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1810.0000 Food Stamps

Income is defined as funds received from any source such as wages, benefits, contributions, and rentals. Income means all monies, earned as well as unearned, from any source.

1810.0100 EARNED AND UNEARNED INCOME (FS)

Income is classified into two categories for budgeting purposes: earned income and unearned income. All non-exempt income must be verified at application and recertification unless otherwise specified.

Earned income is the receipt of wages, salary, commission, or profit from an individual's performance of work or services, or a self-employment enterprise.

Unearned income is income for which there is no performance of work or services. Unearned income may include:

1. SSA, SSD, and SSI and other disability payments;
2. retirement, annuities, pensions, veterans benefits, and other regular payments;
3. unemployment/workers' compensation;
4. alimony, support payments;
5. dividends, interest, royalties;
6. proceeds of any insurance policies;
7. prizes, awards; and
8. gifts, inheritances, and contributions.

1810.0102 Deductions from Gross Income (FS)

Some deductions withheld from gross income must be included. Examples of these deductions include:

1. premiums for Supplemental Medical Insurance (SMI/Medicare) from a Title II (Social Security) benefit,
2. premiums for health insurance or hospitalization,
3. premiums for life insurance,
4. federal and state income taxes,
5. Social Security taxes,
6. optional deductions, and
7. a garnished or seized payment.

1810.0103 Infrequent or Irregular Income (FS)

Infrequent or irregular earned income not in excess of \$30 in a calendar quarter is excluded when receipt cannot be anticipated. Infrequent or irregular unearned income not in excess of \$60 in a calendar quarter is excluded when receipt can not be anticipated. This includes one-time gifts of cash for special occasions such as birthdays or Christmas from someone whose income is not included in the SFU. If the income is anticipated on a regular basis it will be included regardless of the amount.

1810.0107.01 Income Availability (FS)

Income of a non-SFU member(s) is not considered available to the SFU. This includes payments made on behalf of the SFU by a non-SFU member. However, cash payments received by the SFU from a non-SFU individual are considered SFU income.

1810.0107.02 Income not Available (FS)

Some income withheld from non means-tested assistance payments, earned income, or other income sources which are received from any income sources which are voluntarily or involuntarily returned to repay a prior overpayment, will be considered unavailable to the household to the extent the money is utilized to repay an overpayment of benefits received. Income "monies" not available are:

1. Social Security retirement reduced to cover an overpayment.
2. Supplemental Security Income reduced due to cover an overpayment.
3. TCA if reduced due to an overpayment because of an agency error.
4. Payments that have already been included as income, or would have been included had the assistance group been receiving food stamps.

Income is considered available and is included if it is:

1. Withheld by federal means-tested program (such as Temporary Cash Assistance) due to failure to comply with program requirements.
2. Due to wage garnishment.

1810.0107.03 Third-Party Payments for Non-SFU Members (FS)

Monies received and used for the care and maintenance of a third party beneficiary who is not an SFU member is excluded income. When a single payment is received for SFU and non-SFU members, only the portion intended and used for the care and maintenance of the non-SFU member will be excluded.

If the Non-SFU member's portion of the payment cannot be readily identified, the eligibility specialist will:

1. prorate the payment among all intended beneficiaries and determine the non-SFU member's portion,
2. determine the portion actually used for the non-SFU member, then
3. exclude the lesser of the two amounts.

1810.0108 Available Income (FS)

Income must be available to meet the SFU's needs to be included. Generally, income is considered available when it is actually received and/or when the individual has the legal ability to access the monies.

Exceptions to the policy above:

Occasionally, a regular monthly payment (e.g., Title II or VA) is received in a month other than the month of normal receipt. As long as there is no interruption in the regular payment schedule, consider the funds to be income in the normal month of receipt. Examples of this situation are:

1. Advance Dated Checks - When a payor advance dates a check because the regular payment date falls on a weekend or holiday, there is no intent to change the normal delivery date. Whenever such an advance dated check goes to a bank by direct deposit, the funds may be posted to the account before or after the month they are payable.
2. Electronic Funds Transfer - When an individual's money goes to a bank by direct deposit, the funds may be posted to the account before or after the month they are payable. Whenever this occurs, treat the electronically transferred funds as income in the month of normal receipt.

3. Income may be unavailable due to legal restrictions or factors beyond the control of the individual. In both these situations, the eligibility specialist must request supporting evidence and make an independent assessment regarding availability based on the evidence presented. Additional guidance may be requested from the Region or Circuit Program Office, Headquarters, or Circuit Legal Counsel.

1810.0112 Payments to Joint Owners (FS)

Payment to joint owners is a payment made to two or more individuals. A document, such as a single or combined Social Security check for a couple or to a parent on behalf of two or more children, indicating the amount due each owner is generally sufficient verification of ownership.

In the absence of specific documentation, divide the income minus allowable expenses by the number of beneficiaries to determine the income amount for each individual.

1810.0114 Monies Legally Obligated to the AG (FS)

Monies legally obligated (owed) to the assistance group that are diverted by the payor to a third party for an assistance group expense are included as income. They are not excluded vendor payments. The distinction is that the person or organization paying expenses on behalf of an assistance group uses funds that are legally obligated (owed) to the assistance group.

Examples of monies that are legally obligated and included are:

1. wages earned by an assistance group member that are diverted to pay a third party on the assistance group's behalf including wages diverted for legal reasons such as wage garnishment for child support or IRS;
2. all or part of a Temporary Cash Assistance benefit normally provided to the assistance group that is diverted to a third party or protective payee;
3. court ordered support payments, alimony or other legal binding agreements that are diverted by the payor of the funds to a third party, for an AG expense; and
4. funds owed to an assistance group by an employer, agency, or former spouse that are diverted to a third party to pay for an assistance group expense.

The monies are not legally obligated when the person or organization provides housing or pays assistance group expense(s) exclusively from their own resources or funds. This type of payment is an example of an "excluded vendor payment".

1810.0116 Court Ordered Payments (FS)

Money deducted or diverted from court ordered support, alimony, or other legally binding agreement and paid to a third party for an assistance group expense will be included as income. However, if the payment is ordered by the court to go directly to the third party rather than the assistance group, the payment will be excluded as a vendor payment.

Example: In the court order, the spouse was ordered to pay \$200 child support each month. He was not ordered to pay the mortgage payment. If the spouse pays the mortgage directly to the mortgage company, in addition to his regular court ordered child support payment, the mortgage payment is considered a vendor payment and is excluded as income. If the spouse took the \$200 he was to pay in child support and paid the mortgage payment instead, then the child support income would continue to count as income to his spouse since the \$200 was court ordered support and this income was diverted to pay the mortgage.

1810.0118 Vendor Payments (FS)

A vendor payment is a money payment made for SFU expenses by an individual or organization outside the SFU from funds not legally owed to the SFU. Vendor payments are excluded as income and any expense which is entirely paid by a vendor payment is not an allowable deduction from income.

The monies are not a vendor payment when the person or organization provides housing or pays assistance group expense(s) exclusively from their own assets or funds.

Examples of vendor payments are:

1. rent payments made directly to the landlord by a third party;
2. rent or mortgage payments made to landlords or mortgagees by DCF, Housing and Urban Development (HUD), or by state or local housing authorities;
3. payments made directly to the utility or phone company by a third party;
4. payments by a government agency to a child care facility to provide care for an assistance group member;
5. car payments made by disability insurance on behalf of an assistance group member due to accident or illness when it is specified as a part of the insurance policy;
6. payments made on behalf of the assistance group directly to a third party under a court order or legal agreement;
7. payments for an expense made by an employer, agency, former spouse, or other person to a third party from funds not legally owed to the assistance group; or
8. Any payments to the SFU by a non-SFU member(s) are not vendor payments regardless of the purpose or intent of the payment.

1810.0120 Charitable Donations (FS)

An income exclusion of no more than \$300 per quarter may be granted when cash donations, based on need, are received from one or more private nonprofit charitable organizations.

Example: An assistance group received \$100 in July from a private, nonprofit charitable organization, and another \$100 in August from the same organization. In September it received \$150 from a different organization (determined as nonprofit). The AG would be entitled to \$100 in July, August, and September. The \$150 received in September puts the assistance group over the \$300 exclusion for that quarter. Therefore, \$50 of the donation would count as unearned income.

1810.0121 Verification of Excluded Income (FS)

The eligibility specialist must verify excluded income prior to eligibility determination only if it is questionable and affects an assistance group's eligibility or benefit level. To be considered questionable, the information on the application must be inconsistent with:

1. statements made by the applicant,
2. other information on a current or previous application, or
3. other information received by DCF.

1810.0200 EARNED INCOME (FS)

Earned income includes all gross (before taxes or any other deductions) wages and salaries from performance of work (including wages deferred that are beyond the individual's control). Wages are included as income at the time they are received rather than when earned.

Wages are considered earned income even when withheld at the request of the employee or provided as an income advance on income expected to be earned at a future date. Advances are different from loans since they are paid in exchange for anticipated services or labor.

An individual is considered employed when engaged in a business, occupation or service for cash paid by another person, group of persons, or company. Wages or paid salaries received after employment has ended are considered earned income such as payment for accrued leave.

Employer-provided sick pay is earned income as long as the individual plans to return to work after recovering and is still considered an employee. Sick pay is a continuation of salary with normal payroll deductions and is not to be confused with benefits, such as Workers' Compensation, that are considered unearned rather than earned income.

Note: Severance pay is considered unearned income. (Refer to 1810.0912)

1810.0201 Wages Held by Employer (FS)

Wages (even if illegally) held by the employer are not considered as income until the wages are received.

Exceptions:

1. The assistance group (AG) anticipates an advance, or
2. The AG is expected to receive wages previously withheld that were not previously counted.

Advances on wages may count as income in the month received or may be averaged over the certification period in which received, if reasonably anticipated.

Example: A school employee has a base salary of \$10.80 hourly. The union policy states that the individual must receive paid vacation and holidays. The employer withholds part of the base salary (regular pay) to be paid at a future date when the individual is on vacation or holiday.

1810.0203 Striker Income (FS)

The striker's income before the strike is compared to the striker's benefits. The larger of the two amounts is included as income. If pre-strike earnings are included, earnings deductions shall be allowed. If strike benefits are included this would be counted as unearned income.

1810.0204 Sale of Blood or Plasma (FS)

Income derived from the sale of blood or plasma is included as earned income.

1810.0205 BAH Payments (FS)

Basic allowance for quarter (BAQ) and basic allowance for subsistence (BAS) have been consolidated into one payment called basic allowance for housing (BAH).

Payments received by members of the military, basic allowance for housing (BAH) is considered earned income if included on a Leave and Earnings Statement (LES). Payments included on an LES are made directly to the individual.

The eligibility specialist should question the possible receipt of National Guard/Reserves and other military service income.

1810.0206 Tips (FS)

The amount of tips reported by the employee will be included as income. Many times an employer will include on the pay stub of the employee an amount the employer must report to the IRS for tax purposes. This is an allocated amount and cannot be interpreted as the amount actually earned or received by the employee. The tip amount reported by the employee can be accepted unless questioned.

In some instances, the employee reports actual tips to the employer. In this instance, the employer can verify actual tips earned. The individual should keep records on a daily basis if the tips are not reported to the employer, so this information can be used for verification.

