student.

The exemption for the primary care giver can be changed during the household's review period.

'Responsible for the care of a dependent child,' is defined as a parent or other household member responsible for providing the actual physical care for a child. This could include a household member that is living in the same home but not part of the SNAP household. The determination must be based on documented discussion with the household.

Examples:

- 1. Household consists of Mom and her two children ages 23 and 5. Mom states that her 23 year old child cares for her 5 year old while she is working. Based on this discussion, the 23 year old can claim the exemption. This discussion with the household must be documented.**
- 2. Boyfriend, girlfriend and girlfriend's 3 year old child live in the same home but purchase and prepare meals separately. The boyfriend cares for the 3**

year old while the girlfriend works. The boyfriend can claim the exemption. The discussion with the household must be documented.

3. Household consists of Mom, Dad and their 4 year old child. Dad works and Mom is not employed. Their 4 year old child goes to day care while Dad is working. Mom cannot claim the exemptions as she is not providing the care for the child.

4. Two adult sisters live in the same home but purchase and prepare meals separately. One sister has a child and works outside the home. The other sister cares for her niece and can claim the exemption. The discussion with the households must be documented.

6. A **single** parent enrolled in an institution of higher education on a full-time basis (as determined by the institution) and is responsible for the care of a dependent child under age 12.

This provision applies in those instances where only one natural, adoptive, or stepparent (regardless of marital status) is in the same SNAP household as the child.

Example:

A household consists of mom, her boyfriend, and her eight year old child. Mom is a full-time student and may qualify for eligible student status as her boyfriend is not the father of the eight year old child.

If no natural, adoptive, or stepparent is in the same household as the child, another single full-time student in the same SNAP household as the child may qualify for eligible student status under this provision if they have parental control over the child and is not living with their spouse.

7. Receiving benefits from TANF or participating in the JOBS Program.

8. Attending an institution of higher learning through or in compliance with the following: a program under the Workforce Investment Act (WIA) of 1998, an employment and training program under the Food and Nutrition Act, a program under Section 236 of the Trade Act of 1974. WIA and programs under the Trade Act of 1974 are administered by Job Service and can be verified by contacting that office.
9. Attending an institution of higher learning through or in compliance with the following: a program for the purpose of employment and training operated by a state or local government as determined appropriate by the State (none in North Dakota).
12. 430-05-30-57-20 – Determining Self Employment Income. Additional policy was added when determining self-employment income if a household reports income from Cooperative Distributions (patronage dividends). **This Supersedes Amended IM 5192.**

Determining Self-Employment Income 430-05-30-57-20

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 considered unearned 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 considered unearned income on a separate line in the calculation. 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. Cooperative distributions (patronage dividends) - are paid by cooperatives in cash or shares of stock. These dividends are similar to rebates paid based on the amount of goods bought or services used for the self-employment enterprise.

Income individuals receive from cooperative distributions or

patronage dividends is considered **UNEARNED** income as a result of self-employment. **Cooperative distributions or patronage dividends are generally included on Schedule F and Form 4835.**

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.

8. 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.

9. 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.**

Reviews 430-05-35

13. 430-05-35-20-20 Delays in Processing. Policy was clarified when a review is denied because the household failed to appear for an interview or provide verification (other than expense). The application for review form is used and registered as an application if the required action is taken by the household after the 30th day but before the end of the month following the last month of the review period.

Delays in Processing 430-05-35-20-20

When a household files an application for review before the end of its current review period and takes the required action after the end of the current review period, responsibility for the delay must be determined.

Determining cause for the delay dictates what action (deny or pend) must be taken on the case and whether or not the household is entitled to benefits retroactive to the date of the application for review.

Delays Caused by the County

When a delay in the review determination period is caused by the county:

1. Do not deny the application for review.
2. Notify the household by the 30th day following the date of the application for review that it is pending and state the reason.

If the household is found eligible during the second 30-day period, provide retroactive benefits back to the date the review period should have begun.

Delays Caused by the Household

If a household has failed to complete any part of the review process within 30-days of receipt of the review, the delay is the fault of the household if the worker took the following actions:

1. Failure to Complete the Application for Review: The worker must have offered, or attempted to offer, assistance in completion of the form.

2. Failure of Household Member(s) to Register for Work: The worker must have informed the household of the need to complete SFN 385 – Affidavit for Work Requirements or SFN 353 - Affidavit for BEST Registrants and given the household at least 10 days from the date of notification to register household members.
3. Failure to Provide Required Verification: The worker must have:
 - a. Provided the household with a statement of required verification; **and**
 - b. Offered to assist the household in obtaining required verification; **and**
 - c. Allowed the household at least 10 days from the date of request to provide the missing verification.

If it is determined the delay is the fault of the household, the worker must deny the review using the appropriate notice.

Exceptions:

1. **If an individual in the household fails to comply with work registration requirements, the individual is disqualified and if the remaining household members are otherwise eligible, the review can be approved with the noncomplying individual's participation as DW.**
2. **If the household fails to provide verification of expenses, the review is processed without the unverified expenses.**
4. For households that have failed to appear for an interview, the worker must have sent the F018 - Notice of Missed Interview. If the household failed to schedule a second interview or a subsequent interview is postponed at the household's request or cannot be rescheduled until after the 20th day but before the 30th day, the household must appear for the interview, bring verification and register members for work by the 30th day; otherwise the delay is the fault of the household.

If the household fails to appear for the interview, provide verification (other than expenses), the review must be denied. If the required action is taken after the 30th day but before the end of the month following the last month of the review period, the same Application for Review form is used and registered as an application review ~~received after the expiration of the review period~~. The application date is the date required action was completed as benefits are prorated from that date and expedited processing standards may apply.

5. If the household failed to appear for the first interview and a subsequent interview is postponed at the household's request until after the 30th day following the date of application for review, the delay is the fault of the household.

The review must be denied on the 30th day. If the household appears for the interview after the 30th day but before the end of the month following the last month of the review period, the same Application for Review form is used and registered as a new application. The application date is the date required action was completed as benefits are prorated from that date.

If the household takes the required action by the end of the month following the last month of the review period, do not require a review received after the expiration of the review period. The same Review form is used and registered as a new application. The application date is the date required action was completed as benefits are prorated from that date and expedited processing standards may apply.

Examples:

1. **A household certified through April 30th files an application for review on April 17 for May. The application is denied for failure to provide verification (other than expenses) on May 17 (30th day). If the household provides the verification after May 17 but on or before May 31, the application for review that was denied**

must be registered with a benefit start date equal to the date the verifications were provided.

If the household provides the verifications on June 1 or later, the household must file a new application.

- 2. A household certified through February 28th files an application for review on February 17 for March. The application is denied for failure to provide verification (other than expenses) on March 19 (30th day). If the household provides the verification after March 19 but on or before March 31, the application that was denied must be registered with a benefit start date equal to the date the verifications were provided.**

If the household provides the verifications on April 1 or later, the household must file a new application.

- 3. Household files an application for review on January 25th for February benefits and an interview is scheduled for February 1st. The household fails to show for the interview and the Notice of Missed Interview is sent on February 2nd. The review is denied on February 24th for failure to complete the interview.**

On March 15th, the household contacts the county and requests an interview. Because the review period ended January 31st delays in processing do not apply. If the household is interested in future benefits, a new application is required.

- 4. Household files an application for review on January 28th for February benefits. No interview**

is required for this review and the F301 pending notice is sent to the household requesting verification of January income. The household fails to respond to the pending notice and the review is denied on February 28th for failure to provide information.

On March 22nd the household provides verification of January income. Because the review period ended January 31st, delays in processing do not apply. If the household is interested in future benefits, a new application is required.

5. **Household files an application for review on March 1st for March benefits and an interview is scheduled for March 11th. The household fails to show for the interview and the notice of missed interview is sent on that date. On March 25th, the household contacts the county and requests an interview. The household is interviewed on March 28th and the application is pended for verification of income. On March 31st (30th day) the review is denied for failure to provide information.**

Because the review period ended February 28th, delays in processing do not apply. If the household is interested in future benefits, a new application is required.

Work Requirements for Participation 430-05-40

14. 430-05-40-10 – Exemptions from Work Requirements. There were three policy clarifications added to this section. The definition of “being responsible for the care of a dependent child” along with examples was added. “Certified for one year” was removed as a stipulation for those clients who are self-employed. Updated the process a parent

completes, as defined by the North Dakota Department of Public Instruction, when parents decide to home school.

Exemptions from Work Requirements 430-05-40-10

The following individuals are exempt from the work requirements (client statement is acceptable unless questionable):

1. Individuals age 60 or older. If an individual turns age 60 during the month of application, they are exempt.
2. Individuals younger than 16 years of age.

If an individual reaches their 16th birthday and they are not exempt, they must register as part of the next scheduled review.

3. Individuals age 16 or 17 if:
 - a. Not the primary individual, or
 - b. Attending school, or
 - c. Enrolled in an employment or training program at least half-time.
4. An individual enrolled at least **half-time** in high school, in any recognized school, training program, or institution of higher education. Individuals working to obtain their GED are also exempt.

An individual remains **exempt** during normal periods of class attendance, vacation, and recess.

If an individual graduates, is suspended or expelled, drops out, or does not intend to register for the next normal term (excluding summer school), they are no longer considered a student and are not exempt.

Examples:

- 1. An individual who graduates from high school in May and anticipates or is accepted for the fall semester in an institution of higher education is not considered a student until the first day of the school term and is not exempt from the work requirements.**
- 2. An individual, who has not attended the prior school term but anticipates or is accepted for the next term, is not considered a student until the first day of the school term and is not exempt from the work requirements.**
5. Individuals physically or mentally unable to work. If the physical or mental incapacity is obvious and known to the worker, it should be documented in the case file and no further verification is needed.

If the physical or mental incapacity is not obvious or known to the worker, verification is required.

Examples:

- 1. A physician's statement.**
- 2. A statement from a licensed or certified psychologist or psychiatrist.**
- 3. Application for, receipt of, or entitlement to temporary or permanent disability benefits.**
- 4. Individuals who are appealing a SSA or SSI denial.**
- 5. Individuals who are accepted and actively involved in services through Vocational Rehabilitation as verified by Vocational Rehabilitation.**
6. An individual subject to and complying with the TANF JOBS work compliance requirement, including the Tribal Work Experience Program (TWEP).

Examples:

- 1. A TANF ineligible caretaker who is not a parent is not subject to the TANF JOBS work compliance requirements so they are subject to the SNAP work requirements.**
 - 2. If a non-recipient parent is subject to and complying with JOBS, such as a parent who is disqualified due to IPV or non-compliance with Child Support Enforcement, they are exempt from the SNAP work requirements.**
7. A parent or other household member responsible for the care of a dependent child under six or an incapacitated individual residing with the household. The dependent household member or incapacitated individual(s) **do not** need to be participating in the same SNAP household. Only one member may claim an exemption as the primary person responsible for the care of dependents when the responsibility is shared.

If the child's sixth birthday is reached within a review period, the individual responsible for the child's care must register as part of the next regular review process unless otherwise exempt.

The exemption for the primary care giver can be changed during the household's review period.

'Responsible for the care of a dependent child,' is defined as a parent or other household member responsible for providing the actual physical care for a child. This could include a household member that is living in the same home but not part of the SNAP household. The determination must be based on documented discussion with the household.

Examples:

- 1. Household consists of Mom and her two children ages 23 and 5. Mom states that her 23 year old child cares for her 5 year old while she is working.**

Based on this discussion, the 23 year old can claim the exemption. This discussion with the household must be documented.

- 2. Boyfriend, girlfriend and girlfriend's 3 year old child live in the same home but purchase and prepare meals separately. The boyfriend cares for the 3 year old while the girlfriend works. The boyfriend can claim the exemption. The discussion with the households must be documented.**
 - 3. Household consists of Mom, Dad and their 4 year old child. Dad works and Mom is not employed. Their 4 year old child goes to day care while Dad is working. Mom cannot claim the exemptions as she is not providing the care for the child.**
 - 4. Two adult sisters live in the same home but purchase and prepare meals separately. One sister has a child and works outside the home. The other sister cares for her niece and can claim the exemption. The discussion with the households must be documented.**
8. Individuals who are in receipt of unemployment compensation including Railroad Unemployment Benefits or one who has applied for, but has not yet started to receive unemployment compensation. If the eligibility is questionable, verification must be obtained.
 9. A **regular** participant (whether in or outpatient) in a drug addiction or alcohol treatment and rehabilitation program.
 10. Individuals who are employed and working at least 30 hours weekly (can be averaged) or receiving weekly earnings at least equal to the federal minimum wage multiplied by 30 hours. This includes:
 - a. Self-employed individuals ~~who are certified for one year~~ when the worker determines that the employment constitutes a full-time job.

- b. Individuals receiving training wage. The training wage must be substituted for the applicable federal or state minimum wage when determining if the individual is exempt from work requirements.
- c. State certified individuals who home school their children a minimum of 30 hours per week. For State certification, the ~~school district must have certified the~~ individual must file an SFN16909 –Statement of Intent with the superintendent of the child’s school district to do home schooling.
- d. Individuals who, by contract, derive their annual income in a period of time shorter than one year.

If an individual is NOT an ABAWD and NOT exempt from the work requirements at the time of initial application or review, the individual is required to register for work by completing the SFN 385 – Affidavit for SNAP Work Requirements or SFN 353 - Affidavit for BEST Registrants at the time of application and review. The individual is not required to work register again for 12 months.

15. 430-05-40-30 – Voluntary Quit. Added the requirement that voluntary quit provisions be explored when an individual is being added to an ongoing case. Also added clarification for expedited cases with postponed verifications. If verification of a voluntary quit was waived and it is later determined there was a job quit, the disqualification would be imposed.

Voluntary Quit 430-05-40-30

When an individual quits or loses a job through their own actions or reduces their work effort voluntarily and after the reduction is working less than 30 hours per week, the worker must explore whether the voluntary quit provisions apply. **The voluntary quit provisions do not apply to individuals exempt from the work requirements, other than individuals exempt due to employment of 30 hours per week or receiving weekly earnings at least equivalent to the federal minimum wage currently in effect multiplied by 30 hours.**

An individual is disqualified if all of the following voluntary quit provisions are met:

1. If the quit or reduction in hours occurred:
 - within 30 days prior to the date of initial application or when an individual is being added to a case.
 - within 30 days prior to the date of receipt of the application for review
 - within 30 days prior to the date of when an individual is being added to an on-going case.

EXAMPLE:

Household reports an individual moved into their home on April 15. Individual is being added to the case for May benefits. If the quit occurred within 30 days prior to May 1, voluntary quit provisions would apply if all other provisions are met.

- After the initial application or application for review was filed and the household reports the quit or reduction prior to the application or review being processed.
2. If the individual was a **mandatory** work registrant at the time of the quit or reduction in hours.
 3. If the individual was **hired** for employment of 30 hours or more per week (can be averaged), regardless of the length of employment or if the individual received weekly earnings at least equivalent to the federal minimum wage currently in effect multiplied by 30 hours.

Example:

A mandatory work registrant was hired to work 30 hours per week. The individual quit the second day of employment without good cause. This would be considered a voluntary job quit.

4. If the quit was without good cause.

Benefits must not be delayed beyond expedited processing time frames pending the outcome of the determination.

If it is determined that a voluntary quit or reduction in hours occurred after benefits have been issued and verifications were postponed in order to meet the expedited time frames, a claim must NOT be established however, the individual would be disqualified (DW).

Example: A SNAP application was received; verification of last paycheck, last day of work and reason for termination was postponed to meet the expedited processing time frame. The SNAP review, and postponed verifications were provided. If the verified information indicates the individual quit the job within 30 days of the initial application without good cause, voluntary quit provisions apply.

A disqualification penalty **is applied** to a voluntary quit when an individual:

1. Voluntarily quits or reduced hours without good cause.
2. Simply leaves a job unannounced or does not return to work without good cause.
3. Had been warned by the employer and continues the objectionable behavior after the warning and is terminated.

Example:

An individual is continually late for work or does not show up for work.

4. Is terminated without prior warning.

Examples:

Stealing from the employer or drinking on the job.

If the individual states they quit a job or reduced their hours and are not claiming good cause, an employer contact is not required. This must be thoroughly documented in the case file.

