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2410.0000 Food Stamps

Once the eligibility specialist has determined the individual's assets (Chapter 1600) and income (Chapter 1800) according to policy, various budgets and tests must be executed to determine or redetermine eligibility. To determine how to calculate benefits, Chapter 2600 must be used.

2410.0100 INCOME LIMITS (FS)

The Food Stamp Program uses gross and net income limits to determine eligibility. While most assistance groups must meet both the gross and the net income limit, assistance groups with an elderly or disabled member must only meet the net income limit. Refer to Appendix A-1 for the gross and net income limits.

2410.0200 BUDGETING (FS)

Benefits for the Food Stamp Program are budgeted prospectively.

2410.0201 Prospective Budgeting (FS)

Prospective budgeting is a method by which eligibility and benefit levels are based on the assistance group's composition and income circumstances, as they exist in the month for which benefits are being calculated. This can be either a current or future month. When budgeting prospectively for a future month, the estimated anticipated income and circumstances may be based on what occurred in prior months if those months are considered representative of the assistance group's continued situation. Prospective budgeting may also be based on the amount the individual can anticipate to receive. When a budget is completed for a month that has already passed, the actual income and circumstances are used. A past month is defined as any month prior to the month of the interview. All assistance groups are subject to prospective budgeting.

2410.0202 Uncertain Income (FS)

For the purpose of determining eligibility and level of benefits, all income received or anticipated to be received, with reasonable certainty by the assistance group (AG) during the certification period will be considered as income. However, if the amount of income that will be received, or when it will be received, is uncertain, do not consider that amount in the eligibility determination.

Example: An AG anticipating income from a new source, such as a new job or recent application for public assistance benefits, may be uncertain as to the timing and amount of initial benefit. If the exact amount of the income is not known, and the exact date of receipt cannot reasonably be anticipated, the income will not be included. If receipt of public assistance is anticipated, the notice must indicate that when approved, this income will be included in computing food stamps without advance notice.

Income received during the most recent consecutive four weeks is often the best indication of income that will be available to the AG in the future and this income is generally averaged and projected forward prospectively over the food stamp certification period. However, if income changes are anticipated or have already occurred, a four week average should not be used.

2410.0204 Determining Monthly Income (FS)

Several factors are involved in determining a gross amount of monthly income to be budgeted. These are:

1. anticipating and projecting income,
2. averaging income, and
3. converting the income to a monthly amount.

Once an average amount of income is computed, several factors must be considered to arrive at the gross amount of monthly income. These factors are:

1. When income is received more often than monthly, it will be converted to a monthly amount.
2. When averaging income, use the most recent consecutive four weeks or the best available information when it is representative of the individual's future earnings.

Note: The income of a destitute assistance group is not subject to averaging.

2410.0204.01 Income Received Less Often than Monthly (FS)

When calculating the gross monthly amount from income received less often than monthly, it is best to have verified income data from a four week period. However, it may not be possible to obtain verification for four weeks if the individual has not been employed that long. Total the verified income and divide that income by the number of pay periods the income is intended to cover.

2410.0207 Adding Individuals to an AG (FS)

The FS assistance group may be entitled to an increased allotment for the month following the month of the reported change, as a result of adding an individual. If benefits have been issued prior to processing this change, the eligibility specialist will issue an auxiliary.

2410.0213 Destitute AGs (FS)

Only migrant and seasonal farm worker households are considered as destitute food stamp AGs who qualify for special income calculation procedures. These assistance groups at times have little or no income when they apply even though they will receive income later in the month of application. Destitute food stamp AGs are entitled to expedited service (refer to Chapter 800) and special income calculation procedures at application and at eligibility review, but only for the first month of each eligibility period.

2410.0214.01 Determining Destitute Status (FS)

The determination of destitute status is based on consideration of migrant or seasonal farm worker earned income which is from terminated and new sources. Procedures in 2410.0214.02 through 2410.0216.04 should be used to determine if these households meet destitute status.

2410.0214.02 Earned Income from a Terminated Source (FS)

Income received on a monthly or more frequent basis is considered as coming from a terminated source when it is not received from the same source during the balance of the month of application or during the following month.

For example, if income is received on a quarterly basis (e.g., pay dates are January 1, April 1, July 1, and October 1) and the AG applies in mid-January, the income should not be considered as coming from a terminated source merely because no further income will be received in the balance of January or in February. In this situation the income would be from a terminated source if it is not anticipated to be received in April.

AGs whose only income is from a terminated source are considered destitute and must be provided expedited service if they also meet destitute asset criteria for expedited service. Refer to Chapter 600.

2410.0214.03 Earned Income from a New Source (FS)

Migrant or seasonal farm worker households whose only income for the month of application is from a new source will be considered destitute and provided expedited services. Income is considered to be from a new source if no more than \$25 has been received from that source within 30 days prior to the date of application or by the tenth calendar day after the date of application.

Income also is from a new source if it is received less often than monthly and no more than \$25 has been received from the source within the last normal interval of payments. For example, if the AG applies early in January and is expecting to be paid every three months starting in late January, the income is from a new source if no more than \$25 was received from the source during the preceding October or up until the date of application.

AGs whose only income is from a new source are considered destitute and must be provided expedited service if they also meet destitute asset criteria for expedited service. Refer to Chapter 600.

2410.0214.04 Earned Income from Terminated Sources and New Sources (FS)

Migrant and seasonal farm worker households at times receive income from both a terminated source prior to the date of application and from a new source subsequent to the date of application. They will still be considered destitute if they receive no other income in the month of application and no more than \$25 will be received from the new source by the 10th day after the date of application.

AGs whose only income is from both a terminated source and a new source are considered destitute and must be provided expedited service if they also meet destitute asset criteria for expedited service. Refer to Chapter 600.

2410.0214.05 Changing Jobs/Destitute Households (FS)

An individual who changes jobs but continues to work for the same employer will be considered as receiving income from the same source. A migrant farm worker's source of income will be considered the grower for whom the migrant is working at the particular time and not the crew chief. As the migrant moves from one grower to another with the same crew chief, the migrant will be considered to have moved from a terminated income source to a new income source.

2410.0216.01 Special Budgeting Procedures for Destitute AGs (FS)

The following passages include special budgeting procedures for destitute food stamp AGs.

2410.0216.02 Month of Application (FS)

The eligibility and benefits of destitute AGs for the month of application will be based only on that income which is received from the first of the month through the date of application. Any income which is anticipated from a new source after the date of application must be disregarded in the budget for the month of application. This income must be budgeted beginning the subsequent month.

2410.0216.03 Travel Advances for Destitute AGs (FS)

Monies advanced by the employer to cover new employees' costs of traveling to the location of their employment will be excluded in the determination of destitute status to the extent that this money is excluded as reimbursements. Wage advances covered by contract are counted as income. However, they are excluded from the determination of destitute status.

For example, an AG applies on August 10, has received a \$50 advance for travel from its new employer on August 1 which by written contract is an advance on wages, and will not receive any additional wages from the employer until August 31. In this example, the AG shall be considered destitute. The August 31 payment shall be disregarded, but the wage advance prior to the date of application shall be counted as income.

2410.0216.04 New Source Income at Redetermination for Destitute AGs (FS)

At redetermination, income from a new source shall be disregarded in determining destitute status in the first month of the new eligibility period if income of more than \$25 will not be received from this new source by the 10th calendar day after the AG's normal issuance pick-up date.

2410.0300 INCOME DISREGARDS (FS)

This section presents policy on food stamp disregards. A disregard is defined as a deduction from income.

2410.0301 Disregards and Vendor Payments (FS)

A food stamp disregard cannot be allowed for any expense which, is paid in full by a vendor payment.

2410.0302 Earned Income Disregard (FS)

Twenty percent of the assistance group's gross earned income will be deducted as the earned income disregard. Unearned income is not subject to this disregard.

2410.0303 Standard Disregard (FS)

Each food stamp assistance group is allowed a standard disregard. Refer to Appendix A-1 for the amount of the disregard.

2410.0323 Dependent Care Disregard (FS)

Actual costs for the care of a child or other dependent may be allowed, as billed, if verified according to requirements. The costs are allowed when:

1. it is necessary for a household (standard filing unit) member to accept or continue employment,
2. a household (standard filing unit) member seeks employment in compliance with the job search criteria (or an equivalent effort by those not subject to the job search), or
3. a household (standard filing unit) member attends training or pursues education preparatory to employment.

Kindergarten expenses are not allowed as dependent care expenses since kindergarten is mandatory in Florida. Transportation to and from the dependent care provider cannot be allowed as a dependent care expense. Use the most recent consecutive four weeks of dependent care paid if representative and use the appropriate conversion factor. If not representative, use the best available information.

No dependent care amount paid by vendor payment is allowed as a deduction.

A child care expense which is provided to the parent as a reimbursement or paid directly to the vendor by the Job Opportunities and Basic Skills Training (JOBS) Program or the Transitional Child Care (TCC) Program are not deductible. If the individual pays an amount exceeding that which is vendored, they may receive a deduction for that amount.

If a student has money “earmarked” for child care in a Title IV educational grant under “miscellaneous personal expenses” the entire child care amount is excluded from the grant as an educational expense as it is considered a reimbursement. If the amount the student pays for child care exceeds the “earmarked” amount, only the amount that exceeds the earmarked amount may be used as a child care deduction. Amounts exceeding the earmarked amount in the grant must be verified if the student wishes to use the amount as a deduction.

If a standard filing unit incurs attendant care costs that could qualify under both the medical disregard and dependent care disregard, the case manager must treat the cost as a medical expense.

2410.0324 Verification of Dependent Care Expenses (FS)

An assistance group's (AG's) dependent care expenses must be verified any time the monthly expense exceeds \$200 per child. If the individual fails to provide verification of the dependent care expense exceeding \$200, the AG is only eligible for a \$200 per child deduction.

2410.0329 Child Support Deduction (FS)

A deduction for child support paid to a non-AG member may be allowed in determining food stamp eligibility and benefits. The passages in this section provide instruction in determining what is allowed as this deduction, the amount of the deduction and verifying the obligation and payment.

2410.0330 Legal Obligation for Child Support (FS)

Only child support payments that are legally obligated to a non-AG member may be allowed as a deduction in the food stamp budget. The legal obligation to pay child support results from a court or administrative order, or a legally enforceable separation agreement. Payments by the non-custodial parent (NCP) to obtain health insurance for the child(ren) may be allowed when paid from money that would otherwise be a part of the court/administrative ordered payment or when the court/administrative order specifies that the NCP must obtain the health insurance. Note that court fees for collection and disbursement of court ordered support are not allowed as a part of the child support deduction.

Payments for alimony or payments made in addition to the legal obligation - except arrearages - are not allowed as a child support deduction.

2410.0331 Request to Budget the Deduction (FS)

The legally obligated child support payment will be budgeted only after a request is received from the Non-Custodial Parent (NCP) that the deduction be allowed. This request may be made by the NCP at certification/recertification (when AFDQ and AFDP screens are completed in the interactive interview) or may be requested within the certification period. When the NCP makes the request, the information that he is potentially eligible for this deduction is known to the Department and verification must be requested of the amount that is paid prior to budgeting the expense in the food stamp budget.

The information regarding payment (income) to the custodial parent (CP) is considered to be known to the agency at the time reported by the NCP and verified. If the CP is receiving food stamps, it is appropriate to contact the CP's eligibility specialist and inform him of the CP's child support income. The CP's eligibility specialist must take action to budget the child support or overpayment may exist. The CP's eligibility specialist must take action to use the verified amount paid by the NCP to budget child support. Unless the support is paid through the court or is state collected, the CP may dispute the amount claimed by the NCP and should be given an opportunity to rebut the NCP's claims. Additionally, CSE should be informed of this payment so that they can take the necessary steps to establish state collection of the child support.

Document the case on CLRC of notifications and actions taken regarding child support.

2410.0332 Determining the Deduction Amount (FS)

Once the legal obligation has been established, the amount of child support payment to be budgeted must be determined. The legally obligated amount, including arrearages and payments to obtain court ordered health insurance coverage for the child(ren), will be allowed in determining the amount of the deduction. Additionally, child support payments made to a third party (e.g., a landlord or utility company) on behalf of the CP in accordance with a court or administrative order shall be included in the child support deduction. The amount of the payments which is allowed as a deduction in the food stamp budget may not exceed the legal obligation unless the excess amount is being paid against past child support debt (arrearage).

Health insurance costs as a result of a legal obligation to provide health insurance can be allowed as a deduction only when there is an actual out-of-pocket expense due to providing the insurance. If the NCP has a family coverage policy and adding the child(ren) for whom child support is provided does not increase the cost of the policy, no deduction for providing the coverage can be allowed.

Important: A three month (twelve week) average of child support payments will be used to determine the amount of the deduction to be allowed. The average over this period will be obtained based on the frequency of payment, i.e., weekly, biweekly, twice a month or monthly. The eligibility specialist must consider any anticipated changes in the legal obligation or other changes that may affect the amount paid. Care must be taken not to allow more than the legally obligated monthly amount unless the excess is toward a verified arrearage.

If, at the time of application or of initially allowing the deduction, the NCP does not have a three-month record of payment, the eligibility specialist will base the deduction allowed on anticipated payments, exclusive of payments toward arrearages.

2410.0333 Changes in the Obligation/Payment (FS)

The non-custodial parent is required to report changes in the legal obligation (court order) to pay child support within 10 days.

The non-custodial parent is not required to report changes in the actual payments made during the current certification period. However, at the next certification action, the AG in which the non-custodial parent is included must report any change in payment and the eligibility specialist must verify and budget the change(s).

2410.0334 Verification of Obligation/Payment (FS)

Before we can allow the deduction, the AG must provide verification of the legal obligation by providing a copy of a court or administrative order, or staff may access electronic Child Support Enforcement (CSE) information on the following FLORIDA screens: AIAC, FMCA, IICH, QUAP, QUCP, FMCH, FMCS and IICM. The AG must also verify that the child support payments are being made, as documents verifying the AG's legal obligation to pay child support do not provide verification of actual child support payments.

When the non-custodial parent (NCP) claims an arrearage as a part of his child support payment, the payment of the arrearage must be verified. We cannot allow the arrearage payment as part of the deduction if we counted the money involved in the arrearage payment as a regular child support payment.

The actual payment of child support and the amount paid must be verified before the deduction can be allowed and at each recertification. Acceptable forms of verification for the actual payment of child support include, but are not limited to:

1. canceled checks,
2. wage withholding statements,

3. verification of withholding from unemployment compensation checks,
4. records in the Clerk of the Court's office,
5. statements from the custodial parent (CP) regarding direct payments or third party payments the NCP makes or expects to make to the CP, or
6. electronic FLORIDA CSE screens.

NCPs or AGs who fail or refuse to obtain necessary verification of their legal obligation and of the actual amount paid for child support will have their eligibility and benefit level determined without consideration of a child support deduction. The eligibility specialist may offer to assist in obtaining documentary evidence in situations where it is difficult or impossible for the NCP to obtain the necessary verification.

2410.0335 Shelter Costs Disregard (FS)

Monthly shelter costs in excess of 50 percent of the assistance group's income after all other allowable expenses are deducted, is an allowable deduction, up to the maximum in Appendix A-1.