Examples of individuals who earn tips are:

1. Waiter/Waitress
2. Bartender
3. Hairdresser
4. Bell man
5. Delivery persons
6. Grocery attendant

1810.0207 Verification of Earned Income (FS)

All non-exempt earned income must be verified at application and recertification unless otherwise specified.

All non-exempt earned income must be verified by the employer. Information that must be verified includes:

1. the first and last dates of employment (when income begins or ends),
2. the first and last day of pay,
3. gross income including overtime and tips,
4. frequency of payment,
5. the day of the week payment is received, and
6. the number of hours and days employed.

Note: Verification of terminated income from the employer, including the amount and date of last pay, is only required for an applicant when income is received in the month of application. The individual's statement is acceptable for income terminating prior to the month of application.

Acceptable forms of verification are:

1. 1099 forms, W-2 forms and income tax returns, including all schedules, for self-employed individuals,
2. wage receipts,
3. wage statements,

4. pay stubs,
5. employment verification form or written statements containing the required information,
6. collateral contact with employer, and
7. work calendar (for tips and daily cash payments).

Any document used to verify income must be copied and retained in the case record. All documents must be completed and signed by the appropriate individuals (for example, the employer, the recipient). However, the individual's statement that his income exceeds the income standard is sufficient to deny or close the assistance group.

When reviewing the income information, the eligibility specialist must make certain that deductions are included in the gross earned income amount. Deductions from income that may appear include:

1. flex benefit plans,
2. savings accounts,
3. Christmas clubs,
4. stocks,
5. IRAs,
6. deferred compensation,
7. bonds,
8. mortgage/car payments,
9. insurance, and
10. SSA FICA withholding.

The eligibility specialist will determine the income amount by the best available information such as a collateral contact or previous pay stubs for similar work, if and when:

1. documentation is unavailable due to a lack of cooperation by the person or organization providing the income, or other factors beyond the individual's control; or
2. no other sources of verification are available.

1810.0209 Collateral Contact Verification (FS)

Verification must be obtained regarding the source and amount of income received. When other sources of verification are unavailable, the following information provided by a collateral contact must be recorded:

1. date verification is received,
2. name and title of person providing verification,
3. source of the income or benefit,
4. date(s) received and amount,
5. benefit claim or identification number for each individual receiving a benefit (ex. SSI, SSDI, VA), and
6. the reason the individual is eligible for the benefit if receiving a benefit (ex. SSI, SSDI, VA).

1810.0300 SELF-EMPLOYMENT (FS)

An individual who owns a business or otherwise engages in a private enterprise is considered self-employed. Income derived from self-employment, less allowable expenses, is considered earned income.

Self-employment wages include the total gain from the sale of any capital goods or equipment in addition to profit and net income.

1810.0302 Allowable Costs of Self-Employment Income (FS)

The assistance group is required to keep a record of the expenses incurred in the production of self-employment income.

Examples of allowable costs of producing self-employment income are:

1. identifiable costs of labor (salaries, employer's share of Social Security, insurance, etc.);
2. stock, raw materials, seed and fertilizer, and feed for livestock;
3. rent and cost of building maintenance;
4. business telephone costs;
5. costs of operating a motor vehicle when required in connection with the operation of the business;
6. the principal and interest paid on loans to purchase income producing real estate and capital assets, equipment, machinery, and other durable goods;
7. insurance premiums and taxes paid on income producing property;
8. cost of meals and equipment for children for whom child care is provided in the home; and
9. travel and lodging, but not meals, away from home.

1810.0303 Costs not Allowed (FS)

The following expenses are not allowed as a cost of producing self-employment income:

1. net losses from previous periods,
2. federal, state and local income taxes, money set aside for retirement purposes and other work related personal expenses (such as transportation to and from work) for any SFU member, as these expenses are accounted for by the 20% earned income adjustment, and
3. depreciation.

Note: Business equipment and supplies are excluded as assets in FS.

1810.0304.01 Income from a Boarder (FS)

The income from a boarder includes all direct payments to the assistance group for room and meals, including contributions to the assistance group's shelter expenses. Shelter expenses paid directly by a boarder to someone outside of the assistance group (third party payments) are not counted as income to the assistance group.

The income of an assistance group owning and operating a commercial boarding house must be handled as income from self-employment.

The income of an assistance group that does not own and operate a commercial boarding house is subject to special income calculations.

1810.0304.02 Income from Boarders (FS)

After determining income received from the boarder(s), the eligibility specialist must exclude that portion of the boarder payment which is a cost of doing business. The cost of doing business, not to exceed the payment from the boarder(s) for lodging and meals, includes either of the following:

1. The maximum monthly food stamp benefit for an assistance group size equal to the number of boarders. For example, there are three boarders, and each is a separate assistance group. The exclusion is the maximum benefit for a three person assistance group and not three times the maximum benefit for one individual.

2. The actual documented cost of providing room and meals, if the actual costs exceed the maximum benefit for an assistance group size equal to the number of boarders. If actual costs are used, only separate and identifiable costs of providing room and board to the boarder(s) are excluded. The amount remaining would be considered earned income.

1810.0304.03 Income/Adjustments - Individuals Provided Meals Only (FS)

An individual who only purchases meals does not meet the definition of a boarder. This individual is considered a diner. The assistance group furnishing the meals may be allowed the cost of doing business, not to exceed the payment received for meals. This income, less the cost of doing business, is considered earned income. The cost of doing business would be the actual costs of providing meals. If this information is not available, the eligibility specialist may exclude from the payment for meals the maximum allotment for an assistance group size equal to the number of diners.

1810.0304.04 Individuals Provided Rooms Only (FS)

The individual for whom the assistance group furnishes lodging only is called a roomer and is not subject to the boarder provisions. Any payment made to the assistance group for lodging is counted as earned income. Costs of doing business, such as charges for cleaning linens and providing soap may be excluded if receipts are provided. Since no meals are provided, no deduction may be allowed for food.

1810.0305 Income from a Sales Contract as Self-Employment (FS)

In a sales contract, the assistance group receives a monthly payment for the sale of property such as real estate, equipment, vehicle, etc. and is also required to make a monthly installment payment on that property. The monthly payment received would be considered unearned income; however, the cost of doing business may also be deducted since it is considered a self-employment enterprise. Typical expenses that may be deducted from the income include taxes, insurance, broker fees, or interest on the regular mortgage.

Example: A woman sold her house and receives a monthly payment of \$390 from the buyer, but the original mortgage is still in her name. She is required to pay \$187 to a bank for the original mortgage payment. The seller of the house would have a monthly unearned investment income of \$390 minus that portion of the monthly mortgage payment that pays for interest on the original cost of the house. Further costs of doing business that may also be subtracted are payments for taxes and insurance or broker fees.

1810.0308 Child Care In Own Home (FS)

Assistance groups deriving income from child care in their own home may elect one of the following methods of determining the cost of meals provided to the children:

1. the actual documented cost of meals,
2. a standard per day amount based on estimated per meal costs, or
3. current reimbursement amounts used in the Child and Adult Care Food Program, \$0.92 for breakfast, \$1.69 for lunch and/or dinner, and \$0.50 for supplements.

1810.0310 Corporations (FS)

Verification is required to establish that the individual has actually legally incorporated a business. The business should be registered clearly in the name of the corporation. Acceptable forms of verification include the articles of incorporation and income tax returns.

Income of a corporation, including a closely held corporation (with one or only a few shareholders), is not counted unless the income is distributed to the individual. Distributions include salaries or corporate checks which are made out for cash or for SFU expenses. These distributions are considered earned income to the SFU.

An exception to this policy is an "S" corporation. "S" corporations are a subset of closely held corporations and the income is generally reported to the Internal Revenue Service together with the SFU's other income. The income of an "S" corporation is treated as self-employment income and annualized. An "S" corporation may be identified by the individual's statement or income tax return.

1810.0315 Verification of Self-Employment Income (FS)

Self-employed individuals must verify earned income at application and recertification. In addition, these individuals must make all business records available to the eligibility specialist. Examples of business records include documentation on:

1. income tax records necessary to determine gross income and deductible expenses,
2. purchases,
3. sales,
4. salaries,
5. capital improvements,
6. utility, transportation, and other operating costs, and
7. work calendars for tips and recording pay as received.

If the individual claims to have no business records, or that the records are inaccurate, discuss with the individual their most recent representative income. The eligibility specialist should then use the best information available and record this in CLRC.

1810.0400 WAGES RECEIVED FROM TRAINING PROGRAMS (FS)

When the individual participates in a work or on-the-job training program that involves work for payment, the payment is included as income. Training allowances from Vocational and Rehabilitative Programs recognized by a government agency are also included income, unless excludable as a reimbursement. For example, Regional Workforce Board or Workforce Investment Act (WIA) Program payments or allowances are included income unless provided as a reimbursement or otherwise identified as excluded income (see passages 1810.0402 and 1810.0403).

1810.0402 WIA Income (FS)

Payments received by an individual participating in an on-the-job training program are considered as earned income. For the purpose of this provision, the earnings include monies paid by WIA and monies paid by the employer (if the on the job training participant is under 19 and under parental control of another assistance group member, the WIA income of that individual is excluded).

Payments from WIA Classroom Training Programs including allowances, earnings, and incidentals to training are excluded. The exclusion for classroom training is not limited to a specific age group.

1810.0403 Income from Indian WIA Program (FS)

Payments received by an individual participating in an on-the-job training program with the Indian WIA Program is excluded in its entirety.

1810.0500 REAL ESTATE INCOME (FS)

Income from real estate includes any funds resulting from property ownership. This income can be earned or unearned.

1810.0502 Income from Rental Property (FS)

Rental income is any payment for using real or personal property less allowable expenses. Examples of rent include payments for the use of:

1. land;
2. buildings;
3. an apartment, room, or house; or
4. machinery or equipment.

If an individual spends 20 or more hours weekly actively managing the rental property, the net rental income is included as earned income.

If an individual spends less than 20 hours weekly actively managing rental property as a business, the net rental income (gross income minus expenses) is included as unearned income.

1810.0600 IN-KIND BENEFITS (FS)

Non-cash or in-kind benefits are excluded. This may include:

1. meals,
2. clothing,
3. public housing (HUD),
4. produce from a garden,
5. WIC coupons, and
6. food stamps.

1810.0601 In-Kind Benefits - Meals/Food (FS)

The following types of in-kind support are excluded:

1. free or reduced price meals and food from government agencies or schools,
2. service facilities and other institutions recognized under a USDA Program,
3. the Older Americans Act or DCF Program,
4. and the value of the food stamps and WIC coupon allotments.

1810.0601.01 Sharing Situations (FS)

Monies provided to meet a portion of mutual living expenses from a person sharing living arrangements with the assistance group are to be excluded.

1810.0602 In-Kind Benefits for Disabled Veterans (FS)

The clothing allowances for veterans with prosthetic or orthopedic devices are excluded.

1810.0603 Medical and Social Service Programs (FS)

Medical and social service program payments or in-kind benefits are excluded. Some examples are:

1. child welfare services provided under Title IV-B of the Social Security Act;
2. Title XX services;
3. services provided under Title III of the Older Americans Act;
4. Title XIX medical assistance (Medicaid);
5. Title XVIII health insurance (Medicare);
6. services provided under the Rehabilitation Act of 1973;
7. mental health services;
8. Veterans Administration payments for aid and attendance, unreimbursed medical expenses and housebound allowances;
9. maternal and child health and children's services provided under Title V of the Social Security Act; and
10. payments made to participants of the Consumer Directed Care Project.