A disqualification penalty **is not applied** to a voluntary quit when:

1. The reason for the termination/reduction was beyond the individual's control.
2. Terminating a self-employment enterprise.
3. Resigning a job at the demand of an employer, when an individual has been given the option of resigning or being terminated due to circumstances beyond the individual's control.
4. Terminating employment through a training program such as WIA.
5. An individual quits a job, secures new employment at comparable wages or hours and is then laid off, or through no fault of their own loses the new job, the earlier quit will not form the basis of a disqualification.

Example:

An individual quits a full-time job without good cause and several days later applies for SNAP. At the time of application, the individual has secured new employment and is exempt from work requirements. A disqualification would not be imposed against the individual as at the time of application, the individual is exempt from the work requirements.

16. 430-05-40-40-05 – Disqualification Time Frames. An individual who is disqualified (DW) at the time of application, remains disqualified if they are not exempt from the work requirement at the time of application even if they may have worked sometime prior to the application. An example was added to this section to reflect this clarification.

Disqualification Time Frames 430-05-40-40-05

For new applicants, the disqualification period will begin with the date of application.

If the worker fails to act timely to disqualify an individual for non-compliance with a work requirement, the worker must implement the full disqualification and establish a claim based on 10-10-10 procedures.

For any individual who fails to comply with the work requirements, the disqualification time frame is one month. This disqualification continues until the individual complies with the requirements for participation or becomes exempt.

A disqualified individual may be permitted to resume participation during the disqualification period (if otherwise eligible) by becoming exempt from work requirements or complying with the work requirements.

Once the disqualification period has been imposed, the completion of Form SFN 385, Affidavit for SNAP Work Requirements or SFN 353 - Affidavit for SNAP BEST Work Registrants **does not** negate the disqualification.

The disqualification continues on closed cases until the individual becomes exempt from the work requirement or complies with the work requirement.

Examples:

- 1. An individual quits a job without good cause. The individual must obtain employment of at least 30 hours per week; employment that is equal to 30 hours per week times the federal minimum wage or become exempt.**
- 2. An individual initially applied on December 27 and is interviewed on January 15. During the interview it was determined that the individual quit a job without good cause on December 20 but has obtained employment on January 3.**

The application must be denied for the month of December as the individual quit a job without good cause and applied in the month of December. As the individual obtained new employment in January, the same application must be used for the month of January.

- 3. An individual quits a job without good cause and is disqualified. At a later date the household (including the disqualified individual) applies for and is found eligible for TANF. The individual is exempt from the work requirements based on receipt of TANF and may be eligible for SNAP.**
- 4. At the time of review, an individual reports they have quit a job without good cause 10 days prior to the review being filed. The client is not exempt for another reason and is disqualified (DW). The review is denied.**

At a later date, the individual reapplies, is not working, and is not exempt for another reason. During the interview the household reports

they had worked a full time job (40 hours per week) three months ago. The individual remains disqualified (DW) and the application is denied as the individual is not exempt at the time of application.

17. 430-05-40-45 – Job Opportunities and Basic Skills (JOBS) and Unemployment Compensation. The Pathways to Work program was removed. Exception number two, along with the example was removed from this section as it does not align with TANF policy. Clarification when a TANF related sanction can be applied in a SNAP case was added.

Job Opportunities and Basic Skills (JOBS) and Unemployment Compensation 430-05-40-45

The following provisions apply to both BEST and non-BEST counties.

An individual in receipt of TANF or an individual in receipt of UIB is disqualified from SNAP for failure to comply with JOBS/Tribal NEW/~~Pathways to Work~~ or UIB requirements. Based on discussion with the State Job Service Office and requirements for receipt of unemployment benefits, there is no failure to comply with UIB requirements. The individual simply does not receive a benefit.

TANF related disqualifications are only applied in SNAP if the client was in receipt of TANF **and** SNAP at the time the TANF sanction was imposed.

Exception:

If an individual is exempt from the SNAP work requirements for a reason other than receipt of TANF.

- ~~2. When an existing uncured sanction is bypassed for Diversion months and the sanctioned individual's needs are included in the Diversion Assistance benefit, the individual must be included in the SNAP benefit. If the existing sanction is processed when a TANF application is entered after the Diversion Assistance case closes and the individual is subject to the sanction for TANF, the disqualification applies for SNAP.~~

Example:

~~A TANF/SNAP household includes an individual who is sanctioned for TANF and as a result is disqualified for SNAP and the gross TANF grant is counted in determining eligibility and level of benefits for SNAP. The TANF case closes. The SNAP case continues and the individual remains DW for SNAP and the TANF grant is removed.~~

~~The household re-applies for TANF and is eligible for Diversion Assistance. The sanctioned individual's needs are included in the Diversion Assistance grant. Since the individual is eligible for Diversion Assistance the disqualification for SNAP must be ended and the individual included in the SNAP case. The Diversion Assistance grant is counted for SNAP.~~

~~The Diversion Assistance case closes. The household reapplies for TANF and the individual is ineligible for TANF because of the outstanding JOBS sanction. The individual must be disqualified for SNAP.~~

If a Pay After Performance individual fails to comply with JOBS/Tribal NEW and a sanction is imposed for TANF, the individual must be disqualified for SNAP unless they are exempt from the work requirements for another reason. If a sanction is imposed during any of the Pay After Performance months or the first month following Pay After Performance, as the individual's needs were not included in the grant, the grant for the children's needs only will continue to be counted.

If an individual is sanctioned for TANF due to non-compliance with JOBS/Tribal NEW and they do not fully complete a proof of performance (POP) prior to or on the second to the last working day of the sanction penalty month, a TANF benefit must not be anticipated for the next month.

If an individual fully completes a POP prior to or on the second to the last working day of a month, a TANF benefit must be anticipated for the next month.

Examples:

- 1. An individual is scheduled to complete their POP on August 28 (the second to the last working day of the month). At 4:00 p.m. on August 28, the JOBS/Tribal NEW coordinator calls to inform the county that the client successfully completed their POP that day. Because the client fully completed a POP prior to or on the second to the last working day of the month, a TANF benefit must be anticipated for the next month.**
- 2. An individual is scheduled to complete their POP on August 29, (the last working day of the month). Because the client has not fully completed the POP prior to or on the second to the last working day of the month, and the client may not be successful in completing the POP, a TANF benefit must not be anticipated for the next month.**
- 3. An individual begins their POP on August 29, (the last working day of the month). Even though JOBS policy allows a client's TANF case to be reverted to open if they successfully complete the POP that started in the sanction penalty month, a TANF benefit must not be anticipated for the next month.**

If an individual is sanctioned by TANF, the TANF grant prior to the reduction is counted in calculating the SNAP benefits.

Example:

Mom is sanctioned for non-compliance with a JOBS/Tribal NEW requirement. Mom's needs are removed from the grant and the grant is reduced from \$500 to \$400. When calculating SNAP level of benefits, a disqualification is imposed and the grant amount of \$500 is counted as unearned income.

An individual disqualified from SNAP for failure to comply with TANF or UIB can regain eligibility during the disqualification period if they comply with the TANF or UIB requirements or become exempt.

Examples:

- 1. Ongoing TANF only case. Mom fails to comply with JOBS/Tribal NEW and is sanctioned for TANF effective December. January 3 the household applies for SNAP. Mom remains sanctioned for TANF. There is NO TANF related disqualification for SNAP because Mom was not in receipt of SNAP at the time the TANF sanction was imposed. Mom is subject to the SNAP work requirements as her needs are NOT included in the TANF grant due to the sanction. Mom must register for work unless otherwise exempt.**
- 2. Ongoing TANF only case. In November Mom fails to comply with JOBS/Tribal NEW and is sanctioned for TANF effective December. December 23 the household applies for SNAP. There is NO TANF related disqualification for SNAP because Mom was not in receipt of SNAP at the time the TANF sanction was imposed. Mom is subject to the SNAP work requirements as her needs are NOT included**

in the TANF grant due to the sanction. Mom must register for work unless otherwise exempt.

- 3. Ongoing SNAP only case. Mom is work registered for SNAP. January 3 Mom applies for TANF and is eligible. Mom is now exempt from the work requirements. In February Mom fails to comply with JOBS/Tribal NEW. A sanction is imposed for TANF effective March. Mom is disqualified for SNAP effective March, as she does not meet any other work requirement exemptions. The TANF case closes effective March 31. The JOBS/Tribal NEW related disqualification continues for SNAP until Mom either becomes exempt from a SNAP work requirement or reapplies for TANF and complies with JOBS/Tribal NEW.**

The SNAP case closes effective May 31 for failing to provide information. Mom reapplies for SNAP only on June 20. The JOBS/Tribal NEW related disqualification continues for SNAP until Mom either becomes exempt from a SNAP work requirement or reapplies for TANF and complies with JOBS/Tribal NEW.

- 4. Ongoing TANF/SNAP case. In December Mom fails to comply with JOBS/Tribal NEW and is sanctioned for TANF effective January. Mom is also disqualified for SNAP effective January, as she does not meet any of the exemptions from the work requirements.**

On December 27 Mom requests in writing her SNAP case close effective December 31. TANF remains open. On January 3 Mom reapplies for SNAP. There is NO TANF related disqualification for SNAP because Mom was not in receipt of SNAP at the time the TANF sanction was imposed.

5. **Ongoing TANF/SNAP case. In December Mom fails to comply with JOBS/Tribal NEW and is sanctioned for TANF effective January. Mom is also disqualified for SNAP effective January, as she does not meet any of the exemptions for the work requirements. On December 27 Mom requests in writing her TANF and SNAP case close effective December 31. On January 3 Mom reapplies for both SNAP and TANF. TANF imposes a TANF JOBS/Tribal NEW related disqualification. There is NO TANF related disqualification for SNAP because Mom was not in receipt of SNAP at the time the TANF sanction was imposed.**

6. **Ongoing TANF/SNAP case. In December Mom fails to comply with JOBS/Tribal NEW and is sanctioned for TANF effective January. Mom is also disqualified for SNAP effective January, as she does not meet any of the exemptions from the work requirements.**

TANF case closes the end of February as the only child in the case turns age 18. Mom remains disqualified for SNAP until she meets an exemption from the work requirements.

Notices Used for JOBS/Non-Compliance

The following TECS notices are used for combination TANF/SNAP cases where a SNAP disqualification is being imposed:

- Notice F223 - Work Requirements

- Notice F731 - Decrease Benefit - TANF Non-Compliance - this notice must be sent by the 10-day advance notice deadline.

BEST counties (Burleigh and Cass) must use the following notices when a SNAP disqualification is being imposed:

- Notice F225 - Non-compliance with BEST, for households whose applications for review are denied for failure to comply with BEST requirements (denial/closure reason RW).
- Notice F425 – BEST Non-Compliance for individuals or households disqualified for failure to comply with the BEST requirements.
- Notice F733 - Non-Compliance with BEST

The BEST notices must be sent to households as they are automatically counted and reported to United States Department of Agriculture (USDA).

18. 430-05-40-50-10 – Waivers. Department of Human Services was replaced by the SNAP Unit. As the SNAP unit makes requests for waivers.

Waivers 430-05-40-50-10

The Department of Human Services (DHS) SNAP Unit may request the Secretary of Agriculture waive the ABAWD work requirement for any group of individuals that reside in an area in which the unemployment rate is over ten percent or does not have a sufficient number of jobs to provide employment for the individuals.

Federal regulations also provide states with a calculated number of exemptions on a yearly basis. These exemptions are considered the state's 15% exemptions.

The able-bodied provisions do not apply to an individual living in waived or 15% exemption criteria counties and benefits received do not count toward the three ABAWD months.

TECS will default the code on ABRE for all individuals to 'EX' for an county where a waiver of the ABAWD provisions is currently in place. An informational edit will appear on the ABRE screen 'COUNTY EXEMPT FROM ABAWD REQUIREMENTS' and it will not allow entry of coding on the screen for any case in the exempt county. Individuals exempt under the 15% exemption criteria must be coded SP on the ABRE screen.

Once an ABAWD has received the three ABAWD months and has had a break in receipt of SNAP, including a participation code of 'DI', extended benefits may be granted for three full consecutive months if the individual ~~meets all of the following:~~ has not voluntarily quit a job without good cause within 30 days prior to the date of initial application and meets one of the following: ~~applying.~~

- In-kind work is when an individual works in exchange for goods or services.

An individual managing an apartment building in exchange for free or reduced rent.

This does not include court ordered community services or work done for family members or friends when the individual is not paid.

2. Participated in and complied with the requirements of a work program for 80 hours or more in any 30 consecutive day period. Work program means:
 - a. A program under the Workforce Investment Act of 1998 (WIA), this is administered by Job Services and can be verified by contacting that office. This includes the WIA administered by the Tribes as long as it meets the 20 hour or more per week averaged monthly requirement. (JT)

- b. A program under Section 236 of the Trade Act of 1974 (Trade Adjustment Assistance Act Program). This is administered by Job Services and can be verified by contacting that office. (TA)

The BEST Program does not meet the definition of either of these programs.

- 3. Any combination of paid, volunteer, in-kind work, or work programs for 80 hours or more in any 30 day consecutive period.

A 30-day period means any 30 consecutive days since the individual was closed or denied for failure to comply with the ABAWD requirements or failed to file a review. It does not have to be a calendar month - it may be a combination of two months.

To receive the extended months, the worker must enter the code of EE (exemption extension) on the ABRE screen in TECS.

The extended three month benefit period can only be approved once in a 36-month period. The three months run consecutively. Once approved, the individual has received the extension regardless of whether they receive benefits for all three months. Case closings, disqualifications or zero benefits will not stop the three month count.

Examples:

- 1. **An individual received the three ABAWD months in April, May and June and the case closed June 30 for failure to comply with the ABAWD work requirements. On August 16, the individual reapplies and verifies having worked 80 hours in a consecutive 30 days and lost the employment through no fault of their own. This individual is eligible for the extended three-month benefit period, September, October, and November. August does not count as one of the three months due to proration.**

2. **An individual received the three ABAWD months in April, May and June and closed June 30 for failure to comply with the ABAWD work requirements. On August 16, the individual reapplies and verifies having worked 80 hours in 30 days and lost the employment through no fault of their own. This individual is eligible for the extended three-month benefit period, September, October, and November.**

On September 10 the individual reports new employment and income that exceeds the GIL, they expect the income to continue and their case closed September 30 for excess income. Even though the individual is no longer receiving benefits, the extended three month benefit period continues through the month of November. This individual would not be eligible for an additional extended ABAWD three-month benefit period during this individual's 36-month period.

3. **A single individual who is not exempt from the ABAWD requirements applies and is certified for six months. The case is closed for non-compliance with ABAWD requirements at the end of the third NE month. The individual reapplies after starting a job working an average of 20 hours per week and regaining eligibility (meeting the 80 hours of work in a 30 day period). Sometime later during the review period, the individual is laid off by the employer. This individual can receive the three EE months before case closure.**

20. 430-05-40-50-30 – Exemptions. ABAWD policy was clarified under exemptions by adding the client must have worked 80 hours in a 30 consecutive day period in the example.

Exemptions 430-05-40-50-30

During any of the three ABAWD months or after the three ABAWD months have been received, if an individual becomes exempt the ABAWD provisions no longer apply.

Examples:

1. **Exempt from SNAP work requirements, turning age 50, physically or mentally unable to work, a dependent child enters the household or pregnancy.**
2. **An individual received the three ABAWD months in January, February, and March and the case closed. On April 18, the individual reapplies and reports they have worked 80 hours in a 30 consecutive day period since their case closed and also verifies employment of 20 hours per week. The application is approved. ~~if the individual is otherwise eligible.~~**

21. 430-05-40-55-10 – Exemptions from BEST. The following exemptions are being removed as a result of the new Employment and Training State Plan effective October 1, 2014. **This is a change in policy.**

Exemptions from BEST 430-05-40-55-10

The following individuals are not required to participate in BEST (TECS coding on the WORE screen is listed):

- ~~1. ——— Individuals who do not physically live in the city limits of
——— Bismarck or Fargo. (CL)~~
2. 1. Individuals exempt from work registration. (EX)
3. 2. Migrants in the job stream. (MI)

- ~~4.~~ ~~Individuals who have a child under the age of 12 in the same~~
~~SNAP household. (CH)~~
 - ~~5.~~ 3. Individuals exempt for good cause as determined by sound, professional judgment of the worker. The case must be thoroughly documented to support the exemption. (GC)
 - ~~6.~~ ~~Individuals who are under the age of 18 or age 50 or older. (AG)~~
 - ~~7.~~ 4. Limited and non-English speaking individuals. (NE)
 - ~~8.~~ 5. Individuals who are participating in the Parental Responsibility Initiative for the Development of Employment (PRIDE) Program. (PP)
 - ~~9.~~ 6. Individuals where public transportation is limited because of where and when the public transportation is available. (LT)
 - ~~10.~~ 7. Individuals with a temporary disability such as a broken leg, illness, etc. (DI)
 - ~~11.~~ 8. Pregnant women. (PG)
 - ~~12.~~ 9. Individuals who do not have a fixed mailing address. (MA)
 - ~~13.~~ 10. Individuals who have been referred to the BEST Program and the BEST coordinator determines the referral is not appropriate. Justification for the exemption will be provided to the eligibility worker in writing. (IA)
22. 430-05-40-55-20 – County Procedures. Policy was clarified by removing exemption reasons for the BEST program no longer need to be reviewed every three months by the county.