Certain assistance groups shall be allowed an excess shelter disregard for the monthly cost that exceeds 50 percent of the assistance group's income after all other allowable disregards, with no maximum applied. These assistance groups are those that contain at least one individual who is elderly or disabled as defined below:

1. is 60 or over, or will be 60 by the last day in the month of application;
2. receives SSI benefits, under Title XVI;
3. receives disability and blindness payments under Title I, II, X, XIV, XVI of the Social Security Act;
4. receives federal or state supplemental benefits provided eligibility to receive benefits is based on criteria as stringent as Title XVI of the Social Security Act;
5. receives federal or state administered supplemental benefit under section 212(a) of P.L. 93-66;
6. receives disability retirement benefits from a government agency because of a permanent disability under section 221(i) of the Social Security Act;
7. is a veteran with a service connected or non-service connected disability rated or paid as total under Title 38 of the United States Code, or is considered in need of regular aid and attendance, or permanently housebound under such title of the code;
8. is a veteran's surviving spouse and is considered by the VA in need of aid and attendance or permanently housebound;
9. is a veteran's surviving child considered to be permanently incapable of self-support under Title 38 of the United States Code;
10. is a veteran's surviving spouse or child receiving or approved to receive compensation due to the veteran's service connected death under Title 38 of the United States Code and who has a disability considered permanent under Section 221(i) of the Social Security Act, or receiving or approved to receive pension benefits for a non-service connected death under Title 38 of the United States Code and who has a disability considered permanent by SSA;

11. receives an annuity payment under the Railroad Retirement Act of 1974, section 2(a)(1)(iv) and determined eligible to receive Medicare or to be considered disabled under Railroad Retirement Act, Section 2(a)(i)(v), based on criteria used under Title XVI of the Social Security Act;
12. receives interim assistance benefits pending receipt of SSI, receives medical assistance based on disability under Title XIX of the Social Security Act, or receives disability based state general assistance benefits provided that the eligibility to receive those benefits is based on criteria as stringent as those under Title XVI of the Social Security Act; or
13. receives disability retirement under the Federal Employee Compensation Act (FECA) which is due to the individual opting to receive FECA benefits because they are higher than Civil Service Retirement benefits (the disability must be considered permanent under Section 221(i) of the Social Security Act).

2410.0336 Shelter Costs Included (FS)

Shelter costs are computed on an as-billed, rather than an as-paid basis. Shelter costs shall include only the following:

Continuing charges for the shelter occupied by the assistance group:

1. Rent or mortgage;
2. Mandatory maintenance or membership fees for a condominium or an apartment, even if not itemized and inclusive of services not normally considered shelter costs;
3. Loan repayments for the purchase of a mobile home, including interest on such payments;
4. Loan repayments for a down payment loan or second mortgage.

Non-continuing charges:

1. Property taxes,
2. State and local assessments;
3. Insurance on the structure or the structure and contents if it is verified that the costs cannot be separated in the premium.
4. Shelter costs for the home if temporarily unoccupied by the assistance group because of employment or training away from home, illness, or abandonment caused by a natural disaster or casualty loss are allowable. The assistance group must intend to return to the home and the current occupants of the home, if any, must not be claiming the shelter costs for food stamp purposes. The home must not be leased or rented during the absence of the assistance group.
5. Charges for the repair of the home which was damaged or destroyed due to a natural disaster that will not be reimbursed by private or public relief agencies, insurance companies or from any other source; rebuilding payments and payments on the lot when the home is completely destroyed, provided the assistance group intends to return; rebuilding and lot payments are allowed in addition to shelter expenses incurred at the temporary residence.

2410.0337 Verification of Shelter Costs (FS)

The individual's statement is acceptable verification of shelter and utility expenses unless questionable. If questionable the expenses must be verified.

2410.0344 Standard Utility Allowance (FS)

The standard utility allowance (refer to Appendix A-1) is available only to assistance groups who:

1. incur a heating or cooling expense separate and apart from their rent or mortgage;
2. receive direct or indirect assistance greater than \$20 annually under the Low Income Home Energy Assistance Act (LIHEAP); or
3. live in private rental housing and are billed by their landlords on the basis of individual usage or are charged a flat rate separately from their rent for heating or cooling.

An assistance group, which incurs a heating or cooling expense on an irregular basis, may continue to use the standard utility allowance between billing periods. For example, an assistance group who heats with electricity three months a year is allowed the standard utility allowance year-round. An assistance group who buys fuel oil once a year to heat is allowed the standard utility allowance year-round.

A cooling expense is a verifiable utility expense related to the operation of air conditioning systems or room air conditioners.

Note: If the assistance group has only one utility expense and that utility is for heating and cooling, they may receive the SUA.

2410.0345 Basic Utility Allowance (FS)

The basic utility allowance (refer to Appendix A-1) is available to assistance groups who do not incur a heating or cooling expense, but incur a utility expense, separate and apart from their rent or mortgage. This includes:

1. households who do not incur heating or cooling costs but pay for other utilities such as electric, fuel, water, sewer, or garbage pickup,
2. residents of rental housing who are billed for actual usage or are billed a flat rate for utilities (other than heating or cooling) separately from their rent, and
3. households who share a meter but do not incur heating or cooling costs.

2410.0346 Telephone Standard (FS)

The telephone standard (refer to Appendix A-1) is available to assistance groups who have only a telephone expense. If an assistance group wishes to use either the standard utility allowance or the basic utility allowance, a separate telephone allowance is not allowed.

2410.0347 Expectation of Utility Expenses (FS)

An assistance group expecting to incur a utility expense within the next 12 months will be allowed the appropriate utility standard. Under these circumstances, entitlement to the disregard may be verified by documenting the assistance group's past pattern of energy use. This can be done by documenting the assistance group has the ability to incur expenses which will entitle it to a deduction. For example, an assistance group that does not incur a heating expense, but does use an air conditioner in the summer months is eligible for the standard utility allowance year-round. If the assistance group has moved and has not established a pattern of energy use, the eligibility specialist will verify whether or not the assistance group is entitled to a utility allowance based on their ability to incur a qualifying utility expense in the next 12 months. Proof of a deposit to a utility company is acceptable verification that the assistance group has the ability to incur a utility expense. The AG should verify the utility that entitles them to the SUA.

2410.0348 Changes between Different Utility Allowances (FS)

An assistance group's eligibility for a particular utility allowance should reflect changes in the assistance group's circumstances. For example, if an assistance group reports they no longer incur a heating or cooling expense, but still have a utility expense other than a telephone, the eligibility specialist will replace the standard utility allowance with the basic utility allowance. The

AG may be required to verify that they incur a utility expense if the utility has not been previously verified or if they have moved.

2410.0349 Multiple Assistance Groups Sharing Utilities (FS)

If the dwelling has the ability to incur a heating or cooling cost, the full SUA is allowed for each AG that shares in any of the utility costs of the dwelling.

Residents of public housing that share a central meter and are charged only for excess heating or cooling costs are entitled to the full SUA.

If more than one AG shares in paying non-heating or cooling utility costs of the dwelling, the full BUA will be allowed for each AG sharing in the utility costs.

If more than one AG shares in paying the telephone expense and that is the only utility expense of the dwelling, the full phone standard will be allowed for each AG sharing in the telephone expense.

2410.0350 Separate Residences Sharing One Utility Meter (FS)

When separate dwellings share one utility meter, the dwelling billed by the utility company is entitled to claim the standard utility allowance if they incur heating or cooling costs. If the dwelling billed by the utility company has no heating or cooling expense but has other utilities, they will, be able to claim the basic utility allowance. All other dwellings sharing the meter will, based on their circumstances, claim either the standard utility allowance, the basic utility allowance, or the telephone standard.

2410.0351 Verification of Utility Expenses (FS)

Verification of utility expenses is required in accordance with the following provisions. Utilities must be verified on a one time only basis unless the assistance group has moved or reported a change that would potentially affect the utility allowance considered in the budget.

Standard Utility Allowance: The case record must contain verification of the utility used to incur the heating or cooling expense. If verification of the utility used for heating or cooling is not available due to the season, or because the assistance group has not lived in the residence long enough to incur the expense, refer to passage 2410.0347.

To obtain the SUA, the AG must verify the ability to incur heating or cooling costs. If verification is not received within 30 days, the eligibility specialist must determine the assistance group's eligibility and allotment without allowing the standard utility allowance. Record on CLRC the individual's failure to verify an expense resulted in the expense not being allowed in the food stamp budget. If the AG has verified other expenses, the eligibility specialist may allow the basic utility allowance, or telephone standard.

Basic Utility Allowance: To use the basic utility allowance in computing the budget, the eligibility specialist must make an entry on CLRC to state the assistance group does not incur a heating or cooling expense but does incur utility expenses. The case record must contain verification of other utility expenses. If verification of utility expenses is not available due to the billing cycle, or because the assistance group has not lived in the residence long enough to incur the expense, refer to paragraph 2410.0347.

If verification is not received within 30 days, the eligibility specialist must determine the assistance group's eligibility and allotment without allowing the basic utility allowance. Record on CLRC the individual's failure to verify a specific utility expense resulted in the expense not being allowed in the food stamp budget.

Telephone Standard: To use the telephone standard in computing the budget, the eligibility specialist must make an entry on CLRC to state the assistance group incurs only a telephone expense. The case record must contain verification of the telephone expense. If verification of a telephone expense is not available because the assistance group has not lived in the residence long enough to incur the expense, refer to passage 2410.0347.

If verification is not received within 30 days, the eligibility specialist must determine the assistance group's eligibility and allotment without allowing the telephone standard. Record on CLRC the individual's failure to verify a telephone expense resulted in the expense not being allowed in the food stamp budget.

Deposit Receipt: A utility deposit receipt is acceptable verification that an assistance group incurs an expense for that particular utility.

Utility Expenses for an Unoccupied Home: The utility expenses of a home temporarily unoccupied because of employment or training away from the home, illness, or abandonment caused by a natural disaster or casualty loss are allowable. For expenses to be allowed, the assistance group must intend to return to the home and the current occupants of the home, if any, must not be claiming the shelter expenses for food stamp purposes. In addition, the home must not be leased or rented to another individual or family during the temporary absence of the assistance group. Verification as outlined above is required to claim the appropriate utility allowance.

The assistance group is not entitled to claim utility expenses in both their present setting and the unoccupied home. The eligibility specialist will include the greater of the two shelter expenses in the food stamp budget.

2410.0352 Homeless Income Deduction (FS)

A homeless income deduction may be allowed for assistance groups in which all members are homeless and they do not receive free shelter throughout the calendar month. (Refer to food stamp allowances on page A-3.1 for the appropriate standard). All homeless households, which incur or reasonably expect to incur shelter costs during a calendar month, shall be eligible for the homeless income deduction unless higher expenses are verified. This deduction will be subtracted from the net income in determining eligibility and allotment. Homeless households, which incur no shelter costs during the calendar month, will not be eligible for the homeless income deduction. Should the homeless AG decide to verify actual shelter costs and claim their shelter costs in the eligibility determination, the homeless income deduction cannot be budgeted.

2410.0353 Excess Medical Expenses (FS)

A disregard will be allowed for a portion of non-reimbursable medical expenses, excluding special diets, incurred by any assistance group individual who:

1. is 60 or over or will be 60 by the last day in the month of application;
2. receives SSI under Title XVI of the Social Security Act, including individuals receiving emergency SSI benefits based on presumptive eligibility (must be actually receiving payments);
3. receives SSA disability and blindness benefits (must be actually receiving payments) under Titles I, II, X, XIV or XVI of the Social Security Act or receives medical assistance based on disability under Title XIX of the Social Security Act or receives disability-based state general assistance. (These individuals are considered disabled provided the disability criteria are as stringent as those under Title XVI of the Social Security Act.);

4. is a veteran with a service connected or non-service connected disability rated or paid as total under Title 38 of the United States Code, or considered in need of regular aid and attendance, or permanently housebound under such title of the code;
5. is a veteran's surviving spouse considered in need of aid and attendance or permanently housebound;
6. is a veteran's surviving child considered to be permanently incapable of self-support under Title 38 of the United States Code;
7. is a veteran's surviving spouse or child receiving or approved to receive compensation due to the veteran's service connected death under Title 38 of the United States Code and who has a disability considered permanent by SSA, or receiving or approved to receive pension benefits for a non-service connected death under Title 38 of the United States Code and who has a disability considered permanent by SSA;
8. receives federally or state administered supplemental benefits under Section 1616(a) of the Social Security Act provided that the eligibility to receive benefits is based upon the disability or blindness criteria used under Title XVI of the Social Security Act;
9. receives federally or state administered supplemental benefits under Section 212(a) of Public Law 93-66;
10. receives disability retirement benefits from a governmental agency because of a disability considered permanent under Section 221(i) of the Social Security Act;
11. receives an annuity payment under Section 2(a)(1)(iv) of the Railroad Retirement Act of 1974 and is determined to be eligible to receive Medicare by the Railroad Retirement Board, or Section 2(a)(i)(v) of the Railroad Retirement Act of 1974, and is determined to be disabled based on the criteria used under Title XVI of the Social Security Act; or
12. receives disability retirement under the Federal Employee Compensation Act (FECA) which is due to the individual opting to receive FECA benefits because they are higher than Civil Service Retirement benefits (the disability must be considered permanent under Section 221(i) of the Social Security Act).

Spouses or other individuals receiving benefits as dependents of the SSI or disability and blindness individuals are not eligible to receive this medical disregard unless they themselves are disabled or aged.

2410.0354 Medical Expenses-Group Home Residents (FS)

The amount of medical expenses paid for by a resident of a group home for the aged, blind or disabled shall be allowed as a medical expense in the food stamp budget if it can be separately identified. However, if the amount the resident pays for room and medical care cannot be separately identified, no deduction is allowed for either shelter or medical expenses.

Refer to Chapter 2200 for information on computing the shelter costs for residents of group homes.

2410.0355 Allowable Medical Expenses (FS)

Allowable medical expenses are:

1. Medical and dental care, including psychotherapy and rehabilitation services provided by a licensed practitioner authorized by state law, or by other qualified health professional.

2. Hospitalization or outpatient treatment, nursing care, and nursing home care provided by a facility recognized by the state (an assistance group (AG) would continue to be eligible for an excess medical adjustment for the medical expenses of a former individual who is 60 or over or receives SSI or Social Security disability even after that individual becomes hospitalized, institutionalized or dies if the remaining AG individuals are legally responsible for payment of the expenses).
3. Prescription drugs when prescribed by a licensed practitioner authorized under state law, and other over-the-counter medication (including insulin), medical supplies, sickroom equipment (either rented or purchased), or other prescribed equipment when approved by a licensed practitioner or other qualified health professional.
4. Dentures, hearing aids, and prosthetics.
5. Eyeglasses or contact lenses prescribed by a physician skilled in eye disease or by the optometrist.
6. Health and hospitalization insurance policy premiums. If the insurance policy covers more than one AG individual, only that portion of the medical insurance premium assigned to the AG individual(s) eligible for the medical deduction may be allowed. In the absence of specific information on how much of the premium is for an AG individual eligible for a medical deduction, proration may be used to determine the amount to be allowed.
7. Medicare premiums related to coverage under Title XVIII of the Social Security Act, any cost sharing or spend down expenses incurred by Medicaid individuals.
8. Securing and maintaining a certified service animal, including the cost of dog food and veterinarian bills.
9. Reasonable cost of transportation and lodging to obtain medical treatment or services. Count the actual costs of transportation to get medical treatment or services, including costs of travel to buy medicine. If the actual cost of transportation is unknown, use the current mileage allowance in effect for state employees.
10. Maintaining an attendant, homemaker, home health aide, or child care or housekeeper services if necessary due to age, infirmity, or illness. In addition, an amount equal to one individual benefit shall be considered a medical expense if the AG furnishes the majority of the attendant's meals. The benefit for this meal related expense shall be that in effect at the time of certification. The benefit amount for this deduction will be updated at the next certification. If an individual incurs attendant care costs that could qualify under both the medical deduction and dependent care deduction, the eligibility specialist shall treat the cost as a medical expense. If the expense is incurred for more than one individual, and only one of those individuals qualifies for a medical deduction, consider as a medical expense only that portion which can be identified as such. If the amount cannot be separately identified, the entire amount shall be prorated among those individuals for whom care is provided, and the portion considered as a medical expense shall be the prorated amount attributed to the individual(s) who qualifies for the expense as a medical adjustment.
11. Companion phone service may be allowed as a medical necessity if a doctor's statement is obtained to that effect. The fact that the individual receives SSD or SSI in itself does not mean that it is a medical necessity. The individual may be billed for this service (separate from his regular phone service) yearly or on a monthly basis. If the individual has other medical bills it may be to the overall advantage to include the monthly charge.