1810.0700 SUPPORT (FS)

Support payments are those funds paid by a legal or non-legal parent intended for the support or maintenance of a member of the SFU.

Examples of support payments are:

1. voluntary and court ordered child support payments received from a legal or non-legal parent,
2. monies received to pay basic living expenses, and
3. income received for additional living expenses such as recreation and transportation.

The support is considered as unearned income of the child for whom the payment is intended.

1810.0701 Child Support (FS)

If child support is paid through the court and a fee is deducted due to a court order, only the amount actually received by the individual is included as unearned income. If the individual requests that child support be paid through the court, the gross amount before court deductions are included as unearned income.

Child support retained by state collections is not counted as income.

1810.0705 Alimony (FS)

Alimony is money allocated from one individual to another by the court as a result of a divorce or separation agreement. The amount of alimony received or anticipated to be received must be counted as unearned income minus any collection fees charged.

1810.0707 Verification of Support (FS)

When child support or alimony is received or anticipated, the individual must provide verification at application and recertification of:

1. the amount received,
2. date payment received and whether it will continue,
3. whether or not payment is court ordered,
4. from whom and to whom the payments are made, and
5. the amount of any collection fee charged.

1810.0800 ASSISTANCE FROM GOVERNMENT AGENCIES (FS)

Assistance payments are benefits based on applicant or recipient need.

1810.0802 Energy Assistance Payments (FS)

The following energy assistance payments are excluded by federal law:

1. direct payments or allowances made for the purpose of providing energy assistance under any Federal law, such as Low Income Home Energy Assistance Program (LIHEAP),
2. a one time payment or allowance made under a Federal or state law for costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device, and
3. payments made to fuel dealers and landlords on behalf of households.

In order for an energy assistance payment to be excluded, it must be clearly defined by the legislative body authorizing or funding the program. LIHEAP payments are one example of clearly defined energy assistance.

The amount of an excluded energy assistance payment need not be verified. If the payment source is questionable, the eligibility specialist should verify that the payments are correctly defined as Federal energy assistance or a Federal or state one time payment.

HUD utility subsidies do not count as unearned income. The HUD utility payment will not count as income to the assistance group whether paid to the assistance group or to the utility company.

1810.0805 Programs Administered by HUD/FmHA (FS)

Payments from the U.S. Department of Housing and Urban Development (HUD) and the Farmers Home Administration (FmHA) can be excluded if used to offset or subsidize their rent or mortgage payments. These payments may be made to landlords or mortgagees.

When an assistance group lives in subsidized housing, all or a portion of its rent may be paid by HUD or the Farmers Home Administration (FmHA). In this situation, a rent deduction may be claimed for the amount the assistance group actually pays.

The assistance group living in subsidized housing may also qualify for a HUD or FmHA utility payment. These utility payments are excluded as income as they are made for the purpose of providing energy assistance. Additionally, when a HUD/FmHA utility allowance is used to reduce the amount of rent, this type of "utility allowance" is not to be considered income.

1810.0811 Disaster Assistance Payments (FS)

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 income.
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 income.

Most Federal Emergency Management Assistance (FEMA) funds are excluded. However, some payments made to homeless people to pay for rent, mortgage, food, and utilities when there is no major disaster or emergency are not excluded under this provision.

Apply this exclusion when:

1. the president determines an emergency or major disaster exists; and
2. the individual was directly affected by the disaster; and
3. the payment is received from a disaster assistance organization or a federal, state or local government.

1810.0813 Federal Relocation Assistance (FS)

Reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (Public Law 91-646, Section 261) are excluded as income.

1810.0816 Foster Care Payments (FS)

Foster care payments for children or adults are included as unearned income if the foster care child or adult is included as a food stamp SFU member. If the SFU chooses to exclude the foster care child or adult, the income will not be counted. The foster care child or adult is not eligible as a separate assistance group.

1810.0819 Developmental Disability Payments (FS)

Support Independent Living Arrangement (SILA) payments from the Agency for Persons with Disabilities are considered unearned income in the budget. These payments are considered assistance based on need and are paid to disabled individuals moving from group or community homes to independent living situations to assist with living expenses.

1810.0820 Supplemental Security Income (FS)

SSI is a means tested program that is administered by the Social Security Administration. SSI assistance payments are included as unearned income.

1810.0824 Assistance Payments Based on Need (FS)

Passages 1810.0826 and 1810.0828 discuss policy on treatment of assistance payments. Income based on need, such as Temporary Cash Assistance, Refugee Assistance Program or Refugee Resettlement Match Grant payments, are included as unearned income unless specifically excluded in the following sections. Temporary Cash Assistance is the income of the adult in the standard filing unit who must be the payee of the benefit regardless of their participation status.

1810.0826 Home Care for Elderly or Disabled Adult Payments (FS)

HCE or HCDA payments are included as unearned income if the disabled/elderly person is part of the assistance group. If the disabled/elderly person is not part of the assistance group, the payment is counted as earned income to the assistance group member providing the care.

1810.0828 Family Subsistence Supplemental Allowance (FS)

A provision of the Department of Defense Act for Fiscal year 2001 requires DOD to pay certain military members and their families a Family Subsistence Supplemental Allowance (FSSA) of up to \$500 per month. The FSSA is available to military members who have completed basic training and whose gross household income is within the food stamp gross income limit for the household size. The food stamp definition of a household is also used when the FSSA is calculated. The FSSA will be counted as unearned income in the TCA, Food Stamp and Medicaid Programs.

1810.0830 Overpayments - Means-Tested Programs (FS)

When income from a means-tested program, such as Temporary Cash Assistance, is reduced due to failure on the individual's part to comply with a program requirement, the gross amount is included in the food stamp budget. The individual's failure to comply does not have to be intentional or fraudulent.

If the individual is able to verify the recoupment is due to an agency error, the net income amount will be budgeted.

For purposes of this policy only, do not treat Supplemental Security Income (SSI) like a means-tested program. When income from SSI is withheld to recover an overpayment, exclude the portion withheld as income.

1810.0831 Overpayments - Non-Means-Tested Programs (FS)

When income from a non-means-tested program is withheld to recover an overpayment, the portion withheld is excluded as income.

1810.0900 BENEFITS (FS)

The gross benefit amount received or anticipated to be received is considered unearned income. Benefits are owned by the individual for whom they are intended unless the individual is not in the home and the benefits are not redirected. Deductions for optional items such as health insurance and Medicare premiums continue to count as income.

1810.0901 Verification of Unearned Income (FS)

All non-exempt unearned income must be verified at application and recertification unless otherwise specified. The following sources may be used to verify unearned income:

1. BENDEX or SDX tapes,
2. SSA award letter,
3. VA award letter,
4. pension or award letter,
5. Unemployment Compensation award letter, and
6. child support court statement and/or current statement from absent parent.

1810.0904.01 SSA Income (FS)

Benefits that are paid by SSA are considered unearned income. The gross entitlement amount in dollars and cents prior to any deduction is budgeted. Recouped benefits not received by the household as well as Social Security Educational Benefits are excluded as unearned income.

1810.0905 Annuities, Pensions and Retirement Income (FS)

Annuities, pensions, retirement or disability payments are all included as unearned income. These payments are the result of purchase of an annuity, retirement from employment, survivor benefits for a former employee's dependents, or injury or disability, and may be made by an employer, an insurance company, or public or private fund.

1810.0906 Veterans Benefits and Payments (FS)

Veterans' compensation and pensions are based primarily on service in the armed forces and may also be made to the veterans' dependents or survivors. These payments, including stipend payments for participation in a study of Vietnam era veterans' psychological problems (P.L. 99-576) and monthly payments to veterans of the Vietnam era as a result of exposure to Agent Orange (P.L. 102-4) are counted as unearned income. The following are excluded as income:

1. Reductions in basic pay while in active duty service or selected reserve service to provide for future basic educational assistance (P.L. 99-576).
2. 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).
3. 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).
4. Aid and attendance, a housebound allowance and unreimbursed medical expenses.

1810.0908 Workers' Compensation Payments (FS)

Workers' Compensation payments are included as unearned income.

Workers' Compensation payments are awarded to an injured employee or to the employee's survivors. Any portion of the payment designated for medical expenses or legal fees paid or deducted at the source and not controlled by the individual is excluded from the income amount.

1810.0909 Railroad Retirement Payments (FS)

Retirement, survivor, unemployment, sickness and strike benefits from railroad payments are included as unearned income. Premiums for medical insurance under Medicare that may have been deducted must be added to the payment amount in determining the amount of unearned income. Individuals having an SSN beginning with the number "7" are entitled or potentially entitled to railroad benefits.

There are three different railroad employee benefits:

1. The retirement benefit is payable only to the railroad employee or the employee's spouse. Benefits may be increased because of dependent children; however, the amount of the increase is considered income to the individual rather than the child(ren).
2. The survivor benefit is payable to widows/widowers and children or to dependent parents if no widow(er) or child qualifies.
3. Checks for unemployment, sickness, and strike benefits cover a period up to two weeks.

Retirement and survivor benefits are paid monthly. Payment received in the current month is the amount due the individual for the prior month.

Railroad retirement benefits are adjusted for cost of living at the same time as SSA. However, differences in amounts may exist due to individual case circumstances. Verification of differences should be made by reviewing an award notice. When contact with the railroad retirement board (RRB) is necessary, contact the local RRB district office, not the RRB in Chicago.

1810.0910 Unemployment Compensation (FS)

Payments received pursuant to a state or federal unemployment law, or paid by a union or employer are included as unearned income.

1810.0912 Severance Pay (FS)

Severance pay is included as unearned income.

1810.0914 Energy Employees Occupational Illness Compensation Program (FS)

Payments made to individuals under the Energy Employees Occupational Illness Compensation Program (EEOICP) Act of 2000 (Public Law 106-398) are excluded as income.

1810.0915 Domestic Volunteer Services Act (FS)

The following payments to volunteers under Title II, the Domestic Volunteer Services Act of 1973 (Public Law 93-113), as amended, are excluded as income:

1. Payments under Title I of the act (including payments from such Title I Programs as VISTA or AmeriCorps VISTA, University Year for Action, and Urban Crime Prevention Program) to volunteers are excluded for those households receiving food stamps at the time they joined the Title I Program. Verification of participation in the Food Stamp Program at the time the individual joined VISTA is mandatory.

Exception: Applicants who were not receiving food stamps at the time they joined VISTA will have these volunteer payments included as earned income.

2. Payments under Title II such as RSVP, and Foster Grandparents and Senior Companion Program.

1810.0916 Older Americans Act (FS)

Under the Older Americans Act, Title V is the Community Service Employment Program. The organizations involved in this program are:

1. Experience Works,
2. National Council on Aging,
3. National Council on Senior Citizens,
4. American Association of Retired Persons,
5. U.S. Forestry Services,
6. National Association of Spanish Speaking Elderly,
7. National Urban League, and
8. National Council on Black Aging.

Funds received under the Community Service Employment Program must be excluded as income.

