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1650.0000 Child In Care

Each individual's assets must be considered to determine eligibility for public assistance.

This chapter presents requirements for determining eligibility based on assets. The chapter discusses policy for the following topics:

1. Asset Definition,
2. Asset Limits,
3. Asset Ownership and Availability,
4. General Determination of Asset Value,
5. Types of Assets: Definitions and Value Determinations, and
6. Transfer of Assets.

1650.0100 ASSET DEFINITION (CIC)

This policy pertains to Title IV-E eligible children only. There is no asset limit or test for children in care that are Non Title IV-E Medicaid eligible.

Assets, liquid or nonliquid, are assets or items of value that are owned (single or jointly) by an individual who has access to the cash value upon disposition.

Liquid assets are cash assets or assets that are payable in cash on demand. Nonliquid assets are assets that cannot be readily converted to cash.

Assets of each member of the SFU must be determined. A determination of whether each asset should be included or excluded must be made.

1650.0200 ASSET LIMITS (CIC)

The asset limit is the maximum amount of liquid and/or nonliquid assets that an assistance group can retain and remain eligible for public assistance.

The total countable assets for Title IV-E Child in Care cannot exceed \$10,000.00.

1650.0206 Verification of Assets (CIC)

Verification of all assets, except cash, is required when the total assets of the SFU are within \$100 of the asset limit. The individual's statement of the amount of cash is accepted. If it is clear from the individual's statement that total assets exceed the limitation or if the individual is ineligible on another factor, assets need not be verified.

1650.0300 ASSET OWNERSHIP AND AVAILABILITY (CIC)

Any individual who has the legal ability to dispose of an asset is considered the owner of the asset. The type of ownership (single or joint) of an asset determines to whom the asset is available and the value that is counted to the individual.

1650.0301 Joint Ownership (CIC)

Joint ownership exists when the legal right to dispose of an asset is shared by more than one individual.

1650.0302.01 Joint Ownership of Bank Accounts (CIC)

When an individual is a joint account holder who has unrestricted access to the funds in the account, you must presume all of the funds in the account are owned by the individual. This presumption is made regardless of the source of the funds.

If the individual alleges the funds in the account belong to someone else, you must allow the individual to submit evidence to challenge this presumption. If the challenge is successful, do not count the funds in the account as an asset to the individual for any month. (If the individual never owned the funds, they were never his.) If the challenge to the presumption of ownership is not successful, you must consider the funds as an asset to the individual. This policy applies to checking accounts, savings accounts, certificates of deposit and other jointly owned financial accounts.

When an individual is a joint owner of an account, the amount that must be considered as an asset depends on:

1. whether the other joint owner is an applicant or recipient; and
2. the individual's actual ownership interest in the funds in the account.

If the joint owner(s) is an applicant/recipient enrolled or eligible for Medicaid, the total funds in the account are presumed to be equally shared.

If the joint owner(s) is not an applicant/recipient enrolled or eligible for Medicaid, the entire balance of the account is considered as the asset value.

1650.0302.03 Rebuttal of Ownership (CIC)

When an individual has unrestricted access to the funds in a joint account but does not consider himself an owner of part or all of the account funds, the individual must be allowed to prove non-ownership of the funds. The individual must provide proof that the account funds are not used to meet his needs. In addition, the individual must explain why his name is on the account.

In order to successfully rebut full or partial ownership, the individual must provide the following three items.

First, the individual must provide a written statement describing:

1. any claims about ownership of the funds or interest from the funds;
2. the reasons for establishing the joint account;
3. the individual that made deposits to and withdrawals from the account; and
4. information on how withdrawals were spent.

Second, the individual must provide a written statement from the other joint owner(s) confirming this information.

Third, the individual must provide documentation from the financial institution that the individual's name has been removed from the account or the individual no longer has access to the funds in the account. This is not considered to be a transfer of assets.

1650.0304 Ownership of Real Property (CIC)

Ownership of real property can consist of an interest in the title or a right to the use of the property without title to the property. The owner of real property is generally the individual who has legal title and the right to control the property.

1650.0305.02 Shared Ownership of Real Property (CIC)

When the individual shares ownership with another individual or other individuals, only the individual's ownership interest is included. If there is no documentation defining the portion owned by each individual owner, all owners are assumed to have equal shares in the property.

If the individual cannot sell his share of the property without the consent of the other owner and the other owner refuses to give his consent, the property cannot be considered a countable asset.

1650.0308 General Availability (CIC)

Once the individual's ownership interest of an asset(s) is established, the availability of that asset must be determined. Asset(s) determined not to be available are not considered in determining eligibility on the factor of assets.

Assets are considered available to an individual when the individual has unrestricted access to the funds.

Accessibility depends on the legal structure of the account or property. An asset is countable if the asset is available to a representative possessing the legal ability to make the asset available for the individual's support and maintenance, even though the individual may not choose to do so.

Assets not available due to legal restrictions or factors beyond an individual's control are not considered in determining total available assets. The only exception to this rule occurs when the legal restrictions were caused or requested by the individual.

1650.0309 Availability of Trusts (CIC)

Any funds in a trust or funds transferred to a trust, and the income produced by such trust(s), may be excluded if the trust is irrevocable. Trust funds are considered to be irrevocable when the family does not have the legal ability to convert the funds to cash that can be used for the family's support and maintenance. Savings in excess of the asset limit can be preserved while a family receives TCA (or Family-Related Medicaid) if the savings are placed in an irrevocable trust.

Each trust account must be evaluated to determine the accessibility. The source of funds is not controlling in the availability determination.

1650.0316 Legal Restrictions to Availability (CIC)

In general, assets are considered available unless the applicant/recipient asserts otherwise. If the individual claims an asset is unavailable due to legal restrictions, the eligibility specialist will request supporting evidence and make an independent assessment of the availability based on the evidence presented. An individual may be restricted by law from disposing of owned assets. If an asset is unavailable due to legal restrictions, it is not considered an includable asset. Additional guidance can be requested from the Region or Circuit Program Office, Circuit Legal Counsel or Headquarters through the Region or Circuit Program Office.

1650.0321 Assets Unavailable/Circumstances Beyond Control (CIC)

Assets unavailable due to circumstances beyond the individual's control are not considered in the determination of eligibility.

The individual must present convincing evidence to prove the asset is unavailable to him due to circumstances beyond his control. The eligibility specialist will make an independent assessment of the availability based on the evidence presented. Additional guidance can be requested from the Region or Circuit Program Office, Circuit Legal Counsel, or Headquarters through the Region or Circuit Program Office.

1650.0400 GENERAL DETERMINATION OF ASSET VALUE (CIC)

The value of an individual's assets is based on the total value of the assets at the time they become available. In order to be eligible, an individual's assets must be within the program limits at the time of application disposition.

1650.0401 Time When Asset Value Affects Eligibility (CIC)

The point in time when an asset determination is made may depend on the program and whether the eligibility specialist is processing an application or conducting an eligibility review. Passages 1650.0402 and 1650.0404 describe program specific policy in this area.

1650.0402 Asset Eligibility (CIC)

Assets must be equal to or below program limits as of the application disposition date to be eligible for ongoing assistance. Assets must be equal to or below program limits as of the date of the interview.

1650.0404 When Asset Value Affects Eligibility (CIC)

Assets must be equal to or below program limits for:

1. the month of application, as of the date of application;
2. the month of disposition, as of the date of disposition; and
3. any other month, as of the first day of that month.

This policy applies to the Title IV-E Foster Care Program.

1650.0406 Determining Asset Value (CIC)

The amount of the asset included is the actual value of the asset minus indebtedness. Indebtedness is the amount needed to satisfy contract terms that must be met to establish ownership of the asset. Do not count income as an asset in the month received. This does not apply to SSI lump sums (see 2640.0421). Any income which is not spent in the month received becomes an asset the month following the month of receipt. Therefore, when determining asset value in a particular month, it may be necessary to deduct income added to the asset the same month.

Cash value and indebtedness determinations will be discussed for each type of asset.

1650.0407 Definition of Actual Value (CIC)

For assets that are in cash, or payable in cash on demand, the actual value is the cash value. For other forms of assets, the actual value is the fair market value (the amount of cash that could be received by selling or converting the asset).

1650.0409 Conversion of Assets (CIC)

Proceeds, including cash, from the sale of an asset or conversion of an asset from one form to another are considered assets rather than income. The proceeds of the item to which the asset is converted must be evaluated to determine if they affect eligibility, and if so, the value of the new asset.