Note: The cost of health and accident policies such as those payable in lump sum settlements for death or reimbursement, or income maintenance policies such as those that continue mortgage or loan payments while the beneficiary is disabled, are not deductible.

2410.0356 \$35 Medical Disregard (FS)

Prior to allowing a medical disregard, \$35 must be deducted from the allowable expenses. The \$35 is deducted monthly, not just one time. Therefore if averaging expenses, average first, then add to get the monthly total, then subtract the \$35 from the total monthly expenses.

2410.0357 Normally Recurring Medical Expenses (FS)

Normally recurring medical expenses shall be calculated based on medical expenses for which the assistance group (AG) expects to be billed or otherwise have due during the certification period less any expected reimbursements. Anticipation of medical expenses shall be based on the most current bill if it is the best indication of the anticipated expense. A history of past medical expenses can be used to anticipate continuing expenses. If past prescriptions and other medical expenses are obtainable, they may be used to average monthly costs if the expenses are expected to continue.

The eligibility specialist can determine if they are anticipated by:

1. public or private medical insurance coverage,
2. discussion with the individual,
3. knowledge of the type of illness the individual has,
4. past history, including current verified medical expenses, and/or
5. contact with the doctor if necessary.

If the AG is reasonably certain that a change will occur, the anticipated expense will be based on the best available information.

AGs anticipating that they will incur a medical expense several months into the certification period and providing adequate verification at the time eligibility is determined can have the expense averaged over the entire certification period. One-time changes reported during a certification period will be allowed as a one-time expense in the amount billed or due or averaged over the remainder of the certification period at the AG's option.

2410.0358 Fluctuating Medical Expenses (FS)

If normally recurring medical expenses fluctuate monthly but are anticipated for the certification period, average expenses over the certification period. If billed or due less often than monthly, average over the period between scheduled billings. When a normally recurring medical expense begins during the certification period, the expense, less reimbursements, is allowed beginning with the month the change would be effective.

2410.0359 Amounts of Medical Expenses Carried Forward/Changes (FS)

Amounts carried forward from past billing periods are deductible if included with the most recent billing and will actually be paid by the assistance group (AG). These bills may be deductible only if they have not been included as medical expenses in the past.

The recipient may report a change in a previously included medical expense such as increased Medicare or prescription costs.

Example: Rx was \$50 monthly but is now \$65 monthly. The eligibility specialist will add the additional \$15 to the existing expense.

Changes which are discovered from a third party (e.g., Medicaid) will be acted upon only if considered verified upon receipt and they can be acted upon without contacting the AG for

additional information or verification. If the change requires contact with the AG, the change will not be acted upon during the certification period.

2410.0360 One-Time Medical Expense (FS)

For prospective budgeting and beginning months, one-time medical expenses might, in some instances, be anticipated.

If anticipated and verified prior to certification, the assistance group (AG) is eligible for the medical disregard and has the option of deducting the full amount, less reimbursements, in the month billed or due, or averaging the amount due over the certification period.

If the AG reports that a one-time medical expense is anticipated during the upcoming certification period but fails to verify prior to certification, the expense is allowable during the month in which it was verified.

Sometimes averaging brings the total to less than \$35 per month. When this happens, the total medical expenses (less \$35) can be added in the budget for the first available month not posted and removed the next month.

If an AG which is not currently eligible (that is, initially applying or applying after the certification period has expired) makes application and reports a one-time medical expense, only the currently existing balance due at the time the expense is reported can be considered. This amount is allowable in the month in which the expense is verified.

If an unanticipated one-time medical expense is reported, the expense is allowable in the certification period in which it is verified.

2410.0361 Loans for Medical Expenses (FS)

If a loan is obtained to pay a one-time medical expense, the monthly payments, minus interest, are an allowable medical expense. These payments may be allowed in the month that they are due or the total medical expense may be deducted according to ongoing policy.

Example: An elderly individual incurs a one-time medical expense in April, reports this expense and provides verification in the same month. A loan, to be paid in monthly installments over a two year period, is obtained to pay the full medical bill in April. The expense may be allowed in the month in which verified or the assistance group has the option of deducting the loan repayments over the two year period.

Medical expenses billed through charge accounts are considered billed when the charge account statement is received. Charge account expenses, such as interest, would not be allowable as part of the medical expense.

2410.0362 Verification of Medical Expenses (FS)

The amount of any medical expense shall be verified prior to certification provided the expense would actually result in a disregard. If a portion of the expense is reimbursable, the amount to be reimbursed must be verified before the non-reimbursable portion can be allowed. If verification will delay eligibility, the assistance group (AG) shall be advised that its allotment may be determined without allowing the expense. Verification requiring contact with the AG will occur only at initial certification and recertification of eligibility unless the AG requests a change in medical expenses by providing information as to new or changed (newly reported) medical expenses.

If medical expense or anticipated medical expense is reported at certification or recertification but verification is not provided at that time, the medical deduction will not be budgeted. However, when the verification is provided during the certification period, the household will then be allowed

the medical deduction. The household will not be provided retroactive medical expenses deduction from the time of certification.

Verification of other factors such as the allowable services provided or the eligibility of the individual incurring the cost shall be required if questionable. When the AG reports a change in medical expenses during the certification period, the expenses must be verified if the source changes or the amount of change results in an increased allotment.

In verifying medical expenses due to an anticipated change, the AG may be unable to provide an exact moment in time and cost associated with the change. A best estimate from the provider(s) as to when the treatment or service will occur and of the cost may be the most accurate verification available. In determining what to accept as verification, the eligibility specialist must use good judgment and, if necessary, consult the supervisor. Expenses so anticipated will require no additional reporting or verification at the time the change in medical expenses actually occurs. The AG may report changes during the certification period, but will not be required.

2410.0363 Student Earned Income Disregard (FS)

The earned income of any assistance group member who is under age 18, who is an elementary or secondary school student (middle school or high school), and who lives with a natural, adoptive, or stepparent or under the parental control of a household member other than a parent is excluded. This exclusion continues during semester or vacation breaks, if the student plans to return to school following the break.

For purposes of this income disregard, a student is someone who attends elementary or secondary school or who attends classes to obtain a GED in a program that is recognized, operated or supervised by a state or local school district, or who attends classes through an approved home school program supervised by a state or local school district.

If the amount of the student's earnings or work performed cannot be distinguished from that of other assistance group members, the total income is prorated equally among the working members and the student's share is excluded from consideration as income in the food stamp budget.

If the student turns 18 years of age or graduates from high school during the certification period, the earnings will be included as income in the month following the month of the 18th birthday or month of graduation. Verification that the student under age 18 is attending elementary or secondary school is required.

2410.0400 RIVERSIDE (FS)

When TCA is decreased or terminated due to the recipient's failure to meet a program requirement, food stamps cannot increase. Riverside policy does not apply when cash assistance is reduced as the result of an agency error.

The eligibility specialist will calculate food stamps using the TCA benefit amount that would have been issued if the failure to meet program requirements had not occurred.

Once imposed, a Riverside penalty continues until the failure to meet program requirements is cured, the recipient is no longer eligible for TCA, or the recipient states they no longer wish to receive assistance.

Changes resulting from circumstances not related to the recipient's failure to meet a requirement of TCA will be processed in accordance with current policy. The "phantom grant" will be recalculated when a change is reported that would result in a change in the TCA amount except when someone moves into the home. The eligibility specialist is required to provide notice any

time benefits change. When the TCA is originally reduced for non-compliance, a 10-day notice is provided. If the recipient requests a fair hearing for TCA within 10 days of receiving this notification and TCA benefits are continued pending the hearing decision, no reduction in TCA will be implemented and the Riverside penalty will not be applied until the hearing is completed.

2410.0405 Disqualifications and Benefit Recovery (FS)

The following Food Stamp Program disqualifications apply:

1. Disqualification Penalty for Intentional Program Violation: An individual found guilty of an intentional program violation will be ineligible to participate in the Food Stamp Program for a period of one year for the first offense, two years for the second offense and permanently for a third offense.
2. Permanent Disqualification for Food Stamp Trafficking Conviction of \$500 or More: An individual who is found guilty of trafficking food stamps in the amount of \$500 or more will be permanently disqualified from participation in the Food Stamp Program.
3. Disqualification for Fraudulent Receipt of Multiple Program Benefits: An individual shall be ineligible to participate in the Food Stamp Program as a member of any household for 10 years if the individual is found by a state agency to have made, or is convicted in a Federal or state court of having made, a fraudulent statement or representation with respect to identity and residence in order to receive multiple benefits simultaneously from the Food Stamp Program. An example of this could be individuals who live in border towns between Florida, Alabama and Georgia and receive benefits in two or more states simultaneously.
4. Disqualification for Fleeing Felons: An individual who is otherwise eligible to participate in the Food Stamp Program and is a fleeing felon or probation violator is ineligible for food stamps as long as they are in that status.
5. Disqualification for Purchasing Illegal Drugs with Food Stamp Benefits: An individual found by a Federal, state or local court to have used or received food stamps in a transaction involving the sale of a controlled substance shall be disqualified for two years for the first finding and permanently for a second such finding.
6. Disqualification for Drug Trafficking: An individual who has been determined guilty on or after 7/1/97, by a Federal, state or local court of a drug trafficking felony including agreeing, conspiring, combining, or confederating with another person to commit the act committed on or after 8/22/1996 is permanently disqualified from the Food Stamp Program. If the illegal behavior that lead to the conviction occurred on or before 8/22/96, the disqualification does not apply regardless of the date of the conviction. If a court expunges the felony drug trafficking conviction, the individual is not subject to the disqualification. The individual must provide proof of the expungement.
7. Disqualification for the Sale of Firearms, Ammunition, or Explosives: An individual found by a Federal, state or local court to have used or received food stamps in a transaction involving the sale of firearms, ammunition, or explosives shall be permanently disqualified from participation in the Food Stamp Program.

2410.0500 INCOME AVERAGING (FS)

Income averaging is a method used to adjust for fluctuations in income, as described in passages 2410.0501 through 2410.0509.

2410.0501 Averaging Fluctuating Income (FS)

To average income, the eligibility specialist must consider the assistance group's anticipation of monthly income fluctuations over the certification period. When averaging income, use the most recent consecutive four weeks or the best available information when it is representative of the individual's future earnings.

Example 1: At application, Mr. Smith provides the most recent consecutive four pay stubs from his job. He states he has not received any pay raises or significant changes in the number of hours he is working. As such, the eligibility specialist projects his future monthly earnings on an average of the four pay stubs he presented.

Example 2: At recertification, Mr. Smith provides the most recent consecutive four pay stubs from his job. The two more recent stubs indicate a \$1.00 increase in his hourly rate. Since he has had a change in his hourly rate, the eligibility specialist does not use all four pay stubs to project his future earning potential. Instead, the eligibility specialist uses the two pay stubs which are representative of his future earnings and averages these to project his monthly earnings.

2410.0502 When Income should be Averaged (FS)

When computing a budget, income should be averaged whenever it is received:

1. in differing amounts;
2. at varying periods;
3. from sources such as tips, commissions, and overtime;
4. at a regular rate and schedule of pay, but to cover time periods which vary; or
5. in any combination of the above, or any time the same amount is not received at the same time each month, resulting in the amounts to be budgeted varying from month to month.

2410.0503 Unearned Income (FS)

Unearned income such as contributions or child support payments may be averaged using the same procedures as for earned income.

2410.0504 Earned Income (FS)

A four week average is used when earned income is received more frequently than monthly; for example, weekly or biweekly. When income is received semimonthly, the computation is averaged based on the most recent available one month of pay (two semimonthly payments). When the income is received monthly, use the most recent one month pay if representative.

When using an average, use only the weeks in the average that represent the ongoing pattern of employment. For example, if the employee is out sick one week and received no pay, do not use that week in the average.

2410.0505 Less than a Four Week Average (FS)

When a shorter than four week average is to be computed, use the number of weeks available up to four at the new amount, to compute the revised average. When the applicant/recipient has just begun employment and only one full week's earnings are available or only the wage and hours are known, compute the budget based on the best information available. Contact may be made with the employer if necessary to confirm employment information. The reason for the less than four week average must be clearly reflected in the CLRC recordings.

2410.0506 Significant Breaks in Employment (FS)

If there are significant breaks of one week or more without pay and the breaks are not expected to recur at four week intervals, the breaks will be disregarded in computing the average. Such a break without pay might be due to illness, a death, vacation, employer leaving town, and the like.

When such breaks are part of the pattern of the applicant/recipient's employment, the weeks are taken into consideration in computation of the average (for example, construction workers).

2410.0507 Partial Week (FS)

When the applicant/recipient begins employment by working only a partial week, thus having lower wages for that week only, the initial partial week should not be included in the average used to compute the budgeted income. Additionally, if a partial week was worked due to illness, a death, vacation, etc., and these factors are not anticipated to recur within the future, these partial weeks should be omitted from the average as they are not reflective of future earnings. In this situation, the average may be based on three weeks or less.

2410.0508 Basis for Average (FS)

Requirements for documentation or verification of averaged income are the same as with any income as provided in Chapter 1800. It is important that the eligibility specialist base the average computation for ongoing employment on the actual gross income the applicant/recipient received for the particular time period, rather than on estimated wages and hours to be worked. When the applicant/recipient begins new employment, the eligibility specialist must determine whether the particular type of employment will result in irregular income. Although the employer may indicate on the documentation that the applicant/recipient is to work a set number of hours or days for a certain wage, the applicant/recipient may actually work varying hours. Base the initial budget on the amount the applicant/recipient is supposed to earn, usually one week's salary, or the employer's statement of wages.

2410.0509 Income More Often than Monthly (FS)

The following procedure to calculate the average of earned or unearned income received in varying amounts more frequently than monthly is the same for all programs:

1. Add the gross income amounts for the past four weeks to get the total.
2. If income is received weekly, add four pay periods and divide by four to get the weekly average.
3. If income is received biweekly, add two pay periods and divide by two to get the biweekly average.
4. If income is received semimonthly, add two pay periods and divide by two to get the semimonthly average.
5. If income is received monthly, use the most recent month if representative.

The result of the above is called the averaged amount. With the exception of monthly amounts, the averaged amount described above must be converted to a monthly amount.

Note: When an individual has just begun or terminated a job in the current month, a full month's income is not budgeted but only that amount received in the month or anticipated to be received.

2410.0600 ROUNDING (FS)

When it is necessary to divide because of averaging or prorating, round the resulting amount to the nearest cent as follows:

Step 1 - Perform the division to three decimal positions; that is, to three positions after the decimal point.

Step 2 - If the third decimal position is five to nine, round the amount to the next higher cent.

Step 3 - If the third decimal position is four or less, round the amount to the next lower cent (that is, drop the third decimal position).

2410.0601 Rounding Exception (FS)

When the food stamp benefit reduction (30% of the food stamp adjusted net income) is computed, the dollar and cent amount is always rounded up to the next whole dollar. Therefore, the benefit reduction, which is subtracted from the appropriate maximum allotment, is always a whole dollar amount.

2410.0700 INCOME CONVERSION (FS)

Most income is received more often than monthly; that is, it is received weekly, biweekly, or semimonthly. Since eligibility and benefit amounts are issued based on a calendar month, income received other than monthly is to be converted to a monthly amount.

The following conversion factors based on the frequency of pay are used:

Weekly income (once a week): Multiply by 4.3.

Biweekly income (every two weeks): Multiply by 2.15.

Semimonthly income (twice a month): Multiply by 2.