1810.0917 Indian Tribe/Alaskan Native (FS)

The following income exclusions apply for Indian tribes and Alaskan natives (refer to Chapter 1600 for applicable asset exclusions):

1. Payments received under the Alaska Native Claims Settlement Act (P.L. 92-203, Section 29 and P.L. 100-241),
2. Per capita and interest payments to the Fort Belknap Assiniboine Tribe (Montana) and the Fort Peck Assiniboine Tribe (Montana) (P.L. 98-124, Section 5),
3. Payments to the Blackfeet, Grosventre and Assiniboine Tribes (Montana) and Papago (Arizona) (P.L. 97-408),
4. Payments to the Chippewas of Lake Superior (certain reservations in Michigan, Minnesota and Wisconsin) [P.L. 99-146, Section 6(b)],
5. Payments to the Chippewas of the Mississippi [P.L. 99-377, Section 4(b)],
6. Payments to the Red Lake Band of Chippewas (P.L. 98-123, Section 3),

7. Payments to the Saginaw Chippewa Tribe (Michigan) [P.L. 99-346, Section 6(b)(2)],
8. Payments to the Turtle Mountain Band of Chippewas (Arizona) (P.L. 97-403),
9. Payments to the White Earth Band of Chippewa Indians (Minnesota) (P.L. 99-264, Section 16),
10. Income from certain submarginal land of the United States held in trust for the following Indian tribes (P.L. 94-114, Section 6):
 - a. Assiniboine and Sioux Tribes
 - b. Blackfeet Tribe
 - c. Cherokee Nation of Oklahoma
 - d. Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin
 - e. Lac Courte Oreilles Band of Lake Superior Chippewa Indians
 - f. Minnesota Chippewa Tribe
 - g. Fort Belknap Indian Community
 - h. Keweenaw Bay Indian Community
 - i. Navajo Tribe
 - j. Cheyenne River Sioux Tribe
 - k. Crow Creek Sioux Tribe
 - l. Devils Lake Sioux Tribe
 - m. Lower Brule Sioux Tribe
 - n. Oglala Sioux Tribe
 - o. Rosebud Sioux Tribe
 - p. Standing Rock Sioux Tribe
 - q. Shoshone-Bannock Tribes,
11. Old Age Assistance Claims Settlement Act provided funds to heirs of deceased Indians under the act should be excluded as income, except for per capita shares that exceed \$2,000 (P.L. 98-500, Section 8),
12. Per capita payments of \$2000 or less from funds held in trust by the Secretary of the Interior for the benefit of Indians or from leases on restricted land (the Indian Judgement Fund Act, P.L. 93-134 [(Sections 7 and 8) as amended by 98-64, 97-458 and 103-66]),
13. Relocation assistance payments to Navajo and Hopi Tribe members (P.L. 93-531),
14. Income from the disposition of funds to the Grand River Band of Ottawa Indians (P.L. 94-540),
15. Payments to the Passamaquoddy Tribe and the Penobscot Nation and the Houlton Band of Maliseet or any of their members received pursuant to the Maine Indian Claims Settlement Act of 1980 [P.L. 96-420, Section 9(c)],
16. All trust fund proceeds from the Puyallup Tribe (State of Washington) Settlement Act of 1989 [P.L. 101-41, Sections 6(b) and 10(b)],
17. Per capita payments to or funds held in trust for Sac and Fox Tribes (Oklahoma and Iowa) (P.L. 94-189),
18. Judgment funds, except for per capita payments in excess of \$2,000, to the Seminole Nation of Oklahoma, the Seminole Tribe of Florida, the Miccosukee Tribe of Indians of Florida and the independent Seminole Indians of Florida (P.L. 101-277),

19. All monies received from the Seneca Nation Settlement Act of 1990 [P.L. 101-503, Section 8(b)],
20. Payments by the Indian Claims Commission to the Confederated Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation (P.L. 95-433, Section 2), and
21. Payments by the Confederate Tribes of the Colville Reservation Grand Coulee Dam Settlement Act (P.L. 103-436).

Note: Information about Apache is with Yakima, Assiniboine is with Blackfeet, Maliseet is with Passamaquoddy and Penobscot, Miccosukee is with Seminole, Papago is with Blackfeet and general information is with Indians.

1810.0918 Victims of Nazi Persecution/Japanese/Aleutian Payments (FS)

Payments to victims of Nazi persecution are excluded as income. These payments include, but are not limited to, reparation from Germany, Austria, and the Netherlands. As long as payments to individuals are based on their status as victims of Nazi persecution, the payment will be disregarded in the eligibility determination. Japanese and Aleutian restitution payments are also excluded as income.

1810.0920 Crisis Intervention Program (FS)

Payments from the Crisis Intervention Program (CIP) administered by the Community Services Administration (CSA) are excluded.

1810.0921 Cranston-Gonzales National Affordable Housing Act (FS)

Payments received under this Act are excluded as income (P.L. 101-625).

1810.0922 Crime Victim Compensation Program (FS)

Exclude payments received under this program that offers compensation to victims and survivors of victims of criminal violence, including drunk driving and domestic violence (P.L. 103-322).

1810.0924 Earned Income Tax Credit and Child Tax Credit (FS)

Payments from federal income taxes for earned income tax credit and child tax credit, including any retroactive payments, are excluded as income.

1810.0925 Radiation Exposure Compensation Act (FS)

Payments to compensate individuals or their survivors who have become ill or died as a result of exposure to radiation from nuclear testing and uranium mining, pursuant to the Radiation Exposure Compensation Act, are excluded as income.

1810.0926 Plan for Achieving Self-Support (FS)

Money placed in the account of SSI recipients as part of a Plan for Achieving Self-Support (PASS) is excluded as income.

1810.0928 Child Nutrition Act of 1966 (FS)

The assistance to children received for the Special Milk Program, the School Breakfast Program, and the WIC Program is excluded as income. (Including WIC coupons received through WIC demonstration projects which may be exchanged for food at farmers' markets).

1810.0930 "At-Risk" Block Grant Child Care Payments (FS)

Payments received through "at-risk" (of welfare dependency) block grant child care payments [P.L. 101-508, Section 5801 which amended Section 402(i) of the Social Security Act], are excluded as income.

These payments are made through the Children and Families Program Office's Subsidized Child Care Program to families that are employed. No deduction is allowed for any expense covered by such payments. Payments for child care services are either vouchered or paid directly to the provider. Payments are considered vendor payments and excluded.

1810.0931 National and Community Services Trust (FS)

Payments under the National and Community Services Trust Act (NCSTA) of 1993 (P.L. 103-82) are excluded as income.

NCSTA projects for youth in Florida are operated through the Florida Conservation Corps. The project name is the Florida Youth Conservation Corps.

The NCSTA of 1993 revised the National and Community Services Act (NCSA) of 1990 and established a corporation for National and Community Service.

The corporation established by the NCSTA administers all National Service Programs which include:

1. the Senior Corps, for participants over the age of 55;
2. the Youth Corps, for participants 14-17 years of age;
3. Learn and Serve, for participants in grades K-12; and
4. AmeriCorps Network of Programs (also known as AmeriCorps State/National Programs).

1810.1000 DIVIDENDS INTEREST AND ROYALTIES (FS)

Payments of dividends and interest on countable assets, including interest on bank accounts, are excluded as unearned income. This includes interest on a trust account when the interest is either paid to the assistance group, or allowed to accrue to the account at the option of the recipient. Royalties are counted as unearned income.

1810.1012 Interest in Individual Development Accounts (FS)

Individual Development Accounts (IDAs) are dedicated savings accounts that can be used by eligible participants for purchasing a first home, paying for post-secondary education, transportation, assistive technology or capitalizing a business. These IDAs are comprised of participant's savings from earned income and may be matched by funds controlled by the Regional Workforce Board. Excluded IDAs must be funded in part with TANF or Assets for Independence Act (AFIA) dollars.

Funds in an IDA, including interest accruing in such accounts, shall be disregarded in determining eligibility in food stamps.

1810.1100 REIMBURSEMENTS (FS)

Reimbursements for past or future expenses are excluded if they do not exceed actual expenses and do not represent a gain or benefit. To be excluded, these payments must be specifically intended and used for expenses other than normal living expenses.

Any part of the reimbursement amount that exceeds the actual expense is included as income.

Reimbursements for normal household living expenses such as rent or mortgage, personal clothing, or food eaten at home are a gain or benefit and, therefore, are included as income.

Examples of excluded reimbursements are:

1. reimbursement from the Uniform Relocation Assistance and Real Property Acquisition Policy Act,
2. reimbursements or flat allowances from the employer that are over and above the basic wages and used for job related expenses such as travel, per diem, uniforms, and transportation to and from the job or training site,
3. reimbursements for out-of-pocket expenses incurred by volunteers in the course of their work,
4. medical reimbursements from Workers' Compensation benefits specifically designated for medical expenses,
5. reimbursements by Employment and Training Programs,
6. reimbursements received by households to pay for services provided by Title XX of the Social Security Act,

Note: Not all Title XX payments are reimbursements. Some are for normal living expenses and, as such, are not excluded (for example, certain Title XX payments for foster care). If the foster child or foster adult is included in the SFU, the payment must be included as income.

7. clothing maintenance allowance paid to a member of the armed services, and
8. any portion of benefits provided under Title IV-A of the Social Security Act that is attributed to an adjustment for work related child care expenses.

1810.1200 STUDENT LOANS, GRANTS, AND SCHOLARSHIPS (FS)

All Title IV and Non-Title IV income a student receives from scholarships, educational grants, gifts, loans and work study are excluded as income. This includes federal Perkins loans authorized under Title IV, Bureau of Indian Affairs Programs and loans, and Road to Independence funds.

1810.1300 INCOME FROM OTHER SOURCES (FS)

This section presents the application of policy for other sources of income.

1810.1301 Loans (FS)

All loans, including loans from private individuals as well as commercial institutions are excluded income if there is intent to repay.

When the eligibility specialist questions that a valid loan exists, the individual must verify the existence of the loan from the source. A signed statement from the loan provider that confirms that repayments are being made or will be made in accordance with an established payment schedule is sufficient.

When an individual is the **borrower**:

Proceeds of a valid loan received by the borrower are not income in the month of receipt. If the loan is determined not to be valid, the proceeds are considered income in the month received. The amount remaining from the loan in the month following receipt is considered as an asset to the borrower.

When an individual is the **lender**:

If the loan is determined to be valid and negotiable, the loan is a countable asset; only the interest portion of the payment received is excluded as income to the lender. The principal portion of the payment is conversion of an asset, not income. If the loan is determined to be not valid and not negotiable the loan is not a countable asset, the entire payment received (principal and interest) is counted as income.

1810.1302 Contributions (FS)

All direct money payments from any source that represent a gain or benefit to the individual are included as unearned income.

A contribution is cash received by any member of the standard filing unit. A contribution may be received on a one-time basis or on regular or irregular intervals.

An allowance is considered a contribution when paid to an individual by a person outside the individual's standard filing unit. This would apply to money from a non-legal father when there is a legal father.

The individual must provide verification of the amount received as a gift or contribution. When written verification is unavailable, documentation must include the following information:

1. date oral verification received,
2. source of verification,
3. source of funds,
4. date made, and
5. the amount.

Standard verbal verification policy applies. If the individual is unable to obtain verification, discuss with the individual. The eligibility specialist should then use the best information available and record this in CLRC.

1810.1303 Trusts (FS)

Monies that are withdrawn from a trust fund by the assistance group are to be considered income in the month of receipt. The withdrawal is considered income to the assistance group without regard to whether the trust account is considered an available or an unavailable asset. Dividends and interest from the trust, which the assistance group has the option to receive or reinvest in the trust, are excluded as income.