Verification concerning the new asset must be obtained regardless of whether a liquid or nonliquid asset is involved. For example, an individual may have an automobile (nonliquid asset) which he sells for cash (liquid asset), or he may have cash that he uses to purchase an automobile. In either case, the conversion or sale does not result in income to the individual. The newly acquired item is an asset subject to all asset valuation policy.

1650.0410 Excluded Assets Replacement (CIC)

Exclude cash and in-kind replacements (including any interest) received from any source for the purpose of replacing or repairing a lost, damaged, or stolen excluded asset. Apply the exclusion as long as the individual continues to use the funds for the replacement or repair of the lost, damaged or stolen excluded resource.

1650.0500 ASSETS: DEFINITIONS AND VALUE DETERMINATIONS (CIC)

The different types of liquid and nonliquid assets are discussed alphabetically in the following subsections. The policies assume that the assets are owned by and available to the individual unless noted otherwise. Refer to policy on asset ownership and availability described in Section 1650.0300. Refer also to Chapter 2200, Standard Filing Unit, which describes whose assets must be considered.

1650.0501 Bank Accounts (CIC)

Bank accounts refer to funds in a bank, credit union, savings and loan association or any other financial institution that are usually payable on demand. Interest earned on bank accounts is excluded as unearned income.

This section provides information on:

1. checking and savings accounts;
2. convenience bank accounts;
3. time deposits, including Individual Retirement Accounts and Keogh Plans; and
4. special accounts for medical services.

1650.0502 Checking and Savings Accounts (CIC)

The asset value is the balance in the account on the date on which eligibility is established. If the total asset value of the account does not affect eligibility, it is not necessary to determine the amount of any transactions that have not cleared the account or the individual's portion of a joint bank account. However, the individual still may be given the opportunity to rebut full or partial ownership to ensure that future changes to the account will not affect his eligibility.

Passages 1650.0504 - 1650.0506 discuss policy for bank account assets. Refer to passages 1650.0300 - 1650.0302.03 and 1650.0308 - 1650.0321 for ownership and availability policies for bank accounts.

1650.0504 Time Deposits (CIC)

The availability of funds is the deciding factor in determining if a time deposit is an asset. Time deposits such as a savings certificate or certificate of deposit usually are available to the individual and are included as assets.

Any interest penalties imposed for withdrawing the time deposit funds prior to maturity are deducted from the total amount when determining the value of the time deposit asset. Interest penalties may involve a reduction in the interest rate and/or loss of interest for a short period of time.

Some time deposits cannot be withdrawn prior to maturity under any circumstances. Funds in this type of account are not included as an asset until they reach maturity and become available.

Any interest retained after the month it is available is included as an asset.

1650.0505 Retirement Accounts and Pension Plans (CIC)

Exclude all retirement accounts and pension plans. Count distributed funds as:

1. unearned income if made available through installment payments, or
2. an asset in the month received if made available as a lump sum payment.

1650.0506 Verification of Bank Account (CIC)

Information required for verification of an individual's bank account assets includes the:

1. type of account;
2. name and location of the financial institution;
3. names of any joint owners; and
4. amount of the balance.

The current bank account statement or other statements from the facility are verification sources.

Verification of a time deposit certificate must include information on when the funds can be withdrawn and any penalties for early withdrawal. If the individual cannot provide this information, the eligibility specialist must request the information from the individual's financial institution.

1650.0507 Burial Contracts and Other Burial Assets (CIC)

This section provides information on burial related assets such as:

1. funeral agreements,
2. prepaid burial contracts,
3. irrevocable burial trusts,
4. burial exclusion policy, and
5. burial spaces.

1650.0508 Funeral Agreement (CIC)

Funeral agreements are any arrangements with a legitimate funeral service provider to pay for burial expenses. Examples of funeral agreements include items such as burial trusts and any burial contracts regardless of whether they are revocable or irrevocable.

Each assistance group member can exclude a maximum of \$1,500 of equity value in a single funeral agreement. Any additional funeral agreement amounts are included as an asset.

1650.0515 Burial Spaces/Plots (CIC)

The following are considered burial spaces or plots:

1. conventional grave sites,
2. crypts,
3. mausoleums, and
4. urns.

1650.0517 Verification of Burial Spaces (CIC)

Sources of verification include documents such as deeds to cemetery lots or sales contracts for the purchase of cemetery lots.

There may be more than one gravesite per burial plot. If there is a question as to what constitutes a burial plot the case must be examined by the Circuit Legal Counsel.

For funeral agreements, verification includes copies of the funeral contract or agreement or a letter from the funeral services provider outlining the type and terms of the contract.

1650.0518 Cash (CIC)

Cash includes money the individual owns no matter where it is located.

1650.0519 Verification of Cash (CIC)

The individual must provide information on the amount of cash available. While an individual's statement of actual cash on hand is accepted without verification, the individual must be made aware that cash on hand includes amounts:

1. in the individual's personal possession;
2. the individual may have at home; and
3. being held for the individual elsewhere.

1650.0522 Money from Excluded Asset (CIC)

Money received from an excluded income and asset source that is deposited in a savings account is excluded.

If the balance in the account is not identifiable as coming from the excluded source, the balance (minus any new deposits from excluded sources) counts as an asset the next month.

1650.0524 Crops and Livestock for Home Use (CIC)

Any crops or livestock grown or retained solely for the SFU's own use is excluded.

1650.0525 Verification (CIC)

The individual's statement as to the disposition of crops and livestock can be accepted unless it is inconsistent with other information on the individual's financial status. If there are inconsistencies or questions, the local county agricultural agent can assist in determining whether the individual is engaged in farming as a business enterprise.

1650.0526 Disaster Assistance from Government Sources (CIC)

Permanently exclude:

1. payments, including disaster unemployment assistance, received under the Disaster Relief Act of 1974 {P.L. 93-288, Section 312(d)}, as amended by the Disaster Relief and Emergency Assistance Amendments of 1988 {P.L., 100-707, Section 105(i)} from assets.
2. National Flood Insurance Program (NFIP) payments made under the National Flood Insurance Act of 1968, as amended by Public Law 109-64, enacted on September 20, 2005.

Exclude interest earned on disaster assistance payments from assets.

Excluded funds must be identifiable. Encourage the individual to maintain a separate account for excluded funds if possible. When excluded funds are commingled in an account with other funds assume that non-excluded funds are withdrawn first.

Disaster assistance funds are not restricted to restoration of a home but are subject to legal sanction if misused.

Sources of verification of disaster assistance include official government notices, disaster loan or grant documents, and the individual's financial records of deposits, withdrawals and expenditures.

1650.0531 Business Inventory (CIC)

Property/inventory related to a business (a farm operated for profit) is included as an asset. The net value of the business inventory is the current market value minus any indebtedness. Business inventory includes items such as equipment, machinery or livestock.

The individual must provide information on:

1. the ownership of each item;
2. the type, make, model, and age of machinery;
3. the kinds and number of livestock; and
4. the amount of indebtedness on each item.

1650.0532 Verification (CIC)

Sources of verification for farm business inventory include items such as:

1. inventory reports for equipment filed with the county tax assessor;
2. statements from reputable businesses knowing resale value of items; or the county agricultural agent.

1650.0534 Home (CIC)

Home property is excluded as an asset, regardless of its value, if it is the individual's principal place of residence. Only one residence can be excluded under this provision.

A home is any shelter in which the individual has an ownership interest and that is used by the individual (and spouse, if any) as the principal place of residence. The home may be real or personal property, fixed or mobile, and located on land or water. The home includes all the land that appertains to it and the buildings located on such land. Houses, cooperative and condominium apartments, mobile homes, motor homes, and houseboats are examples of shelters that may qualify for exclusion.

1650.0541.01 Good Faith Effort to Sell (CIC)

When the individual is making a good faith effort to sell property, it can be excluded for up to nine months if the family agrees to use the proceeds from the sale to repay the Temporary Cash Assistance received. The individual must provide evidence of good faith effort to sell the property prior to approval for assistance.

The parent or relative must sign a CF-ES 2672 form, Real Property Agreement, in the presence of a witness acknowledging that:

1. the family owns real property the value of which exceeds the \$2,000 asset limit (or, when combined with other assets, the total value exceeds the limit), and
2. the family agrees to dispose of the property and to make repayment of any Temporary Cash Assistance benefits that would not have been received had disposal occurred at the beginning of the exclusion period.

Passages 1650.0541.02 - 1650.0541.04 provide additional policy on the nine month exclusion period.

1650.0541.02 Exclusion Period (CIC)

The period of exclusion is nine months, or until the property is sold, whichever is sooner.