2410.0800 EXPLORING MANAGEMENT (FS)

Management is the comparison of the monthly income received and expenses paid by the applicant or recipient. In exploring eligibility, an applicant or recipient is required at a minimum to explain management during the month(s) of application or eligibility review, if questionable.

An applicant is required to explain management for the month(s) of application and may be required to explain management for months prior to the month of application. A recipient is required to explain management if questionable for the month of complete eligibility review and may be required to explain management during the certification period. An application cannot be rejected for failure to provide documentation of expenses paid in months prior to application; however, failure to explain management during the month(s) of application may result in denial of the application if eligibility cannot be determined.

When current paid expenses exceed acknowledged income, receipt of income from other possible sources must be explored by the eligibility specialist and verification or documentation secured by the individual, if indicated.

If the applicant or recipient cannot explain how the bills were paid, the case should not be denied or canceled solely on "management". However, the eligibility specialist must request that the applicant or recipient furnish additional information, that is, pend the case. Failure by the applicant or recipient to provide this information within the pending deadlines will result in the case being denied based on the fact that eligibility cannot be determined.

2420.0000 Temporary Cash Assistance

Once the eligibility specialist has determined the individual's assets (Chapter 1600) and income (Chapter 1800) according to policy, various budgets and tests must be executed to determine or redetermine eligibility. To determine how to calculate benefits, Chapter 2600 must be used.

2420.0100 INCOME LIMITS (TCA)

This section provides policy regarding the income limits for each of the public assistance programs.

The payment standard is compared to the SFU's countable income to determine eligibility for TCA.

2420.0200 BUDGETING (TCA)

Budgeting processes determine how benefits will be calculated for the month. Benefits for all programs are budgeted prospectively.

2420.0201 Prospective Budgeting (TCA)

Prospective budgeting is a method by which eligibility and benefit levels are based on the assistance group's composition and income circumstances as they exist in the month for which benefits are being calculated. This can be either a past, current or future month. When budgeting prospectively for a future month, the estimated anticipated income and circumstances may be based on what occurred in prior months if those months are considered representative of the assistance group's continued situation. Prospective budgeting may also be based on the amount the individual can anticipate to receive. When a budget is completed for a month that has already passed, the actual income and circumstances are used. A past month is defined as any month prior to the month of the interview. All assistance groups are subject to prospective budgeting.

2420.0204 Determining Monthly Income (TCA)

Several factors are involved in determining a gross amount of monthly income to be budgeted. These are anticipating and projecting income, averaging income, and converting the income to a monthly amount.

When income is received more often than monthly, it will be converted to a monthly amount. When averaging income, use the most recent consecutive four weeks or the best available information when it is representative of the individual's future earnings.

Note: Failure to receive paychecks at regularly scheduled times does not warrant changes in eligibility. For example: Panther Imports paid their employees on the 30th of each month. In July, they decided to pay the employees on the 3rd of the following month. As a result, employees received their July check on August 3rd. Even though no earnings were received in July we consider the August 3rd pay in the July budget as it was money intended for July.

2420.0206 Budgeting Methods (TCA)

The process of computing the amount of income to be considered in determining financial eligibility and the benefit amount is called "budgeting". When determining financial eligibility, one or more budget calculations will be completed. The best estimate of an assistance group's income and circumstances is used to determine the benefit amount. When determining benefits for a past month the AG's actual income and circumstances are used. The income is compared to the appropriate income limit to arrive at the benefit amount. See Appendix A-5 for income charts.

2420.0207.01 Budgeting for Subsequent Months (TCA)

Eligibility for a benefit is determined prospectively based on the individual's anticipated income and circumstances in the following month. Both technical and financial eligibility must be assessed. If eligible, the benefit must be based on the budget month's income and circumstances as known to the eligibility specialist at the time action is taken.

2420.0207.02 Removing an Individual's Needs (TCA)

If an individual in the assistance group is determined to be prospectively ineligible for the following month, his needs must be removed the following month. If it is not possible to give a 10 day advance notice to cancel or reduce the benefit for the following month, an overpayment will exist for the first month in which 10 day advance notice can be given.

When the individual whose needs are being removed has income that must continue to be considered in the benefit (for example, a CSE sanctioned parent who is working) the income must continue to be budgeted. If, however, an individual's needs are removed and the income is no longer required to be considered, the income is removed effective the same month the individual is removed.

2420.0207.03 Adding Individuals to an AG (TCA)

For individuals who are being added to the grant following CSE or TANF sanctions, refer to that section in the manual.

2420.0208 \$10 Minimum Benefit (TCA)

Benefits must be at least \$10. Assistance groups entitled to a lesser amount will not receive a benefit, as benefits of less than \$10 cannot be issued. Individuals of assistance groups ineligible for a benefit because the benefit is less than \$10 continue to be considered TCA recipients for all other purposes and are eligible for Medicaid benefits. If the TCA benefit is less than \$10 due to proration, the benefit will be issued. When mandatory recoupment of an overpayment reduces the benefit to less than \$10, a benefit for less than \$10 will be issued.

2420.0300 INCOME DISREGARDS (TCA)

Income disregards are amounts subtracted from the gross earned income. Some examples are:

1. earned income disregard,
2. standard disregard,
3. student earned income,
4. ordinary and necessary expenses,
5. optional deduction, or
6. unearned income overpayment.

2420.0301 Disregards and Vendor Payments (TCA)

Any expense which is paid in full by a vendor payment cannot be allowed as an expense under income disregard policy.

2420.0304 Standard Earned Income Disregard (TCA)

The standard earned income disregard must be budgeted for each individual whose earned income is considered in determining eligibility.

The first \$90 of each individual's gross earned income is deducted in a regular budget.

The first \$90 of each individual's gross earned income is deducted in the deeming budget.

The formula is: (Gross Earned Income) - (Standard Earned Income Disregard) = (Balance after Standard Earned Income Disregard).

2420.0305 Individuals Ineligible - Standard Deduction (TCA)

For TCA, the following individuals are not eligible to receive this disregard; ineligible noncitizens or individuals whose needs are excluded because of welfare enumeration.

2420.0314 \$200 and 1/2 Earned Income Disregard (TCA)

Each individual (who has earnings and is otherwise eligible) whose needs are considered in determining eligibility for Temporary Cash Assistance and Family-Related Medicaid (MFAM) may be eligible for a disregard of a portion of the individual's remaining earned income following the standard earned income deduction.

Note: Individuals penalized due to Child Support Enforcement noncompliance or third party liability are eligible for all earned income disregards.

The initial standard income deduction is \$90. This initial \$90 earned income disregard is subtracted from earned income, and then unearned income is added to the balance to determine the net income. The net income is compared to the payment standard to determine if the individual is eligible to receive the \$200 and 1/2 earned income disregard.

Once an individual is found eligible for the \$200 and 1/2 disregard, there is no time limit for receipt of the disregard.

Receipt of an up-front diversion cash payment does not count as a month of cash assistance in determining eligibility for the \$200 and 1/2 earned income disregard.

2420.0315 Eligibility for \$200 and 1/2 Disregard (TCA)

In order for a member of a Temporary Cash Assistance (TCA) standard filing unit (SFU) to receive the \$200 and 1/2 disregard, the individual must:

1. have been eligible for and received TCA in one of the past four months; or
2. have gross countable income (including earned and unearned income), less the \$90 standard earned income disregard, which is less than the applicable payment standard.

The \$90 standard earned income disregard is included in the first \$200 earned income disregard. Therefore in calculating the \$200 earned income disregard, the \$90 standard earned income disregard is subtracted.

This amount is compared to the payment standard for the size of the SFU. If the amount is less than the payment standard, then subtract \$110 for a total of \$200. This is calculated as follows:

1. Subtract the \$90 disregard.
2. Add deemed and unearned income to arrive at a countable income figure.
3. Compare the result to the payment standard. If the net countable income is less than the payment standard, the individual is eligible for the remainder of the disregard.

2420.0325 Work Related Cost of Care Disregards (TCA)

TCA does not allow the child care disregard in budgeting.

2420.0338 Shelter Obligation (TCA)

The payment standards for an assistance group's benefits are established by the Legislature to meet the basic maintenance needs of families. Basic maintenance needs are those items required for survival, including food, clothing, personal incidentals, household incidentals and shelter expressed in one combined dollar amount. This amount is based on the size of the assistance group and the amount of the shelter obligation, if any.

2420.0339 Vendor/Subsidized Payments (TCA)

For those cases subsidized by Public Housing Authority, the payment standard will be based on the amount the individual is actually obligated to pay. If the person's rent obligation is zero, then cash benefits are based on Tier III. However, if the shelter is being vendor paid by a friend, parent, or some other person, directly to the landlord, the cash benefit is based on the amount of the person's shelter obligation. Vendor payments differ from rent subsidies.

2420.0340 Three Tier Payment Standard (TCA)

Tier I: Tier I standards are recognized for assistance groups who have a shelter obligation greater than \$50, such as a mortgage payment, rent, room and board payment, purchase contract, etc. An individual is also considered to have a shelter obligation when there is a documented lien against their homestead that has been used as collateral on a loan. This includes the homeless, individuals living in shelters and battered women living in shelters, even if they are not obligated to pay rent or other shelter expenses. Teen parents living in alternate living arrangements are entitled to the Tier I shelter obligation.

Tier II: Tier II standards are recognized for assistance groups who have a shelter obligation of \$.01 to \$50, such as a mortgage payment, rent, room and board payment, purchase contract, etc. An individual is considered to have a shelter obligation when there is a documented lien against their homestead that has been used as collateral on a loan.

Tier III: Tier III standards are recognized for assistance groups who are responsible for shelter related costs such as water, sewage, taxes, insurance and upkeep, and do not have a purchased shelter obligation. Tier III standards are also recognized for those who have no shelter or shelter related costs. Tier III standards are also recognized for teen parents living in the home of a parent, legal guardian, or other adult relative.

Note: This applies to Temporary Cash Assistance only. Medicaid policy would still allow a shelter obligation to teen parents living in the home of a parent, legal guardian, or other adult relative.

2420.0341 Verification of Shelter Obligation (TCA)

The applicant's statement of the shelter obligation is acceptable at application unless questionable. The recipient's statement of a shelter obligation is acceptable at scheduled complete eligibility reviews, whenever a recipient moves, or an increase in shelter obligation is reported that would result in a higher Tier standard being applied, or if the shelter obligation is not questionable. If the shelter obligation is questionable and proof of a shelter obligation is not provided, Tier III is to be budgeted at application and complete review. If proof is later provided, the correct shelter standard will be applied to the TCA budget beginning with the first TCA payment month following the receipt of proof of the shelter obligation.

Recipients who have a shelter obligation are considered to have this obligation even if they are in the process of being evicted.

Tier I and Tier II are budgeted for applicants who have a shelter obligation even if they had no shelter obligation prior to their application for Temporary Cash Assistance.

In stepparent situations, both spouses are responsible for the obligation, whether or not both names are on the lease or mortgage. The monthly amount of the shelter obligation is used in determining which payment Tier applies. The obligation should be divided equally between the spouses in double stepparent cases. When the parent or stepparent payee's needs are not included in the benefits and he claims that the children are required to share in his or her shelter cost, the shelter obligation of the parent, stepparent, or parent and stepparent (when both are residing together in the home) is included in the budget.

Note: If a teen parent's needs are not included in the benefits with her child because they are not eligible for Temporary Cash Assistance, e.g., is an ineligible noncitizen, Tier I standards can be budgeted if the teen parent has a shelter obligation. Exception: The teen parent is living with a parent, legal guardian or other adult relative.

In caretaker relative cases in which the caretaker's needs are not included in the benefit (child only), use the amount the caretaker relative states that the child(ren) is required to pay. The relative's statement is sufficient.

For AGs in which there is a SSI parent, use the shelter obligation of the parent. The shelter obligation of the parent must be verified only if questionable.

Action should be taken on any reported decrease in a participant's shelter obligation when sufficient information is provided to act on the change.

2420.0342 Budgeting Three Tier Payment Standards (TCA)

The selection of the correct Tier (see Appendix A-5) is based on the circumstances expected for the assistance group for the month.

Example 1: Mrs. B. paid rent of \$500 on August 1 and was budgeted Tier I. On August 15 she moved in with her parents and no longer has a shelter obligation. The September benefit must reflect the standards of Tier III, because she no longer has a shelter obligation.

If a change in shelter obligation results in prospective ineligibility, the case should be terminated effective the next month in which 10 days notice can be provided.

If an individual makes a change in shelter while the application is pending, use the appropriate Tier for any month the individual incurred a shelter obligation.

Example 2: Ms. C. applied on June 1 but due to her delay, she is not approved until September 2. She paid rent of \$55 in June, July and August but moved on August 8 and no longer has a shelter obligation. The July and August benefits must reflect the standards of Tier I. September benefit must reflect the standards of Tier III.

2420.0343 Adding New Individuals to Benefit (TCA)

When adding new individuals to an existing assistance group (AG), the eligibility specialist selects the appropriate Tier based on the existing assistance group's actual circumstances for the month.

2420.0363 Student Earned Income Disregard (TCA)

The child who is under age 19 and attending high school or its equivalent on a full-time basis is a mandatory filing unit member. The child's needs, unearned income, and assets are included in the eligibility determination. "Student" refers to the minor child whose needs are included in the benefit. It does not refer to a parent or relative payee.

The earned income of a child is disregarded in the eligibility standard test and in the budget calculation if the child attends an elementary or secondary school (middle or high school) or its equivalent level. The child must be attending school full-time as defined by the institution. Eligibility for the disregard is not affected by the child's full-time or part-time employment. Verification of full-time attendance is required. The parent or relative must provide information on the gross income earned by the child; however, verification is not required.

2420.0400 DISQUALIFICATION (TCA)

The following passages address disqualification periods.

2420.0406 Disqualification for Felony Drug Trafficking (TCA)

An individual who has been convicted of felony drug trafficking including agreeing, conspiring, combining, or confederating with another person to commit the act committed after 8/22/1996 pursuant to 893.135 F.S. shall be permanently disqualified from the Temporary Cash Assistance Program. If the illegal behavior that led to the conviction occurred on or before 8/22/96, the disqualification does not apply regardless of the date of the conviction. If a court expunges the felony drug trafficking conviction, the individual is not subject to the disqualification. The individual must provide proof of the expungement.

2420.0407 Disqualification for Intentional Program Violation (TCA)

Any member of a household who intentionally gives false information or hides information to receive or continue to receive Temporary Cash Assistance may be subject to the following penalties:

1. disqualification from Temporary Cash Assistance for 12 months after the first violation,
2. 24 months after the second violation, and
3. permanently for the third violation.

The individual can also be fined up to \$10,000, imprisoned up to five years or both. The individual may also be subject to further prosecution under other applicable state and federal laws.

2420.0500 INCOME AVERAGING (TCA)

Income averaging is a method used to adjust for fluctuations in income.

2420.0501 Averaging Fluctuating Income (TCA)

To average income, the eligibility specialist must consider the assistance group's anticipation of monthly income fluctuations over the eligibility review period. When averaging income, use the most recent consecutive four weeks or the best available information when it is representative of the individual's future earnings.

Example 1: At application, Mr. Smith provides the most recent consecutive four pay stubs from his job. He states he has not received any pay raises or significant changes in the number of hours he is working. As such, the eligibility specialist projects his future monthly earnings on an average of the four pay stubs he presented.

Example 2: At eligibility review, Mr. Smith provides the most recent consecutive four pay stubs from his job. The two more recent stubs indicate a \$1.00 increase in his hourly rate. Since he has had a change in his hourly rate, the eligibility specialist does not use all four pay stubs to project his future earning potential. Instead, the eligibility specialist uses the two pay stubs which are representative of his future earnings and averages these to project his monthly earnings.