County Procedures 430-05-40-55-20

The workers must carry out the following procedures:

- Determine if the work registrant is required to participate in BEST.

- If the work registrant is exempt, enter the exemption reason code and date exempted on TECS screen WORE. ~~Exemption reasons four through six must be reviewed at least every three months.~~
 - If the work registrant is not exempt, refer them to the Employment Communication orientation session using Form SFN 679, "Employment Communication Orientation Referral,". Date, time and place of orientation sessions can be obtained from the local Workshop Coordinator.
 - Inform the Workshop Coordinator of the referral by sending them a copy of the completed Form SFN 679, "Employment Communication Orientation Referral," that was given to the participant.
 - If notified by the Workshop Coordinator that an individual has failed to comply with BEST participant responsibilities begin conciliation procedures.
23. 430-05-40-55-35 – Participant Reimbursement. Policy was corrected because reimbursement payments are not made in TECS

Participant Reimbursement 430-05-40-55-35

BEST Program mandatory and voluntary participants are reimbursed a flat rate of ten dollars per day for transportation and other costs directly related to participation in the BEST Program, up to a maximum of \$50 per month.

Reimbursements are excluded as income.

Reimbursements will be made by the State Office ~~in TECS~~ directly to participating individuals during the month following participation.

24. 430-05-40-55-40 – Conciliation Procedure. Policy was corrected because telephone and face to face contact is no longer used when determining if good cause exists for non-compliance in the BEST Program.

Conciliation Procedure 430-05-40-55-40

The conciliation period is used to determine if the mandatory BEST participant had good cause for not complying and to provide that individual with an opportunity to comply.

The conciliation period begins with the day following the date the worker learns of the noncompliance and continues for 30 calendar days. The worker must contact the non-complying household member to determine whether good cause exists. The worker must ~~may~~ contact the household by using F803 - BEST Non-Compliance Conciliation Notice. ~~by telephone, or face to face. If the contact is done by telephone or face to face, the worker must inform and document in the case file what the individual must do to comply and the date by which the individual must comply in order to avoid case closure.~~

If the individual responds within the 30-day period and it is determined that good cause does not exist (and the household member does not comply), begin disqualification procedures by issuing Notice F425 - BEST Non-Compliance. Be sure to enter the reason for noncompliance in the space provided on Notice F425.

To avoid Notice of Adverse Action (issuance of Notice F425), the individual must perform a verifiable act of compliance, such as attending the orientation session, Employment Communication Workshop, or Network Center. Verbal commitment by the individual is not sufficient, unless the individual is prevented from immediately complying by circumstances beyond the household member's control, such as the availability of a suitable component.

To avoid Notice of Adverse Action (issuance of Notice F425), the individual must perform a verifiable act of compliance, such as attending the orientation session, Employment Communication Workshop, or Network Center. Verbal commitment by the individual is not sufficient, unless the individual is prevented from immediately complying by circumstances beyond the household member's control, such as the availability of a suitable component.

If it is apparent that the individual will not comply (i.e., the individual refuses to comply and does not have good cause), issue Notice F425.

If Notice F425 is issued before the end of the 30-day conciliation period and it is verified that the individual complied, the notice should be canceled.

If the individual does not respond within the 30-day period, issue Notice F425 at the end of the 30-day period. Be sure to enter the reason for noncompliance in the space provided on Notice F425.

25. 430-05-40-55-45 – Disqualification Time Frames for BEST. Policy was added to explain what happens once a disqualification has been imposed for BEST.

Disqualification Time Frames for BEST 430-05-40-55-45

The following disqualification time frames apply for failure to comply with BEST. Before disqualifications are applied to BEST participants, the conciliation period must be followed. The disqualification must be entered on the WORS screen in TECS.

1. First Violation:

A one-month disqualification must be served (from the date the disqualification becomes effective). The disqualification continues until the individual complies with the BEST requirements for which the disqualification was imposed or becomes exempt.

2. Second Violation:

A three-month disqualification must be served (from the date the disqualification becomes effective) and continues until the individual complies with the BEST requirements for which the disqualification was imposed. If an individual becomes exempt during the disqualification period eligibility must be reestablished.

3. Third Violation:

A six-month disqualification must be served (from the date the disqualification becomes effective). The disqualification continues until the individual complies with the BEST requirements for which the disqualification was imposed or becomes exempt. If an individual becomes exempt during the disqualification period eligibility must be reestablished.

If the individual complies with the BEST requirements for which the disqualification was imposed, the individual can be eligible after the disqualification time frame has been served.

If the individual becomes exempt during the disqualification time frame, the disqualification time frame must be ended and the individual can be eligible.

Once a disqualification is imposed:

- If an individual in an ongoing case is disqualified and:
 - Complies during the disqualification period, they must serve the one, three or six month disqualification before they can become eligible.
 - Becomes exempt, the individual can be eligible the following month.
- If the case closed and the individual is reapplying and:
 - Has complied, they must serve the one, three or six month disqualification before they can become eligible.
 - Is exempt, the individual is eligible at the point of application.

Assets 430-05-45

26. 430-05-45-05 – Types of Assets. Contracts for payment were added to this section.

Types of Assets 430-05-45-05

- Buildings
- Land
- Recreational properties
- The value of a Contract for Payment

The value of a contract in which payments are current is equal to the total of all outstanding payments of principal required to be made by the contract, unless evidence is furnished that establishes a lower value.

The value of a contract in which payments are not current is an amount equal to the current fair market value of the property subject to the contract. If the contract is not secured by property, the value of the contract is the total of all outstanding payments of principal and past due interest required to be made by the contract.

In situations where the contractual right to receive money payments is not collectable and is not secured, the debt has no collectable value, and thus no countable asset value. An applicant or recipient can establish that a note has no collectable value if:

- a. The debtor is judgment proof. A debtor is judgment proof when money judgments have been secured, an execution has been served against the debtor which has been returned as wholly unsatisfied, and the debtors affidavit and claims for exemptions exempt all of the debtors property; or
- b. The applicant or recipient verifies the debt is uncollectible due to a statute of limitations. A satisfactory verification includes an attorney's letter identifying the statute and facts that make a debt uncollectible due to a statute of limitations.

Clients should be encouraged not to forgive debts that have been determined to be uncollectible. Such debts could have a future value if the debtor ever accrues assets. At each review the worker must determine whether the judgments are still on file or whether the debtor has any change in assets.

The value of non-exempt assets (except for licensed vehicles not used for income producing purposes) is the equity value. The equity value is the fair market value less the amount owed.

Income 430-05-50

27. 430-05-50-20-05 – Earned Income. Alternative Trade Adjustment (ATAA) benefits were added as countable income. The payments are received by workers over the age of 50 who have had to take lower paying jobs. Treatment of Qualified Service Provider (QSP) payments was clarified.

Earned Income 430-05-50-20-05

Earned income includes, but is not limited to:

1. All wages and salaries of an employee, including individuals under the age of 18 who are not attending school. This includes wages paid by the Census Bureau for temporary employment related to census activities and short term disability payments from the employer.

Exception:

Short-term disability payments from an outside source other than the employer are considered unearned income.

2. Self-employment income is considered earned income when the individual is actively engaged in the operation. The earned income from self-employment is separated from the unearned income when using the self-employment calculation worksheet.
3. Payments under Title I (VISTA, University Year for Action, etc.) of the Domestic Volunteer Services Act of 1973. These payments are subject to the earned income deduction, excluding vendor payments.

Exception:

These payments are excluded for individuals receiving SNAP or TANF at the time they joined the Title I program. Temporary interruptions in SNAP participation will not alter the exclusion once an initial determination has been made.

4. Earnings of individuals participating in on-the-job training programs under Title I of WIA or Youthbuild who are over the age of 19 or under the age of 19 who are not under parental control.

5. Military re-enlistment bonus.

If a household receives up to 50% of the bonus amount as an initial payment with the remainder paid in equal annual installments, the initial payment and the annual installments are annualized. If a household receives the bonus as a lump-sum payment, it is exempt as a non-recurring lump-sum payment. The lump-sum payment is counted as a resource in the month it is received.

6. ~~Department of Human Services (DHS) payments made to a member of the household for providing care for an individual.~~ Wages received by an individual or Qualified Service Provider (QSP) for providing services under Family Home Care, when the individual is employed by an agency. (When an individual or QSP is not an employee of an agency, the income is considered self-employment.
7. Wages that are diverted to pay an expense when an individual has the **option**.

Example:

Housing provided by an employer in lieu of wages, when the employee has the option of either being paid or

having his wage applied toward an expense (free or reduced rent, day care bill, car repairs, etc.).

8. Wages that are garnished by the employer. Any amount garnished is not excluded. The total gross income is counted in the income computation.
9. Bonuses received on a recurring basis must be counted as earned income.

For a recurring bonus, at application or review, the worker must verify the last bonus received. The verified amount is then prorated over the period of time intended to cover and used in the new review period.

If the bonus is a one-time payment or the household cannot reasonably anticipate receipt of it again, it is treated as a non-recurring lump sum.

If the bonus is received on a sporadic basis, the bonus must be base month budgeted or prorated over the period of time intended to cover and the monthly prorated amount must be counted, unless the household reports a change.

Examples:

1. **At application in February, the household reports their employer pays monthly performance bonuses based on the office quota. The household reports they received their last bonus in November and does not know whether they will receive a future bonus. Since the household is not receiving a recurring bonus and does not anticipate receipt of a bonus, no bonus income is counted.**

In March the household turns in a change report form along with pay stubs for Medicaid. The pay stubs indicate the household received a performance bonus in February. Since the bonus is

now recurring, the bonus income must be anticipated for April. The worker must determine if using the bonus along with any other changes results in an increase or decrease in benefits.

2. **At review in February for March, the household reports they continue to receive a monthly performance bonus. The bonus received in February is verified and used for the new review period.**

10. Advances will be counted as income when received, unless previously counted as income. Advances on wages will count as income in the month received **only** if reasonably anticipated.
 11. Money received from the sale of an individual's blood or blood plasma.
 12. Family Subsistence Supplemental Allowance (FSSA) payments made to members of the Armed Forces.
 13. Variable Housing Allowances (VHA), Basic Allowance for Quarters (BAQ) and Basic Allowance for Housing (BAH) paid to military personnel for housing costs.
 14. Alternative Trade Adjustment Assistance/Reemployment Trade Adjustment Assistance (ATAA) wage subsidies provided under the Trade Adjustment Assistance (TAA) Extension Act of 2001.
28. 430-05-50-20-10 – Unearned Income. Contract for payment income was added to this section.

Unearned Income 430-05-50-20-10

Unearned income includes, but is not limited to:

1. Assistance payments such as TANF, including Diversion Assistance and TANF Transition Assistance (Job Retention portion of the payment). During the first four months of TANF Pay After Performance eligibility, the grant for the children's needs must be anticipated and counted as unearned income. Since the Pay After Performance individual's needs cannot be anticipated during any of the first four months, the Pay After Performance individual's needs are not counted.

If the individual is complying and their needs are prospectively included in the grant for month five, the grant including the individual's needs must be prospectively budgeted for SNAP.

Exception:

JOBS supportive services and TANF Supportive Services and Special Items of Need that represent a reimbursement are not counted as income.

The housing allowance is not considered a reimbursement, and is counted as unearned income.

When there is a reduction in a TANF benefit due to failure to perform a required action or for IPV and an overpayment is being recouped, the gross amount of the TANF grant must be counted as income if the individual was receiving SNAP benefits at the time the penalty was imposed.

2. Payments such as:
 - a. Annuities - including IRAs and Keogh Plans
 - b. Pensions - retirement or disability
 - c. Veteran's benefits
 - d. Workforce Safety & Insurance

- e. Unemployment compensation - The worker must allow three working days mailing time with day one being the check date in the online Job Service system in determining when unemployment benefits were received.
- f. Social Security and SSI benefits
- g. Strike benefits
- h. Deemed income from a spouse in a nursing home to the spouse in the community.
- i. Adoption subsidies

Exception:

Adoption subsidies that are reimbursements for child care while the responsible adult is working or seeking employment or for medical expenses are excluded.

- j. General Assistance

If child support or taxes are withheld from any of the above benefits, the **gross** amount must be counted.

If a portion of one of the above benefits is withheld to repay an overpayment from that same source, the net amount must be counted.

If a portion of one of the above benefits is withheld to repay another source, the gross amount must be counted.

Examples:

1. Back Taxes

2. Defaulted Student Loan

If there is a reduction in one income source due to the receipt of another income source, the net amount must be counted.

3. Self-employment income is considered unearned income when the individual is not actively engaged in the operation. The unearned income from self-employment is separated from the earned income when using the self-employment calculation worksheet.
4. Contracts for Payment. When an applicant or recipient has sold property with a contract to receive a series of periodic payments, rather than one payment, the arrangement is usually called a "contract for deed". The essential feature of the contract for deed is the right to receive future payments, usually coupled with a right to get the property back if the payments are not made. Contractual rights to receive money payments also arise out of other types of transactions. The valuable contract document may be called a note, accounts receivable, mortgage, or by some other name.

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

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

The interest portion of payments received for any contractual right to receive payments (such as Contracts for Deed) must be counted as unearned income. The payment must be prorated over the period of time intended to cover.

5. Income made available or payments in money that are made directly to a SNAP household by an ineligible or a non-household member.

Examples:

- 1. Income deemed from a spouse in a nursing home the spouse in the community.**
- 2. Money put in a checking or savings account by an individual outside of the SNAP household.**

Exceptions:

- 1. Excluded income that is deposited in a joint checking account by an ineligible student is not counted as income.**
- 2. If a household member is identified on an account signature card as an individual who can draw on the account, non-household member funds deposited into that account are not considered available and are excluded as income.**
6. Payments from Government sponsored programs, dividends, interest, royalties, and all other direct money payments from any source that can be construed as a gain or benefit.

Exception:

Interest or dividend income that is accrued or paid out on liquid assets is excluded.

7. Monies that are withdrawn that are or could be received by a household from irrevocable trust funds are considered excludable assets. The withdrawal from the trust must be considered income in the month received.

Please submit complete copies of all trust agreements to the Legal Advisory Unit of the Department of Human Services for review along with the following information:

- a. Who is applying for benefits and what benefits they are applying for.
- b. Verification of all asset(s) owned by the trust including the value of each asset, when the asset

was transferred to the trust and who transferred the asset to the trust.

- c. Any other documents or information that you think may be relevant.
8. When monies (which are not considered earned income) legally belonging to a household are diverted to a third party for an expense, the vendor payment is counted as unearned income rather than excluded.

Examples:

1. **TANF protective payments.**
2. **A household receives court ordered monthly support payments in the amount of \$400. \$200 is diverted by the provider and paid directly to a creditor for a household expense. The court ordered payment of \$400 is counted as income.**

Money diverted from a court ordered payment to a third party for a household expense must be included as income because the payment is taken from money owed to the household.

Exception:

Payments specified by a court order to go directly to a third party rather than the household are excluded from income because they are not payable to the household.

9. The amount of a reimbursement that exceeds the actual incurred expense. Reimbursements will not be considered to exceed actual expenses, unless the provider or the household indicates the amount is excessive.

10. Payments to tribal members (residing on or off the reservation) from gaming proceeds. These payments are not per capita payments and must be prorated over the period of time intended to cover.