Any proceeds from the sale remaining after repayment of excess TCA benefits are included as assets.

The individual's case must be closed if the excluded property is not sold during the nine month period or the individual becomes ineligible for any other reason during the exclusion period. The effective date of the case closing is the month after the end of the exclusion period.

1650.0541.03 Verification (CIC)

Sources of verification of the good faith effort to sell include documents such as a written statement from a real estate dealer, clippings of advertisements less than 30 days old, or copies of conditional sales contracts.

1650.0541.04 Property is Sold (CIC)

Overpayment does not occur if the property is sold, and the net profit plus the value of other SFU assets at the beginning of the exclusion period are under the asset limit. When the sale of the property is reported, the eligibility specialist must reevaluate the individual's assets by the next change deadline. If the sale did not affect eligibility, no overpayment is considered to have occurred.

If the individual's assets exceed allowable limits after the sale, the case must be canceled effective the first possible payment month. A notice of the cancellation must be sent to the individual allowing 10 days advance notice.

Any TCA benefits received that would not have been received had disposal occurred at the beginning of the exclusion period must be considered overpayment and recouped.

If the individual remains eligible on the factor of assets after the property is sold, the eligibility specialist must make a complete review of ongoing eligibility.

1650.0550 Indian Land (CIC)

Land that is held by an enrolled member of an Indian tribe is excluded from assets if it cannot be sold or transferred without the permission of other individuals, the tribe, or a federal agency.

1650.0553 Life Insurance (CIC)

The cash value of a life insurance or annuity policy is included as an asset. The cash value must be verified if the face value of the policy is \$5,000 or more or the policy is five years old or more.

In order to be defined as available, the policy must be owned by the individual and the person insured must either be the individual or a member of the assistance group. Policies carried on the individual or a TCA child by relatives or others whose needs or assets are excluded are not considered available.

1650.0555 Verification of Life Insurance (CIC)

The individual must provide the following information on life insurance policies the:

1. owner of the policy;
2. individual insured by the policy;
3. amount of the policy's cash surrender value, if any; and
4. amount of any dividends or interest earned on this policy.

The life insurance policy may provide all the necessary information. If not, the information may be obtained from the insurance company or a local agent. However, with the exception of the MSSSI and SFP Programs, it is not necessary to see the policy(s) or contact the company unless the cash value must be verified.

For the CIC Program, the cash value must be verified if the face value of the policy is \$5,000 or more or the policy is five years old or more. Otherwise, the individual's statement can be accepted.

1650.0556 Loans (CIC)

This section describes:

1. loans;
2. promissory notes;
3. property agreements; and
4. student grants, loans, and scholarships.

A **loan** is a transaction when one party (lender) advances money to another party (borrower) who promises to repay the debt in full within the borrower's lifetime. Repayment of loans may or may not include interest. A loan may take the form of a formal written document or an informal verbal agreement. A formal written loan agreement is a form of a promissory note.

A **promissory note** is a written, unconditional agreement signed by a person who promises to pay a specific sum of money at a specified time, or on demand, to the person, company, corporation, or institution named on the note. A promissory note may or may not involve the loan of money or goods (e.g., a promissory note may be given in return for goods or service rendered).

A **personal and real property agreement** is a pledge or security of a particular property or properties for the payment of a debt or performance of some other obligation within a specified time period. Property agreements on real estate (land and buildings) are generally referred to as mortgages but may also be called land contracts, contracts for deed, or deed of trust, etc. Personal property agreements (e.g., pledges on crops, fixtures, inventory, etc.) are commonly known as chattel mortgages.

1650.0562 Student Grants, Loans and Scholarships (CIC)

Any grants, loans, gifts or scholarships received by the individual for educational expenses are excluded as an asset. This is true even if the loan or other money is received in a lump sum and deposited as cash in a bank. The individual must provide information on the amount and type of the grant, loan, gift or scholarship.

1650.0563 Personal Property (CIC)

Personal property includes personal effects such as clothing, jewelry, tools of a trade, and pets, in addition to household goods such as furniture and appliances. Generally, personal property is excluded as an asset.

1650.0566 Stocks and Bonds (CIC)

Investments include the value of stocks and bonds. The current market quotation is considered the asset value. Information sufficient to establish ownership is required in order to determine if the stock/bond value must be included/excluded. Sources of information on the current market value of stocks and bonds may be secured from the bank, investment company, newspapers, and the like. The source and date of the quotation must be recorded.

1650.0567 Definition of Stocks (CIC)

Shares of stock represent ownership in a corporation. The shares of many corporations are traded on the New York Stock Exchange or the American Stock Exchange. Many stocks are also traded "over-the-counter".

Most stocks, for incorporation purposes, are assigned a certain value known as "par value." Par value has no relation to the actual market value of a stock.

The value of a stock is normally determined by the demand for it when it is bought and sold. As the result of constant trading, the value of stocks varies daily. To establish the value of a stock, use the most current closing price.

The individual is required to furnish stock certificates unless the stock is being held for the individual by a securities firm. If so, the eligibility specialist must obtain the individual's copy of the firm's most recent statement concerning the individual's account.

The closing prices (on any particular date) of many stocks may be verified by consulting the following day's newspaper or financial newspaper. If the closing price of a stock is not shown in the next day's newspaper, contact a local securities firm to determine its value.

The value of stocks traded over-the-counter is expressed on a "bid" and "asked" basis. A "bid" is the amount being offered for the stock. The "asked" figure is the amount the seller asked for the stock. Use the bid price to determine the market value of this type of stock.

A local securities dealer's statement must support the individual's statement that a stock is worthless.

1650.0568 Stock in a Close Corporation (CIC)

A "close" or closely held corporation is wholly owned or controlled by one or more members of the board. Stock in this type of company must be reviewed to determine if the stock is a liquid or nonliquid asset. Usually the stocks cannot be converted to cash within 20 days and they may qualify for exclusion as property needed for self-support.

If such stocks are not traded publicly the value of the stock is determined by dividing the company's net assets (total assets minus liabilities) by the total number of shares. The corporation's net assets can be obtained from the corporation's most recent tax return.

1650.0570 Mutual Fund Shares (CIC)

A mutual fund is a company that buys and sells securities and other property as its primary business. Mutual fund shares are generally liquid assets.

The value of mutual funds is determined in the same way as stock values are determined.

1650.0571 Bonds (CIC)

When an individual requests that a bond be sold, about seven to ten days are usually required for the individual to receive the proceeds. Therefore, bonds are generally included as assets.

A bond is a written obligation to pay a sum of money at a future specified date. It is a negotiable instrument and is transferable.

Municipal bonds are issued by a state or local government. Corporate bonds are issued by corporations. Government bonds are issued by an agency of the federal government and, except for U.S. Savings Bonds, are transferable.

A bond must be held until the specified date of maturity before it can be redeemed for its face value. The current cash value of a bond before maturity is determined by the market for it.

If there is a great demand for a bond, its market value may be more than the face value; or if there is little demand, the bond's current market value may be substantially less than the face value. The current price of a bond can generally be determined as it would be for a stock.

1650.0572 Savings Bonds (CIC)

U.S. Savings Bond is an obligation of the federal government, but unlike other government bonds it is not transferable; that is, it can only be sold back to the government.

U.S. Savings Bonds are usually registered in the name of the owner(s) shown on the front of the bond and may be redeemed by the owner by completing a form on the back of the bond. If ownership of a bond is shared, each person's share is equal. All owners must agree to liquidate the bond.

Several series of U.S. Savings Bonds (for example, Series EE, HH, E, I, J, and H) can normally be quickly converted into cash at local banks. These bonds are defined as liquid assets and are counted as resources. Do not use the table sometimes provided on the back of the bond to determine its value. The tables often do not reflect changes in interest rates. A bank must be contacted to determine the current value. The face value of Series H bonds does not change. No further verification of value is necessary for that series; however, interest is paid rather than accrued on these bonds.

Some bonds must be held for a specific period of time from the date of issue before they can be converted to cash. Examples of bonds with retention periods are indicated below:

1. Series EE and I bonds issued prior to February 1, 2003 can be converted to cash at any time after six months from the issue date.
2. Series EE and I bonds issued on or after February 1, 2003 can be converted to cash at any time after twelve months from the issue date.
3. Series HH bonds can be converted to cash at any time after six months from the issue date.