2420.0502 When Income should be Averaged (TCA)

When computing a budget, income should be averaged whenever it is received:

1. in differing amounts;
2. at varying periods;
3. from sources such as tips, commissions, and overtime;
4. at a regular rate and schedule of pay, but to cover time periods which vary; or
5. in any combination of the above, or any time the same amount is not received at the same time each month, resulting in the amounts to be budgeted varying from month to month.

2420.0503 Unearned Income (TCA)

Unearned income such as contributions or child support payments may be averaged using the same procedures as for earned income.

2420.0504 Earned Income (TCA)

A four week average is used when earned income is received more frequently than monthly; for example, weekly or biweekly. When income is received semimonthly, the computation is averaged based on the most recent available one month of pay (two semimonthly payments). When the income is received monthly, use the most recent one month pay if representative.

When using an average, use only the weeks in the average that represent the ongoing pattern of employment. For example, if the employee is out sick one week and received no pay, do not use that week in the average.

2420.0505 Less than a Four Week Average (TCA)

When a shorter than four week average is to be computed, use the number of weeks available up to four at the new amount, to compute the revised average. When the applicant/recipient has just begun employment and only one full week's earnings are available or only the wage and hours are known, compute the budget based on the best information available. Contact may be made with the employer if necessary to confirm employment information. The reason for the less than four week average must be clearly reflected in the case recordings.

2420.0506 Significant Breaks in Employment (TCA)

If there are significant breaks of one week or more without pay and the breaks are not expected to recur at four week intervals, the breaks will be non-representative in computing the average. Such a break without pay might be due to illness, a death, vacation, employer leaving town, and the like. When such breaks are part of the pattern of the applicant/recipient's employment, the weeks are representative in the computation of the average (for example, construction workers).

2420.0507 Partial Week (TCA)

When the applicant/recipient begins employment by working only a partial week, the initial partial week would be non-representative in the average used to compute the budgeted income. Additionally, if a partial week was worked due to illness, a death, vacation, etc., and these factors are not anticipated to recur within the future, these partial weeks would be non-representative in the average as they are not reflective of future earnings. In this situation, the average may be based on three weeks or less.

2420.0508 Basis for Average (TCA)

Requirements for documentation or verification of averaged income are the same as with any income as provided in Chapter 1800. It is important that the eligibility specialist base the average computation for ongoing employment on the actual gross income the applicant/recipient received for the particular time period, rather than on estimated wages and hours to be worked. When the applicant/recipient begins new employment, the eligibility specialist must determine whether the particular type of employment will result in irregular income. Although the employer may indicate on the documentation that the applicant/recipient is to work a set number of hours or days for a certain wage, the applicant/recipient may actually work varying hours. Base the initial budget on the amount the applicant/recipient is supposed to earn, usually one week's salary, or the employer's statement of wages.

2420.0509 Income More Often than Monthly (TCA)

The following procedure to calculate the average of earned or unearned income received in varying amounts more frequently than monthly is the same for all programs:

1. Add the gross income amounts for the past four weeks to get the total.

2. If income is received weekly, add four pay periods and divide by four to get the weekly average.
3. If income is received biweekly, add two pay periods and divide by two to get the biweekly average.
4. If income is received semimonthly, add two pay periods and divide by two to get the semimonthly average.
5. If income is received monthly, use the most recent month if representative.

The result of the above is called the averaged amount. With the exception of monthly amounts, the averaged amount described above must be converted to a monthly amount.

Note: When an individual has just begun or terminated a job in the current month, a full month's income is not budgeted but only that amount received in the month or anticipated to be received.

2420.0600 ROUNDING (TCA)

When it is necessary to divide because of averaging or prorating, round the resulting amount to the nearest cent as follows:

Step 1 - Perform the division to three decimal positions; that is, to three positions after the decimal point.

Step 2 - If the third decimal position is five to nine, round the amount to the next higher cent.

Step 3 - If the third decimal position is four or less, round the amount to the next lower cent (that is, drop the third decimal position).

2420.0602 Rounding Exception (TCA)

After the total net available income is subtracted from the payment standard the cents are dropped from the resulting deficit. In this manner, the benefit amount is always reflected in whole dollar amounts.

2420.0700 INCOME CONVERSION (TCA)

Most income is received more often than monthly; that is; it is received weekly, biweekly, or semimonthly. Since eligibility and benefit amounts are issued based on a calendar month, income received other than monthly is to be converted to a monthly amount.

The following conversion factors based on the frequency of pay are used:

Weekly income (once a week): Multiply by 4.3.

Biweekly income (every two weeks): Multiply by 2.15.

Semimonthly income (twice a month): Multiply by 2.

2420.0800 EXPLORING MANAGEMENT (TCA)

Management is the comparison of the monthly income received and expenses paid by the applicant or recipient. In exploring eligibility, an applicant or recipient is required at a minimum to explain management during the month(s) of application or eligibility review, if questionable.

An applicant is required to explain management for the month(s) of application and may be required to explain management for months prior to the month of application. A recipient is required to explain management if questionable for the month of complete eligibility review and may be required to explain management during the review period. An application cannot be rejected for failure to provide documentation of expenses paid in months prior to application; however, failure to explain management during the month(s) of application may result in denial of the application if eligibility cannot be determined.

When current paid expenses exceed acknowledged income, receipt of income from other possible sources must be explored by the eligibility specialist and verification or documentation secured by the individual, if indicated.

If the applicant or recipient cannot explain how the bills were paid, the case should not be denied or canceled solely on "management". However, the eligibility specialist must request that the applicant or recipient furnish additional information; that is, pend the case. Failure by the applicant or recipient to provide this information within the pending deadlines will result in the case being denied based on the fact that eligibility cannot be determined.

2430.0000 Family-Related Medicaid

The sections below discuss income budgeting methodologies.

2430.0100 INCOME LIMITS (MFAM)

Eligibility for Medicaid is determined by comparing the SFU's countable income to the appropriate income standard. Refer to Appendix A-7 for the standard tables.

2430.0200 BUDGETING (MFAM)

Budgeting processes determine how benefits will be calculated, by program, for the month.

2430.0201 Budget Period (MFAM)

Eligibility is based on the standard filing unit composition, technical factors and income circumstances as they exist within the period for which benefits are being calculated. When budgeting for a future month, the estimated anticipated income and circumstances may be based on what occurred in prior months if those months are considered representative of the standard filing unit's continued situation. Budgeting may also be based on the amount the individual can anticipate to receive.

2430.0204 Determining Monthly Income (MFAM)

Several factors are involved in determining a gross amount of monthly income to be budgeted. These are anticipating and projecting income, averaging income, and converting the income to a monthly amount.

When income is received more often than monthly, it will be converted to a monthly amount. When averaging income, use the most recent consecutive four weeks or the best available information when it is representative of the individual's future income

2430.0206 Budgeting Methods (MFAM)

The process of computing the amount of income to be considered in determining financial eligibility and the coverage group(s) is called "budgeting". When determining financial eligibility, one or more budget calculations will be completed. The best estimate of the standard filing unit's income and circumstances is used to determine eligibility. When determining eligibility benefits for a past month, the SFU's actual income and circumstances are used. The income is compared to the appropriate income limit to determine the coverage group.

2430.0500 INCOME AVERAGING (MFAM)

Income averaging is a method used to adjust for fluctuations in income when the income is not verified through the Federal Data Services Hub (FDSH) or State Wage Information Collection Agency (SWICA) data, converted to a monthly amount.

When earned income is received more frequently than monthly, a four week average is used. When income is received semimonthly, the computation is averaged based on the most recent available one month of pay. When the income is received monthly, use the most recent one month pay, if representative.

When using an average, use only the weeks in the average that represent the ongoing pattern of employment. If there are significant breaks of one week or more without pay and the breaks are not expected to recur at four week intervals, the breaks will be disregarded in computing the average. Such a break without pay might be due to illness, a death, vacation, employer leaving town, and the like. When such breaks are part of the pattern of the applicant/recipient's

employment, the weeks are taken into consideration in computation of the average (for example, construction workers).

When the applicant/recipient begins employment by working only a partial week, thus having lower wages for that week only, the initial partial week should not be included in the average used to compute the budgeted income.

Unearned income such as spousal support may be averaged using the same procedures.

2430.0501 Averaging Fluctuating Income (MFAM)

To average income, consider the standard filing unit's anticipation of monthly income fluctuations over the eligibility period. When averaging income, use the most recent consecutive four weeks or the best available information when it is representative of the individual's future earnings.

When the most recent consecutive four pay stubs are provided and there are no major changes in pay or number of work hours, project future monthly earnings on an average of the four pay stubs provided.

When the most recent consecutive four pay stubs are provided and there has been a change to the hourly rate of pay or work hours use the most recent pay stub(s), which are representative of future earnings.

2430.0505 Less than a Four Week Average (MFAM)

When a shorter than four week average is to be computed, use the number of weeks available up to four at the new amount, to compute the revised average. When the applicant/recipient has just begun employment and only one full week's earnings are available or only the wage and hours are known, compute the budget based on the best information available.

2430.0509 Income More Often than Monthly (MFAM)

The following procedure to calculate the average of earned or unearned income received in varying amounts more frequently than monthly is the same for all programs:

1. Add the gross income amounts for the past four weeks to get the total.
2. If income is received weekly, add four pay periods and divide by four to get the weekly average.
3. If income is received biweekly, add two pay periods and divide by two to get the biweekly average.
4. If income is received semimonthly, add two pay periods and divide by two to get the semimonthly average.
5. If income is received monthly, use the most recent month if representative.

The result of the above is called the averaged amount. With the exception of monthly amounts, the averaged amount described above must be converted to a monthly amount.

Note: When an individual has just begun or terminated a job in the current month, a full month's income is not budgeted but only that amount received in the month or anticipated to be received.

2430.0600 ROUNDING (MFAM)

When it is necessary to divide because of averaging or prorating, round the resulting amount to the nearest cent as follows:

Step 1 - Perform the division to three decimal positions; that is, to three positions after the decimal point.

Step 2 - If the third decimal position is five to nine, round the amount to the next higher cent.

Step 3 - If the third decimal position is four or less, round the amount to the next lower cent (that is, drop the third decimal position).

2430.0700 INCOME CONVERSION (MFAM)

Most income is received more often than monthly; that is; it is received weekly, biweekly, or semimonthly. Since eligibility and benefit amounts are issued based on a calendar month, income received other than monthly is to be converted to a monthly amount.

The following conversion factors based on the frequency of pay are used:

Weekly income (once a week): Multiply by 4.

Biweekly income (every two weeks): Multiply by 2.

Semimonthly income (twice a month): Multiply by 2.

2440.0000 SSI-Related Medicaid, State Funded Programs

Once the eligibility specialist has determined the individual's assets (Chapter 1600) and income (Chapter 1800) according to policy, various budgets and tests must be executed to determine or redetermine eligibility. To determine how to calculate benefits, Chapter 2600 must be used.

2440.0100 INCOME LIMITS (MSSSI, SFP)

The income limits compared to the SFU's countable income to determine eligibility for assistance vary by coverage group. Refer to Appendix A-9 and A-12 for the standard tables.

2440.0102 Medically Needy Income Limits (MSSSI)

When the standard filing unit has met the technical eligibility criteria and the asset limits, the assistance group is enrolled. There is no income limit for enrollment. The assistance group is eligible (entitled to Medicaid) once income is less than or equal to the Medically Needy Income Level (MNIL) or medical bills equal the amount by which income exceeds the MNIL. Once medical bills are equal to the share of-cost, the assistance group is eligible.

The eligibility specialist must determine eligibility for Medically Needy when an assistance group's income exceeds the income limits for another full Medicaid Program.

2440.0103 Income Limits (MSSSI)

For ICP, HCBS, Hospice, HCDA, and PACE monthly income cannot exceed the state income standard for the appropriate coverage group.

The standard for these programs is equal to the ICP income standard, which represents 300% of the SSI Federal Benefit Rate (FBR).

In ICP institutional hospice, HCBS, or PACE applicants or recipients whose income exceeds 300% of the SSI Federal Benefit Rate may establish an income trust in order to qualify for Medicaid. This policy does not apply to Community Hospice or HCDA. (Refer to Chapter 1800 for policy on qualified income trusts.)

2440.0104 Income Limits for MEDS-AD (MSSSI)

This policy applies to MEDS-AD and ICP-MEDS.

Any aged or disabled Florida resident may be eligible for Medicaid under the MEDS-AD categorical coverage group if the individual has income at or below 88 percent of the Federal poverty level.

2440.0105 Income Limits for Regular COLA Protected Medicaid (MSSSI)

The policy in this section must be used in conjunction with Chapter 2000.

To be eligible for protected Medicaid, the individual:

1. must have been receiving both SSA and SSI in any month subsequent to April 1977;
2. is currently receiving SSA benefits;
3. must have lost SSI eligibility for any reason; and
4. would now be eligible for SSI if the SSA cost of living adjustments, which they received after they were last eligible for (and received) SSI and SSA benefits concurrently, were deducted from their countable income.

2440.0106 SSI Lost Due to Entitlement to Widow(er)'s Benefits (MSSI)

Individuals who lost SSI due to entitlement to widow(er)'s benefits may be eligible for protected Medicaid if such individuals:

1. are receiving or received SSI prior to age 60;
2. are (or were) mandated to file for widow(er)'s benefits under Title II;
3. lost SSI benefits due to the receipt of widow(er)'s benefits;
4. are not entitled to Medicare, Part A; and
5. included income after disregard of the SSA Title II benefits does not exceed the current SSI FBR.

Eligibility under this coverage group terminates when the individual becomes entitled to Medicare, Part A.

2440.0107 Widow(er)s Lost SSI - Change in Actuarial Formula (MSSI)

Widow(er)s who lost SSI because of the 1983 changes in the actuarial formula may be eligible for protected Medicaid if:

1. an application was made prior to July 1, 1987 and they were entitled to a monthly insurance benefit under Title II of the Social Security Act of 1983;
2. they were entitled to and received a widow(er)'s benefit based on a disability under the Social Security Act of January 1984;
3. they became ineligible for SSI because the widow(er)'s benefit was increased due to the elimination of the reduction factor for disabled widow(er)s entitled before age 60;
4. they have been continuously entitled to a widow(er)'s benefit from the first month that increase in their widow(er)'s benefits were disregarded; and
5. the individual's included income, after disregard of the SSA cost of living adjustments received since the individual was last eligible for and received SSI benefits, must not exceed the current SSI FBR.

2440.0108 Disabled Widow(er)s Lost SSI Due to Title II (MSSI)

Disabled widows(ers) or surviving divorced spouses who lost SSI due to entitlement of Title II disability benefits may be eligible for Protected Medicaid if:

1. they were receiving SSI for the month prior to the month they began receiving Title II benefits;
2. they would continue to be eligible for SSI if the amount of the Title II benefit were not counted as income;
3. they are not entitled to Medicare Part A; and
4. the individual's included income, after disregard of the Title II benefit received since the individual was last eligible for and received SSI benefits, must not exceed the current SSI FBR.

2440.0109 Disabled Widow(er)s Lost SSI Due to Title II (MSSI)

Disabled widows(ers) or surviving divorced spouses who lost SSI due to entitlement of Title II disability benefits because of OBRA 90 changes in disability criteria may be eligible for Protected Medicaid if:

1. they were receiving SSI for the month prior to the month they began receiving Title II benefits;
2. they would continue to be eligible for SSI if the amount of the Title II benefit were not counted as income;
3. they are not entitled to Medicare Part A; and

4. the individual's included income, after disregard of the Title II benefit received since the individual was last eligible for and received SSI benefits, must not exceed the current SSI FBR.

2440.0110 Disabled Adult Children (MSSI)

Effective July 1, 1987, disabled adult children who lost SSI due to an increase in, or receipt of, Social Security disability benefits under one of their parents' work records may continue to be eligible for Medicaid. These individuals may be eligible if their income is equal to or below the SSI FBR when, beginning July 1, 1987, any increase in SSA benefits or receipt of SSA benefits is subtracted from other income.