1810.1304 Gifts (FS)

A gift may be excluded if it is infrequent or irregular. To be a gift, an item must meet the following requirements:

1. must be given irrevocably;
2. must not be compensation or return for services or other consideration; and
3. must be given without legal obligation on the part of the donor.

1810.1305 Prizes and Awards (FS)

Cash prizes and cash awards are included as income unless they can be excluded as infrequent or irregular.

An award is generally something of value received as a result of a decision or judgment of a court, board of arbitration, or similar action. Awards are almost always cash or its equivalent.

If a prize or award is not substantial, then the eligibility specialist must consider whether it may be excluded from income as infrequent/irregular income.

1820.0000 Temporary Cash Assistance

This chapter discusses income policy for individuals whose income must be considered. Refer to Chapter 2200 to determine which SFU members must have their incomes considered.

1820.0001 Definition of Income (TCA)

Income is cash received at regular intervals from any source such as wages, benefits, contributions, and rentals. Income means all income, earned as well as unearned, from any source unless specifically excluded in this chapter.

1820.0100 INCOME CONCEPTS (TCA)

This section contains a discussion of the following income concepts:

1. earned and unearned income,
2. infrequent or irregular income,
3. availability of income,
4. diversion of income,
5. third party payments,
6. deeming of income and
7. verification of income.

1820.0101 Earned and Unearned Income (TCA)

Income is classified into two categories for budgeting purposes: earned income and unearned income. All non-exempt income must be verified at application and review unless otherwise specified.

Exempt income is income (earned or unearned) that is excluded from consideration when determining eligibility. Accept the individual's statement for amount and type of exempt income, unless information is questionable or verification is required.

Earned income is the receipt of wages, salary, commission, or profit from an individual's performance of work or services, or a self-employment enterprise.

Unearned income is income for which there is no performance of work or services. Unearned income may include:

1. retirement, disability payments, unemployment/workers' compensation, etc.;
2. annuities, pensions, and other regular payments;
3. alimony and support payments;
4. dividends, interest, and royalties;
5. proceeds of life insurance policies;
6. prizes and awards;
7. gifts and inheritances; and
8. SSA, SSDI, and SSI.

1820.0102 Deductions from Gross Income (TCA)

Some deductions withheld from gross income must be included. Examples of these deductions include:

1. premiums for Supplemental Medical Insurance (SMI/Medicare) from a Title II (Social Security) benefit,
2. premiums for health insurance or hospitalization,
3. premiums for life insurance,
4. federal and state income taxes,
5. Social Security taxes,
6. optional deductions,
7. a garnished or seized payment, and
8. guardianship fees.

Note: If the naming of a guardian is a requirement to receive the income, deductions for guardianship fees are disregarded, i.e., are not counted as income. This is the only exception.

1820.0103 Infrequent or Irregular Income (TCA)

Infrequent or irregular earned income not in excess of \$30 in a calendar quarter is excluded when receipt cannot be anticipated. Infrequent or irregular unearned income not in excess of \$60 in a calendar quarter is excluded when receipt can not be anticipated. This includes one-time gifts of cash for special occasions such as birthdays or Christmas from someone whose income is not included in the SFU. If the income is anticipated on a regular basis it will be included regardless of the amount.

1820.0106 Availability of Income (TCA)

Some types of income are readily available to the individual and must be included; however, the individual may have limited or no access to income in certain situations. Some unavailable income may still be included as income.

1820.0107 Unavailable Income (TCA)

Verified court ordered support payments that the parent or relative must make outside of the home along with guardianship or power of attorney fees are considered unavailable income and are deducted from the total net income.

Payments made to DCF for repayment of an overpayment cannot be deducted as unavailable income.

Income deemed to an individual outside of a filing unit is considered unavailable income when determining the eligibility of any persons in the filing unit.

1820.0108.01 Available Income (TCA)

Income must be available to meet the SFU's needs to be considered, except in the case of lump sum income. Generally, income is considered available when it is actually available and/or when the individual has the legal ability to make the income available.

Exceptions to the policy above:

Occasionally, a regular monthly payment (e.g., Title II or VA) is received in a month other than the month of normal receipt. As long as there is no interruption in the regular payment schedule, consider the funds to be income in the normal month of receipt. Examples of this situation follow:

1. Advance Dated Checks - When a payor advance dates a check because the regular payment date falls on a weekend or holiday, there is no intent to change the normal delivery date. Whenever such an advance dated check goes to a bank by direct deposit, the funds may be posted to the account before or after the month they are payable.
2. Electronic Funds Transfer - When an individual's money goes to a bank by direct deposit, the funds may be posted to the account before or after the month they are payable. Whenever this occurs, treat the electronically transferred funds as income in the month of normal receipt. Florida State Retirement benefits are received the last workday of the month.
3. Income may be unavailable due to legal restrictions or factors beyond the control of the individual. In both these situations, the eligibility specialist must request supporting evidence and make an independent assessment regarding availability based on the evidence presented. Additional guidance may be requested from the Region or Circuit Program Office, Headquarters, or Circuit Legal Counsel.

1820.0108.02 Government Income Excluded (TCA)

Funds from the following sources are excluded if the individual for whom the funds are specified or intended is not in the SFU:

1. Family Placement Program,
2. Office of Developmental Services,
3. DCF,
4. Home Care for the Elderly Program, and
5. Aging Program Office.

1820.0108.03 Joint Bank Accounts (TCA)

The interest received from bank accounts is excluded as income to the individual.

1820.0112 Payments to Joint Owners (TCA)

Payment to joint owners is one payment made to two or more individuals.

A document, such as a single or combined Social Security check for a couple or to a parent on behalf of two or more children, indicating the amount due each owner is generally sufficient verification of ownership.

In the absence of specific documentation, divide the income minus allowable expenses by the number of beneficiaries to determine the income amount for each individual.

1820.0116 Court Ordered Payments (TCA)

Money deducted or diverted from court ordered support, alimony, or other legally binding agreement and paid to a third party for an assistance group expense will be included as income. However, if the payment is ordered by the court to go directly to the third party rather than the assistance group, the payment will be excluded as a vendor payment.

Example: In the court order, the spouse was ordered to pay \$200 child support each month. He was not ordered to pay the mortgage payment. If the spouse pays the mortgage directly to the mortgage company, in addition to his regular court ordered child support payment, the mortgage payment is considered a vendor payment and is excluded as income. If the spouse took the \$200 he was to pay in child support and paid the mortgage payment instead, then the child support income would continue to count as income to his spouse since the \$200 was court ordered support and this income was diverted to pay the mortgage.

1820.0117 Deeming of Income (TCA)

Deemed income refers to a special budgeting calculation in which a portion of an individual's income is considered available to another SFU member. Individuals whose income may be deemed differ by program. Deemed income is considered as unearned income in the budget.

For policy regarding deeming situations refer to SFU and deeming budgeting methods in Chapter 2600.

1820.0118 Vendor Payments (TCA)

A vendor payment is a money payment made for SFU expenses by an individual or organization outside the SFU from funds not legally owed to the SFU. Vendor payments are excluded as income. Any expense which is entirely paid by a vendor payment (see examples in 1820.0119), cannot be allowed as an expense under the income disregard policy (Chapter 2400).

1820.0119 Examples of Vendor Payments (TCA)

Examples of vendor payments include, but are not limited to, the following:

1. rent payments made directly to the landlord by a third party;
2. rent or mortgage payments made to landlords or mortgagees by DCF, Housing and Urban Development (HUD), or by state or local housing authorities;
3. payments made directly to the utility or phone company by a third party;
4. payments by a government agency to a child care institution to provide day-care for an assistance group individual;
5. disability insurance coverage makes payments on a car due to an accident or illness of an assistance group member. The payment is not voluntary but rather is a specified part of the insurance policy;
6. legal agreement or court ordered payments that go directly to a third party rather than the assistance group; and
7. expense payments by an employer, agency, former spouse, or other person made to a third party from funds not legally owed to the assistance group.

Any payments to the SFU by non-SFU members made directly to a member of the SFU are not vendor payments regardless of the purpose or intent of the payment.

1820.0200 EARNED INCOME (TCA)

Earned income includes all gross (before taxes or other deductions) wages and salaries from performance of work (including wages deferred that are beyond the individual's control). Wages are included as income at the time they are received rather than when earned.

Wages are considered earned income even when withheld at the request of the employee or provided as an income advance on income expected to be earned at a future date. Advances are different from loans since they are paid in exchange for anticipated services or labor.

An individual is considered employed when engaged in a business, occupation or service for cash paid by another person, group of persons or company. Wages or paid salaries received after employment has ended are considered earned income (except for severance pay, which is unearned income). An example of this type of wage is payment for accrued vacation time.

Employer-provided sick pay is earned income as long as the individual plans to return to work after recovering and is still considered an employee. Sick pay is a continuation of salary with normal payroll deductions and is not to be confused with benefits, such as Workers' Compensation, that are considered unearned rather than earned income.

1820.0204 Sale of Blood or Plasma (TCA)

Income derived from the sale of blood or plasma is included as earned income.

1820.0206 Tips (TCA)

The amount of tips reported by the employee will be included as income. Many times an employer will include on the pay stub of the employee an amount the employer must report to the IRS for tax purposes. This is an allocated amount and cannot be interpreted as the amount actually earned or received by the employee. The tip amount reported by the employee can be accepted unless questioned.

In some instances, the employee reports actual tips to the employer. In this instance, the employer can verify actual tips earned. The individual should keep records on a daily basis if the tips are not reported to the employer, so this information can be used for verification.

1820.0207 Verification of Earned Income (TCA)

All non-exempt earned income must be verified at application and review unless otherwise specified.

All non-exempt earned income must be verified by the employer. Information that must be verified includes:

1. the first and last dates of employment,
2. the first and last day of pay,
3. gross income including overtime and tips,
4. frequency of payment,
5. the day of the week payment is received, and
6. the number of hours and days employed.

Note: Verification of terminated income from the employer, including the amount and date of last pay, is only required for an applicant when income is received in the month of application. The individual's statement is acceptable for income terminating prior to the month of application.

Acceptable forms of verification include, but are not limited to, the following:

1. W-2 forms and income tax returns for self-employed individuals,
2. wage receipts,
3. wage statements,
4. pay stubs,
5. employment verification form or written statements containing the required information,
6. collateral contact with employer, and
7. work calendar (for tips and daily cash payments).

Any document used to verify income must be copied and retained in the case record. All documents must be completed and signed by the appropriate individuals (for example, the employer, the recipient). Exceptions are as follows:

1. The individual's statement that his income exceeds the income standard is sufficient to deny or close FS, TCA, and RAP benefits. However, medical assistance cannot be denied/closed without an ex parte determination of Medicaid eligibility. Verification of income must be pursued for these situations in which the individual/AG appears to be Medicaid ineligible.
2. When documentation/verification of income that makes the assistance group ineligible cannot be obtained prior to the advance notice deadline, the case manager must redetermine the assistance group's eligibility based on its statement to avoid overpayment. In this situation, the cost of child care can be disregarded without verification.
3. The individual's statement regarding the begin date and amount of earned income is sufficient when authorizing transitional Medicaid.

1820.0209.01 Verification of Income (TCA)

All non-exempt income must be verified at application and review unless otherwise specified.