Although there are mandatory retention periods for the bonds referenced above, they may be converted to cash early if the owner requests a waiver of the retention period claiming hardship circumstances. A hardship exemption request must be in writing, accompanied by the bond that is still within the mandatory retention period, to the following address:

Bureau of the Public Debt
Savings Bonds
Parkersburg, West Virginia 26106-1328

When the value of a bond will affect eligibility, the bond's owner must request a waiver of the retention period due to hardship (for example, need to receive public assistance or enter a nursing home). If evidence indicates the waiver was denied, the value of the bond is considered unavailable and not counted as a resource until the month after the mandatory retention period expires. If the waiver is granted, the amount of funds an owner receives or can receive by cashing in the bond early is considered as a countable resource.

1650.0577 Real Property (CIC)

Real property includes assets (in which an individual has ownership interest) that fall into the following categories:

1. any real estate owned by the individual or couple, and
2. income producing property.

1650.0578 Real Estate (CIC)

Real estate that is not a homestead and does not involve life estate is included as an asset.

Otherwise non-excluded real property that an individual or family is making a good faith effort to sell can be excluded. Refer to passage 1650.0541.01 for good faith effort policies.

Information containing the name of owner, legal description, amount of indebtedness and to whom owed, and the assessed value is required verification. Sources of verification include deeds in possession of parent or relative, liens in personal possession, county property records, or contract with lien holder.

1650.0580 Value of Real Property (CIC)

The county tax assessment of the property (minus any debts) is used to determine the ownership and value of the property.

1650.0583 Vehicles (CIC)

A vehicle is any automobile, truck, motorcycle, etc., that is used to provide transportation, and includes vehicles that are unregistered, inoperable, or in need of repair.

1650.0589 Other Recreational Vehicles (CIC)

House trailers and houseboats that are not the homestead and are not an excluded vehicle are included.

The resale value for house trailers and houseboats must be obtained from a reputable trailer or boat business. The resale value for other vehicles (such as campers, travel trailers, motor homes, pleasure boats, motorcycles, and aircraft) must be obtained from a reputable dealer for the particular type of vehicle. For CIC purposes, this resale value will be substituted for the trade-in value in the asset value determination.

1650.0590 Increases/Decreases to Value (CIC)

The equity value is calculated by taking the NADA value of a vehicle and subtracting the amount owed.

The market value of a car, truck or van is determined with the listing of average trade-in value given in the most recent edition of either the Southeastern Edition NADA Official Used Car Guide or the NADA Older Car Guide.

No adjustments to the vehicle's value are made by the eligibility specialist for high mileage, low mileage, and options listed such as air conditioning, radio, and automatic transmission.

If an individual owns a vehicle that may be worth considerably more than the NADA value because of its model and/or year, such as a 1965 Ford Mustang, the NADA value for the oldest comparable model is still used.

A valuation from a reputable automobile dealer, rather than the NADA value may be used when:

1. the "average trade-in" value affects the individual's eligibility;
2. the vehicle was in an accident, sustained major mechanical and/or body damage which has not been repaired; or
3. the vehicle is inoperable due to mechanical conditions that have not been repaired.

A reputable automobile dealer valuation may also be used when the vehicle is in excessively poor condition bodily and mechanically so that compared to other vehicles of the same make, model, year, and equipment its value is substantially affected. A vehicle does not qualify on this condition based solely on excess mileage and/or minor body damage such as rust, as these conditions are considered in the NADA book values given. The case record must contain an explanation of the condition of the vehicle that led the individual or eligibility specialist to believe the book value to be incorrect.

The individual obtaining the dealer's evaluation must request the dealer to provide the current market value of the car or the resale value. The trade-in value or wholesale value is unacceptable. The Department cannot assume liability for any costs arising from obtaining a dealer valuation.

Once a dealer values an older unlisted car placing the value at less than \$1,500, another valuation is unnecessary for the same car at future redeterminations or reapplications. Notate the CF-ES Form 2610 or the CLRC screen when the valuation is placed in the case record.

When a dealer's valuation has been used due to the condition of the vehicle, the individual must report to the eligibility specialist any repairs affecting the value of the vehicle. However, the eligibility specialist must explore with the individual the condition of the vehicle at each complete redetermination to ensure that the conditions that resulted in its devaluation continue to exist. When such conditions have been remedied, the value of the vehicle must be redetermined through the NADA book or an additional dealer's valuation.

1650.0593 Assets Excluded by Federal Law (CIC)

The eligibility specialist must verify or document the amount of the benefit received from the following sources, since they are potential assets:

1. SSI benefits or SSI lump sum payments.
2. Assistance from a vocational rehabilitation agency within certain limitations.
3. Disaster assistance payments (P.L. 100-707). This exclusion applies to federal disaster assistance and comparable state or local assistance.
4. Emergency payments made by another agency prior to the date direct assistance is received.
5. Any grant, loan, gift or scholarship received by the individual. Effective 7/1/93, this includes financial assistance provided under programs in Title IV of the Higher Education Act and under Bureau of Indian Affairs student assistance programs. Effective 7/1/93, student financial assistance for attendance costs under the Carl D. Perkins Vocational and Applied Technology Education Act is also excluded. Attendance costs include: tuition and fees (as required by the institution of all students in the same course of study); and books, supplies, transportation, dependent care and miscellaneous personal expenses (as included in the assistance grant) for those attending on at least a half-time basis, as defined by the institution. Living expenses are not allowed as attendance costs unless the assistance grant includes funds for this purpose as part of miscellaneous personal expenses.

Funds derived from the following sources are not considered available income or assets, and it is not required that the source be verified or documented:

1. Payments to a natural child of a Vietnam veteran born with spina bifida, except spina bifida occulta, as a result of the exposure of one or both parents to Agent Orange (P.L. 104-204).
2. Payments to a natural child of a woman Vietnam veteran born with one or more birth defects resulting in permanent physical or mental disability (P.L. 106-419).
3. The employment related expense reimbursement received by a participant in employment & training.
4. Assistance payments received by households from the Low-income Home Energy Assistance Program administered by the Department of Community Affairs.
5. Any payment received by foster parents from any agency intended to provide for the needs of foster children or adults placed in their home; or adoption assistance payments for an individual whose needs are not included in the filing unit.
6. Income for children who are in the custody of the Department, which is collected by Fee Collections and placed into a Fee Collections trust account on behalf of a child, is not counted. The funds which remain in the Fee Collections trust account are not counted as an asset. The income and assets are considered unavailable and are excluded in the eligibility determination.
7. Other trust accounts belonging to the child, or on behalf of the child, must be evaluated by the eligibility specialist for consideration in the Medicaid eligibility determination. Follow trust policy contained in the ACCESS Florida Program Policy Manual, beginning with passage 1650.0573, for evaluation of the trust account.
8. The value of the benefits under the Food Stamp Act of 1977, as amended, the value of USDA donated foods, the value of supplemental food assistance received under the Child Nutrition Act of 1966, as amended, and the special food service program for children under the National School Lunch Act.
9. Any benefits received under Title VII, Nutrition Program for the Elderly of the Older Americans Act of 1965, as amended.
10. Assistance provided under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
11. Any funds distributed per capita to or held in trust for members of any Indian tribe under Public Laws 92-254, 93-134 or 94-540 and initial purchases made with funds distributed under Public Law 93-134 or Public Law 98-64.
12. Any of the following distributions made to a household, individual native or descendant of a native, by a Native Corporation established by the Alaska Native Claims Settlement Act (Public Law 92-203 as amended):
 - a. per capita payments of \$2,000 or less per year, including cash dividends on stock from a Native Corporation;
 - b. stocks (including stock issued or distributed by a Native Corporation as a dividend or distribution on stock);
 - c. a partnership interest;

- d. land or interest in land (including land or interest in land received from a Native Corporation as a dividend or distribution on stock); or
 - e. an interest in a settlement trust.
13. Payments under the Experimental Housing Allowance Program under Section 23 of the U.S. Housing Act of 1937, under contracts fully executed prior to January 1, 1975.
 14. Assistance provided to volunteers who participate in ACTION Programs funded under Public Law 93-113, including VISTA and other programs under Title I of that law.
 15. Payments for supportive services or reimbursement for expenses made to volunteers serving as foster grandparents, senior health aides or senior companions, and to persons serving on the Service Corps of Retired Executives, Active Corps of Executives, and other programs under Titles II and III, Public Law 93-113, Section 419.
 16. Federal income tax returns, including refundable tax credits (EITC and Child Tax Credit) and over-withholding (tax refunds) are excluded as income and assets in the month of receipt and will continue to be excluded as an asset for 12 months from the date of receipt.
 17. Payments made pursuant to the Radiation Exposure Compensation Act, to individuals (or their survivors) who became ill or died as a result of exposure to radiation through nuclear testing or uranium mining.
 18. Funds received by a member of the Passamaquoddy Indian Tribe, the Penobscot Nation, or the Houlton Band of Maliseet Indians pursuant to the Maine Indian Claims Settlement Act of 1980 will be disregarded as income and assets in the determination of eligibility for benefits under the TCA Program.
 19. Standard filing units receiving Temporary Cash Assistance and Medicaid which have funds paid to a homeless shelter either by themselves or on their behalf, will have such funds excluded as a countable asset, providing that such moneys are to enable the family to pay deposits or other cost associated with moving into a stable shelter arrangement.
 20. Payments received under the Crime Victim Compensation Program that offers compensation to victims and survivors of victims of criminal violence, including drunk driving and domestic violence (P.L. 103-322).
 21. Payments made to individuals under the Energy Employees Occupational Illness Compensation Program (EEOICP) Act of 2000 (Public Law 106-398).
 22. Achieving a Better Life Experience (ABLE) accounts which are established for individuals who meet the Social Security Administration's definition of disabled or the individual has a certification of disability from their physician prior to age 26. Verification must be requested if:
 - a. questionable, or
 - b. value of ABLE account exceeds \$100,000, or
 - c. value of combined assets exceeds the program limit.