Examples:

- **Three Affiliated Tribal Elderly Payments**
- **Spirit Lake Social Impact Payments**
- **Sisseton-Wahpeton Oyate of the Lake Traverse Reservation Casino Cash**

11. Alaska Permanent Fund Payments. These payments are recurring payments and must be annualized. If someone moves to North Dakota and will no longer get the payment, the current year's payment will be annualized and counted.
12. Recurring lump sum payments such as but not limited to gift cards such as Visa and MasterCard, inheritances and insurance settlements. These payments must be prorated over the period of time intended to cover.
13. All gambling winnings.
14. Cash donations received on a recurring basis.

Exception:

Cash donations based on need received from private non-profit charitable organizations that do not exceed \$300 in a quarter.

Example:

A household receives \$150 from a private non-profit organization in July, \$100 in August, and \$100 in September. That household would be entitled to an income exclusion of \$150 for July, \$100 for August, and \$50 for September, for a total of \$300.

15. The full amount of child support, spousal support, or any other payments made directly to the household from non-household members.

Child support payments are shown as income on UNIN in TECS next to the child the payment is intended for. Spousal support payments are shown as income on UNIN in TECS next to the person the payment is intended for.

The worker must verify the following:

- a. The amount of the legal obligation.
- b. The amount of child support or spousal support received.

For ongoing cases with a North Dakota court order, verification must be obtained from FACES. For those households with an out-of-state court order, verification must be obtained using child support stubs or documented collateral contacts.

Federal tax intercept payments are a non-recurring lump sum and are not counted as income. Federal tax intercept payments do not appear on the View ND Child Support (FACSES) window.

State and interstate state tax intercept payments are counted as income as these payments are applied to current child support. State tax intercept payments do appear on the View ND Child Support (FACSES) window.

If child support is received via check, direct deposit or electronic payment card (EPC), the worker must allow three working days for posting to the financial account in determining when the income was received. Day one of the three day count is the Disbursed Date on the View ND Child Support (FACSES) window or the date on the check or child support statement for payments not processed through FACSES.

Child support and spousal support income is base month budgeted.

Exceptions:

- 1. If child support or spousal support income is received monthly or twice a month, it may be averaged if the household agrees to income averaging. This must be documented in the casefile.**
- 2. If child support or spousal support is received quarterly, semi-annually or as an annual payment, it is prorated over the period of time intended to cover.**
- 3. If child support income is being retained because the household is receiving TANF, child support income is excluded.**

When the TANF case closes, base month child support retained by the state must be anticipated as income.

Based on discussion with the household and the verification provided, the worker must document the amount of child support income counted or not counted and why.

Initial Application

At application, child support income to the date of interview must be verified via FACES or by the household and documented. That amount must be counted along with what the household anticipates to receive for the remainder of the application month. This may include using verification of the last month's income if that is what the household anticipates for the first month of the review period.

If a household comes in for the interview at the end of the initial month, all child support received in the initial month must be counted. The three working days allowed for posting to the financial account in determining when income is received does not apply to any payment(s) the household may have already received in the initial or second beginning month.

When processing the second beginning month, the amount of child support income used in the initial month must be anticipated unless the household anticipates a change. If the household anticipates a change, the change must be verified and used.

Reviews

At review a full month's child support income from the base month or month of review, if available, must be verified and used. If the household reports an anticipated change, verification of the change must be provided and is used.

Examples:

- 1. A household is certified through January 31 and files an application for review on January 26. The household is interviewed on February 10 and receives one child support payment at the beginning of each month. The household received child support income on February 3. The February 3 child support income must be used for the first month of the review period (February).**
- 2. A household is certified through June 30 and files an application for review on June 26 with no interview required. The household reports they receive two child support payments each month and received all of their June child support income. Since the full month's child support from the review month is available, June child support income must be used.**

Ongoing Cases

For ongoing cases, if the worker receives an alert that child support was received in the base month, the most current month's (base month) income as reflected in FACES must be used to determine the effect on the benefit. If the base month income results in an increase in benefits, the change must be acted on.

If the base month income results in a decrease in benefits, the change is not acted on until review.

If the worker receives an alert that no child support was received in the base month, the worker will need to check FACES. If no child support was received (applying the three working day policy for child support received in the month prior to the base month) in the base month, no child support income is used to determine the effect on the benefit for the benefit month.

If a household reports they do not expect to continue to receive child support income, the worker must follow up on this reported change by sending the F419 requesting verification. If verification is provided, the change must be acted on to increase benefits. If verification is not provided, the previously verified amount of income continues to be used until review.

If a household reports a change in child support income that will result in an increase in benefits, does not provide verification of the change, and the change is not reflected in FACES, the worker must send F419 and follow up on the reported change. If verification is provided, the change must be acted on to increase benefits. If verification is not provided, the previously verified amount of income continues to be used until review.

29. 430-05-50-30 – Income Excluded by Federal Law. Payments from the Department of Housing and Urban Development (HUD) vendor payments for rent or mortgage paid to landlords or mortgagees rather than mortgagor. Mortgagor was changed to mortgagee as the mortgagee is the mortgage company or the bank.

Income Excluded by Federal Law 430-05-50-30

The following is a **partial listing** of income that is excluded by federal law. Contact the Regional Representative if assistance is needed in determining whether other types of income are excluded.

1. The value of assistance to children under the Child Nutrition Act of 1966 (child care nutrition programs).

2. The Domestic Volunteer Services Act of 1973, Titles I and II, as amended.

Payments under Title I of that Act, including payments from such Title I programs as VISTA, to volunteers for those individuals receiving SNAP or TANF at the time they joined the Title I program.

Payments to volunteers under Title II, including the Retired Senior Volunteer Program (RSVP), Foster Grandparents Program and Senior Companion Program.

3. Americorps income is excluded. Americorp VISTA income is only excluded if the individual was receiving SNAP at the time they took their oath to join Americorp VISTA.
4. Homestead tax credits including rental refunds.
5. Payments paid as a result of an emergency or major disaster as defined in the Disaster Relief Act of 1974 or the Disaster Relief & Emergency Assistance Amendments of 1988. This includes Federal Emergency Management Assistance (FEMA) payments and Emergency Unemployment Benefits along with comparable state and local payments.

A major disaster is any natural catastrophe regardless of fault, any fire, flood, or explosion that the President determines causes damage of sufficient severity and magnitude to warrant major disaster assistance.

An emergency is an occasion or instance for which the President determines that federal assistance is needed to save lives and protect property and public health and safety.

Exception:

Payments made when there is no major disaster or emergency are not excluded.

6. Agent Orange Compensation Exclusion Act payments or all payments from the Agent Orange Settlement fund which are distributed by the Aetna Insurance Company.

Exception:

Payments from the Veteran's Administration for service connected disabilities resulting from exposure to agent orange are not excluded.

7. Federal Tax refunds, including Earned Income Tax Credits, are excluded from income for a period of 12 months from the month of receipt.
8. Allowances paid to children of Vietnam veterans who are born with spina bifida.
9. Allowances paid directly or indirectly on behalf of a household by LIHEAP.
10. Any allowances, earnings, or payments received under WIA or Youthbuild.

Exception:

Earnings of individuals participating in an on-the-job training programs under Title I of WIA or Youthbuild who are over the age of 19 or under the age of 19 and are not under parental control are counted as earned income.

11. Tribal High School Graduate/GED Payments- Payments from Tribes within North Dakota to tribal members who graduate from high school or receive a GED.
12. Funds received by persons 55 and older under the Senior Community Service Employment Program Title V of the Older Americans Act are excluded from income. The organizations that receive some Title V funds are as follows:

- **Green Thumb – Experience Works**
 - **National Council on Aging**
 - **National Council of Senior Citizens**
 - **American Association of Retired Persons**
 - **U. S. Forest Service**
 - **National Association for Spanish Speaking Elderly**
 - **National Urban League**
 - **National Council on Black Aging**
13. Department of Housing and Urban Development (HUD) vendor payments for rent or mortgage paid to landlords or mortgagees ~~mortgagors~~. HUD Section 8 Housing Voucher Program payments that are paid to the household are also excluded.
14. Women, Infants, and Children (WIC) Program.
15. Payments or allowances made for the purposes of providing energy assistance, including utility reimbursements made by the Department of Housing and Urban Development (HUD), Rural Housing Service, and Tribal Utility Payments including Tribal LIHEAP.
- This includes a one-time payment or allowance applied for on an as needed basis and made under a Federal or State law for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device. A down-payment followed by a final payment upon completion of the work will be considered a one-time payment for this provision

Exception:

Any payments or allowances made for the purpose of providing energy assistance under Title IV-A (TANF) are counted as unearned income.

16. Income that is excluded by express provision of federal statute for American Indians or Alaska Natives. Usually a law will specify payments to members of a tribe or band, and the law will apply to the members enrolled in the tribe or band wherever they live. The individuals should have documentation showing where the payments originated. These payments include, but are not limited to the following:
 - a. Indian per capita payments distributed from judgment awards and trust funds up to \$2,000 per person per payment. Amounts in excess of \$2,000 are considered a countable asset.
 - b. Interests of Indians in trust or restricted lands.
 - c. Up to \$2,000 per year of Individual Indian Monies (IIM) received by individual Indians which is derived from leases or other uses of individually owned trust or restricted lands.

Exception:

The \$2000 exemption does not apply to inheritance, bonuses, and other income that is not derived from leases, trust or restricted land.

The IIM account must be verified at every review. Client statement is acceptable verification of the amount in an IIM account unless:

1. The amount is more than \$2000 for the year;
2. The client's statement is questionable;

3. The IIM account includes countable income such as inheritance, bonuses, and other income that is not derived from leases, trust, or restricted land.

Verification Options

1. Request for verification of IIM account information using form SFN 413, Individual Indian Monies Account. This form will need to be notarized per requirements of the United States Department of the Interior, Office of the Special Trustee for American Indians, Office of Trust Funds Management. These releases are valid for one (1) year and must be renewed annually.
2. Individuals with IIM accounts receive statements from the Office of Trust Funds Management on a quarterly basis. A copy of this form may be requested from the recipient. However, the recipient will not receive the statement if the Office of Trust Funds Management does not have a current address.
3. The individual may obtain a statement of their IIM account directly from the Office of Trust Funds Management through the Bureau of Indian Affairs (BIA) by requesting the information in person or by making a telephone request. In both cases, the individual will need to know their account number and provide at least two forms of identification.

New Source Income

When new source income is deposited into an individual's IIM account, the countable amount will be determined as follows. If the household reports a new source of income, the change must not be acted on until review unless the change results in an increase in benefits.

Verification of the IIM account must be obtained for the most recent FULL 12 month period through one of the three options currently identified in policy. Once verification of the IIM account is received,

the worker will subtract any deposits that cannot be counted as IIM income, such as inheritances, VA, SSA, SSI, gaming profits, bonus payments, etc., based on current policy. Once those deposits have been subtracted, take the most current months, or an average if received for multiple months, new source income amount and multiply by 12. That amount must be added to all countable deposits for the twelve-month period (excluding the new source income deposited into the IIM account), deduct the \$2000 disregard, and then divide the remaining balance by 12 to determine the monthly countable unearned income.

Examples:

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

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

2. **A new application is received in July and the Eligibility Worker requests verification of the IIM account for the period of July 1, 2008 thru June 30, 2009, the most recent FULL 12 month period.**

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

17. Monies made available to a household by an absent member deployed to a designated combat zone must be excluded when establishing the household's income for SNAP purposes as follows:

- a. The worker must establish what amount of the military person's net pay was actually available to the household prior to the deployment of the military person to a designated combat zone. The line of thinking here is that we would only count the absent person's pay that was actually available to the SNAP household (net income).

Keep in mind that the net income is used only if the military person was in the SNAP household prior to deployment to a combat zone. If the military person was

NOT in the SNAP household prior to deployment, the amount actually made available to the SNAP household is counted as unearned income.

- b. The worker must then determine the amount of his or her military pay that the absent member deployed in a designated combat zone is making available to his or her family.

If the amount of his or her military pay that the absent member deployed in a designated combat zone is making available is equal to or less than the amount the household was receiving from the military person prior to deployment to a designated combat zone (net income), all of the allotment would be counted as income to the household for SNAP purposes. Any portion of the amount that exceeds the amount the household was receiving prior to deployment of the military person to a designated combat zone should be excluded when determining the household's income for SNAP purposes.

In order to arrive at this amount, the worker must review the last LES (Leave and Earnings Statement) of the military person immediately prior to deployment. The LES will identify combat pay if it is being received and can be used to establish deployment to a combat zone. Deployment to a combat zone can also be established through orders issued to the military person.

Example:

A SNAP household that included a military person was receiving \$900.00 (net income) prior to deployment to a designated combat zone. The military person is now providing \$1,400.00 to the remaining household members. When determining the household's income for SNAP purposes, \$900.00 would be counted and \$500.00 is excluded.

Designated Combat Zones

- Arabian Peninsula Areas, beginning Jan. 17, 1991 -- the Persian Gulf, Red Sea, Gulf of Oman, the part of the Arabian Sea north of 10° North latitude and west of 68° East longitude, the Gulf of Aden, and the countries of Bahrain, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.
- Kosovo area, beginning Mar. 24, 1999 -- Federal Republic of Yugoslavia (Serbia and Montenegro), Albania, the Adriatic Sea and the Ionian Sea north of the 39th Parallel.
- Afghanistan, beginning Sept. 19, 2001.

Public Law 104-117 designates three parts of the former Yugoslavia as a Qualified Hazardous Duty Area, to be treated as if it were a combat zone, beginning Nov. 21, 1995 -- Bosnia and Heruegovina, Croatia, and Macedonia.

In addition, the Department of Defense has certified these locations for combat zone tax benefits due to their direct support of military operations, beginning on the listed dates:

In support of Operation Enduring Freedom (Afghanistan combat zone):

- Pakistan, Tajikistan and Jordan - Sept. 19, 2001
- Incirlik Air Base, Turkey - Sept. 21 , 2001 through Dec. 31, 2005
- Kyrgyzstan and Uzbekistan - Oct. 1, 2001
- Philippines (only troops with orders referencing Operation Enduring Freedom) - Jan. 9. 2002
- Yemen - Apr. 10, 2002
- Djibouti - July 1, 2002

- Somalia - Jan. 1, 2004

In support of Operation Iraqi Freedom (Arabian Peninsula Areas combat zone):

- Turkey - Jan. 1, 2003 through Dec. 31, 2005
- Israel - Jan. 1 through July 31, 2003
- The Mediterranean Sea east of 30° East longitude - Mar. 19 through July 31, 2003
- Jordan - Mar. 19, 2003
- Egypt - Mar. 19 through Apr.20, 2003

Deductible Expenses 430-05-55

30. 430-05-55-20 Medical Expenses. Policy was clarified for treatment of medical bills when households have made payment arrangements with the provider within 30 days after the initial billing.

Medical Expenses 430-05-55-20

That portion of medical expenses in excess of \$35 per month, excluding special diets, of an elderly (beginning in the month an individual turns age 60) or disabled household member are allowable **after third party payments. These expenses must be reported and verified within 30 days of the billing date. If the household has made arrangements with the provider to make payments within 30 days after the initial billing or within 30 days after third party payment, verification must be provided at the time the expense is reported.**

Medical expenses include all allowable medical expenses made by a household for an individual who was an elderly or disabled household member immediately prior to dying or entering a hospital or nursing home, if the remaining household members are legally responsible for payment of the expenses. The expense must be coded by the individual responsible for the medical expense on EXSA using the ME LR code.

Example:

- 1. An elderly mother and daughter are living together and are one household. The mother goes into the hospital and the daughter who is not legally responsible for her mother's medical costs is paying on those expenses as she can. The daughter is not allowed to claim a medical deduction for her mother's costs because she is not legally responsible for them.**
- 2. An individual (not elderly or disabled) applies for SNAP. At the time of application, the individual reports that her disabled husband passed away and also reports medical expenses that were incurred by her husband that she is legally responsible to pay. These expenses are an allowable deduction for this individual. This expense must be coded as ME LR on EXSA.**

Households may but are not required to report any changes in medical expenses during the review period. If the household reports a change, the worker must determine if the change will result in an increase or decrease in benefit. If the change results in an increase in benefits, the change must be acted on. If the change results in a decrease in benefits, the change must not be acted on until review.