Income can be verified through a telephone call or collateral contact with the employer or source of income. When verifying by this method the date and source of verbal verification and the date(s) and amount(s) of income received must be recorded.

The individual's statement regarding the amount of earned income is sufficient when authorizing transitional Medicaid.

As a part of verifying last date of employment and last day of pay, any loss of income which occurred within the month of application must be verified when possible. Examples of circumstances that might make verification impossible are when a business closes or when a person for whom child care was provided moves and the new address is unknown. The individual's statement is acceptable for any loss of income prior to the month of application.

If documentation or verbal verification is not provided within specified time limits, the assistance group must be determined ineligible for assistance. However, the eligibility specialist must submit a policy exception request to the Region or Circuit Program Office, or at the Region or Circuit's discretion the unit supervisor, if the individual reports an inability to secure required documentation or verification due to factors beyond recipient control. The Region or Circuit Program Office or the unit supervisor, if authorized by the Region or Circuit Program Office, may grant or deny the exception. Refer to passage 1820.0207 for exception to documentation/verification of income that makes the assistance group ineligible.

1820.0209.02 Collateral Contact Verification (TCA)

Verification must be obtained regarding the source and amount of income received. When other sources of verification are unavailable, the following information provided by a collateral contact must be recorded:

1. date verification is received,
2. name and title of person providing verification,
3. source of the income or benefit,
4. date(s) received and amount,
5. benefit claim or identification number for each individual receiving a benefit (ex. SSI, SSDI, VA), and
6. the reason the individual is eligible for the benefit if receiving a benefit (ex. SSI, SSDI, VA).

1820.0209.04 Verification of a Child's Wages (TCA)

Wages of a child whose total income is excluded under the student disregard policy are also excluded from documentation/verification requirements. The applicant's/recipient's statement regarding the amount of income and number of hours employed may be accepted unless questionable.

1820.0300 SELF-EMPLOYMENT (TCA)

An individual who owns a business or otherwise engages in a private enterprise is considered self-employed. Income derived from self-employment is considered earned income.

This includes but is not limited to:

1. babysitting,
2. sales from a franchise company,
3. picking up and selling cans,
4. farm self-employment, or
5. selling newspapers.

Refer to passages 1820.0302 through 1820.0315 to determine net income as well as verification required.

1820.0302 Allowable Costs of Self-Employment Income (TCA)

Allowable costs of producing self-employment income include, but are not limited to, the following expenses. The assistance group is required to keep a record of the expenses incurred in the production of this income:

1. identifiable costs of labor (salaries, employer's share of Social Security, insurance, etc.);
2. stock, raw materials, seed and fertilizer, and feed for livestock;
3. rent and cost of building maintenance;
4. business telephone costs;
5. costs of operating a motor vehicle when required in connection with the operation of the business;
6. interest paid to purchase income producing property;
7. insurance premiums and taxes paid on income producing property;
8. costs for feed for work stock;
9. cost of meals and equipment for children for whom child care is provided in the home; and
10. travel and lodging, but not meals, away from home.

1820.0303 Costs not Allowed (TCA)

The following expenses will not be allowed as a cost of producing self-employment income:

1. payments on the principal of the purchase price of income producing real estate and capital assets, equipment, machinery and other durable goods;
2. net losses from previous periods;
3. federal, state and local income taxes, money set aside for retirement purposes and other work related personal expenses (such as transportation to and from work), as these expenses are accounted for by the 20% earned income adjustment and earned income disregards; and
4. depreciation.

The following expenses will not be allowed as a cost of producing self-employment income for TCA:

1. depreciation,
2. Social Security and income tax deductions,
3. child care costs (not an allowable expense if he is a child care provider, even if he pays someone else for care),
4. transportation to and from work.

Note: Business equipment and supplies are considered assets for TCA.

1820.0306 Earned Income from Farming (TCA)

Farming is any activity involving raising crops, livestock, and poultry to sell for profit rather than solely for family consumption. Profits from farming are gross income.

Farming individuals must provide their most recent income tax return to the eligibility specialist. If there is no tax return, the individual must provide bills and receipts or any other records of sales and expenses. The eligibility specialist may consult with the County Agricultural Agent to determine the accuracy of the income and expenses and whether any money from a subsidy, loan, or Government Farm Program has been received.

1820.0307 Allowable Costs (TCA)

Recognized operating costs include:

1. seed,
2. feed,
3. fertilizer,
4. supplies,
5. labor,
6. fuel,
7. pesticides, and
8. machinery rentals.

Depreciation costs are not recognized. Operating costs for the farmer do not include child care, Social Security, or income tax.

Livestock, farm equipment, and property are considered assets.

1820.0308 Child Care in Own Home (TCA)

Individuals providing child care in their own home are self-employed. The amount anticipated to be received in the month will be used in the benefit calculation.

There is a deduction of \$1.00 per child per day for care of children in the individual's own home. However, the \$1.00 per day deduction cannot be allowed when the child for whom care is provided is a resident of the same dwelling unit as the individual providing care.

The individuals are considered to be providing child care in their own home either when renting, purchasing, or living rent free without shelter cost.

1820.0309 Income for Payment for Room and Board (TCA)

Room and board payments, minus monthly expenses of \$58 per boarder, are included as earned income.

An individual is considered to be providing room and board when prepared meals, shelter, utilities, and linens are given in return for a cash payment.

1820.0310 Corporations (TCA)

Corporation income is treated differently for Temporary Cash Assistance Program.

Verification is required to establish that the individual has actually legally incorporated the business. The business should be registered clearly in the name of the corporation. Acceptable forms of verification include the articles of incorporation and income tax returns.

An exception to the corporation verification requirement is the "S" corporation. An "S" corporation may be identified by the individual's statement or income tax return.

For treatment of corporate assets, refer to Chapter 1600.

Income of a corporation should be treated as earned income from self-employment in accordance with Section 1820.0300. Regular verification procedures apply. Refer to passage 1820.0315.

1820.0315 Verification of Self-Employment Income (TCA)

Self-employed individuals must verify earned income at application and review. In addition, these individuals must make all business records available to the eligibility specialist. Examples of business records include documentation on:

1. income tax records necessary to determine gross income and deductible expenses,
2. purchases,
3. sales,
4. salaries,
5. capital improvements,
6. utility, transportation, and other operating costs, and
7. work calendars for tips and recording pay as received.

If the individual claims to have no business records, or that the records are inaccurate, discuss with the individual their most recent representative income. CLRC should explain how the income was determined.

1820.0400 WAGES RECEIVED FROM TRAINING PROGRAMS (TCA)

When the individual participates in a work or on-the-job training program that involves work for payment, the payment is included as income, unless specifically excluded in the following passages. Training allowances from Vocational and Rehabilitative Programs recognized by a government agency are also included income, unless excludable as a reimbursement.

1820.0401 Workforce Investment Act (TCA)

The following sections describe exceptions to general Workforce Investment Act (WIA) income policy that applies to TCA.

1820.0404 WIA Income for Adults (TCA)

All earned income received or anticipated to be received directly from an employer through participation in the WIA Program is included and is subject to the appropriate earned income disregard. This includes earned income paid directly by an employer through the WIA on-the-job training program.

Unearned income from WIA is excluded. Types of payments the individual may receive that would qualify as unearned income include:

1. need based payments,
2. cash assistance, and
3. compensation instead of wages and allowances (this includes payments received for classroom training).

1820.0405 WIA Income for Children (TCA)

A child's earned income from WIA is excluded.

A child's unearned income from WIA is excluded income. The parent/relative caretaker cannot be considered a child. Unearned income includes the same types of payments specified in passage 1820.0404.

1820.0406 Verification of WIA Income (TCA)

Verification should include:

1. source,
2. amount received,
3. date(s) paid,
4. frequency,
5. purpose, and
6. type of payment.

1820.0500 REAL ESTATE INCOME (TCA)

Income from real estate includes any funds resulting from property ownership. This income can be earned or unearned.

Passages 1820.0503.01 through 1820.0503.03 describe income received from rental property, sales contracts on property, and room and board.

1820.0503.01 Rental Income (TCA)

Rental payments are unearned income if the individual does not actively manage the property as a business. Rental income is any payment for using real or personal property less allowable expenses. Examples of rent include payments for the use of:

1. land;
2. buildings;
3. an apartment, room, or house; or
4. machinery or equipment.

Income received from the rental of real estate is considered earned income if the arrangement requires participation by the parent or relative in managing the property. If the property is managed by someone else, the income received from the rental of the real estate is unearned income.

1820.0503.02 Computation of Rental Property Income (TCA)

Income from rental property is computed as follows:

For improved rental property owned by the parent or relative, the earned income is the amount of cash received, or anticipated to be received, minus 25 percent of gross rental receipts if the owner is responsible for upkeep and repairs. A deduction is recognized for taxes and the interest portion of mortgage payments (to the extent interest is a business expense) for property other than the homestead. These deductions cannot be allowed for the AG residence on homestead property, but can be allowed (by prorating rental) for structures on the homestead property.

For unimproved rental property owned by the parent or relative, the earned income is the amount of cash received, or anticipated to be received, minus 15 percent of gross rental receipts if the owner is responsible for upkeep of fences, wells, and the like. A deduction is recognized for taxes and the interest portion of mortgage payments on property other than the homestead.

1820.0503.03 Property Sublet by the Individual (TCA)

When the individual rents property and in turn subleases or rents any part or all of the property, the amount of cash received or anticipated to be received is considered as earned income. No operating costs will be allowed.

1820.0600 IN-KIND BENEFITS (TCA)

Non-cash or in-kind benefits are excluded. This includes, but is not limited to:

1. meals,
2. clothing,
3. public housing (HUD),
4. produce from a garden,
5. WIC coupons, and
6. food stamps benefits

Passages 1820.0601 through 1820.0603 describe general policy for in-kind benefits. There are no other written program specific policies for in-kind benefits.

1820.0601 In-Kind Benefits - Meals/Food (TCA)

The following types of in-kind support are excluded:

1. free or reduced price meals and food from government agencies or schools, service facilities and other institutions recognized under a USDA Program, the Older Americans Act or DCF Program;
2. the value of the food stamps and WIC coupon allotments.

1820.0602 In-Kind Benefits for Disabled Veterans (TCA)

The clothing allowances for veterans with prosthetic or orthopedic devices are excluded as an in-kind benefit.

1820.0603 Medical and Social Service Programs (TCA)

Medical and social service program payments or in-kind benefits are excluded. Some examples are:

1. child welfare services provided under Title IV-B of the Social Security Act;
2. Title XX services;
3. services provided under Title III of the Older Americans Act;
4. Title XIX medical assistance (Medicaid);
5. Title XVIII health insurance (Medicare);
6. services provided under the Rehabilitation Act of 1973;
7. mental health services;
8. Veterans Administration payments for aid and attendance, unreimbursed medical expenses and housebound allowances;
9. maternal and child health and crippled children's services provided under Title V of the Social Security Act; and
10. payments made to participants of the Consumer Directed Care Project.

1820.0700 SUPPORT (TCA)

Support payments are those funds paid by a legal or non-legal parent intended for the support or maintenance of a member of the SFU. This income is included as unearned income. Examples of support payments that are included as unearned income are:

1. voluntary and court ordered child support payments received from a legal or non-legal parent;
2. monies received to pay basic living expenses; or
3. income received for additional living expenses such as recreation and transportation.

The income is considered as the income of the child for whom the payment is intended.