1650.0600 TRANSFER OF ASSETS (CIC)

At application and eligibility reviews, individuals must provide information regarding assets transferred prior to the application or eligibility review. The time periods for asset transfers and the specific policy for transfer of assets vary by program.

1650.0603 Transfer of Assets Affecting Eligibility (CIC)

The assistance group (AG) must not have made an intentional assignment, sale, gift, or transfer of assets in order to qualify for or maintain eligibility. When these transactions are made, the AG is ineligible for two years from the date of the transfer.

The determination of ineligibility must be based on the intent of the transfer rather than the value of the transfer. The statement of the individual is usually sufficient to establish the intent of the transfer.

When the intent is unclear, the eligibility specialist must obtain information from other sources including but not limited to:

1. the person to whom the asset is transferred,
2. property records, and
3. collateral sources.

An investigation must also be conducted any time the eligibility specialist has reason to believe a transfer has been made with the sole intent of affecting eligibility. The Department must bear the burden of proof. The following details of the investigation and decision must be recorded:

1. type of asset transferred,
2. date of the transfer,
3. to whom the asset was transferred, and
4. the reason for transfer.

Clearance with the Circuit Legal Counsel must be obtained if further guidance is needed to make a decision on intent.

1650.0604 Net Value from Disposition (CIC)

The individual has the right to dispose of assets without penalty if assets:

1. are below the asset limit, or
2. do not affect eligibility for any reason.

The net value received from the disposition of assets must be assessed to determine if the value will cause the total assets to exceed the asset maximum at any time.

The eligibility specialist must document or verify the loss of an asset. The individual's statement is accepted without verification or documentation when the asset is a:

1. car, truck, or van, and it is the only vehicle owned, with a net value of less than \$1,500;
2. life insurance policy less than five years old with a face value of \$5,000 or less; or
3. savings or checking account with a balance of less than \$200.

If any other asset, the eligibility specialist must verify or document:

1. that the individual no longer owns the asset,
2. what happened to the asset, and
3. if sold, what happened to the proceeds.

The individual always has the right to spend money from a converted asset for any reason.

1660.0000 Refugee Assistance Program

Each individual's assets must be considered to determine eligibility for public assistance.

This chapter presents requirements for determining eligibility based on assets. The chapter discusses policy for the following topics:

1. Asset Definition,
2. Asset Limits,
3. Asset Ownership and Availability,
4. General Determination of Asset Value,
5. Types of Assets: Definitions and Value Determinations, and
6. Transfer of Assets.

1660.0100 ASSET DEFINITION (RAP)

Assets, liquid or nonliquid, are assets or items of value that are owned (single or jointly) by an individual who has access to the cash value upon disposition.

Liquid assets are cash assets or assets that are payable in cash on demand. Nonliquid assets are assets that cannot be readily converted to cash.

Assets of each member of the SFU must be determined. A determination of whether each asset should be included or excluded must be made.

1660.0200 ASSET LIMITS (RAP)

The asset limit is the maximum amount of liquid and/or nonliquid assets that an assistance group can retain and remain eligible for public assistance.

The total countable assets for the Refugee Assistance Program cannot exceed \$1,000.

1660.0206 Verification of Assets (RAP)

Verification of all assets, except cash, is required when the total assets of the SFU are within \$100 of the asset limit. The individual's statement of the amount of cash is accepted. If it is clear from the individual's statement that total assets exceed the limitation or if the individual is ineligible on another factor, assets need not be verified.

1660.0300 ASSET OWNERSHIP AND AVAILABILITY (RAP)

Any individual who has the legal ability to dispose of an asset is considered the owner of the asset. The type of ownership (single or joint) of an asset determines to whom the asset is available and the value that is counted to the individual.

1660.0301 Joint Ownership (RAP)

Joint ownership exists when the legal right to dispose of an asset is shared by more than one individual.

1660.0302.01 Joint Ownership of Bank Accounts (RAP)

When an individual is a joint account holder who has unrestricted access to the funds in the account, you must presume all of the funds in the account are owned by the individual. This presumption is made regardless of the source of the funds.

If the individual alleges the funds in the account belong to someone else, you must allow the individual to submit evidence to challenge this presumption. If the challenge is successful, do not count the funds in the account as an asset to the individual for any month. (If the individual never owned the funds, they were never his.) If the challenge to the presumption of ownership is not successful, you must consider the funds as an asset to the individual. This policy applies to checking accounts, savings accounts, certificates of deposit and other jointly owned financial accounts.

When an individual is a joint owner of an account, the amount that must be considered as an asset depends on:

1. whether the other joint owner is an applicant or recipient; and
2. the individual's actual ownership interest in the funds in the account.

If the joint owner(s) is an applicant/recipient enrolled or eligible for Medicaid, the total funds in the account are presumed to be equally shared.

If the joint owner(s) is not an applicant/recipient enrolled or eligible for Medicaid, the entire balance of the account is considered as the asset value.

1660.0302.03 Rebuttal of Ownership (RAP)

When an individual has unrestricted access to the funds in a joint account but does not consider himself an owner of part or all of the account funds, the individual must be allowed to prove non-ownership of the funds. The individual must provide proof that the account funds are not used to meet his needs. In addition, the individual must explain why his name is on the account.

In order to successfully rebut full or partial ownership, the individual must provide the following three items.

First, the individual must provide a written statement describing:

1. any claims about ownership of the funds or interest from the funds;
2. the reasons for establishing the joint account;
3. the individual that made deposits to and withdrawals from the account; and
4. information on how withdrawals were spent.

Second, the individual must provide a written statement from the other joint owner(s) confirming this information.

Third, the individual must provide documentation from the financial institution that the individual's name has been removed from the account or the individual no longer has access to the funds in the account. This is not considered to be a transfer of assets.

1660.0304 Ownership of Real Property (RAP)

Ownership of real property can consist of an interest in the title or a right to the use of the property without title to the property. The owner of real property is generally the individual who has legal title and the right to control the property.

1660.0305.02 Shared Ownership of Real Property (RAP)

When the individual shares ownership with another individual or other individuals, only the individual's ownership interest is included. If there is no documentation defining the portion owned by each individual owner, all owners are assumed to have equal shares in the property.

If the individual cannot sell his share of the property without the consent of the other owner and the other owner refuses to give his consent, the property cannot be considered a countable asset.

1660.0308 General Availability (RAP)

Once the individual's ownership interest of an asset(s) is established, the availability of that asset must be determined. Asset(s) determined not to be available are not considered in determining eligibility on the factor of assets.

Assets are considered available to an individual when the individual has unrestricted access to the funds.

Accessibility depends on the legal structure of the account or property. An asset is countable if the asset is available to a representative possessing the legal ability to make the asset available for the individual's support and maintenance, even though the individual may not choose to do so.

Assets not available due to legal restrictions or factors beyond an individual's control are not considered in determining total available assets. The only exception to this rule occurs when the legal restrictions were caused or requested by the individual.

1660.0310 Availability of Assets in a Foreign Country (RAP)

Assets left behind in a foreign country are considered unavailable.

1660.0316 Legal Restrictions to Availability (RAP)

In general, assets are considered available unless the applicant/recipient asserts otherwise. If the individual claims an asset is unavailable due to legal restrictions, the eligibility specialist will request supporting evidence and make an independent assessment of the availability based on the evidence presented. An individual may be restricted by law from disposing of owned assets. If an asset is unavailable due to legal restrictions, it is not considered an includable asset. Additional guidance can be requested from the Region or Circuit Program Office, Circuit Legal Counsel or Headquarters through the Region or Circuit Program Office.