2440.0111 Protected Medicaid for SSI Children (MSSI)

Children who were eligible for Supplemental Security Income (SSI) direct assistance on 8/22/96, but who became ineligible based solely upon a change in the definition of "Childhood disability", continue to be Medicaid eligible until their 18th birthday, as long as they continue to meet the definition of disability in effect prior to 8/22/96 and all other SSI eligibility factors.

2440.0112 Qualified Medicare Beneficiaries (MSSI)

Qualified Medicare Beneficiaries (QMB) are individuals who qualify for Medicare Part A and whose income does not exceed 100% of the poverty level.

2440.0113 Working Disabled (WD) (MSSI)

WD individuals' income cannot exceed 200% of the federal poverty level.

2440.0114 Special Low - Income Medicare Beneficiary (MSSI)

To qualify for the Special Low-Income Medicare Beneficiary Program (SLMB), the individual's income must fall between 100% and 120% of the federal poverty level.

2440.0115 Qualifying Individuals 1 (QI 1) (MSSI)

QI 1 recipients must be enrolled or conditionally enrolled in Medicare Part A and their income must fall between 120% and 135% of the federal poverty level. This is a program with limited funding.

2440.0116 SFP Income Limits (SFP)

For the OSS Program, an individual whose income is insufficient to meet his cost of care in an alternate living arrangement may qualify for a supplemental payment. OSS individuals must meet all SSI criteria except for the SSI federal benefit rate (FBR) and their income must be equal to or below the OSS income standard as indicated in Appendix A-12.

2440.0118 Program for All Inclusive Care for the Elderly (PACE) (MSSI)

The standard for this program is equal to the ICP income standard, which represents 300% of the SSI Federal Benefit Rate (FBR). Individuals with income in excess of this amount may qualify through the implementation of an income trust. (See passage 1040.0815 for applicable policies).

2440.0200 BUDGETING (MSSI, SFP)

Budgeting processes determine how benefits will be calculated, by program, for the month. Benefits for all programs are budgeted prospectively. Prospective budgeting is explained in passage 2440.0201.

2440.0201 Prospective Budgeting (MSSI, SFP)

Prospective budgeting is a method by which eligibility and benefit levels are based on the assistance group's composition and income circumstances as they exist in the month for which benefits are being calculated. This can be either a past, current or future month. When budgeting prospectively for a future month, the estimated anticipated income and circumstances may be based on what occurred in prior months if those months are considered representative of the assistance group's continued situation. Prospective budgeting may also be based on the amount the individual can anticipate to receive. All assistance groups are subject to prospective budgeting.

2440.0210 Budgeting Methods (MSSI, SFP)

Although SSI direct assistance uses RMA methodology, MSSSI eligibility determinations and patient responsibility will continue to be computed using prospective budgeting.

2440.0211 Retrospective Budgeting-SSI Direct Assistance (MSSI, SFP)

SSA uses retrospective budgeting for SSI cash assistance. (Retrospective budgeting is not used for MSSSI or SFP.) In the following situations, SSI does not use retrospective budgeting.

When the individual initially becomes eligible for SSI, the benefit amounts for the first and second months are computed using the income from the first month of eligibility.

After a period of ineligibility the benefit amounts for the first and second months of the new eligibility periods are computed using the income from the first month of eligibility. This is to avoid using income from a period of ineligibility to determine the benefit amount.

Example: An individual is terminated from SSI effective May for excess income. Her income decreases in September and the individual reapplies for SSI. The income amount received from September would be used in computing the SSI amount for September.

2440.0212 Deeming Eligibility Determinations (MSSI)

The following policy is applicable only to MEDS-AD, Medically Needy, Protected Medicaid, QMB, SLMB, QI-1, WD and EMA.

For eligibility determinations when there are beginning and ending deeming situations, the effective month of change is the month following the month of change.

Example: If a spouse left the assistance group in April and is not expected to return, the effective month of change is May. For the May eligibility determination, there would be no deeming of income.

2440.0300 INCOME DISREGARDS (MSSI, SFP)

This section presents policy on the following:

1. earned income disregard,
2. standard disregard,
3. student earned income,
4. work expenses of the blind,
5. ordinary and necessary expenses,
6. optional deduction, and
7. unearned income overpayment.

2440.0301 Disregards and Vendor Payments (MSSI, SFP)

Any expense that is paid in full by a vendor payment cannot be allowed as an expense under income disregard policy.

2440.0321 Earned Income Disregards (MSSI, SFP)

This policy applies to MEDS-AD, MN, QMB, SLMB, QI-1, WD, Protected Medicaid, EMA and OSS.

The earned income disregard is only applied to earned income. The amount of the disregard is \$65 plus one half of the remaining earned income. The amount of the disregard remains \$65 plus one half of the remaining earned income when an individual and his spouse both have earned income.

2440.0322 Standard Disregard (MSSI)

This policy applies to MEDS-AD, MN, QMB, SLMB, QI-1, WD, Protected Medicaid and EMA.

A \$20 per month standard disregard applies to any type (earned or unearned) of income other than income which is provided on the basis of need. The amount of the disregard is not increased for a couple, regardless of whether one or both individuals have income. If there is only earned income then apply the entire amount of the disregard to the earned income. If there is only unearned income then apply the entire amount of the disregard to the unearned income. If there is both earned and unearned income then apply the disregard first toward the unearned income and apply any amount of the disregard remaining toward the earned income. This is done due to the effect of the earned income disregard. (Refer to passage 2440.0321 for policy on the earned income disregard.)

2440.0363 Student Earned Income Disregard (MSSI)

An amount of an eligible student's earned income may be disregarded. Refer to Appendix A-9 for the amounts. To qualify for this exclusion, the individual must be:

1. under the age of 22; and
2. a student regularly attending a school, college, university, or a course of vocational training designed to prepare them for gainful employment; and
3. disabled according to federal criteria.

2440.0367 Work Expenses of the Blind (MSSI, SFP)

The following policy applies to MEDS-AD (if the blind person has been determined disabled), MN, QMB, SLMB, QI1, WD, Protected Medicaid, Emergency Medicaid to Noncitizens and OSS.

An individual eligible on the basis of blindness and who is working, may have the amount of his ordinary and necessary work related expenses deducted. If a blind individual has a spouse who is also eligible on the basis of blindness and both are working, then the amounts of ordinary and necessary work related expenses for each may be deducted. Though there is no limit on the dollar amount of expenses to be deducted, the amount must be reasonable and not exceed the amount of each individual's respective earnings from work in the month involved.

This exclusion does not apply to a blind individual who is 65 or older unless the individual was receiving Medicaid assistance on the basis of blindness in the month before the individual became 65.

2440.0368 Type of Work Expenses of the Blind (MSSI, SFP)

The following policy applies to MEDS-AD, MN, QMB, SLMB, WD, Protected Medicaid, EMA and OSS.

To be deductible, an expense need not relate directly to the blindness of the individual; it need only be an ordinary and necessary work expense of the blind individual. Examples of such expenses follow.

Transportation Expenses To and From Work - This includes the actual cost of a cab or bus, cane travel instruction, a guide dog and his upkeep, and a private automobile (15 cents per mile).

Job Performance Expenses - This would include Braille instruction, child care costs, equipment needed on the job, instruction in grammar, licenses, lunches, work related professional association dues, prostheses needed for work, optical aids, readers, safety shoes, taxes (income, FICA, and self-employment), tools used on the job, translation of material to Braille, uniforms and their care, union dues, and wheelchairs if necessary due to another disability.

Job Improvement Expenses - This would include stenotype instruction for blind typists, jobpunch training, and computer program training courses.

Expenses for life maintenance is not work related and cannot be deducted. These include food, self-care items (items of cosmetic rather than work required nature), general educational development and life insurance.

If necessary items are furnished by some other individual or organization, and consequently permit the individual to avoid incurring a work related expense which would be deductible, the value of such items is not considered income.

2440.0369 Verification of Work Expenses of the Blind (MSSI, SFP)

The following policy applies to MEDS-AD, MN, SLMB, QI 1, QMB, WD, Protected Medicaid, EMA and OSS.

Verification such as receipts, bills, and the like must be requested to substantiate expenses. Allegations regarding transportation expenses and lunches may be accepted without verification if they appear to be reasonable.

2440.0370 Ordinary and Necessary Expenses (MSSI, SFP)

Ordinary and necessary expenses which are deducted from the amount of unearned gross income are excluded. These are expenses incurred in obtaining income as the fees and costs necessary to establish entitlement or gain access to income. For example, attorney fees and medical examination fees connected with the filing of a lawsuit after an accident may be deducted from the settlement amount received.

While the need for a legal guardian may be established, the payment of guardian fees is not directly linked to the individual's entitlement to payment. Therefore, guardian fees are not considered as ordinary and/or necessary expenses.

Proof of having incurred the expense (for example, a bill, canceled check or money order) is required.

2440.0371 Optional Deductions (MSSI, SFP)

There are deductions, which are withheld at the source from an individual's income that must be included in the amount of unearned income counted. Examples of optional deductions include:

1. premium for Part B Medicare from a Social Security benefit,
2. premiums for health insurance or life insurance, and
3. federal and state income taxes.

2440.0372 Overpayments - Included as Unearned Income (MSSI, SFP)

Unearned income includes amounts withheld by other benefit programs to recover overpayments. This policy applies to income received by a recipient as well as by a person whose income is subject to deeming.

An exception to this general policy applies when another program's overpayment occurred while the individual was receiving benefits from an SSI-Related Program and the overpayment was budgeted as unearned income at that time. In this situation, do not include as unearned income the amount being withheld to recover overpayment. This prevents the same income from being counted twice, as it was already counted when the overpayment was received and therefore should not be counted again.

2440.0500 INCOME AVERAGING (MSSI, SFP)

Income averaging is a method used to adjust for fluctuations in income, as described in passages 2440.0501 through 2440.0512.

2440.0501 Averaging Fluctuating Income (MSSI, SFP)

To average income, the eligibility specialist must consider the assistance group's anticipation of monthly income fluctuations over the entitlement period or eligibility review period. When averaging income, use the most recent consecutive four weeks or the best available information when it is representative of the individual's future earnings.

Example 1: At application, Mr. Smith provides the most recent consecutive four pay stubs from his job. He states he has not received any pay raises or significant changes in the number of hours he is working. As such, the eligibility specialist projects his future monthly earnings on an average of the four pay stubs he presented.

Example 2: At eligibility review, Mr. Smith provides the most recent consecutive four pay stubs from his job. The two more recent stubs indicate a \$1.00 increase in his hourly rate. Since he has had a change in his hourly rate, the eligibility specialist does not use all four pay stubs to project his future earning potential. Instead, the eligibility specialist uses the two pay stubs which are representative of his future earnings and averages these to project his monthly earnings.

Note: Refer to passages 2440.0510 and 2440.0512 for specific policies for averaging income for ICP, Hospice, HCBS and HCDA.

2440.0502 When Income should be Averaged (MSSI, SFP)

When computing a budget, income should be averaged whenever it is received:

1. in differing amounts;
2. at varying periods;
3. from sources such as tips, commissions, and overtime;
4. at a regular rate and schedule of pay, but to cover time periods which vary; or
5. in any combination of the above, or any time the same amount is not received at the same time each month, resulting in the amounts to be budgeted varying from month to month.

Note: Refer to passages 2440.0510 and 2440.0512 for specific policies for averaging income for ICP, Hospice, HCBS and HCDA.

2440.0503 Unearned Income (MSSI, SFP)

Unearned income such as contributions or child support payments may be averaged using the same procedures as for earned income.

2440.0504 Earned Income (MSSI, SFP)

A four week average is used when earned income is received more frequently than monthly; for example, weekly or biweekly. When income is received semimonthly, the computation is averaged based on the most recent available one month of pay (two semimonthly payments). When the income is received monthly, use the most recent one month pay if representative.

When using an average, use only the weeks in the average that represent the ongoing pattern of employment. For example, if the employee is out sick one week and received no pay, do not use that week in the average.

2440.0505 Less than a Four Week Average (MSSI, SFP)

When a shorter than four week average is to be computed, use the number of weeks available up to four at the new amount, to compute the revised average. When the applicant/recipient has just begun employment and only one full week's earnings are available or only the wage and hours are known, compute the budget based on the best information available. Contact may be made with the employer if necessary to confirm employment information. The reason for the less than four week average must be clearly reflected in the case recordings.

2440.0506 Significant Breaks in Employment (MSSI, SFP)

If there are significant breaks of one week or more without pay and the breaks are not expected to recur at four week intervals, the breaks will be disregarded in computing the average. Such a break without pay might be due to illness, a death, vacation, employer leaving town, and the like. When such breaks are part of the pattern of the applicant/recipient's employment, the weeks are taken into consideration in computation of the average (for example, construction workers).

2440.0507 Partial Week (MSSI, SFP)

When the applicant/recipient begins employment by working only a partial week, thus having lower wages for that week only, the initial partial week should not be included in the average used to compute the budgeted income. Additionally, if a partial week was worked due to illness, a death, vacation, etc., and these factors are not anticipated to recur within the future, these partial weeks should be omitted from the average as they are not reflective of future earnings. In this situation, the average may be based on three weeks or less.

2440.0508 Basis for Average (MSSI, SFP)

Requirements for documentation or verification of averaged income are the same as with any income as provided in Chapter 1800. It is important that the eligibility specialist base the average computation for ongoing employment on the actual gross income the applicant/recipient received for the particular time period, rather than on estimated wages and hours to be worked. When the applicant/recipient begins new employment, the eligibility specialist must determine whether the particular type of employment will result in irregular income. Although the employer may indicate on the documentation that the applicant/recipient is to work a set number of hours or days for a certain wage, the applicant/recipient may actually work varying hours. Base the initial budget on the amount the applicant/recipient is supposed to earn, usually one week's salary, or the employer's statement of wages.

2440.0509 Income More Often than Monthly (MSSI, SFP)

The following procedure to calculate the average of earned or unearned income received in varying amounts more frequently than monthly is the same for all programs:

1. Add the gross income amounts for the past four weeks to get the total.
2. If income is received weekly, add four pay periods and divide by four to get the weekly average.
3. If income is received biweekly, add two pay periods and divide by two to get the biweekly average.

4. If income is received semimonthly, add two pay periods and divide by two to get the semimonthly average.
5. If income is received monthly, use the most recent month if representative.

The result of the above is called the averaged amount. With the exception of monthly amounts, the averaged amount described above must be converted to a monthly amount.

Note: When an individual has just begun or terminated a job in the current month, a full month's income is not budgeted but only that amount received in the month or anticipated to be received.

2440.0510 How to Count Income for Eligibility (MSSI, SFP)

This policy is to be used to calculate the gross monthly income amount to be used in eligibility budgets for all SSI-Related Medicaid Programs at the time of application or eligibility review. This policy is not to be used for determining patient responsibility, except for determining income of the community spouse. For policy on how to count the individual's income for patient responsibility, see passage 2440.0512.

Both unearned and earned income are treated the same for the SSI-Related Medicaid Programs. All income must be converted into a monthly amount for budget purposes.

For applications, budget actual income for months available instead of computing an average. If you are prorating income, begin prorating in the month it is received in a month for which benefits are requested. For example, if an individual is requesting benefits beginning in July, and receives an annual payment every October, no income from the October payment would be counted in the budget until October. Then, schedule a partial for September to start counting the prorated income effective October.

The method used to determine a monthly amount depends on how often the income is received and the specific program.

Follow these steps to determine how to count income for eligibility:

Note: Refer to Chapter 2600 for allowable income disregards and deductions.

Step 1: Determine how often the income/payments are received.

If monthly or more often than monthly (weekly, biweekly, semimonthly), go on to Step 2.