1820.0702 Child Support (TCA)

All child support received or anticipated to be received for any member of the standard filing unit (SFU), minus any mandatory collection fee deducted due to a court order, must be counted as unearned income. This includes any child support delinquency or arrears income received or anticipated to be received for any member of the standard filing unit (SFU).

If the individual requests child support be paid through a court or private child support collection agency that charges a fee for collection, the gross amount collected prior to the collection fee is budgeted as unearned income.

One-time receipt of child support income that cannot be reasonably anticipated to continue will be treated as a lump sum payment. See manual passage 1620.0520 for budgeting unearned lump sum income.

Note: Payments received for a child no longer in the home would count as a contribution.

Exception: Income from the legal or non-legal father for a minor who is considered a parent (adult) for Temporary Cash Assistance purposes must be considered a contribution. Likewise, monies paid from a biological father when a child already has a legal parent must also be considered a contribution.

1820.0705 Alimony (TCA)

Alimony is an amount of money allocated from one spouse to another by the court as a result of a divorce or separation agreement. The amount of alimony received or anticipated to be received must be counted as unearned income minus any collection fees charged.

1820.0707 Verification of Support (TCA)

When child support or alimony is received or anticipated, the individual must provide verification at application and recertification of:

1. the amount received;
2. date payment received and whether it will continue;
3. whether or not payment is court ordered;
4. from whom and to whom the payments are made; and
5. the amount of any collection fee charged.

1820.0800 ASSISTANCE FROM GOVERNMENT AGENCIES (TCA)

For Temporary Cash Assistance federal income tax refunds are handled as follows: Federal income tax refunds are not included as income because the amount previously withheld or paid was, or would have been, counted as income as part of gross earnings. The amount of the federal refund is excluded as an asset in the month of receipt and for 12 months following the date of receipt.

1820.0801 Energy Assistance (TCA)

Passages 1820.0803.01 and 1820.0803.02 discuss energy assistance payments.

1820.0803.01 LIHEAP Payments (TCA)

Assistance payments received by households from the Low Income Home Energy Assistance Program (LIHEAP) administered by DCF are excluded income.

1820.0803.02 HEA Payments (TCA)

Payments received in the form of home energy assistance (HEA) are excluded if they are based on need and certified by DCF. Across-the-board rebates from utility companies to all customers are not considered to be based on need. The source of HEA payment must be verified.

1820.0805 Programs Administered by HUD/FmHA (TCA)

Individuals generally can exclude the value of any assistance from the U.S. Department of Housing and Urban Development (HUD) and the Farmers Home Administration (FmHA) used to offset their rent or mortgage payments. These payments may be made to landlords or mortgagees.

Passages 1820.0806 and 1820.0807 discuss further policy for payments received for utilities and housing assistance from HUD/FmHA.

1820.0806 HUD/FmHA Utility Payments (TCA)

When an assistance group lives in subsidized housing, all or a portion of its rent may be paid by HUD or the Farmers Home Administration (FmHA). In this situation, a rent deduction may be claimed for the amount the assistance group actually pays. The assistance group may also qualify for a HUD or FmHA utility payment.

HUD and FmHA utility payments are excluded as income due to these payments being made for the purpose of providing energy assistance. Additionally, when a HUD/FmHA utility allowance is used to reduce the amount of rent, this type of "utility allowance" is not to be considered income.

1820.0807 Public Housing (TCA)

Assistance received in cash from public housing authorities is excluded up to the difference between the payment standard and consolidated need standard (CNS). When assistance is received in excess of the maximum exclusion, the excess is considered unearned income in the budget.

1820.0809 Vocational Rehabilitation (TCA)

Assistance from a vocational rehabilitation agency within certain limitations is excluded. The source of income must be verified and documented.

1820.0810 Limit on Rehabilitation Assistance (TCA)

Assistance provided for rehabilitation toward total self-support will not be considered as income if:

1. the assistance is provided by a rehabilitation agency;
2. the plan is made between the individual and a representative of the rehabilitation agency;
and
3. the plan is detailed in the case record.

Individuals generally can exclude this assistance for up to 12 months. Income from Vocational Rehabilitation (VR) can be excluded for 36 months.

1820.0811 Disaster Assistance Payments (TCA)

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 income.
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 income.

Most Federal Emergency Management Assistance (FEMA) funds are excluded. However, some payments made to homeless people to pay for rent, mortgage, food, and utilities when there is no major disaster or emergency are not excluded under this provision.

Apply this exclusion when:

1. the president determines an emergency or major disaster exists; and
2. the individual was directly affected by the disaster; and
3. the payment is received from a disaster assistance organization or a federal, state or local government.

1820.0813 Federal Relocation Assistance (TCA)

Reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (Public Law 91-646, Section 261) are excluded as income.

1820.0816 Foster Care Payments (TCA)

Any payments received by a foster care parent from any agency intended to provide for the needs of the foster care children or adults placed in his home are considered the income of that foster care child or adult and are considered excluded income to the foster parent.

1820.0818 Foster Care Teen Parent with Infant (TCA)

Eligibility for Temporary Cash Assistance and Medicaid for the infant of a foster care child varies depending on whether the mother is Title IV-E or non-Title IV-E eligible. The differences are provided below.

If the teen parent is Title IV-E eligible, according to federal policy, the board rate approved by Family Safety must include payment for the infant. The infant is not eligible for Temporary Cash Assistance benefits as the board rate duplicates the purpose of the TCA grant. The income and assets of the infant, including the foster care payment for the infant, are considered in this determination. The mother's eligibility for Title IV-E benefits is made without consideration of any income or assets of the infant.

If the foster care board rate for the non-Title IV-E teen parent does not include payment for the infant, then the teen parent may apply for Temporary Cash Assistance for the infant. The needs, income and assets of the infant are considered in this determination.

Note: The foster care teen parent (Title IV-E or non-Title IV-E), including a teen parent who is a youth in Independent Living, has her needs, income and assets excluded in the infant's eligibility.

1820.0819 Developmental Disability Payments (TCA)

Support Independent Living Arrangement (SILA) payments from the Agency for Persons with Disabilities are excluded up to the difference between the payment standard and consolidated need standard (CNS). When assistance is received in excess of the maximum exclusion, the excess is considered unearned income in the budget. These payments are considered assistance based on need and are paid to disabled individuals moving from group or community homes to independent living situations to assist with living expenses.

1820.0820 Supplemental Security Income (TCA)

SSI payments are administered by the Social Security Administration.

The SSI individual and the SSI income are both excluded by the Temporary Cash Assistance Program. Nonrecurring lump sum SSI retroactive payments awarded to active TCA recipients are not considered income or assets for the month of receipt and the month following receipt. Retroactive SSI payments to stepparents and other "deeming" individuals who are not included in the Temporary Cash Assistance group are counted as income in the month of receipt.

1820.0821 EFAHP Payments (TCA)

EFAHP assistance payments are excluded as income.

1820.0824 Assistance Payments Based on Need (TCA)

Passages 1820.0826 through 1820.0829 discuss policy on treatment of assistance payments. Income based on need is included as unearned income unless specifically excluded in the following sections.

1820.0826 Home Care for Elderly or Disabled Adult Payments (TCA)

For TCA, HCE and HCDA payments are excluded when not specifically identified for a member of the assistance group.

1820.0827 Assistance Payments (TCA)

Monthly cash payments from another agency (minus training expenses) to meet ongoing maintenance needs as defined by DCF are unearned income unless specifically excluded as such.

Documentation or verification from the agency as to the amount received, frequency, purpose, and type of program is required.

Exception: Emergency payments made by another agency or a nonprofit organization prior to the date the first TCA benefits are received will not be considered income.

1820.0828 Family Subsistence Supplemental Allowance (TCA)

A provision of the Department of Defense Act for Fiscal year 2001 requires DOD to pay certain military members and their families a Family Subsistence Supplemental Allowance (FSSA) of up to \$500 per month. The FSSA is available to military members who have completed basic training and whose gross household income is within the food stamp gross income limit for the household size. The food stamp definition of a household is also used when the FSSA is calculated. The FSSA will be counted as unearned income in the TCA, Food Stamp and Medicaid Programs.

1820.0829 Overpayments - Other Assistance Programs (TCA)

When benefits from other benefit programs are withheld to recover an overpayment, the portion withheld is excluded as income.

1820.0900 BENEFITS (TCA)

Section 1820.0900 (inclusive) discusses types of benefits payable to individuals and their treatment as unearned income, including benefits such as:

1. Unearned Income Verification Social Security payments;
2. private benefit income such as annuities, pensions, retirement, or disability (other than SSA);
3. veterans payments;
4. Agent Orange benefits;
5. workers' compensation;
6. railroad retirement;
7. unemployment benefits;
8. striker support;
9. severance pay; and
10. death benefits.

1820.0901 Verification of Unearned Income (TCA)

All non-exempt unearned income must be verified at application and review unless otherwise specified. The following sources may be used to verify unearned income:

1. BENDEX or SDX tapes,
2. SSA award letter,
3. VA award letter,
4. pension or award letter,
5. Unemployment Compensation award letter, and

6. child support court statement and/or current statement from absent parent.

1820.0903 Gross Benefits (TCA)

The gross benefit amount received, or anticipated to be received, is considered unearned income. Benefits are owned by the individual for whom they are intended unless the individual is not in the home and the benefits are not redirected. Deductions for optional items such as health insurance and Medicare premiums continue to count as income.

1820.0904.01 SSA Income (TCA)

Benefits that are paid by SSA are unearned income for all programs. These types of benefits include Title II Social Security benefits, SSI, special age 72 payments (PROUTY), and black lung benefits.

For all programs, the gross entitlement amount (prior to any deduction) is entered into the FLORIDA system on AFMI. The cents should not be dropped. (The system automatically drops the cents when calculating the budget for food stamps and SSI-Related Programs.)

For TCA: Social Security benefits recouped by SSA that are not received by the household are excluded unearned income.

For treatment of lump sum payments for SSA and for SSI-Related income refer to Chapter 2600.

1820.0904.02 Student Social Security Benefits (TCA)

Social Security benefits for children age 18-22 who are considered full-time students in institutions of higher education or other post-secondary institutions are excluded as income. Students who are still in high school will have their Social Security benefits included as income. Social Security benefits received for children who are out of the home are excluded if the benefits are forwarded to the children. Children in this context may be parents or relatives ages 18-22.

1820.0905 Annuities, Pensions and Retirement Income (TCA)

Annuities, pensions, retirement or disability payments are all included as unearned income. These payments are the result of purchase of an annuity, retirement from employment, survivor benefits for a former employee's dependents, or injury or disability, and may be made by an employer, an insurance company, or public or private fund.

1820.0906 Veterans Benefits and Payments (TCA)

Veterans' compensation and pensions are based primarily on service in the armed forces and may also be made to the veterans' dependents or survivors. These payments, including stipend payments for participation in a study of Vietnam era veterans' psychological problems (P.L. 99-576) and monthly payments to veterans of the Vietnam era as a result of exposure to Agent Orange (P.L. 102-4) are counted as unearned income. The following are excluded as income:

1. Reductions in basic pay while in active duty service or selected reserve service to provide for future basic educational assistance (P.L. 99-576).
2. 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).
3. 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).
4. Aid and attendance, a housebound allowance and unreimbursed medical expenses.