1660.0321 Assets Unavailable/Circumstances Beyond Control (RAP)

Assets unavailable due to circumstances beyond the individual's control are not considered in the determination of eligibility.

The individual must present convincing evidence to prove the asset is unavailable to him due to circumstances beyond his control. The eligibility specialist will make an independent assessment of the availability based on the evidence presented. Additional guidance can be requested from the Region or Circuit Program Office, Circuit Legal Counsel, or Headquarters through the Region or Circuit Program Office.

1660.0400 GENERAL DETERMINATION OF ASSET VALUE (RAP)

The value of an individual's assets is based on the total value of the assets at the time they become available. In order to be eligible, an individual's assets must be within the program limits at the time of application disposition.

1660.0401 Time When Asset Value Affects Eligibility (RAP)

The point in time when an asset determination is made may depend on the program and whether the eligibility specialist is processing an application or conducting an eligibility review. Passages 1660.0402 and 1660.0404 describe program specific policy in this area.

1660.0402 Asset Eligibility (RAP)

Assets must be equal to or below program limits as of the application disposition date to be eligible for ongoing assistance. Assets must be equal to or below program limits as of the date of the interview.

1660.0404 When Asset Value Affects Eligibility (RAP)

Assets must be equal to or below program limits for:

1. the month of application, as of the date of application;
2. the month of disposition, as of the date of disposition; and
3. any other month, as of the first day of that month.

1660.0406 Determining Asset Value (RAP)

The amount of the asset included is the actual value of the asset minus indebtedness. Indebtedness is the amount needed to satisfy contract terms that must be met to establish ownership of the asset. Do not count income as an asset in the month received. This does not apply to SSI lump sums (see 2640.0421). Any income which is not spent in the month received becomes an asset the month following the month of receipt. Therefore, when determining asset value in a particular month, it may be necessary to deduct income added to the asset that same month.

Cash value and indebtedness determinations will be discussed for each type of asset.

1660.0407 Definition of Actual Value (RAP)

For assets that are in cash, or payable in cash on demand, the actual value is the cash value. For other forms of assets, the actual value is the fair market value (the amount of cash that could be received by selling or converting the asset).

1660.0409 Conversion of Assets (RAP)

Proceeds, including cash, from the sale of an asset or conversion of an asset from one form to another are considered assets rather than income. The proceeds of the item to which the asset is converted must be evaluated to determine if they affect eligibility, and if so, the value of the new asset.

Verification concerning the new asset must be obtained regardless of whether a liquid or nonliquid asset is involved. For example, an individual may have an automobile (nonliquid asset) which he sells for cash (liquid asset), or he may have cash that he uses to purchase an automobile. In either case, the conversion or sale does not result in income to the individual. The newly acquired item is an asset subject to all asset valuation policy.

1660.0410 Excluded Assets Replacement (RAP)

Exclude cash and in-kind replacements (including any interest) received from any source for the purpose of replacing or repairing a lost, damaged, or stolen excluded asset. Apply the exclusion as long as the individual continues to use the funds for the replacement or repair of the lost, damaged or stolen excluded resource.

1660.0500 ASSETS: DEFINITIONS AND VALUE DETERMINATIONS (RAP)

The different types of liquid and nonliquid assets are discussed alphabetically in the following subsections. The policies assume that the assets are owned by and available to the individual unless noted otherwise. Refer to policy on asset ownership and availability described in Section 1660.0300. Refer also to Chapter 2200, Standard Filing Unit, which describes whose assets must be considered.

1660.0501 Bank Accounts (RAP)

Bank accounts refer to funds in a bank, credit union, savings and loan association or any other financial institution that are usually payable on demand. Interest earned on bank accounts is excluded as unearned income.

This section provides information on:

1. checking and savings accounts;
2. convenience bank accounts;
3. time deposits, including Individual Retirement Accounts and Keogh Plans; and
4. special accounts for medical services.

1660.0502 Checking and Savings Accounts (RAP)

The asset value is the balance in the account on the date on which eligibility is established. If the total asset value of the account does not affect eligibility, it is not necessary to determine the amount of any transactions that have not cleared the account or the individual's portion of a joint bank account. However, the individual still may be given the opportunity to rebut full or partial ownership to ensure that future changes to the account will not affect his eligibility.

Passages 1660.0504 - 1660.0506 discuss policy for bank account assets. Refer to passages 1660.0300 - 1660.0302.03 and 1660.0308 - 1660.0321 for ownership and availability policies for bank accounts.

1660.0504 Time Deposits (RAP)

The availability of funds is the deciding factor in determining if a time deposit is an asset. Time deposits such as a savings certificate or certificate of deposit usually are available to the individual and are included as assets.

Any interest penalties imposed for withdrawing the time deposit funds prior to maturity are deducted from the total amount when determining the value of the time deposit asset. Interest penalties may involve a reduction in the interest rate and/or loss of interest for a short period of time.

Some time deposits cannot be withdrawn prior to maturity under any circumstances. Funds in this type of account are not included as an asset until they reach maturity and become available.

Any interest retained after the month it is available is included as an asset.

1660.0505 Retirement Accounts and Pension Plans (RAP)

Exclude all retirement accounts and pension plans. Count distributed funds as:

1. unearned income if made available through installment payments, or
2. an asset in the month received if made available as a lump sum payment.

1660.0506 Verification of Bank Account (RAP)

Information required for verification of an individual's bank account assets includes the:

1. type of account;

2. name and location of the financial institution;
3. names of any joint owners; and
4. amount of the balance.

The current bank account statement or other statements from the facility are verification sources.

Verification of a time deposit certificate must include information on when the funds can be withdrawn and any penalties for early withdrawal. If the individual cannot provide this information, the eligibility specialist must request the information from the individual's financial institution.

1660.0507 Burial Contracts and Other Burial Assets (RAP)

This section provides information on burial related assets such as:

1. funeral agreements,
2. prepaid burial contracts,
3. irrevocable burial trusts,
4. burial exclusion policy, and
5. burial spaces.

1660.0508 Funeral Agreement (RAP)

Funeral agreements are any arrangements with a legitimate funeral service provider to pay for burial expenses. Examples of funeral agreements include items such as burial trusts and any burial contracts regardless of whether they are revocable or irrevocable.

Each assistance group member can exclude a maximum of \$1,500 of equity value in a single funeral agreement. Any additional funeral agreement amounts are included as an asset.

1660.0515 Burial Spaces/Plots (RAP)

The following are considered burial spaces or plots:

1. conventional grave sites,
2. crypts,
3. mausoleums, and
4. urns.

1660.0517 Verification of Burial Spaces (RAP)

Sources of verification include documents such as deeds to cemetery lots or sales contracts for the purchase of cemetery lots.

There may be more than one gravesite per burial plot. If there is a question as to what constitutes a burial plot the case must be examined by the Circuit Legal Counsel.

For funeral agreements, verification includes copies of the funeral contract or agreement or a letter from the funeral services provider outlining the type and terms of the contract.

1660.0518 Cash (RAP)

Cash includes money the individual owns no matter where it is located.

1660.0519 Verification of Cash (RAP)

The individual must provide information on the amount of cash available. While an individual's statement of actual cash on hand is accepted without verification, the individual must be made aware that cash on hand includes amounts:

1. in the individual's personal possession;

2. the individual may have at home; and
3. being held for the individual elsewhere.

1660.0522 Money from Excluded Asset (RAP)

Money received from an excluded income and asset source that is deposited in a savings account is excluded.

If the balance in the account is not identifiable as coming from the excluded source, the balance (minus any new deposits from excluded sources) counts as an asset the next month.

1660.0524 Crops and Livestock for Home Use (RAP)

Any crops or livestock grown or retained solely for the SFU's own use is excluded.

1660.0525 Verification (RAP)

The individual's statement as to the disposition of crops and livestock can be accepted unless it is inconsistent with other information on the individual's financial status. If there are inconsistencies or questions, the local county agricultural agent can assist in determining whether the individual is engaged in farming as a business enterprise.

1660.0526 Disaster Assistance from Government Sources (RAP)

Permanently exclude:

1. payments, including disaster unemployment assistance, received under the Disaster Relief Act of 1974 {P.L. 93-288, Section 312(d)}, as amended by the Disaster Relief and Emergency Assistance Amendments of 1988 {P.L., 100-707, Section 105(i)} from assets.
2. National Flood Insurance Program (NFIP) payments made under the National Flood Insurance Act of 1968, as amended by Public Law 109-64, enacted on September 20, 2005.