Exception:

If the change meets the criteria to decrease benefits, the change must be acted on within 10 days from the date the change was reported and a 10 day advance notice must be sent. If the change is reported in writing and signed by the household, a 10 day advance notice is not required. Adequate notice is required.

If the household reports a medical expense but is unable to provide verification of the expense, a deduction is not allowed.

The \$35 applies to the total expenses incurred by all elderly or disabled household members; it does not apply to each person's expenses if more

than one person in the household is elderly or disabled. TECS automatically deducts \$35 from the amount entered on the EXSA screen.

Individuals receiving Social Security benefits as a dependent or survivor **are not** eligible to receive the medical deduction.

Individuals receiving emergency SSI benefits based on presumptive eligibility **are** eligible to receive the medical deduction.

At initial application and review medical expenses should be averaged from a prior three month period, if that is indicative of what the household anticipates to have as ongoing medical expenses in the new review period.

The medical expenses from the three prior months may not be indicative of combination SNAP/Medicaid cases when the full recipient liability is not being met. The worker must thoroughly discuss this with the household to establish what the household anticipates as ongoing medical expenses.

In a combination SNAP/MA case, when making a change for both programs, if the recipient liability for MA changes and the recipient liability is being allowed as a medical expense for SNAP purposes, change the amount allowed as an expense for SNAP on the EXSA screen as follows:

- a. If the household is incurring the **entire** recipient liability, change the amount allowed as an expense for SNAP on the EXSA screen to the new amount, if the change results in an increase in benefits. If the change results in a decrease in benefits, the change is not acted on until review.
- b. If the household is incurring **only a portion** of the recipient liability and the amount has been averaged, and the income or expenses for this case causes the recipient liability to change, continue to use the previously averaged amount as a medical expense for SNAP. At review, re-average using the new recipient liability.

The SFN 187 - Medical Expense Worksheet should be used for all households entitled to a medical deduction.

If the SFN 187 is used, the household must be asked to complete the bottom portion of the form and the top half is completed by the worker.

This worksheet also serves as documentation of verified medical expenses, the calculation and the amount allowed as a deduction.

31. 430-05-55-20-05 Computing Medical Expenses. Policy was clarified in situations when a client has established a monthly installment plan for repayment of a medical bill and when it can be removed from the case as an expense.

Computing Medical Expenses 430-05-55-20-05

The client can choose to have current medical expenses, paid or unpaid computed as follows:

- Averaged over the review period at application or review or the remainder of the review period for ongoing cases.
- Used as a one-time expense for the next month.
- A monthly installment can be used for the period of time it has been agreed upon for the household to pay the balance. Once the period of time of payment has been determined, monthly installments remain in the case for the length of the review period even if the bill is paid in full as it does not meet the criteria to decrease benefits.

This agreement can be verbal or implied (as long as the medical provider is accepting payment, there is an agreement).

The **worker** must assist the household in deciding which method provides the household with the greater benefit.

If the averaging or monthly installment computation is used, a one-time expense is treated separately. Do not change the averaged amount currently being used for the review period. ~~For installment payments, they are allowed only through the month the expense would have been paid.~~

Example:

A household has ongoing monthly medical expenses of \$100 and the household timely reports a one time medical expense of \$250 for glasses on March 5. When calculating benefits for the month of April, the ongoing monthly medical expense of \$100 is allowed and the household has the option of using the \$250 deduction as follows:

- The one time medical expense of \$250 can be averaged over the remaining months of the review period.**
- Allowed as a one time medical expense of \$250 for April, when calculating benefits for the month of May the medical expense is not allowed.**
- If the household had agreed to a monthly installment of \$50 for the glasses, the \$50 would be added to the \$100 ongoing monthly medical expenses for the next five months.**

32. 430-05-55-20-07 Actual Medical Expense versus Standard Medical Expense Deduction. Policy was clarified for situations when a one-time medical bill is provided at the time of application.

Actual Medical Expense versus Standard Medical Expense Deduction 430-05-55-20-07

Households with elderly or disabled individuals who are billed and responsible for more than \$35 in allowable monthly medical expenses can choose the Standard Medical Expense Deduction of \$200 per month rather than actual medical expenses. **Only one Standard Medical Expense Deduction can be allowed per household.** The expense must be coded by an elderly or disabled individual with a participation code other than DI using the ME ST code on the EXSA screen in TECS.

The only medical expense that will be allowed in addition to the standard medical expense deduction is when a household is legally responsible for payment of expenses for an individual who was an elderly or disabled

household member immediately prior to dying or entering a hospital or nursing home (ME LR).

TECS will automatically deduct \$35 from the total of all medical expenses for all individuals entered on the EXSA screen.

Initial Application

At initial application, verification of medical expenses is required. If verification of medical expenses is not provided, no expense is allowed. If verification of medical expenses is provided and the total of all allowable monthly medical expenses for all elderly and disabled household members exceeds the \$200 Standard Medical Expense Deduction, actual verified expenses are allowed. Actual allowable monthly medical expenses must be coded by the elderly or disabled member(s) that incurs the expense.

Exception:

If the household has medical expenses that are greater than \$200 but chooses the Standard Medical Expense Deduction rather than actuals, this must be documented in the case file.

If verification of medical expenses is provided and the total of all allowable monthly medical expenses for all elderly and disabled household members is greater than \$35 but less than \$200, the Standard Medical Expense Deduction is allowed for the household. The Standard Medical Expense Deduction must be coded by only one elderly or disabled individual with a participation code other than DI.

If a household also reports a one-time medical expense at application, the household can choose to have the one-time expense averaged over the review period or used as a one-time expense. If the household chooses to:

- Average over the review period, the one-time expense is included with other allowable monthly medical expenses in determining entitlement to the Standard Medical Expense Deduction.

- Use as a one-time expense, the one-time expense is included with other allowable monthly medical expenses. If the total is greater than \$35 but less than \$200, the household can choose the Standard Medical Expense Deduction.

If the total is greater than \$200, the household can choose to use actuals. The actuals must be allowed for the application next-month. The one-time expense must then be removed for the following month. Once removed, if monthly expenses are less than \$200, the household can choose the Standard Medical Expense Deduction again for the following month.

Review

At review, households will remain eligible for the Standard Medical Expense Deduction if they report the total of all elderly and disabled members' allowable medical expenses are greater than \$35. Client statement of medical expenses is acceptable and must be documented in the case file. If the household reports medical expenses that are greater than \$200, verification is required. If verification of medical expenses is not provided, the Standard Medical Expense Deduction will continue to be allowed for the new review period.

Ongoing Cases

Households entitled to the Standard Medical Expense Deduction are allowed to change to actual medical expenses during the review period. If a household reports new medical expenses that would entitle them to the Standard Medical Expense Deduction or expenses which exceed the standard, since these changes will result in an increase in benefits, the changes must be verified. Notice F419 – “Request for Verification” must be sent allowing the household 10 days from the mail date of the notice to verify the reported change.

If the household provides verification within the 10-day period, the worker must act on the reported change within 10 days and send the household the appropriate notice. If the verification entitles the household to the

Standard Medical Expense Deduction, the expense must be coded by only one elderly or disabled individual in the case. If the verification entitles the household to actual medical expenses, the actual allowable expenses must be coded by the elderly or disabled member(s) that incur the expense.

If the household fails to provide verification within the 10-day period, the previously verified amount is used and the benefit stays the same. If there is no previously verified amount (i.e. household reports now incurring medical expenses and previously had not), no change is made and the benefit stays the same.

If the household fails to provide verification within the 10-day period and provides verification at a later date, benefits are increased the month after receipt of the verification.

If a household reports a one-time medical expense in an ongoing case, the household can choose to have the one-time expense averaged over the remainder of the review period or used as a one-time expense. If the household chooses to:

- Average over the remainder of the review period, the one-time expense is included with other monthly medical expenses in determining entitlement to the Standard Medical Expense Deduction versus actual medical expenses.
- Use as a one-time expense, the one-time expense is included with other allowable monthly medical expenses. If the total is greater than \$35 but less than \$200, the household can choose the Standard Medical Expense Deduction.

If the total is greater than \$200, the household can choose to use actuals. The actuals must be allowed for the next month. The one-time expense must then be removed for the following month. Once removed, if monthly expenses are less than \$200, the household can choose the Standard Medical Expense Deduction again for the following month.

Example:

At initial application in February, a household verifies monthly medical expenses of \$140 and chooses to use the Standard Medical Expense Deduction. The household is approved and certified through July. On May 5, the household timely reports a one-time medical expense of \$300 for glasses. When calculating the benefits for the month of June, the household has the option of using the \$300 deduction as follows:

- Average the expense over the remainder of the review period (two months) for a monthly amount of \$150 per month. Adding the \$150 per month to the other monthly medical expenses of \$140 results in a total of \$290. The household can choose to use actuals for the remainder of the review period.**
- Allowed as a one-time medical expense of \$300 for June along with the other monthly medical expenses of \$140. The ME ST would be removed for June. When calculating benefits for the month of July, the one-time expense along with the other medical expenses are removed and the Standard Medical Expense Deduction is again allowed.**

33. 430-05-55-20-20 – Allowable Medical Expenses. The reasonable cost of transportation and lodging to obtain medical treatment services was updated.

Allowable Medical Expenses 430-05-55-20-20

The following is a **partial** listing of allowable medical costs:

1. Medical care provided by a licensed practitioner.
2. Dental care, including dentures and orthodontics.
3. Hospitalization, outpatient treatment and nursing care, including Home and Community Based Services (HCBS).

4. Nursing home care including payments by a **legally responsible** household member for an individual who was a household member immediately prior to entering a nursing home.
5. Prescription drugs when **prescribed** by a licensed practitioner and over-the-counter medication (including insulin) when approved by a licensed practitioner. This includes postage and handling costs associated with mail order prescription drugs.
6. The co-pays that Medicaid allows as a deduction in determining the monthly Recipient Liability.
7. The costs of prescribed medical supplies are allowed as a deduction. The following is a partial list:
 - Sick-room equipment (including rental).
 - Equipment added to a vehicle or home for a handicapped person.
 - The cost of building a ramp for a wheelchair.
 - Amplifiers and warning signals for handicapped individuals (medic-alert).
 - Typewriter equipment connected to a telephone for deaf individuals.

Exception:

Computer purchased by a handicapped individual for learning purposes is not an allowable medical expense.

8. Health and hospitalization insurance premiums.

Only the portion of a medical insurance premium assigned to the elderly or disabled household member is allowed when computing the deductible amount. If the policy does not define how much of the premium is for each insured household member, the **worker** must prorate the premium amount among all members insured on the policy. Only the prorated amount for

the eligible elderly or disabled household member is allowed as a deduction. When health insurance premiums are an automatic deduction from a checking or savings account, the service fee charged by the bank is not an allowable deduction.

The cost of health, accident, cancer, nursing home and ambulance policies which state that the monies will be used to cover medical expenses are allowable medical expenses.

Exception:

The costs of accident, cancer, or nursing home policies that do not state that the monies are intended for use to cover medical expenses.

Health or income maintenance policies payable in lump sum settlements for death or dismemberment or that continue mortgage or loan payments while the beneficiary is disabled are not allowed as a deduction.

9. Medicare premiums, co-insurance, and deductibles.

Exceptions:

A Medicare premium for an individual who is QMB/SLMB or Buy-In for Medicaid is not an allowable medical expense for SNAP purposes as the household will be reimbursed for these premiums once it is no longer deducted from the Social Security check. The Medicare premium is no longer allowed when the QMB/SLMB application is approved.

Qualifying Individual 1 (QI-1) are entitled to payment of their Medicare Part B premium. The Medicare part B premium is not an allowable medical deduction.

10. Hearing aids and prosthetics.
11. Securing and maintaining a service animal specifically trained to assist handicapped individuals, including the cost of food and veterinarian bills.

12. Eyeglasses and contact lenses prescribed by a licensed practitioner.
13. Reasonable cost of transportation and lodging to obtain medical treatment or services, including trips to a pharmacy, dental office, optometrist, etc. can be counted as a medical deduction up to the following amounts:
 - ~~\$0.45~~ \$0.56 per mile for mileage.
 - ~~\$55~~ \$72.00 plus tax for in-state lodging.
 - ~~\$80~~ \$99.00 plus tax for out-of-state lodging.

These costs must be verified.

Exception:

Meals are not an allowable expense for households who must travel to obtain medical care.

14. Maintaining an attendant, homemaker, home health aide, child care services or housekeeper necessary due to age, infirmity, or illness. In addition, an amount equal to the Thrifty Food Plan for one-person is deducted if the household furnishes the majority of the attendant's meals.

The Thrifty Food Plan for this meal related deduction must be the benefit in effect at the time of initial certification. The **worker** is required to update the benefit amount at the next scheduled review. The **worker** has the option to do so earlier if the benefit changes before the next scheduled review.

If a household incurs attendant care costs that could qualify under both the medical deduction and dependent care deduction, the **worker** must treat the cost as a medical expense.

15. Child care expenses for a child receiving SSI that are necessary and identifiable.

Example:

Mom is not working and stays home to care for her disabled child receiving SSI. Mom takes the child to a child care facility while she runs errands, medical appointments, etc. The child care expense incurred is an allowable medical expense deduction.

16. Payments on loans for one-time medical expenses or medical expenses billed on a credit card are deductible, but the **interest** must not be allowed as part of the deduction.
17. Monthly Phone Fees for Medic Alert systems. The basic fee for the telephone which the system uses is handled as a utility expense.

Example:

Individual is charged \$20.00 per month by the phone company for a Medic Alert system and \$15.00 per month for basic phone service. The \$20.00 is allowed as a medical expense. The \$15.00 for basic telephone services is allowed as a utility expense.

18. Enrollment fees and monthly premiums paid by the household for the Medicaid Workers with Disabilities coverage.
19. Premiums, co-payments, co-insurance and deductibles paid by the household for Medicare Part D.
20. Premiums, paid by households for children with disabilities coverage.
34. 430-05-55-25 Dependent Care Costs.
- Removed simplified reporting from this section

- SNAP no longer has a maximum allowable child care expense, this was removed from the TANF section of this policy
- Examples of when a Child Care Assistance Program review form is received late or is not completed by the household were added to this section

Dependent Care Costs 430-05-55-25

Households must verify current month or base month dependent care expenses at initial application and review. The out-of-pocket child care expense incurred by the household is an allowable child care deduction. A deduction for care of a child or other aged or disabled dependent is allowed when necessary for a household member to:

- Accept or continue employment.
- Seek employment.
- Attend training or pursue education preparatory to employment.

Child care costs are allowable for children under age 16. If a child turns age 16 during the review period, the child care costs will continue to be allowed until the next review as this does not meet the criteria to decrease benefits.

The portion of child care expenses that will be reimbursed are not allowable.

Dependent care expenses will be allowed only if the service is provided by someone outside the SNAP household.

Example:

Grandma, mom and child are all one SNAP household.

Grandma is providing child care for the child and receiving a Child Care Assistance payment of \$300. Mom is paying out of pocket expenses to grandma of \$50. The \$300 Child Care Assistance payment is counted as earned self-employment income to grandma. The \$50

mom is paying grandma out of pocket is not counted as income to grandma and is not allowed as an expense for mom.

When the child care expense is greater than the Child Care Assistance Program (CCAP) payment, the out-of-pocket child care expense incurred by the household is an allowable child care deduction.

Example:

The child care expense for one child is \$250 and child care assistance reimburses the household \$100 that is applied toward that child care bill, for SNAP purposes:

- 1. Disregard as income the \$100 child care assistance payment.**
- 2. Allow a child care deduction in the amount of \$150 (\$250 total child care expense incurred minus the \$100 child care payment).**

If a TANF household chooses the option of receiving a work related child care disregard from the TANF grant, SNAP will count the amount of the TANF grant as unearned income and allow the household a deduction for child care expenses. ~~up to the maximum.~~

At application, anticipated expenses for the first two months are allowed as a deduction based on verification from the provider, information from the household, and the worker's prudent judgment.

When a ~~child care assistance~~ CCAP application is pending, allow the entire child care expense as a deduction until the certificate has been issued and the first ~~child care assistance~~ CCAP billing form is received. When the certificate ~~certification~~ has been issued and the billing form is received, the worker must act on the change based on simplified reporting requirements.