1820.0908 Workers' Compensation Payments (TCA)

Workers' Compensation payments are included as unearned income. Workers' Compensation payments are awarded to an injured employee or to the employee's survivors. Any portion of the payment designated for medical expenses paid or deducted at the source and not controlled by the individual is excluded from the income amount.

1820.0909 Railroad Retirement Payments (TCA)

Retirement, survivor, unemployment, sickness and strike benefits from railroad payments are included as unearned income. Premiums for medical insurance under Medicare that may have been deducted must be added to the payment amount in determining the amount of unearned income. Entitlement or potential entitlement for railroad benefits should be suspected if the individual's SSN begins with the number "7".

The following are three different railroad retirement benefits:

1. The retirement benefit is payable only to the railroad employee or the employee's spouse. Benefits may be increased because of dependent children; however, the amount of the increase is considered income to the individual rather than the child(ren).
2. The survivor benefit is payable to widows/widowers and children or to dependent parents if no widow(er) or child qualifies.
3. Checks for unemployment, sickness, and strike benefits cover a period up to two weeks.

Retirement and survivor benefits are paid monthly. Payment received in the current month is the amount due the individual for the prior month.

Railroad retirement benefits are adjusted for cost of living at the same time as SSA. However, differences in amounts may exist due to individual case circumstances. Verification of differences should be made by reviewing an award notice. When contact with the railroad board (RRB) is necessary, contact the local RRB district office, not the RRB in Chicago.

1820.0910 Unemployment Compensation (TCA)

Payments received pursuant to a state or federal unemployment law, or paid by a union or employer are included as unearned income.

1820.0912 Severance Pay (TCA)

Severance pay is included as unearned income.

1820.0914 Energy Employees Occupational Illness Compensation Program (TCA)

Payments made to individuals under the Energy Employees Occupational Illness Compensation Program (EEOICP) Act of 2000 (Public Law 106-398) are excluded as income.

1820.0915 Domestic Volunteer Services Act (TCA)

The following are excluded income:

1. assistance to volunteers who participate in ACTION Programs funded under Public Law 93-113, including VISTA or AmeriCorps VISTA and other programs under Title I of that law; and
2. 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 Title II and III of the act.

1820.0917 Indian Tribe/Alaskan Native (TCA)

Exclusions include:

1. Any funds distributed per capita to or held in trust for members of any Indian tribe under Public Laws 92-254, 93-134 (Sections 7 and 8), or 94-540 including funding from leases on restricted land and initial purchases made with funds distributed under Public Law 93-134 or Public Law 98-64 (as amended by Public Law 103-66); and
2. Any of the following distributions made to a household, individual 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), and
 - e. an interest in a settlement trust.

1820.0918 Victims of Nazi Persecution/Japanese/Aleutian Payments (TCA)

Payments to victims of Nazi persecution are excluded as income. These payments include, but are not limited to, reparation from Germany, Austria, and the Netherlands. As long as payments to individuals are based on their status as victims of Nazi persecution, the payment will be disregarded in the eligibility determination. Japanese and Aleutian restitution payments are also excluded as income.

1820.0922 Crime Victim Compensation Program (TCA)

Exclude payments received under this program that offers compensation to victims and survivors of victims of criminal violence, including drunk driving and domestic violence (P.L. 103-322).

1820.0923 Experimental Housing Allowance (TCA)

Payments under the Experimental Housing Allowance Program from contracts entered into prior to January 1, 1975, are excluded.

1820.0924 Earned Income Tax Credit and Child Tax Credit (TCA)

Payments from federal income taxes for earned income tax credit and child tax credit, including any retroactive payments, are excluded as income in the determination of eligibility, including the 185% test.

1820.0925 Radiation Exposure Compensation Act (TCA)

Payments to compensate individuals or their survivors who have become ill or died as a result of exposure to radiation from nuclear testing and uranium mining, pursuant to the Radiation Exposure Compensation Act, are excluded as income.

1820.0927 Maine Indian Claims Settlement Act (TCA)

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 and the amount of benefits under the TCA Program.

1820.0931 National and Community Services Trust (TCA)

Payments, other than for living allowances, under the National and Community Services Trust Act (NCSTA) of 1993 (P.L. 103-82) are excluded as income.

NCSTA projects for youth in Florida are operated through the Florida Conservation Corps. The project name is the Florida Youth Conservation Corps. Yearly contracts are renewed in early October of each year.

The NCSTA of 1993 revised the National and Community Services Act (NCSA) of 1990 and established a corporation for National and Community Service. The corporation established by the NCSTA administers all National Service Programs. These include:

1. the Senior Corps, for participants over the age of 55;
2. the Youth Corps, for participants 14-17 years of age;
3. Learn and Serve, for participants in grades K-12; and
4. the AmeriCorps Network of Programs (also known as AmeriCorps State/National Programs).

There are also summer programs in each of these program areas.

For TCA, NCSTA payments are budgeted as follows:

1. Living allowances are treated as earned income, subject to earned and student earned income disregards. For participants other than children, earned income disregards are not applied in the 185% of need test.
2. Educational Stipends paid to Volunteers in Service to America (VISTA) participants are disregarded unless "the Director of ACTION determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938, or the minimum wage under the laws of the state where the volunteer is serving, whichever is greater".
3. Child care allowances are treated as grants. They are considered available income only to the extent not used to meet child care costs.
4. Basic health insurance policies, child care services, auxiliary aid and services to individuals with disabilities, and the national service I awards are treated as in-kind benefits.

1820.1000 DIVIDENDS AND INTEREST (TCA)

Dividends and interest from investments such as stocks, bonds, insurance, and savings are excluded as unearned income. Insurance cash coupons that accrue under an insurance policy will be taken into consideration when determining the asset value of the policy and are not considered income.

1820.1006 Mortgages (TCA)

The interest portion of the payment on a mortgage is excluded as unearned income. The principal portion on the outstanding balance of the mortgage is considered an asset.

1820.1012 Interest in Individual Development Accounts (TCA)

Individual Development Accounts (IDAs) are dedicated savings accounts that can be used by eligible participants for purchasing a first home, paying for post-secondary education, transportation, assistive technology or capitalizing a business. These IDAs are comprised of participant's savings from earned income and may be matched by funds controlled by the Regional Workforce Board. Excluded IDAs must be funded in part with TANF or Assets for Independence Act (AFIA) dollars.

Funds in an IDA, including interest accruing in such accounts, shall be disregarded in determining eligibility in cash assistance.

1820.1100 REIMBURSEMENTS (TCA)

Reimbursements for past or future expenses are excluded if they do not exceed actual expenses and do not represent a gain or benefit. To be excluded, these payments must be specifically intended and used for expenses other than normal living expenses.

Any part of the reimbursement amount that exceeds the actual expense is included as income. However, reimbursements are not considered to exceed actual expenses, unless the amount is excessive.

Reimbursements for normal household living expenses such as rent or mortgage, personal clothing, or food eaten at home are a gain or benefit and, therefore, are included as income.

The following types of reimbursement are excluded as income:

1. Reimbursement from the Uniform Relocation Assistance and Real Property Acquisition Policy Act.
2. Reimbursements or flat allowances from the employer that are over and above the basic wages and used for job related expenses such as travel, per diem, uniforms, and transportation to and from the job training site.
3. Reimbursements for out-of-pocket expenses incurred by volunteers in the course of their work.
4. Medical reimbursements from Workers' Compensation benefits specifically designated for medical expenses.
5. Reimbursements by Employment and Training Programs.
6. The yearly clothing allowances received from the Veterans Administration for veterans with service connected disabilities which require the wearing or use of prosthetic or orthopedic devices are excluded as income.
7. Any payment received by licensed foster parents from any agency intended to provide for the needs of foster children or adults placed in their home is excluded as income.
8. The employment related expenses reimbursement received by a participant in the TANF Employment and Training Program is excluded as income.

1820.1200 STUDENT LOANS, GRANTS, AND SCHOLARSHIPS (TCA)

All Title IV and Non-Title IV income a student receives from scholarships, educational grants, gifts, loans and work study are excluded as income. This includes federal Perkins loans authorized under Title IV, Bureau of Indian Affairs Programs and loans, and Road to Independence funds. These sources generally apply to students attending a college or other institution of higher education beyond the high school level.

1820.1206 Verification of Educational Income (TCA)

All student income from educational grants, gifts, scholarships, and loans must be verified if questionable. Case record documentation must include the name of the educational institution and the amounts of any grants, gifts, scholarships and loans.

The eligibility specialist may obtain this information by phoning the school or loan office or the grantor of the educational income. The eligibility specialist must record the name, position, and phone number of the person providing the information.

A written agreement with the lending institution or grantor of the educational income that contains the necessary dates and that is signed by the individual will also serve as documentation.

1820.1300 INCOME FROM OTHER SOURCES (TCA)

This section presents the application of policy for other sources of income.

1820.1301 Loans (TCA)

All loans, including loans from private individuals as well as commercial institutions are excluded income if there is intent to repay.

When the eligibility specialist questions that a valid loan exists, the individual must verify the existence of the loan from the source. A signed statement from the loan provider that confirms that repayments are being made or will be made in accordance with an established payment schedule is sufficient.

When an individual is the **borrower**:

Proceeds of a valid loan received by the borrower are not income in the month of receipt. If the loan is determined not to be valid, the proceeds are considered income in the month received. The amount remaining from the loan in the month following receipt is considered as an asset to the borrower.

When an individual is the **lender**:

If the loan is determined to be valid and negotiable, the loan is a countable asset; only the interest portion of the payment received is excluded as income to the lender. The principal portion of the payment is conversion of an asset, not income. If the loan is determined to be not valid and not negotiable the loan is not a countable asset, the entire payment received (principal and interest) is counted as income.

1820.1302 Contributions (TCA)

All direct money payments from any source that represent gain or benefit to the individual are included as unearned income.

A contribution is cash received by a child, parent or relative with no intent to repay. A contribution may be received on a one-time basis or on regular or irregular intervals.

An allowance is considered a contribution when paid to an individual by a person outside the individual's assistance group. This would apply to money from a non-legal father when there is a legal father.

The individual must provide verification of the amount received as a gift or contribution. When written verification is unavailable, documentation must include the following information:

1. date oral verification received,
2. source of verification,
3. source of funds,
4. date made, and
5. the amount.

Standard verbal verification policy applies. If the individual is unable to obtain verification, discuss with the individual. The eligibility specialist should then use the best information available and record this in CLRC.

1820.1303 Trusts (TCA)

Monies that are withdrawn from a trust fund by the assistance group are to be considered income in the month of receipt. The withdrawal is considered income to the assistance group without regard to whether the trust account is considered an available or an unavailable asset. Dividends and/or interest from the trust, which the assistance group has the option to receive or reinvest in the trust, are excluded as income.

1820.1304 Gifts (TCA)

A gift may be excluded if it is infrequent or irregular. To be a gift, an item must meet the following requirements:

1. must be given irrevocably;
2. must not be compensation or return for services or other consideration; and
3. must be given without legal obligation on the part of the donor.

1820.1305 Prizes and Awards (TCA)

Cash prizes and cash awards are included as income unless they can be excluded as infrequent or irregular.

An award is generally something of value received as a result of a decision or judgment of a court, board of arbitration, or similar action. Awards are almost always cash or its equivalent.

If a prize or award is not substantial, then the eligibility specialist must consider whether it may be excluded from income as infrequent/irregular income.