Exclude interest earned on disaster assistance payments from assets.

Excluded funds must be identifiable. Encourage the individual to maintain a separate account for excluded funds if possible. When excluded funds are commingled in an account with other funds assume that non-excluded funds are withdrawn first.

Disaster assistance funds are not restricted to restoration of a home but are subject to legal sanction if misused.

Sources of verification of disaster assistance include official government notices, disaster loan or grant documents, and the individual's financial records of deposits, withdrawals and expenditures.

1660.0531 Business Inventory (RAP)

Property/inventory related to a business (a farm operated for profit) is included as an asset. The net value of the business inventory is the current market value minus any indebtedness. Business inventory includes items such as equipment, machinery or livestock.

The individual must provide information on the:

1. ownership of each item;
2. type, make, model, and age of machinery;
3. kinds and number of livestock; and
4. amount of indebtedness on each item.

1660.0532 Verification (RAP)

Sources of verification for farm business inventory include items such as:

1. inventory reports for equipment filed with the county tax assessor;
2. statements from reputable businesses knowing resale value of items; or
3. the county agricultural agent.

1660.0541.01 Good Faith Effort to Sell (RAP)

When the individual is making a good faith effort to sell property, it can be excluded for up to nine months if the family agrees to use the proceeds from the sale to repay the Temporary Cash Assistance received. The individual must provide evidence of good faith effort to sell the property prior to approval for assistance.

The parent or relative must sign a CF-ES 2672 form, Real Property Agreement, in the presence of a witness acknowledging that the family:

1. owns real property the value of which exceeds the \$2,000 asset limit (or, when combined with other assets, the total value exceeds the limit), and
2. agrees to dispose of the property and to make repayment of any Temporary Cash Assistance benefits that would not have been received had disposal occurred at the beginning of the exclusion period.

Passages 1660.0541.02 - 1660.0541.04 provide additional policy on the nine month exclusion period.

1660.0541.02 Exclusion Period (RAP)

The period of exclusion is nine months, or until the property is sold, whichever is sooner.

Any proceeds from the sale remaining after repayment of excess TCA benefits are included as assets.

The individual's case must be closed if the excluded property is not sold during the nine month period or the individual becomes ineligible for any other reason during the exclusion period. The effective date of the case closing is the month after the end of the exclusion period.

1660.0541.03 Verification (RAP)

Sources of verification of the good faith effort to sell include documents such as a written statement from a real estate dealer, clippings of advertisements less than 30 days old, or copies of conditional sales contracts.

1660.0541.04 Property is Sold (RAP)

Overpayment does not occur if the property is sold, and the net profit plus the value of other SFU assets at the beginning of the exclusion period are under the asset limit. When the sale of the property is reported, the eligibility specialist must reevaluate the individual's assets by the next change deadline. If the sale did not affect eligibility, no overpayment is considered to have occurred.

If the individual's assets exceed allowable limits after the sale, the case must be canceled effective the first possible payment month. A notice of the cancellation must be sent to the individual allowing 10 days advance notice.

Any TCA benefits received that would not have been received had disposal occurred at the beginning of the exclusion period must be considered overpayment and recouped. If the individual remains eligible on the factor of assets after the property is sold, the eligibility specialist must make a complete review of ongoing eligibility.

1660.0550 Indian Land (RAP)

Land that is held by an enrolled member of an Indian tribe is excluded from assets if it cannot be sold or transferred without the permission of other individuals, the tribe, or a federal agency.

1660.0553 Life Insurance (RAP)

The cash value of a life insurance or annuity policy is included as an asset. The cash value must be verified if the face value of the policy is \$5,000 or more or the policy is five years old or more.

In order to be defined as available, the policy must be owned by the individual and the person insured must either be the individual or a member of the assistance group. Policies carried on the individual or a TCA child by relatives or others whose needs or assets are excluded are not considered available.

1660.0555 Verification of Life Insurance (RAP)

The individual must provide the following information on life insurance policies the:

1. owner of the policy;
2. individual insured by the policy;
3. amount of the policy's cash surrender value, if any; and
4. amount of any dividends or interest earned on this policy.

The life insurance policy may provide all the necessary information. If not, the information may be obtained from the insurance company or a local agent. However, with the exception of the MSSI and SFP Programs, it is not necessary to see the policy(s) or contact the company unless the cash value must be verified.

For the RAP Program, the cash value must be verified if the face value of the policy is \$5,000 or more or the policy is five years old or more. Otherwise, the individual's statement can be accepted.

1660.0556 Loans (RAP)

This section describes:

1. loans;
2. promissory notes;
3. property agreements; and
4. student grants, loans, and scholarships.

A **loan** is a transaction when one party (lender) advances money to another party (borrower) who promises to repay the debt in full within the borrower's lifetime. Repayment of loans may or may not include interest. A loan may take the form of a formal written document or an informal verbal agreement. A formal written loan agreement is a form of a promissory note.

A **promissory note** is a written, unconditional agreement signed by a person who promises to pay a specific sum of money at a specified time, or on demand, to the person, company, corporation, or institution named on the note. A promissory note may or may not involve the loan of money or goods (e.g., a promissory note may be given in return for goods or service rendered).

A **personal and real property agreement** is a pledge or security of a particular property or properties for the payment of a debt or performance of some other obligation within a specified time period. Property agreements on real estate (land and buildings) are generally referred to as mortgages but may also be called land contracts, contracts for deed, or deed of trust, etc. Personal property agreements (e.g., pledges on crops, fixtures, inventory, etc.) are commonly known as chattel mortgages.

1660.0562 Student Grants, Loans and Scholarships (RAP)

Any grants, loans, gifts or scholarships received by the individual for educational expenses are excluded as an asset. This is true even if the loan or other money is received in a lump sum and deposited as cash in a bank. The individual must provide information on the amount and type of the grant, loan, gift or scholarship.

1660.0563 Personal Property (RAP)

Personal property includes personal effects such as clothing, jewelry, tools of a trade, and pets, in addition to household goods such as furniture and appliances. Generally, personal property is excluded as an asset.

1660.0577 Real Property (RAP)

Real property includes assets (in which an individual has ownership interest) that fall into the following categories:

1. any real estate owned by the individual or couple, and
2. income producing property.

1660.0578 Real Estate (RAP)

Real estate that is not a homestead and does not involve life estate is included as an asset.

Otherwise non-excluded real property that an individual or family is making a good faith effort to sell can be excluded. Refer to passage 1660.0541.01 for good faith effort policies.

Information containing the name of owner, legal description, amount of indebtedness and to whom owed, and the assessed value is required verification. Sources of verification include deeds in possession of parent or relative, liens in personal possession, county property records, or contract with lien holder.

1660.0583 Vehicles (RAP)

A vehicle is any automobile, truck, motorcycle, etc., that is used to provide transportation, and includes vehicles that are unregistered, inoperable, or in need of repair.

1660.0589 Other Recreational Vehicles (RAP)

House trailers and houseboats that are not the homestead and are not an excluded vehicle are included.

The resale value for house trailers and houseboats must be obtained from a reputable trailer or boat business. The resale value for other vehicles (such as campers, travel trailers, motor homes, pleasure boats, motorcycles, and aircraft) must be obtained from a reputable dealer for the particular type of vehicle. For RAP purposes, this resale value will be substituted for the trade-in value in the asset value determination.

1660.0590 Increases/Decreases to Value (RAP)

The equity value is calculated by taking the NADA value of a vehicle and subtracting the amount owed.

The market value of a car, truck or van is determined with the listing of average trade-in value given in the most recent edition of either the Southeastern Edition NADA Official Used Car Guide or the NADA Older Car Guide.

No adjustments to the vehicle's value are made by the eligibility specialist for high mileage, low mileage, and options listed such as air conditioning, radio, and automatic transmission.

If an individual owns a vehicle that may be worth considerably more than the NADA value because of its model and/or year, such as a 1965 Ford Mustang, the NADA value for the oldest comparable model is still used.

A valuation from a reputable automobile dealer, rather than the NADA value may be used when:

1. the "average trade-in" value affects the individual's eligibility;
2. the vehicle was in an accident, sustained major mechanical and/or body damage which has not been repaired; or
3. the vehicle is inoperable due to mechanical conditions that have not been repaired.