If less often than monthly (quarterly, annually, etc.), go to Step 4.

Step 2: Determine if the income/payment fluctuates (i.e., does it vary?)

If the amount does vary, go on to Step 3 to determine an average amount.

If the amount does not vary, use the actual amount and skip to Step 4.

Step 3: For amounts that vary and are received monthly or more often than monthly (weekly, biweekly, semimonthly), compute average amount as follows:

1. Add the gross income amounts for the most recent consecutive four weeks to get a total. (If this period is not available or is not representative of anticipated income, you may use more or less than four weeks.)
2. If income is received weekly, add four pay periods and divide by four to get the weekly average.
3. If income is received biweekly, add two pay periods and divide by two to get the biweekly average.

4. If income is received semimonthly, add two pay periods and divide by two to get the semimonthly average.
5. If income is received monthly, use the most recent month if representative.

The above amount is called the averaged amount and must be converted to a monthly amount. Variations of less than \$5.00 do not need to be re-averaged until the next complete review or a change is reported.

Note: When an individual's income has just started or terminated in the current month, a full month's income is not budgeted; use only the amount actually received in the month or anticipated to be received.

Go to Step 4 to determine the monthly amount.

Step 4: Establish a monthly figure (see (1) and (2) below), to be used for budgeting. Use the actual amount determined in Step 2, averaged amount determined in Step 3, or the actual quarterly, semiannual or annual income.

1. For MEDS-AD, Institutional MEDS, OSS, Medically Needy, QMB, SLMB, WD, Protected Medicaid and HCDA:
 - a. for weekly: multiply by four
 - b. for biweekly or semimonthly: multiply by two.
 - c. for monthly: use monthly amount
 - d. for income received quarterly, semiannually, or annually: divide by the number of months in the period it is intended to cover (quarterly, by three; semiannually by six).

Note: If converting income that is received quarterly, semiannually, or annually causes ineligibility, do not prorate; count income in the month it is actually received.

Note: For Institutional MEDS this step applies only to counting income for eligibility. Patient responsibility is computed using the same rules as ICP, Hospice, and HCBS.

2. For ICP, Hospice and HCBS: use the actual number of payments made in the month to convert to a monthly amount and determine individual's eligibility:
 - a. for weekly: use five weeks in months that have five payments and four weeks in months that have four payments.
 - b. for biweekly: use two payments in months only two payments will be received; three payments in months where three payments will be received.
 - c. for income received quarterly, semiannually, or annually, count income in the anticipated month of receipt.

2440.0511 How to Count Income for OSS (SFP)

For eligibility and determining payment amount for the Optional State Supplementation Program: determine anticipated income, then average/prorate and convert to monthly amount using the methodology in passage 2440.0510 Step 4, (a).

2440.0512 How to Count Income for Patient Responsibility (MSSI)

Take the following steps to determine what income of the individual to count in determining patient responsibility. Patient responsibility is computed the same for ICP, ICP-MEDS, Institutional Hospice and HCBS. (To determine the amount of income for the community spouse, follow the rules in passage 2440.0510.)

Remember: For applications, budget actual income for months available instead of computing an average. If you are prorating income, begin prorating in the month it is received in a month for which benefits are requested. For example, if an individual is requesting benefits beginning in July, and receives an annual payment every October, no income from the October payment would be counted in the budget until October. Then, schedule a partial for September to start counting the prorated income effective October.

Step 1: Is the individual eligible for Medicaid for all months following the process described in passage 2440.0510, Step 4?

If yes, go to Step 2.

If no, you must count the income for the month in which it is actually received. You cannot prorate and create eligibility.

Example: Ms. Porter receives \$1300 a month from a pension and receives an annuity of \$200 quarterly. Her \$1300 pension is budgeted with partials scheduled to budget the \$200 annuity for the month received. Ms. Porter must be switched to Medically Needy for one month of every quarter, unless she elects to set up an income trust.

Step 2: Does the individual have fluctuating income?

If yes, go to Step 3.

If no, budget the monthly income.

Step 3: Compute average monthly countable income as follows:

1. For weekly income: multiply by 4.3.
2. For biweekly or semimonthly: multiply by 2.15.
3. For income received quarterly, semiannually, or annually: divide by the number of months in the period it is intended to cover (quarterly by three, semiannually by six, annually by 12).

Example: Ms. Lucy receives a pension from Canada semiannually. The amount fluctuates based on the conversion rate. Following the guide in passage 2440.0509 for estimating income, the amount of biannual payment is \$50. It has not varied more than \$5. In addition to the Canadian pension, she receives \$1000 per month in SSA. In all months she is eligible (\$1000 total income in five months and \$1050 in the sixth month are less than the current income limit). Therefore, you can average six months of Canadian pension payment (\$50 divided by six), and enter \$8.33 in HHIP on AFMI along with the \$1000 in SSA. Because the Canadian pension has not varied more than \$5.00, the averaged income is included in the budget until the next complete review.

2440.0600 **ROUNDING (MSSSI, SFP)**

When it is necessary to divide because of averaging or prorating, round the resulting amount to the nearest cent as follows:

Step 1 - Perform the division to three decimal positions; that is, to three positions after the decimal point.

Step 2 - If the third decimal position is five to nine, round the amount to the next higher cent.

Step 3 - If the third decimal position is four or less, round the amount to the next lower cent (that is, drop the third decimal position).

2440.0800 EXPLORING MANAGEMENT (MSSSI, SFP)

Management is the comparison of the monthly income received and expenses paid by the applicant or recipient. In exploring eligibility, an applicant or recipient is required at a minimum to explain management during the month(s) of application and at each complete eligibility review, if questionable.

This policy applies to MEDS AD, NS, QMB, SLMB, QI-1, Protected Medicaid, Working Disabled, EMA, Community Hospice:

An applicant is required to explain management for the month(s) of application and may be required to explain management for months prior to the month of application. A recipient is required to explain management if questionable for the month of complete eligibility review and may be required to explain management during the review period. An application cannot be rejected for failure to provide documentation of expenses paid in months prior to application; however, failure to explain management during the month(s) of application may result in denial of the application if eligibility cannot be determined.

When current paid expenses exceed acknowledged income, receipt of income from other possible sources must be explored by the eligibility specialist and verification or documentation secured by the individual, if indicated.

If the applicant or recipient cannot explain how the bills were paid, the case should not be denied or canceled solely on "management". However, the eligibility specialist must request that the applicant or recipient furnish additional information, that is, pend the case. Failure by the applicant or recipient to provide this information within the pending deadlines will result in the case being denied based on the fact that eligibility cannot be determined.

This policy applies to ICP, institutional Hospice and HCBS:

It is possible to identify undisclosed income and assets through examination of the individual's living situation and financial management. It is of primary importance to examine how the individual lived and met expenses in the one year prior to their application for assistance.

For ICP, allegations of disposed assets or unavailable income must be confirmed. If the information provided by the applicant or recipient indicates the existence of unstated income or assets (that is, there is a question of how the individual met daily living expenses), the eligibility specialist must ask for an explanation and record the details. Assistance with the case should be requested from the Region or Circuit Program Office.

2450.0000 Child In Care

The sections below discuss income budgeting methodologies.

2450.0100 INCOME LIMITS (CIC)

Eligibility for Medicaid is determined by comparing the individual's countable income to the income limits. Refer to Appendix A-5 and A-7 for the standard tables.

2450.0200 BUDGETING (CIC)

Budgeting processes determine how benefits will be calculated, by program, for the month.

2450.0201 Budgeting Period (CIC)

Eligibility is based on the assistance group's composition, technical factors, and income circumstances as they exist in the month for which benefits are being calculated. This can be either a past, current or future month. When budgeting for a future month, the estimated anticipated income and circumstances may be based on what occurred in prior months if those months are considered representative of the assistance group's continued situation. Budgeting may also be based on the amount the individual can anticipate to receive.

2450.0204 Determining Monthly Income (CIC)

Several factors are involved in determining a gross amount of monthly income to be budgeted. These are anticipating and projecting income, averaging income, and converting the income to a monthly amount.

When income is received more often than monthly, it will be converted to a monthly amount. When averaging income, use the most recent consecutive four weeks or the best available information when it is representative of the individual's future income.

2450.0206 Budgeting Methods Non-Title IV-E (CIC)

The process of computing the amount of income to be considered in determining financial eligibility and the benefit amount is called "budgeting". When determining financial eligibility, one or more budget calculations will be completed. The best estimate of an assistance group's income and circumstances is used to determine the eligibility. When determining eligibility for a past month the AG's actual income and circumstances are used. The income is compared to the appropriate income limit to arrive at the benefit amount. See Appendix A-7 for income charts.

2450.0209 Budgeting Methods Title IV-E (CIC)

Determination of initial Title IV-E eligibility is completed by the Office of Child Welfare prior to submitting the application for Medicaid. Budgeting for Title IV-E foster care child's ongoing eligibility follows the budgeting methods in passage 2450.0206, except the eligibility specialist budgets actual income for the month of removal of the child from the home or voluntary placement. Prospective budgeting is used. For Title IV-E, two separate budgets are needed for the month of removal. First the countable income must be less than the consolidated needs standard in effect on July 16, 1996. The income of the child placed in care is then calculated separately and compared to the foster care board rate. The difference between the board rate and the child's countable income is the amount of the board rate. Gross income cannot exceed 185% of the AFDC-FC board rate.

During redeterminations only income actually received by the child can be counted in the budget computation; income of the child's parents and relatives is not considered. State collected child support or money collected by fee collection is not counted. Ineligibility on lump sum in the month of the initiation of court action results in denial of the case. Lump sums received in an active case

will be treated in accordance with TCA policy except that the lump sum eligibility period is the number of months the child is ineligible based on dividing the lump sum by the board rate. As with Family-Related Medicaid policy, any remainder must be counted the first month that eligibility resumes.

2450.0500 INCOME AVERAGING (CIC)

Income averaging is a method used to adjust for fluctuations in income when the income is not verified through the Federal Data Services Hub (FDSH) or State Wage Information Collection Agency (SWICA) data, converted to a monthly amount.

When earned income is received more frequently than monthly, a four week average is used. When income is received semimonthly, the computation is averaged based on the most recent available one month of pay. When the income is received monthly, use the most recent one month of pay if representative.

When using an average, use only the weeks in the average that represent the ongoing pattern of employment. If there are significant breaks of one week or more without pay and the breaks are not expected to recur at four week intervals, the breaks will be disregarded in computing the average. Such a break without pay might be due to illness, a death, vacation, employer leaving town, and the like. When such breaks are part of the pattern of the applicant/recipient's employment, the weeks are taken into consideration in computation of the average (for example, construction workers).

When the applicant/recipient begins employment by working only a partial week, thus having lower wages for that week only, the initial partial week should not be included in the average used to compute the budgeted income.

Unearned income such as contributions may be averaged using the same procedures.

2450.0502 Averaging Fluctuating Income (CIC)

To average income, consider the standard filing unit's anticipation of monthly income fluctuations over the eligibility period. When averaging income, use the most recent consecutive four weeks or the best available information when it is representative of the individual's future earnings.

When the most recent consecutive four pay stubs are provided and there are no major changes in pay or number of work hours, project future monthly earnings on an average of the four pay stubs provided.

When the most recent consecutive four pay stubs are provided and there has been a change to the hourly rate of pay or work hours use the most recent pay stub(s), which are representative of future earnings.

2450.0505 Less Than a Four Week Average (CIC)

When a shorter than four week average is to be computed, use the number of weeks available up to four at the new amount, to compute the revised average. When the applicant/recipient has just begun employment and only one full week's earnings are available or only the wage and hours are known, compute the budget based on the best information available. Contact may be made with the employer if necessary to confirm employment information. The reason for the less than four week average must be clearly reflected in the case recordings.

2450.0509 Income More Often than Monthly (CIC)

The following procedure to calculate the average of earned or unearned income received in varying amounts more frequently than monthly is the same for all programs:

1. Add the gross income amounts for the past four weeks to get the total.

2. If income is received weekly, add four pay periods and divide by four to get the weekly average.
3. If income is received biweekly, add two pay periods and divide by two to get the biweekly average.
4. If income is received semimonthly, add two pay periods and divide by two to get the semimonthly average.
5. If income is received monthly, use the most recent month if representative.

The result of the above is called the averaged amount. With the exception of monthly amounts, the averaged amount described above must be converted to a monthly amount.

Note: When an individual has just begun or terminated a job in the current month, a full month's income is not budgeted but only that amount received in the month or anticipated to be received.

2450.0600 ROUNDING (CIC)

When it is necessary to divide because of averaging or prorating, round the resulting amount to the nearest cent as follows:

- Step 1** - Perform the division to three decimal positions; that is, to three positions after the decimal point.
- Step 2** - If the third decimal position is five to nine, round the amount to the next higher cent.
- Step 3** - If the third decimal position is four or less, round the amount to the next lower cent (that is, drop the third decimal position).

2450.0700 INCOME CONVERSION (CIC)

Most income is received more often than monthly; that is; it is received weekly, biweekly, or semimonthly. Since eligibility and benefit amounts are issued based on a calendar month, income received other than monthly is to be converted to a monthly amount.

The following conversion factors based on the frequency of pay are used.

- Weekly income** (once a week): Multiply by 4.3.
- Biweekly income** (every two weeks): Multiply by 2.15.
- Semimonthly income** (twice a month): Multiply by 2.

2460.0000 Refugee Assistance Program

Once the eligibility specialist has determined the individual's assets (Chapter 1600) and income (Chapter 1800) according to policy, various budgets and tests must be executed to determine or redetermine eligibility. To determine how to calculate benefits, Chapter 2600 must be used.

2460.0100 INCOME LIMITS (RAP)

The income limits compared to the SFU's countable income to determine eligibility for assistance vary by coverage group. Refer to Appendix A-5 and A-7 for the standard tables.

2460.0200 BUDGETING (RAP)

Budgeting processes determine how benefits will be calculated, by program, for the month. Benefits for all programs are budgeted prospectively. Prospective budgeting is explained in passage 2460.0201.

2460.0201 Prospective Budgeting (RAP)

Prospective budgeting is a method by which eligibility and benefit levels are based on the assistance group's composition and income circumstances as they exist in the month for which benefits are being calculated. This can be either a past, current or future month. When budgeting prospectively for a future month, the estimated anticipated income and circumstances may be based on what occurred in prior months if those months are considered representative of the assistance group's continued situation. Prospective budgeting may also be based on the amount the individual can anticipate to receive. When a budget is completed for a month that has already passed, the actual income and circumstances are used. A past month is defined as any month prior to the month of the interview. All assistance groups are subject to prospective budgeting.

2460.0204 Determining Monthly Income (RAP)

Several factors are involved in determining a gross amount of monthly income to be budgeted. These are anticipating and projecting income, averaging income, and converting the income to a monthly amount.

When income is received more often than monthly, it will be converted to a monthly amount. When averaging income, use the most recent consecutive four weeks or the best available information when it is representative of the individual's future earnings.

Note: Failure to receive paychecks at regularly scheduled times does not warrant changes in eligibility. For example: Panther Imports paid their employees on the 30th of each month. In July, they decided to pay the employees on the 3rd of the following month. As a result, employees received their July check on August 3rd. Even though no earnings were received in July we consider the August 3rd pay in the July budget as it was money intended for July.

2460.0206 Budgeting Methods (RAP)

The process of computing the amount of income to be considered in determining financial eligibility and the benefit amount is called "budgeting". When determining financial eligibility, one or more budget calculations will be completed. The best estimate of an assistance group's income and circumstances is used to determine the benefit amount. When determining benefits for a past month the AG's actual income and circumstances are used. The income is compared to the appropriate income limit to arrive at the benefit amount. See Appendix A-5 and A-7 for income charts.