Examples:

- 1. Ongoing ~~simplified reporting~~ SNAP household applies for ~~Child Care Assistance~~ CCAP and is issued a certificate on August 5, however no billing form has been received. The entire child care expense**

continues to be allowed for September as a deduction as a ~~child-care~~ CCAP billing form was not received. The household provides a ~~child-care~~ CCAP billing form on September 17. Since the household's out of pocket cost based on the sliding fee scale will result in a decrease in benefits, the entire child care expense continues to be allowed until review.

2. New application for ~~simplified reporting~~ SNAP household and ~~Child Care Assistance~~ CCAP.

If the ~~Child Care Assistance~~ CCAP certificate is issued and the billing form received prior to authorizing the SNAP case, the out of pocket costs based on the sliding fee scale are allowed as a deduction for SNAP.

If the SNAP case is authorized prior to the ~~Child Care Assistance~~ CCAP certificate being issued and/or the billing form being received, the entire out of pocket cost continues to be allowed. Once the certificate is issued and the billing form received, the household's out of pocket cost based on the sliding fee scale will result in a decrease. The entire child care expense continues to be allowed until review.

At review if the household anticipates no changes in child care expenses, use base month or current month verified expenses. If not anticipating a change and the household fails to provide verification of base month or current month, no deduction is allowed.

For ongoing cases, if a change is anticipated and it will result in an increase in SNAP benefits, it must be verified before it can be allowed.

~~For simplified reporting households,~~ Changes resulting in a decrease must not be acted on until review.

If the household fails to complete a redetermination for child care assistance CCAP, the entire out-of-pocket costs must be anticipated.

Examples:

- 1. Ongoing SNAP and CCAP household has a review due for CCAP in March. The review form has not been received by the county at the time the SNAP case needs to be authorized. The out of pocket child care expense that was used in determining March SNAP benefits continues to be allowed as a deduction.**

The household failed to complete the CCAP review in March. In April, the worker must send the F419 requesting verification of child care expense. If the household provides the verification, the worker must anticipate the full child care expense and increase benefits. If the household fails to provide the required verification, the worker will continue to use the out-of-pocket child care expense previously used in determining April SNAP benefits.

- 2. Ongoing SNAP and CCAP household has a review due for CCAP and a review for SNAP in March. Both reviews were completed. The household's out-of-pocket child care expense would be anticipated for April based on the new certificate and the most current billing form received, taking into consideration any anticipated changes reported and verified by the household.**
- 3. Ongoing SNAP and CCAP household has a review due for CCAP and a review for SNAP in March. If the SNAP review is processed prior to the CCAP review the household's out-of-pocket expense would be used based on the existing certificate that ends in March and the most current billing form received.**

35. 430-05-55-30 Child Support Paid. In the review section of this policy the example was updated to reflect a six month certification period rather than a twelve month certification period.

Child Support Paid 430-05-55-30

Legally obligated child support payments paid by a household member to or for a non-household member, including payments made to a third party on behalf of the non-household member (vendor payments), and arrearages are allowable deductions.

Exception:

Legally obligated child support payments made to an individual outside of the household or an agency must be allowed if the child for whom the support was paid is a household member.

Example:

Dad has a legal obligation to pay child support/arrearages, the children are now living with him, and he continues to pay the support to his ex-wife who is not a household member. As dad continues to pay support, the deduction is allowed.

The worker must verify the following information:

- a. The legal obligation.
- b. The amount of the legal obligation.
- c. The amount actually paid including arrearages.

Verification can be obtained from:

- a. ND Child Support FACSES
- b. Child support stubs
- c. Documented collateral contacts

If the health insurance policy does not define how much of the premium is for each insured household member, the worker must prorate the premium amount among all members insured on the policy. Only the prorated amount of the health insurance the household is court ordered to pay is allowed as a deduction on NOMD. When health insurance premiums are an automatic deduction from a checking or savings account, the service fee charged by the bank is not an allowable deduction.

The deduction can exceed the legally obligated amount as a result of arrearages, interest or income withholding orders.

At initial application, the worker will allow the deduction based on an AVERAGE of what the household has paid if there is a payment history, (two prior consecutive months which could include the application month), taking into account any expected changes and the legally obligated amount.

Where child support is paid on a sporadic basis, a deduction cannot be allowed unless the worker can reasonably anticipate that a payment will be made. This determination is based on the prior payment history (two prior consecutive months which could include the application month) for the household and documented discussion with the household.

If there is no prior payment history (two prior consecutive months which could include the application month), a deduction is allowed based on what the household expects to pay, including arrearages. The worker must look at the amount legally obligated, the individual's current circumstances and discussion with the individual. The amount allowed and the reason why must be documented in the casefile.

If there is an initial court order establishing child support, the amount allowed as a deduction is anticipated based on the court order, the individual's current circumstances and discussion with the individual. The amount allowed and the reason why must be documented in the casefile.

Review

At review, the worker must verify the amount paid in the prior review period including arrearages and any reported change in the legal obligation. The worker must average (sporadic or regular payments) and use that amount for the next review period.

Any child support payments the household anticipates making in the month the review is due must be included in the average for the new review period.

Examples:

- 1. A household certified for January through ~~December~~ June is reviewed on ~~December~~ June 5. Any child support payments the household anticipates making in the month of ~~December~~ June must be included in the average for the new review period.**
- 2. A household certified for January through June ~~December~~ is reviewed on ~~December~~ June 5. Child support payments were made sporadically as follows:**

January - \$300.00

February - \$150.00

May - \$100.00

~~August~~ ~~\$100.00~~

~~October~~ ~~\$200.00~~

Total = ~~\$850.00~~ \$550

The household does not anticipate making any payments in the month of ~~December~~ June. The average amount of \$91.67 (\$550 divided by 6 ~~12~~) is allowed as a monthly child support deduction for the new review period.

If the household reports and verifies a change at review, the change must be acted on as part of the review process.

Examples:

- 1. At review on October 11, a household reports and verifies a change in their legal obligation to pay child support from \$300 per month to \$200 effective October 1. The household states they have already paid the \$200 for October and will continue to pay that amount each month. When working this case for November benefits, based on discussion with the household and verification of the new amount of the obligation, \$200 a month is allowed as a deduction.**
- 2. At review in May, a household reports and verifies a change in their legal obligation to pay child support. The only child turned age 18 and is graduating from high school this month. Effective June 1, the child support obligation stops. When working this case for June benefits, no child support deduction is allowed.**
- 3. At review in May, a household reports a change in the amount of child support they pay. The worker must request verification of the change in child support paid. If the change is verified, the change must be acted on and documented. If the change is not verified, a child support deduction is not allowed.**

If there is an initial court order establishing child support, the amount allowed as a deduction is anticipated based on the court order, the individual's current circumstances and discussion with the individual. The amount allowed and the reason why must be documented in the casefile.

Ongoing Cases

The deduction averaged at initial application or review will continue to be allowed for ongoing cases unless the household reports a change in the legal obligation or the legally obligated amount they pay. If an averaged deduction is being allowed and the household reports a change in the amount of child support they pay or provides pay stubs that indicated fluctuating withholding, the averaged deduction must not be changed until review.

If the household was not paying child support at the time of application or review and reports in writing or verbally to their worker that they are now paying child support, a deduction can be allowed if verified. The pay stubs can be used as verification of the change, if not questionable.

When there is an initial court order establishing child support, the amount allowed as a deduction is anticipated based on the court order, the individual's current circumstances and discussion with the individual. The worker must document the amount used and the reason why. This amount is used for the remainder of the review period.

Providing pay stubs that indicate child support was withheld does not constitute a reported change by the household.

Once certified, the household is not required to report how much of the legally obligated amount they actually paid. That information must be reported and verified at the next review.

Example:

A household was initially certified allowing a verified legal child support obligation of \$300 per month. At the time of certification, the payment history showed the household had actually paid \$300 a month. The

household was certified from May through October with an averaged deduction of \$300 per month. In August and September, the household makes payments of \$100. There is no change in the legal obligation. As the household is not required to report a change in the amount actually paid, the \$300 per month deduction allowed through October is correct.

If the household reports a change in the legal obligation to pay child support, the legally obligated amount of child support or when a household reports they are now paying child support and a deduction is not currently being allowed during the review period and the change results in an increase in benefits, or the effect on the benefit is unclear, the worker must send the F419 requesting verification. If verification is provided, the change must be acted on. If verification is not provided, the deduction continues to be allowed at the previously verified amount and the case is not closed. FACES is available as a tool to verify this information.

If the household reports a change in the legal obligation to pay child support or the legally obligated amount of child support that result in a decrease in benefits, the change is not acted on until review.

36. 430-05-55-40 Shelter Costs. The following changes were made to this section of policy:

- Renter's insurance was added as an exception under the rent section.
- Clarified incidental costs as it relates to group home residents. These are not allowable expense for a shelter cost.
- Clarified the amount of property taxes that can be allowed when a household's home is located on multiple lots also added permit taxes on mobile homes to this section.
- The entire amount of homeowner's insurance is an allowable expense when a discounted amount is reported by the household.

- Household who do not incur heating and/or cooling costs are not allowed the standard utility allowance (HLSU) based on indicating on the application or review that they intend to apply for LIHEAP. Households must have received a LIHEAP renter/heat paid benefit of greater than \$20 in the current month or the prior 12 months. Further clarification was received which stated the head of household in the LIHEAP case are the individuals who are entitled to the HLSU if they have received LIHEAP renter/heat benefits of greater than \$20 in the current month or prior 12 months and they leave the household. These individuals remain eligible for the Standard deduction (HLSU). **This supersedes 2nd Amendment IM 5208.**
- Additional clarification was added when a household reports charges for having an air conditioner installed or if they are only charged for the air conditioning unit.
- Updated the type of telephone charges allowed to included prepaid telephones.
- Added additional policy for situations when household are living in vehicles, fifth wheels, campers, or motor homes.

Shelter Costs 430-05-55-40

Monthly shelter costs in excess of 50% of net adjusted income after all other deductions are allowed, not to exceed ~~\$478~~ \$490.

Exception:

Households containing one or more eligible elderly or disabled members are not subject to the shelter deduction maximum of ~~\$478~~ \$490. Households in which the only elderly or disabled members are excluded are subject to the shelter deduction maximum.

Only the most current bills can be used for verification of shelter costs. Past due amounts are not an allowable expense. Only the billed amount can be allowed as a deduction.

Example:

Household's monthly mortgage payment is \$500 per month. The household is paying \$600 a month to pay the mortgage off sooner. Only the \$500 billed amount can be allowed as a shelter cost deduction.

Expenses need not be in the household's name, but must be incurred by the household and the household must be expected to pay the expense.

If a non-household member pays the household's shelter costs directly to the provider on behalf of the household, the worker must determine if the payment is a loan.

If the payment is a loan, it is excluded from income and the expense is allowed as a shelter deduction.

If the payment is not a loan, it is excluded from income and the shelter deduction is not allowed.

Example:

Tom owns his own home with a mortgage payment of \$700. Bill is Tom's roommate and is claiming separate household status from Tom. Bill pays \$300 for his share of the housing costs directly to the mortgage company. The \$300 is not counted as income to Tom. Tom's allowable shelter expense for the mortgage is \$400.

When **separate** households share shelter expenses and one receives a payment for shelter expenses from the other, the payment is **not** counted as income. Each household is entitled to its actual share of the shelter costs as a deductible expense.

Example:

Tom and Bill are roommates claiming separate household status. Bill pays Tom \$200 a month for his share of the rent and Tom pays the landlord the \$400 monthly rent. The \$200 paid to Tom is not counted as income and each is allowed their share of the rent (\$200) as a deductible expense.

When a homeowner is renting a part of their home to another individual, the payment the homeowner receives is countable unearned income. The homeowner is entitled to the full mortgage payment as a shelter expense.

Example:

Sarah is renting a room in her home to Bonnie. Bonnie is paying \$350 to Sarah. Sarah has a monthly mortgage of \$816. The \$350 is countable unearned income to Sarah and the \$816 is allowed as a mortgage expense. Bonnie is allowed a rent expense of \$350.

Shelter costs covered by an excludable reimbursement or vendor payment are not allowable deductions.

Exception:

LIHEAP payments.

Example:

The portion of rent paid by HUD is not allowed.

Shelter costs include only the following:

1. Rent. Is allowed only if the household is responsible to make a money payment to someone outside of the household. If there is a separate identifiable rental fee for a garage, appliances, furniture, etc., it is not allowed.

Exceptions:

1. **If an individual works in exchange for rent with no option to be paid, no income is counted and no rent expense is allowed.**
2. **If an individual works off part of the rent with no option to be paid, the amount that is worked off is not counted as income and the remaining amount is allowed as a rent expense.**
3. **If the household does not have the option to pay the rental fee for a garage, appliances, furniture, renter's insurance, etc., the expense is allowable.**

The portion of rent paid by Housing Assistance Program (HAP) is not considered part of a household's shelter expense.

If a certified group home resident has a single payment for room and meals, the amount of the payment that exceeds the Thrifty Food Plan (TFP) is a shelter expense. If a resident has a separate identifiable payment for room charges, that amount is used for the shelter deduction. If the separate identifiable payment for room charge is for incidental costs (household supplies, van lease, etc.) they are not allowable.

2. Mortgage Payment (including both first and second mortgages). Payments on second mortgages and home equity loans are allowable shelter costs regardless of why the money was obtained or how it was used.

Mortgage insurance is an allowable deduction as long as the lender requires it.

When the Farm Service Agency (FSA) has placed a moratorium on a household's mortgage payment, the deduction for a FSA mortgage payment is not allowed during the moratorium period. After the moratorium has ended, the recalculated amount is allowed.

3. The shelter costs of an unoccupied home can be claimed if:
 - The home is unoccupied due to employment or training away from home, illness or abandonment caused by a natural disaster or casualty loss, **and**
 - The household intends to return to the home, **and**
 - The current occupants, if any, are not claiming the shelter costs for SNAP purposes, **and**
 - The home is not leased or rented during the absence of the household.

Exception:

- Property taxes that are billed yearly must be allowed as a one-time payment or averaged over 12 months.

7. Homeowner Insurance (if not included in the mortgage payment). The most current year's amount must be verified. Always use the full amount regardless if the insurance is discounted such as bundled insurance covering other items such as vehicles or discounts due to annual payments, etc. Insurance need not be paid, only incurred.

If the bill separates contents, liability and structure costs, only the amount for the structure can be allowed. If the bill does not separate these costs, the entire amount is allowed.

Service fees charged by the insurance company for households who choose to pay their insurance other than yearly are an allowable deduction. Late fees are not an allowable deduction.

Renter insurance is not an allowable expense.

Flood insurance is an allowable expense.

Homeowners insurance billed yearly must be allowed as a one-time payment or averaged over 12 months.

8. Utility expenses. Households cannot claim actual utility expenses and are entitled to only one of the mandatory utility standards. A household is not entitled to any utility expenses for an unoccupied home.

Households with a separate utility meter, even if the utility bill is not in their name, are entitled to one of the mandatory utility standards as long as they are expected to pay the utility bill.

Example:

A household is renting a home and is responsible for the heating costs; however, the bill is in the landlord's name. The landlord in turn gives the bill to the household each month for payment. As the household is incurring the bill and there is a separate meter, the household is entitled to the standard utility allowance (HL SU).

Households that are billed by their landlord on the basis of individual usage or are charged a flat rate for utility costs separately from their rent are entitled to the appropriate standard.

Examples:

1. **An individual lives in an apartment where there is a separate meter for heating costs. The utility bill is not in the SNAP household's name, but the household incurs these expenses and is expected to pay the bill. The household is entitled to the standard utility allowance (HL SU).**
2. **An individual lives in a side-by-side duplex and there is only one meter for heating costs. The owner of the duplex lives in one side and a SNAP household lives in the other side. The landlord bills the SNAP household a flat rate of \$200.00 per month separately from the rent for the heating**

costs. The household is entitled to the standard utility allowance (HLSU).

HUD and FSA utility subsidies are excluded from income for SNAP. Additionally, when a household receives a utility subsidy, the household is not entitled to the appropriate mandatory utility standard unless their actual utility costs exceed the utility subsidy.