A reputable automobile dealer valuation may also be used when the vehicle is in excessively poor condition bodily and mechanically so that compared to other vehicles of the same make, model, year, and equipment its value is substantially affected. A vehicle does not qualify on this condition based solely on excess mileage and/or minor body damage such as rust, as these conditions are considered in the NADA book values given. The case record must contain an explanation of the condition of the vehicle that led the individual or eligibility specialist to believe the book value to be incorrect.

The individual obtaining the dealer's evaluation must request the dealer to provide the current market value of the car or the resale value. The trade-in value or wholesale value is unacceptable. The Department cannot assume liability for any costs arising from obtaining a dealer valuation.

Once a dealer values an older unlisted car placing the value at less than \$1,500, another valuation is unnecessary for the same car at future redeterminations or reapplications. Notate the CF-ES Form 2610 or the CLRC screen when the valuation is placed in the case record.

When a dealer's valuation has been used due to the condition of the vehicle, the individual must report to the eligibility specialist any repairs affecting the value of the vehicle. However, the eligibility specialist must explore with the individual the condition of the vehicle at each complete redetermination to ensure that the conditions that resulted in its devaluation continue to exist. When such conditions have been remedied, the value of the vehicle must be redetermined through the NADA book or an additional dealer's valuation.

1660.0593 Assets Excluded by Federal Law (RAP)

The eligibility specialist must verify or document the amount of the benefit received from the following sources, since they are potential assets:

1. SSI benefits or SSI lump sum payments.
2. Assistance from a vocational rehabilitation agency within certain limitations.

3. Disaster assistance payments (P.L. 100-707). This applies to federal disaster assistance and comparable state or local assistance.
4. Emergency payments made by another agency prior to the date direct assistance is received.
5. Any grant, loan, gift or scholarship received by the individual. Effective 7/1/93, this includes financial assistance provided under programs in Title IV of the Higher Education Act and under Bureau of Indian Affairs student assistance programs. Effective 7/1/93, student financial assistance for attendance costs under the Carl D. Perkins Vocational and Applied Technology Education Act is also excluded. Attendance costs include: tuition and fees (as required by the institution of all students in the same course of study); and books, supplies, transportation, dependent care and miscellaneous personal expenses (as included in the assistance grant) for those attending on at least a half-time basis, as defined by the institution. Living expenses are not allowed as attendance costs unless the assistance grant includes funds for this purpose as part of miscellaneous personal expenses.

Funds derived from the following sources are not considered available income or assets, and it is not required that the source be verified or documented:

1. The employment related expense reimbursement received by a participant in employment & training.
2. Assistance payments received by households from the Low-income Home Energy Assistance Program administered by the Department of Community Affairs.
3. Any payment received by foster parents from any agency intended to provide for the needs of foster children or adults placed in their home; or adoption assistance payments for an individual whose needs are not included in the filing unit.
4. Income for children who are in the custody of the Department, which is collected by Fee Collections and placed into a Fee Collections trust account on behalf of a child, is not counted. The funds which remain in the Fee Collections trust account are not counted as an asset. The income and assets are considered unavailable and are excluded in the eligibility determination.
5. Other trust accounts belonging to the child, or on behalf of the child, must be evaluated by the eligibility specialist for consideration in the Medicaid eligibility determination. Follow trust policy contained in the ACCESS Florida Program Policy Manual, beginning with passage 1650.0573, for evaluation of the trust account.
6. The value of the benefits under the Food Stamp Act of 1977, as amended, the value of USDA donated foods, the value of supplemental food assistance received under the Child Nutrition Act of 1966, as amended, and the special food service program for children under the National School Lunch Act.
7. Any benefits received under Title VII, Nutrition Program for the Elderly of the Older Americans Act of 1965, as amended.
8. Assistance provided under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
9. Any funds distributed per capita to or held in trust for members of any Indian tribe under Public Laws 92-254, 93-134 or 94-540 and initial purchases made with funds distributed under Public Law 93-134 or Public Law 98-64.

10. Any of the following distributions made to a household, individual native or descendant of a native, by a Native Corporation established by the Alaska Native Claims Settlement Act (Public Law 92-203 as amended):
 - a. per capita payments of \$2,000 or less per year, including cash dividends on stock from a Native Corporation;
 - b. stocks (including stock issued or distributed by a Native Corporation as a dividend or distribution on stock);
 - c. a partnership interest;
 - d. land or interest in land (including land or interest in land received from a Native Corporation as a dividend or distribution on stock); or
 - e. an interest in a settlement trust.
11. Payments under the Experimental Housing Allowance Program under Section 23 of the U.S. Housing Act of 1937, under contracts fully executed prior to January 1, 1975.
12. Assistance provided to volunteers who participate in ACTION Programs funded under Public Law 93-113, including VISTA and other programs under Title I of that law.
13. Payments for supportive services or reimbursement for expenses made to volunteers serving as foster grandparents, senior health aides or senior companions, and to persons serving on the Service Corps of Retired Executives, Active Corps of Executives, and other programs under Titles II and III, Public Law 93-113, Section 419.
14. Federal income tax returns, including refundable tax credits (EITC and Child Tax Credit) and over-withholding (tax refunds) are excluded as income and assets in the month of receipt and will continue to be excluded as an asset for 12 months from the date of receipt.
15. Payments made pursuant to the Radiation Exposure Compensation Act, to individuals (or their survivors) who became ill or died as a result of exposure to radiation through nuclear testing or uranium mining.
16. Funds received by a member of the Passamaquoddy Indian Tribe, the Penobscot Nation, or the Houlton Band of Maliseet Indians pursuant to the Maine Indian Claims Settlement Act of 1980 will be disregarded as income and assets in the determination of eligibility for benefits under the TCA Program.
17. Standard filing units receiving Temporary Cash Assistance and Medicaid which have funds paid to a homeless shelter either by themselves or on their behalf, will have such funds excluded as a countable asset, providing that such moneys are to enable the family to pay deposits or other cost associated with moving into a stable shelter arrangement.
18. Payments received under the Crime Victim Compensation Program that offers compensation to victims and survivors of victims of criminal violence, including drunk driving and domestic violence (P.L. 103-322).
19. Payments made to individuals under the Energy Employees Occupational Illness Compensation Program (EEOICP) Act of 2000 (Public Law 106-398).
20. Achieving a Better Life Experience (ABLE) accounts which are established for individuals who meet the Social Security Administration's definition of disabled or the individual has a certification of disability from their physician prior to age 26. Verification must be requested if:
 - a. questionable, or

- b. value of ABLE account exceeds \$100,000, or
- c. value of combined assets exceeds the program limit.

1660.0600 TRANSFER OF ASSETS (RAP)

At application and eligibility reviews, individuals must provide information regarding assets transferred prior to the application or eligibility review. The time periods for asset transfers and the specific policy for transfer of assets vary by program.

1660.0603 Transfer of Assets Affecting Eligibility (RAP)

The assistance group (AG) must not have made an intentional assignment, sale, gift, or transfer of assets in order to qualify for or maintain eligibility. When these transactions are made, the AG is ineligible for two years from the date of the transfer.

The determination of ineligibility must be based on the intent of the transfer rather than the value of the transfer. The statement of the individual is usually sufficient to establish the intent of the transfer.

When the intent is unclear, the eligibility specialist must obtain information from other sources including but not limited to:

1. the person to whom the asset is transferred,
2. property records, and
3. collateral sources.

An investigation must also be conducted any time the eligibility specialist has reason to believe a transfer has been made with the sole intent of affecting eligibility. The Department must bear the burden of proof. The following details of the investigation and decision must be recorded:

1. type of asset transferred,
2. date of the transfer,
3. to whom the asset was transferred, and
4. the reason for transfer.

Clearance with the Circuit Legal Counsel must be obtained if further guidance is needed to make a decision on intent.

1660.0604 Net Value from Disposition (RAP)

The individual has the right to dispose of assets without penalty if assets:

1. are below the asset limit, or
2. do not affect eligibility for any reason.

The net value received from the disposition of assets must be assessed to determine if the value will cause the total assets to exceed the asset maximum at any time.

The eligibility specialist must document or verify the loss of an asset. The individual's statement is accepted without verification or documentation when the asset is a:

1. car, truck, or van, and it is the only vehicle owned, with a net value of less than \$1,500;
2. life insurance policy less than five years old with a face value of \$5,000 or less; or
3. savings or checking account with a balance of less than \$200.

If any other asset, the eligibility specialist must verify or document:

1. that the individual no longer owns the asset,
2. what happened to the asset, and
3. if sold, what happened to the proceeds.

The individual always has the right to spend money from a converted asset for any reason.