Utility subsidies are defined as a deduction for the estimated value of utilities and charges for other housing services payable directly by the family. In most cases, the utility allowance involves no direct payment to the household. The payment is issued to the landlord and is used to reduce the household's shelter costs.

- If the utility allowance exceeds the rent, the excess is paid in the form of a utility reimbursement or rebate to the household. The household's actual utility costs must exceed the utility reimbursement or rebate in order to receive the appropriate mandatory utility standard.
- If the utility allowance does not exceed the rent, no money is returned to the household. The household is entitled to a rental expense for their out-of-pocket costs and the appropriate mandatory utility standard based on the utility expenses incurred.

Following are some examples (Households are not in receipt of LIHEAP):

- 1. Monthly rent is \$50. The household is responsible for heating costs and the HUD utility allowance is \$60. Because the utility allowance exceeds the rent, the excess of \$10 is paid in the form of a utility subsidy to the household. Allow no rent in this case. The household's actual utility bill must exceed the utility subsidy of \$10 before the household is entitled to the HL SU.**

2. **Monthly rent is \$65. The household is responsible for electricity and telephone costs (not incurring heating or cooling costs) and the HUD utility allowance is \$75. The excess utility allowance is paid to the household in the form of a utility subsidy. Allow no rent and the household's actual utility bill must exceed the utility subsidy of (\$10) before the household is entitled to the LU SA.**

The household's actual electricity bill is \$26 and actual telephone bill is \$42.50. The maximum allowed for telephone is the \$38 telephone standard. Since the actual utility bills exceed the utility subsidy, the household is entitled to the LU SA.

3. **Monthly rent is \$123. The household is responsible for heating costs and the HUD utility allowance is \$160. The utility allowance exceeds the rent and the excess of \$37 is paid to the household in the form of a utility subsidy. The household is in receipt of LIHEAP. Allow no rent. The household is entitled to the HL SU based on receipt of LIHEAP.**

4. **Monthly rent is \$437. The household is responsible for heating costs and the HUD utility allowance is \$42. Since the utility allowance does not exceed the rent, the allowance is used to offset the household's rent expense resulting in an out-of-pocket rent expense of \$395.00. The \$395 is allowed as rent expense. If the household incurs an out-of-pocket cost for heating/cooling, the household is entitled to the HL SU.**

If a non-household or ineligible household member shares utility costs with eligible household members, the eligible household members are entitled to the appropriate standard.

If two or more separate households live together and share utility costs, each household is entitled to the appropriate standard.

Example:

A household consists of three single individuals who purchase and prepare meals separately. One of the three individuals applies for benefits. All utility costs are shared. The SNAP household is entitled to the appropriate standard.

a. Standard Utility Allowance (HL SU):

The following households are entitled to the Standard Utility Allowance (HLSU on the EXSA screen) of \$590 \$635 which includes all utility expenses:

- Households responsible for heating/cooling costs. Receipt of LIHEAP and Tribal LIHEAP based on incurring heating costs verifies entitlement to the HLSU.

~~or in receipt of LIHEAP including Tribal LIHEAP or renter/heat paid benefits are entitled to the full Standard Utility Allowance (HLSU on the EXSA screen) of \$590.00 which includes all utility expenses.~~
- Households who are no longer incurring heating/cooling costs but have received LIHEAP benefits greater than \$20 in the current or prior 12 months, remain eligible for the standard deduction. Receipt of LIHEAP benefits of greater than \$20 must be verified and documented.
- Households who are no longer incurring heating/cooling costs, which include the head of household of a LIHEAP case, and have received LIHEAP benefits greater than \$20 in the current or prior 12 months, remain eligible for the standard deduction. Receipt of LIHEAP benefits of greater than \$20 must be verified and documented. Other members of the LIHEAP household are not entitled to the HLSU in their own SNAP case based on receiving LIHEAP payments of greater than \$20 in the current or prior 12

months.

- Households that include the head of household of the LIHEAP case who have received LIHEAP renter/heat paid benefits greater than \$20 in the current or prior 12 months. Receipt of LIHEAP renter/heat paid benefits of greater than \$20 must be verified and documented. Other members of the LIHEAP household are not entitled to the HLSU in their own SNAP case based on receiving LIHEAP payments of greater than \$20 in the current or prior 12 months.

NOTE: Receipt of LIHEAP is considered known information to the county. Workers are required to monitor when a household that includes the head of household of the LIHEAP case receives renter/heat paid benefits greater than \$20 in the current or prior twelve months that would entitle the household to the HLSU.

Examples:

- 1. Household applies for SNAP on May 1. Worker verifies a member of the SNAP household has been receiving LIHEAP renter/heat paid benefits as the LIHEAP head of household of \$35 per month since October 1. The household is entitled to the HLSU.**
- 2. Mom, Dad and two kids apply for SNAP and LIHEAP with Dad as the head of household on May 1. The household is only eligible for one LIHEAP renter/heat paid benefit of \$11 which is paid on May 20. The worker approves the SNAP application May 27. The household is not entitled to the HLSU because they have not received at least \$20 in renter/heat paid benefits.**
- 3. Mom, Dad and two kids apply for SNAP and LIHEAP with Mom as the head of household on May 1. Worker determines the household is eligible for**

renter/heat paid benefits from October 1st through May 31. LIHEAP benefits of \$280 are paid to the household on May 20th.

The SNAP application is approved for May and June on May 15th and the household is certified for six months. The household is not entitled to the HLSU for May or June. Once the LIHEAP payment has been paid, the household is entitled to the HLSU, and SNAP benefits must be increased for June. (Processing a SNAP application should not be delayed pending receipt of a LIHEAP payment).

4. **Household moves from a residence where they were incurring heating costs and were receiving LIHEAP benefits. They move to an apartment where heat is now included in their rent and they are on housing, therefore not eligible for LIHEAP. If the LIHEAP head of household remains in SNAP case, the household continues to be eligible for the HLSU because they have received LIHEAP payments greater than \$20 in the past twelve months.**
5. **Household receiving SNAP and LIHEAP renter/heat paid benefits with girlfriend as the primary individual for SNAP and boyfriend as head of household for LIHEAP. Household is entitled to the HLSU based on receiving LIHEAP payments greater than \$20 in the past twelve months. During the review period, girlfriend reports boyfriend moved out. Since the LIHEAP head of household was removed from the SNAP case, the household is no longer entitled to the HLSU based on receipt of LIHEAP greater than \$20. However, since removing the HLSU does not meet criteria to decrease benefits, the change must not be acted on until review.**

If boyfriend applies for SNAP, he is entitled to the HLSU based on receiving LIHEAP benefits of greater than \$20 in the past twelve months as the LIHEAP head of household.

~~Households planning to apply or those who have applied for LIHEAP are entitled to the HL SU.~~

~~Exception:~~

~~If the worker knows the household is not eligible for LIHEAP, the HL SU cannot be allowed. This must be documented in the case file.~~

~~If a household received LIHEAP benefits in the last heating season and its circumstances have not changed, the worker can anticipate that LIHEAP benefits will be received in the next heating season and the HL SU must be allowed.~~

~~If a household received LIHEAP benefits in the last heating season, moves to a new residence where they have no heating/cooling costs, and are not eligible for a renter/heat paid benefit, the household loses entitlement to the HL SU.~~

~~If a household did not receive LIHEAP last year (either did not apply or was not eligible), and the worker can anticipate eligibility for LIHEAP for the upcoming season, the household is entitled to the HL SU.~~

~~When the cost of heat is included in the rent and the household is entitled to LIHEAP renter/heat paid benefits, the household is entitled to the HL SU.~~

~~Any households that have central utility meters and are charged only for excess heating or cooling costs are entitled to the HL SU year round.~~

~~Households that are charged only for excess heating or cooling costs~~

are entitled to the HL SU year round.

Households that are only charged for the air conditioning unit itself or for the installation of an air conditioner are not entitled to the HLSU.

b. Limited Utility Allowance (LU SA):

Households not entitled to the HL SU that incur at least **two** of the following utility expenses are entitled to the Limited Utility Allowance (LU SA on the EXSA screen) of ~~\$217~~\$219.00.

Water

Sewer

Garbage

Electricity

Telephone - the household must incur the basic service fee for one telephone to be entitled to the telephone deduction. ~~The basic service fee for a cellular phone is allowable if that is the only phone the household has.~~ The cost of telephone service for a land-line, cellular service or voice over internet protocol entitles the household to the telephone standard. Cellular service that entitles the household to the standard includes monthly service fees or pre-paid service cards. A statement with monthly service fees or a receipt for pre-paid service cards will serve as verification.

Example:

A household is renting an apartment and is responsible for electricity and telephone costs (no heating/cooling costs). As the household is incurring these expenses, the household is entitled to the Limited Utility Standard (LU SA).

c. Minimum Utility Standard (MU):

Households not entitled to the HL SU or LU SA that incur at least **one** of the following utility expenses are entitled to the Minimum Utility Standard (MU on the EXSA screen) of ~~\$181~~ \$182.00.

Water

Sewer

Garbage

Electricity

Example:

A household is renting an apartment and is responsible for electricity only (no heating/cooling costs). As the household is incurring these expenses, the household is entitled to the Minimum Utility Standard (MU).

d. Telephone Standard (TL):

Household not entitled to the HL SU, the LU SA, or MU that incur telephone expenses only are entitled to the Telephone Standard (TL on the EXSA screen) of \$36.00. The cost of telephone service for a land-line, cellular service or voice over internet protocol entitle the household to the telephone standard. Cellular service that entitles the household to the standard includes monthly service fees or pre-paid service cards. A statement with monthly service fees or a receipt for pre-paid service cards will serve as verification.

9. Charges for repair of a home that was substantially damaged or destroyed due to a natural disaster such as fire or flood that are not reimbursable.

10. If a household is using a motor home as their home the following expenses can be allowed:

- Payment on the motor home

- The portion of the insurance that covers the motor home
- Space rent (lot rent)
- Appropriate Utility Standard

11. If a household is using another type of camper as their home such as a fifth wheel type, pull type or slide in generally a vehicle is required to pull them or transport them. The following expenses can be allowed:

- Payment on the camper
- The portion of insurance that covers the camper
- Space rent (lot rent)
- Appropriate Utility Standard

12. If a household is living in their car the following expenses can be allowed:

- Payment on the car
- The portion of insurance that covers the car

Simplified Reporting and Processing Changes 430-05-67

37. 430-05-67-15-10 – Changes Resulting in a Decrease in Benefits. Added an exception to address when a TANF I & R household fails the 200% gross income test and includes an elderly or disabled household member, the household is not considered a TANF I & R household and must be tested a second time under regular SNAP rules. Also updated FACSES to reflect how it appears in NDVerify.

Changes Resulting in a Decrease in Benefits 430-05-67-15-10

A worker must not act on changes that will result in a decrease in benefits, unless the change meets the following criteria:

1. The information is obtained or received from:
 - a. TPQY
 - b. SDX
 - c. BENDEX
 - d. SAVE information from the United States Citizenship and Immigration Services (USCIS)
 - e. IEVS UIB Alerts or UIB Interface
2. When a new application for TANF, TANF Diversion or TANF Pay After Performance is approved in an ongoing SNAP case, the information used to determine the grant along with the grant must be acted on for SNAP regardless of the effect on the benefit.

In an ongoing case, when changes are reported for TANF that result in a change in the TANF grant, the changes along with the change in the TANF grant must be acted on regardless of the effect on the benefit.
3. Household voluntarily requests case closure.

If another state calls or sends an e-mail that a household is applying in their state, the case must be closed for residency allowing for adequate notice.
4. Household income exceeds the 200% gross income limit for its household size. Case must be closed for excess income with advance notice unless reported in writing and signed by the household.

Exception:

If a TANF I & R household fails the 200% gross income test and includes an elderly or disabled household member, the household is not considered a TANF I & R household and must be tested a second time under regular SNAP rules. Regular SNAP rules require these households to pass the asset test and 100% net income tests only.

If the household fails the asset test, the case must be closed for excess assets. If the household passes the asset test but fails the net income test, the case must be closed for excess income.

5. Households actual base month income exceeds the 130% gross income limit for its household size, the household expects this income to continue and based on this income is not eligible for a benefit.

If anticipated income exceeds the 130% gross income limit, the household expects this income to continue and based on this income is not eligible for a benefit, the case must be closed based on client statement.

6. Households subject to the asset test that fail the asset limit. Case must be closed for excess assets with advance notice unless reported in writing and signed by the household.
7. Household reports a change that brings an ABAWD's hours below 20 hours weekly averaged monthly.
8. A household member who has used their ABAWD benefit months (NE or EE).
9. Determination of these disqualifications:
 - IPV
 - Drug felonies
 - Fleeing felons
 - Failure to comply with JOBS and BEST

10. The worker becomes aware of information from any source that all household members have died. Adequate notice is required.
11. Household reports the addition of a new household member or loss of a household member.
 - A 'new' household member is an individual that has never been reported as living with the household.

If a household reports a member with a current participation code of 'OU', is now eligible to participate as a member of their SNAP household, this change does not meet criteria to decrease benefits. This change would only be acted on during the review period if it resulted in an increase in benefits.

EXAMPLES:

- 1. An ineligible student who is now eligible to participate.**
- 2. A household reports an individual who had been residing with them is now eating the majority of their meals as part of their household.**
 - If the household reports that all household members have moved out of state, the case must be closed for loss of residency allowing for adequate notice.
 - If a household reports the addition of a household member who is receiving benefits in another SNAP case, the individual must be removed from the case before being added to the new case. If removing the individual results in a decrease in benefits, a 10-day advance notice is required unless the change was reported in writing and signed by the household the individual is being removed from. This could include a written and signed statement from the individual

being removed if they are a responsible adult household member.

- If a household reports a household member has entered an institution such as a long term care facility, Burdick Job Corp.
12. If a household or a household member applies for the Food Distribution (Tribal Commodities) Program.
 13. If a household chooses to have a one-time medical expense used for the next month, the expense must be removed for the following month regardless of the effect on the benefit.
 14. When household reports a change resulting in the loss of medical expense deductions and capped shelter costs as an individual is no longer disabled.
 15. When the household reports the primary individual that is not the spouse dies, the case must be closed using the other reason (OT) code. The remaining household members must reapply in order to continue to receive benefits.

If the primary individual moves out of the home, the remaining household members must be removed from the primary individual's case and reapply in order to continue to receive benefits. The primary individual's case remains open unless it is determined the primary individual is ineligible.
 16. When an error is made in a case and corrective action results in a future month decrease or allotment reduction due to an overpayment.
 17. When the worker sends the F814 – Claims/Required Verification to obtain verification needed to complete a claim, the F401 must be sent to close the case if the household fails to respond.
 18. When the household received a closing notice and later reports a change that results in continued eligibility, the change must be acted on regardless of the effect on the benefit.

19. When a household refuses to cooperate with Quality Control. Quality Control will notify the worker. The worker must terminate the household's eligibility. A 10-day advance notice is required.

If the reported change meets the criteria to decrease benefits, it must be acted on within 10 days from the date the change was reported and a 10-day advance notice must be sent. If the change is reported in writing and signed by the household, a 10-day advance notice is not required. Adequate notice is required.

If a household reports a change that meets the criteria to decrease benefits and other changes, the worker must use the benefit calculator to determine whether the multiple changes result in an increase or decrease in benefits.

If the multiple changes result in an increase in benefits, verification must be requested and all verified changes must be acted on.

If the multiple changes result in a decrease in benefits, then only the change(s) that meet the criteria to decrease benefits are acted on. The change(s) that meet the criteria to decrease benefits may then result in a decrease, increase or no change in benefit. The worker must document other changes were not acted on as they resulted in a decrease in benefits and did not meet the criteria.

If the multiple changes result in no change in benefits, then only the change(s) that meet the criteria to decrease benefits are acted on.

Examples:

1. **Mom and her two children are receiving benefits in one county. Dad is receiving benefits in another county. Dad reports one of the children came to live with him and would like the child added to his case. A 10-day advance notice is required to remove the child from Mom's case. The child must be added to Dad's case the month the child is removed from Mom's case.**
2. **An ongoing case received a \$300 benefit for the month of October. The household reports an**

increase in their income due to a new source which results in their income exceeding the 130% GIL for their household size. The household expects this income to continue and using this income results in the household not being eligible for a benefit. The worker sends advance notice to close the case on October 8.

On October 25, the household reports and verifies a change in the new source income. Based on the change, the household is eligible for a \$200 benefit. The change must be acted on for November benefits. Advance or adequate notice is not required as receiving a benefit is an increase from the case closure.

- 3. An ongoing case reports that a household member left the home on October 4. The individual must be removed from the case when determining eligibility and level of benefits for November. If the change results in a decrease in benefits, a 10-day advance notice is required. If the change is reported in writing and signed by the household, a 10-day advance notice is not required. Adequate notice is required.**
- 4. The worker is notified on October 10 that an individual in an ongoing case is disqualified for an intentional program violation. The participation code for the disqualified individual must be changed to "DF" and the IPV disqualification is imposed for November. Adequate notice is required.**
- 5. Household consisting of a husband and wife initially apply on November 3. The husband is employed 35 hours a week. The wife is not working and is eligible to receive three non-exempt (NE) ABAWD months. The household is certified for 6 months. The first NE month for the wife is December. In the third month**

(February), the wife's participation code must be changed to DI when working March benefits. A 10 day advance notice is required.

- 6. Ongoing case. In month three the worker discovers they failed to convert income at the time of application. A claim is completed using the corrected converted amount of income. Allotment reduction is used to recoup the claim resulting in a decrease in benefits.**
- 7. Application for review filed in November for December benefits. Household consists of husband and wife who have both received their three NE month. At review, the wife reports she is pregnant and the husband is now working 40 hours per week. The case is certified with both eligible. In December, household reports husband lost his job. The worker sends notice F419 to determine if the individual is exempt for another reason. The household responds and indicates the individual is not exempt. Since the household is required to report if an ABAWDS hours decrease below 20 hours per week and the change meets the criteria to decrease benefits, the change must be acted on by removing the income and changing the husband's participation to DI. This change must be acted on without verification as it meets the criteria to reduce benefits.**

In January household reports husband found a new job and anticipates working 25 hours per week at \$6.50 per hour. Based on this information, the change will result in an increase in benefits. The worker sends the F419 requesting verification of the new job and hours. If the household provides the verification, the change must be acted on to increase benefits.

If after verification is received, the change would result in a decrease in benefits, the change is not acted on (husband remains DI with no income) until review.

- 8. Single individual with a 10-year-old is exempt from the work requirements at the time of application as they are working full time. Individual reports they lost their job. Worker sends F419 for verification of the terminated income. Household provides statement from employer that verifies the terminated income but does not substantiate a voluntary job quit. The change in income must be acted on as it results in an increase in benefits.**

The SFN 385 or SFN 353 must be completed at the time of review, as this is not a mandatory reportable change.

- 9. Single individual applies in December and reports they plan on applying for unemployment benefits. Individual was entitled to expedited benefits and approved without postponed verifications for the benefit months of December and January. January is the individual's first NE month. In January when working February benefits, the worker received an IEVS UIB alert indicating the individual received two unemployment checks in December. IEVS UIB meets the criteria to decrease benefits and must be acted on for February. The individual must also be changed to an exempt ABAWD for February.**
- 10. Household reports on January 25th that base month income exceeded the 130% GIL for its household size in December and the worker determines the household is not eligible for a benefit. The worker must send the F419 to determine if the income will continue to exceed the 130% GIL and request**

verification if it is not expected to continue, allowing the household 10-days to respond.

February benefits are authorized with the same income used for January.

- a. If the household does not respond to the F419, the case must be closed for excess income the end of February.**
- b. If the household responds and expects the income to continue, the worker must close the case with an advance notice the end of February, unless the change was reported in writing and signed by the household.**
- c. If the household responds and does not know if this income will continue, the worker must close the case with an advance notice the end of February, unless the change was reported in writing and signed by the household.**

If the household verifies by the last working day of February that gross income is below the 130% GIL for its household size, the worker must revert the case to open and determine eligibility and level of benefits for March using the newly verified income.

- d. If the household responds and states they do not expect the income to continue, the household must provide verification other than client statement that their income will not continue to exceed the 130% GIL for their household size.**

If the newly verified income results in an increase in benefits, the change must be acted on.

If the newly verified income results in a decrease in benefits, the change must not be acted on until review.

- 11. ABAWD receiving their NE months reports they started a job and are working at least 20 hours per week averaged monthly. The worker must send the F419 for verification of the new job and hours the individual is working. If the verification indicates the individual is now an eligible ABAWD working 20 hours per week averaged monthly, the individual's ABAWD status must be changed to exempt (HR on the ABRE screen) for the following month.**

If the income verification is provided and using the income results in a decrease in benefits, the change in income is not acted on until review.

If the household does not respond to the F419, the individual is eligible for up to 3 months (NE or EE). Once the NE or EE months have been used, the individual's participation code must be changed to "DI". A 10-day advance notice is required unless the change was reported and signed by the household

- 12. Household is certified with income over the 130% GIL and they are eligible for a benefit. The household is not required to report any changes in income. The worker received a child support alert and uses base month child support to determine the effect on the benefit. Based on the household's other income and the child support income, the household is no longer eligible for a benefit. The worker must send the F419 to determine if the increase in income is going to continue and to**

request verification if the income is not expected to continue.

- a. If the household does not respond to the F419, the case must be closed for excess income.**
- b. If the household responds and expects the income to continue or does not know if the income will continue, the worker must close the case with an advance notice, unless the change was reported in writing and signed by the household.**

If the household verifies by the last working day of February that gross income is below the 130% GIL for its household size, the worker must revert the case to open and determine eligibility and level of benefits, using the newly verified income.

- c. If the household responds and states they do not expect the income to continue, the household must provide verification other than client statement that their income will not continue to exceed the 130% GIL for their household size.**

If the newly verified income results in an increase in benefits, the change must be acted on.

If the newly verified income results in a decrease in benefits, the change must not be acted on until review.

If the reported change does not meet the criteria to decrease benefits, the worker must not ask for verification or follow-up on the change. The

worker must document why additional information is needed. The change is acted on at review.

Information/changes that do not meet the criteria include, but are not limited to:

1. ND Child Support (FACSES)
2. New Hire Matches
3. Employer verification signed by the employer, income tax forms or a report from a self-employed household
4. Mail returned by the Postal Service with an unknown or out-of-state address

NOTE: If mail is returned with an out of state address, the address should be updated in TECS to ensure the household continues to receive proper notification.
5. Day care billing forms
6. Household report of a new job or increased income
7. Wage stubs, checks from UIB, Workforce Safety, Child Support, SSA/SSI
8. Reading information in a newspaper
9. Becoming aware of a client working

Examples:

1. **Worker receives an alert that child support was received in the base month for an ongoing case. Using base month child support would result in a decrease in benefits. The change is acted on at review.**
2. **A SNAP only household reports and verifies a new source of income. This income along with all other**

countable income does not exceed 130% of poverty for the household size. As this change will result in a decrease in benefits and does not meet the criteria, the change is not acted on until review.

- 3. An individual was DW at the time of application for a job quit. In the third month of the review period, the individual reports a new job and provides their first paycheck. Changing the individual to IN and adding their income results in a decrease in benefits. The individual's participation is not changed and the income is not added until review.**
- 4. Application is approved for a 45 year old dad not working and his 17 year old son who is a full time student with earned income. In month three of the review period the 17 year old will turn 18. No change is made to the case as adding the income will result in a decrease in benefits. The dad is an eligible ABAWD until review as no change was reported.**
- 5. Ongoing SNAP/Medicaid case includes an eligible student. The household reports a change in income that results in an increase in benefits, as the student is no longer working an average of 20 hours per week. The change in income must be acted on as it results in an increase in benefits. Because the student may be eligible for another reason and student status is not a mandatory reportable change, the student remains eligible until review.**

Fair Hearings 430-05-70

38. 430-05-70-20 – Denial or dismissal of Request for Hearing. Policy was added for situations when a client does not withdraw their request for hearing in writing, the hearing continues.

Denial or Dismissal of Request for Hearing 430-05-70-20

A request for hearing may be denied or dismissed by the appeals supervisor if:

1. The request is not received within the allowed time period.
2. The household or its representative withdraws the request in writing.

NOTE: If the request for withdrawal is not received in writing from the household, the hearing continues.

3. The household or its representative fails to appear at the scheduled hearing.

39. 430-05-70-35- Timely Action on Hearings. Further clarification regarding adequate and advance notice for IPV was added to this section.

Timely Action on Hearings 430-05-70-35

When a household timely requests a fair hearing, the State has 60 days to ensure:

1. The hearing is conducted.
2. A decision is reached.
3. The household and county are notified of the decision.

When a decision results in a decrease of benefits, the decrease must be reflected with the next scheduled issuance, following receipt of the hearing decision. Adequate or advance notice is not required. Claims must be

When a decision results in an increase of benefits, the benefits must be issued within 10 days of receipt of the hearing decision.

The worker may take longer than 10 days to make the decision effective if it elects to use the households normal issuance cycle, provided that the issuance will occur within 60 days from the household's request for hearing.

40. 430-05-75-15-10 – Review of Evidence. Fraud investigator was removed from this section.

When there is evidence a violation has been committed, the worker must review the case and all evidence with the supervisor, director, or a Regional Representative. ~~of Economic Assistance, or a fraud investigator.~~

- Proceed with the IPV process, or
- Proceed with the inadvertent client error process.

sent to the household if a client is found guilty of IPV and there is not a claim in the case.

County Action upon Receipt of Signed Decision 430-05-75-15-55

Review the decision **signed by the Executive Director** to determine if an IPV was committed.

If an IPV was not committed the household remains responsible for any overissuance and the claim continues as an inadvertent household error regardless of eligibility for benefits.

If an IPV was committed the worker must:

1. **Disqualify the individual:** For all disqualified individuals, including those not participating at the time of the disqualification order, the disqualification period begins with the first month following the date the individual receives the IPV findings and order. Send the appropriate notice to the household, even if the case is currently closed. Adequate notice is required for open cases.
- F209 Fraud Action – Used when an application is denied as the only individual is disqualified for fraud.
 - F410 Intentional Program Violation – Used when a case is closed as the only individual is disqualified for fraud.
 - F737 Decrease in Benefits/Decrease Persons IPV – Used when an individual in an ongoing case is disqualified for fraud.
 - F848 IPV Notification/Closed Case – Used when an individual in a closed case is disqualified for fraud.

Once a disqualification penalty has been imposed it continues uninterrupted until completed. The household remains responsible for repayment of any overissuance that may have resulted from this violation, regardless of eligibility for benefits.

2. **Change the error cause code** for the claim to "FR" (SEOO, function 5) and set the participation code for the disqualified individual to "DF" if currently participating. Send Notice F818 – IPV – Overissuance to the household and set an alert for 10 days as the household has 10 days to return the signed Notice F818. After the 10 days has elapsed, change the recoupment percent from 10% to 20% (SEOO, function 5). For IPV claims, the amount of SNAP benefit reduction is the greater of 20% of the benefit or \$20 per month.

If no claim exists, send F737-Decrease in Benefits/Decrease in Persons –IPV.

3. **Set a person/program alert on the PRAP screen (CAMM, function 19).**

43. 430-05-75-20-05 – IPV. IPV's can be pursued on individuals who may be permanently disqualified.

IPV 430-05-75-20-05

An individual found to have committed an IPV is ineligible to participate as follows and the appropriate TECS code on SSDO is DF:

1. For a period of 12 months for the **first** IPV.
2. For a period of 24 months for the **second** IPV.
3. Permanently for the **third** violation of any IPV.

If a court fails to impose a disqualification, the county must impose the appropriate disqualification penalty unless it is contrary to the court order.

An IPV can be pursued if a client is permanently disqualified. Pursuing the IPV will allow for recoupment of a claim at 20% rather than 10% if recoupment is possible.

Claims 430-05-80

44. 430-05-80-70 – Types of Payments. Claims referred to the Treasury Offset Program (TOP) no longer have a ten year limitation. This reference was removed from policy.

Types of Payments 430-05-80-70

Claims can be paid using any of the following types of payments or a combination of them:

1. Allotment Reduction

Allotment reduction is automatic for participating households and begins with the first allotment issued after the appropriate notification.

Exception:

Allotments cannot be reduced when the only currently eligible household members were under age 18 during any of the benefit months reworked that resulted in the claim. In this situation, contact the State SNAP Office to close/suspend the claim.

Examples:

1. **Initial application consisting of Mom, age 30 and her 9 year old child. The application is approved with no income. In month three, the worker discovers Mom had earned income at the time of application. A claim is established and IPV pursued. Prior to Mom becoming disqualified (DF), allotment reduction was used to reduce the amount of the claim. When the county receives the signed Findings and Order, Mom becomes DF. Since the only eligible household**

member now was under age 18 at the time the error occurred, allotment reduction must stop.

- 2. Review consisting of Mom, age 28, and her 8 year old child. There is an outstanding claim from two years ago that we have been collecting through allotment reduction. At review, it is determined that Mom voluntarily quit a job without good cause and is DW. Since the only eligible household members now was under age 18 when the error occurred, allotment reduction must stop.**

Two months later, Mom reports that her 5 year old child moved into the household. Since Mom is now exempt from the work requirements, the voluntary job quit disqualification must be ended and Mom and the child added to the case. As Mom is now eligible and was over the age of 18 at the time the error occurred, allotment reduction must begin.

- a. Administrative and inadvertent household error claims. The amount of SNAP benefits recovered each month is the greater of 10% of the household's monthly allotment or \$10 per month, whichever is greater.
- b. IPV claims. The amount of SNAP benefits recovered each month is the greater of 20% of the household's monthly allotment or \$20, whichever is greater.
- c. If a household requests benefit reduction at a rate higher than those listed in (a) or (b) immediately above, benefits are reduced by that amount. Supporting documentation must be in the case file.

Exception:

If collecting at the limits listed in (a) or (b) immediately above are greater than the requested benefit reduction by the household, then (a) or (b) immediately above must be used.

2. Offsetting Underpayments

When a household has an outstanding balance on a claim and is entitled to an underpayment, the system will automatically apply the underpayment to the overpayment.

Exception:

Underpayments cannot be used to offset claims when the only eligible household members were under age 18 at the time the claim was completed. In this situation, contact the State SNAP Office to close/suspend the claim before authorizing the underpayments.

3. Lump Sum or Installment Payments

If the household chooses an installment payment plan and their case is currently open, the payment must be equal to or greater than 10% or \$10, whichever is greater.

Exception:

If the claim is due to fraud, the payment must be equal to or greater than 20% or \$20, whichever is greater.

Acceptable forms of lump sum or installment payments include a check, cash, money order or EBT benefits whether it represents partial or full payment.

If a household fails to submit a negotiated payment, the claim is subject to additional collection actions.

4. Treasury Offset Program (TOP)

This is informational and is a State Office procedure.

Properly established administrative error, inadvertent household error and IPV error claims can be submitted if they meet the following requirements:

- a. Case must be closed.
- b. Claims must be \$25 or more. Smaller claims for an individual can be combined.
- c. A claim must be at least three months delinquent. ~~but no more than nine years and 11 months old when sent for offset December 1 of each year.~~

Exceptions:

- 1. There is a court order.**
- 2. If part of a combined claim is under judgment. ~~it is not limited by the ten year time frame.~~**
- 3. Double submissions of claims involving more than one adult household member are not allowed.**
- 4. Claims submitted for bankruptcy cannot be referred.**

- d. The State Office must provide households a 60-day notice informing them that the delinquent claim will be referred for offset.

5. Client Authorized EBT Benefits

A household must be allowed to pay a claim using benefits from its EBT account. If the household is currently participating in the program, allotment reduction is automatic. The worker must explain to the household that choosing repayment from its EBT account in addition to allotment reduction or an EBT benefit greater than allotment reduction is strictly voluntary.

Written authorization must be obtained from the client which specifies the amount. The Demand for Payment notice can be used. This information must be submitted to the State Office.

6. Expunged EBT Benefits

Any benefits in an EBT account that has not been used in 365 days are expunged and no longer available to the household. Expunged benefits are applied to any outstanding claim using the EX code. This is a State Office procedure.

7. Other Collection Actions

Other collection action may be used to collect claims such as collection agencies.

8. Unspecified Joint Collections

When an unspecified payment is received for a combined case, each program must receive a prorata share of the amount collected.

9. Public Service

If authorized by a court, the value of a claim may be paid by performing public service.