2460.0207.01 Budgeting for Subsequent Months (RAP)

Eligibility for a benefit is determined prospectively based on the individual's anticipated income and circumstances in the following month. Both technical and financial eligibility must be assessed. If eligible, the benefit must be based on the budget month's income and circumstances as known to the eligibility specialist at the time action is taken.

2460.0207.02 Removing an Individual's Needs (RAP)

If an individual in the assistance group is determined to be prospectively ineligible for the following month, his needs must be removed the following month. If it is not possible to give a 10 day advance notice to cancel or reduce the benefit, an overpayment exists for the interim month.

When the individual whose needs are being removed has income that must continue to be considered in the benefit (for example, a CSE sanctioned parent who is working) the income must continue to be budgeted. If, however, an individual's needs are removed and the income is no longer required to be considered, the income is removed effective the same month the individual is removed.

2460.0207.03 Adding Individuals to an AG (RAP)

For individuals who are being added to the grant following CSE or TANF sanctions, refer to that section in the manual.

2460.0208 \$10 Minimum Benefit (RAP)

Benefits must be at least \$10. Assistance groups entitled to a lesser amount will not receive a benefit, as benefits of less than \$10 cannot be issued. Individuals of assistance groups ineligible for a benefit because the benefit is less than \$10 continue to be considered TCA recipients for all other purposes and are eligible for Medicaid benefits. If the TCA benefit is less than \$10 due to proration, the benefit will be issued. When mandatory recoupment of an overpayment reduces the benefit to less than \$10, a benefit for less than \$10 will be issued.

2460.0300 INCOME DISREGARDS (RAP)

This section presents policy on the following:

1. earned income disregard,
2. standard disregard,
3. student earned income,
4. ordinary and necessary expenses,
5. optional deduction, or
6. unearned income overpayment.

2460.0301 Disregards and Vendor Payments (RAP)

Any expense which is paid in full by a vendor payment cannot be allowed as an expense under income disregard policy.

2460.0304 Standard Earned Income Disregard (RAP)

The standard earned income disregard must be budgeted for each individual whose earned income is considered in determining eligibility.

The first \$90 of each individual's gross earned income is deducted in a regular budget.

The first \$90 of each individual's gross earned income is deducted in the deeming budget.

The formula is: (Gross Earned Income) - (Standard Earned Income Disregard) = (Balance after Standard Earned Income Disregard).

2460.0305 Individuals Ineligible - Standard Deduction (RAP)

For RAP, the following individuals are not eligible to receive this disregard:

1. ineligible noncitizens, or
2. individuals whose needs are excluded because of welfare enumeration.

2460.0318 Individuals Ineligible for \$200 and 1/2 Disregard (RAP)

Refugee Assistance Program coverage groups are not eligible for the \$200 plus one half earned income disregard, but remain eligible for the \$90 standard earned income disregard.

Deeming budgets will continue to be computed according to old policy. The \$200 and one half earned income disregard will not be applied in the deeming budget.

2460.0325 Work Related Cost of Care Disregards (RAP)

Medicaid recipients with child care costs will be allowed the work related cost of care disregard in the eligibility budget. The child care cost must be verified only if questionable.

Only the amount of the out-of-pocket expense may be used as a disregard in the Medicaid budget. This is the amount the individual pays; i.e., the parent fee and/or any amount that exceeds the market rate.

2460.0326 Cost of Care Maximums (RAP)

The maximum allowable disregard for the work related cost of child or incapacitated adult care is up to \$200 per child under age two; or up to \$175 per child or incapacitated adult age two or older.

In the month following the month the child turns age two, the maximum cost of care disregard becomes \$175 per child. If the child turns age two on the first of a month, the \$175 maximum disregard applies in the month of the child's birthday. The cost of care disregard is budgeted as billed (an average of the weekly expense x 4.3 conversion factor is used). However, no child or incapacitated adult care amount paid by vendor payment is allowed as a deduction.

The formula is: (Balance after Standard Earned Income Disregard) - Appropriate Earned Income Disregard - (As Billed Cost of Care per Child or Incapacitated Adult up to the Maximum) = (Countable Income).

2460.0327 Eligibility for Child Care Disregard (RAP)

In order to qualify for the disregard, the child/incapacitated adult care must be necessary for the parent/caretaker relative to maintain employment. Additionally, the child in need of care must be under age 13, or physically or mentally incapable of caring for himself, or be under court supervision. Verification of the need for care must be obtained only when questionable.

For Refugee Assistance Program (RAP), CIC and Family-Related Medicaid (MFAM) (under \$10 and opt not to receive), the cost of care shall be deducted only for the care of dependent children in the assistance group (AG). This includes a child who would be an assistance group member (or standard filing unit (SFU) for MFAM) except for the receipt of Supplemental Security Income (SSI). For all other MFAM groups, the child does not have to be in the AG, but must be a member of the SFU.

The cost of care incurred must be paid to an individual not in the AG/SFU.

2460.0328 Incapacitated Adult Care Disregard (RAP)

The cost of care for an incapacitated adult can be deducted only when:

1. the incapacitated individual lives in the home with the employed individual and the dependent child;
2. the incapacitated adult is included in the assistance group; and
3. the individual requires care due to a physical, mental, or emotional condition that precludes the individual from remaining alone in the home during the hours of employment.

The incapacitated individual's need for care must be verified, if questionable, by a statement from a physician, nurse or other health care professional. The amount billed must be documented or verified, only if questionable.

2460.0338 Shelter Obligation (RAP)

The payment standard for an assistance group's benefits is established by the legislature to meet the basic maintenance needs of families. Basic maintenance needs are those items required for survival, including food, clothing, personal incidentals, household incidentals and shelter expressed in one combined dollar amount. This amount is based on the size of the assistance group and the amount of the shelter obligation, if any.

2460.0339 Vendor/Subsidized Payments (RAP)

For those cases subsidized by Public Housing Authority, the payment standard will be based on the amount the individual is actually obligated to pay. If the person's rent obligation is zero, then cash benefits are based on Tier III. However, if the shelter is being vendor paid by a friend, parent, or some other person, directly to the landlord, the cash benefit is based on the amount of the person's shelter obligation. Vendor payments differ from rent subsidies.

2460.0340 Three Tier Payment Standard (RAP)

Tier I: Tier I standards are recognized for assistance groups who have a shelter obligation greater than \$50, such as a mortgage payment, rent, room and board payment, purchase contract, etc. An individual is also considered to have a shelter obligation when there is a documented lien against their homestead that has been used as collateral on a loan. This includes the homeless, individuals living in shelters and battered women living in shelters, even if they are not obligated to pay rent or other shelter expenses.

Tier II: Tier II standards are recognized for assistance groups who have a shelter obligation of \$.01 to \$50, such as a mortgage payment, rent, room and board payment, purchase contract, etc. An individual is considered to have a shelter obligation when there is a documented lien against their homestead that has been used as collateral on a loan.

Tier III: Tier III standards are recognized for assistance groups who are responsible for shelter related costs such as water, sewage, taxes, insurance and upkeep, and do not have a purchased shelter obligation. Tier III standards are also recognized for those who have no shelter or shelter related costs. Tier III standards are also recognized for teen parents living in the home of a parent, legal guardian, or other adult relative.

Note: This applies to Temporary Cash Assistance only. Medicaid policy would still allow a shelter obligation to teen parents living in the home of a parent, legal guardian, or other adult relative.

2460.0341 Verification of Shelter Obligation (RAP)

The applicant's statement of the shelter is acceptable at application unless questionable. The recipient's statement of a shelter obligation is acceptable unless at scheduled complete eligibility reviews, whenever a recipient moves, or an increase in shelter obligation is reported that would result in a higher Tier standard being applied, or if the shelter obligation is not questionable. If the shelter obligation is questionable and proof of a shelter obligation is not provided, Tier III is to be budgeted at application or complete review. If proof is later provided, the correct shelter standard will be applied to the TCA budget beginning with the first TCA payment month following the receipt of proof of the shelter obligation.

Recipients who have a shelter obligation are considered to have this obligation even if they are in the process of being evicted.

Tier I and Tier II are budgeted for applicants who have a shelter obligation even if they had no shelter obligation prior to their application for Temporary Cash Assistance.

In stepparent situations, both spouses are responsible for the obligation, whether or not both names are on the lease or mortgage. The monthly amount of the shelter obligation is used in determining which payment Tier applies. When the parent or stepparent payee's needs are not included in the benefits and he claims that the children are required to share in his or her shelter cost, the shelter obligation of the parent, stepparent, or parent and stepparent (when both are residing together in the home) is included in the budget.

For AGs in which there is a SSI parent, use the shelter obligation of the parent. The shelter obligation of the parent must be verified only if questionable.

2460.0342 Budgeting Three Tier Payment Standards (RAP)

The selection of the correct Tier (see Appendix A-5) is based on the circumstances expected for the assistance group for the month. If there is an obligation any time during the month, it will be reflected in the budget for that month.

Example 1: Mrs. B. paid rent of \$500 on August 1 and was budgeted Tier I. On August 15 she moved in with her parents and no longer has a shelter obligation. The September benefit must reflect the standards of Tier III, because she had no obligation for the entire month.

If a change in shelter obligation results in prospective ineligibility, the case should be terminated effective the next month in which 10 days notice can be provided.

If an individual makes a change in shelter while the application is pending, use the appropriate Tier for any month the individual incurred a shelter obligation during the pending application period.

Example 2: Ms. C. applied on June 1 but due to her delay, she is not approved until September 2. She paid rent of \$55 in June, July and August but moved on August 8 and no longer has a shelter obligation. The July and August benefits must reflect the standards of Tier I. September benefit must reflect the standards of Tier III.

2460.0343 Adding New Individuals to Benefit (RAP)

When adding new individuals to an existing assistance group (AG), the eligibility specialist selects the appropriate Tier based on the existing assistance group's actual circumstances for the month.

2460.0363 Student Earned Income Disregard (RAP)

The earned income of an eligible child who is a full-time student or a part-time student who is not a full-time employee is not subject to the eligibility standard test for six months in a calendar year. The gross earned income of the child who is a full-time student, or a part-time student and who is not a full-time employee is disregarded in the budget computation for the entire calendar year.

A student, for purposes of the student earned income disregard, refers to an individual under age 19, or under age 21 whose needs are included in a coverage group that provides Medicaid coverage to children under age 21 (ex. MO Y, MP C). A part-time student who is not a full-time employee is defined as one whose school or training schedule is at least one-half of a full-time curriculum and who is regularly employed less than 30 hours per week.

2460.0500 INCOME AVERAGING (RAP)

Income averaging is a method used to adjust for fluctuations in income, as described in passages 2460.0501 through 2460.0509.

2460.0501 Averaging Fluctuating Income (RAP)

To average income, the eligibility specialist must consider the assistance group's anticipation of monthly income fluctuations over the eligibility review period. When averaging income, use the most recent consecutive four weeks or the best available information when it is representative of the individual's future earnings.

Example 1: At application, Mr. Smith provides the most recent consecutive four pay stubs from his job. He states he has not received any pay raises or significant changes in the number of hours he is working. As such, the eligibility specialist projects his future monthly earnings on an average of the four pay stubs he presented.

Example 2: At eligibility review, Mr. Smith provides the most recent consecutive four pay stubs from his job. The two more recent stubs indicate a \$1.00 increase in his hourly rate. Since he has had a change in his hourly rate, the eligibility specialist does not use all four pay stubs to project his future earning potential. Instead, the eligibility specialist uses the two pay stubs which are representative of his future earnings and averages these to project his monthly earnings.

2460.0502 When Income should be Averaged (RAP)

When computing a budget, income should be averaged whenever it is received:

1. in differing amounts;
2. at varying periods;
3. from sources such as tips, commissions, and overtime;
4. at a regular rate and schedule of pay, but to cover time periods which vary; or
5. in any combination of the above, or any time the same amount is not received at the same time each month, resulting in the amounts to be budgeted varying from month to month.

2460.0503 Unearned Income (RAP)

Unearned income such as contributions or child support payments may be averaged using the same procedures as for earned income.

2460.0504 Earned Income (RAP)

A four week average is used when earned income is received more frequently than monthly; for example, weekly or biweekly. When income is received semimonthly, the computation is averaged based on the most recent available one month of pay (two semimonthly payments). When the income is received monthly, use the most recent one month pay if representative.

When using an average, use only the weeks in the average that represent the ongoing pattern of employment. For example, if the employee is out sick one week and received no pay, do not use that week in the average.

2460.0505 Less Than a Four Week Average (RAP)

When a shorter than four week average is to be computed, use the number of weeks available up to four at the new amount, to compute the revised average. When the applicant/recipient has just begun employment and only one full week's earnings are available or only the wage and hours are known, compute the budget based on the best information available. Contact may be made with the employer if necessary to confirm employment information. The reason for the less than four week average must be clearly reflected in the case recordings.

2460.0506 Significant Breaks in Employment (RAP)

If there are significant breaks of one week or more without pay and the breaks are not expected to recur at four week intervals, the breaks will be disregarded in computing the average. Such a break without pay might be due to illness, a death, vacation, employer leaving town, and the like. When such breaks are part of the pattern of the applicant/recipient's employment, the weeks are taken into consideration in computation of the average (for example, construction workers).

2460.0507 Partial Week (RAP)

When the applicant/recipient begins employment by working only a partial week, thus having lower wages for that week only, the initial partial week should not be included in the average used to compute the budgeted income. Additionally, if a partial week was worked due to illness, a death, vacation, etc., and these factors are not anticipated to recur within the future, these partial weeks should be omitted from the average as they are not reflective of future earnings. In this situation, the average may be based on three weeks or less.

2460.0508 Basis for Average (RAP)

Requirements for documentation or verification of averaged income are the same as with any income as provided in Chapter 1800. It is important that the eligibility specialist base the average computation for ongoing employment on the actual gross income the applicant/recipient received for the particular time period, rather than on estimated wages and hours to be worked. When the applicant/recipient begins new employment, the eligibility specialist must determine whether the particular type of employment will result in irregular income. Although the employer may indicate on the documentation that the applicant/recipient is to work a set number of hours or days for a certain wage, the applicant/recipient may actually work varying hours. Base the initial budget on the amount the applicant/recipient is supposed to earn, usually one week's salary, or the employer's statement of wages.

2460.0509 Income More Often than Monthly (RAP)

The following procedure to calculate the average of earned or unearned income received in varying amounts more frequently than monthly is the same for all programs:

1. Add the gross income amounts for the past four weeks to get the total.
2. If income is received weekly, add four pay periods and divide by four to get the weekly average.
3. If income is received biweekly, add two pay periods and divide by two to get the biweekly average.
4. If income is received semimonthly, add two pay periods and divide by two to get the semimonthly average.
5. If income is received monthly, use the most recent month if representative.

The result of the above is called the averaged amount. With the exception of monthly amounts, the averaged amount described above must be converted to a monthly amount.

Note: When an individual has just begun or terminated a job in the current month, a full month's income is not budgeted but only that amount received in the month or anticipated to be received.

2460.0600 ROUNDING (RAP)

When it is necessary to divide because of averaging or prorating, round the resulting amount to the nearest cent as follows:

- Step 1** - Perform the division to three decimal positions; that is, to three positions after the decimal point.
- Step 2** - If the third decimal position is five to nine, round the amount to the next higher cent.
- Step 3** - If the third decimal position is four or less, round the amount to the next lower cent (that is, drop the third decimal position).

2460.0700 INCOME CONVERSION (RAP)

Most income is received more often than monthly; that is; it is received weekly, biweekly, or semimonthly. Since eligibility and benefit amounts are issued based on a calendar month, income received other than monthly is to be converted to a monthly amount.

The following conversion factors based on the frequency of pay are used.

- Weekly income** (once a week): Multiply by 4.3.
- Biweekly income** (every two weeks): Multiply by 2.15.
- Semimonthly income** (twice a month): Multiply by 2.

2460.0800 EXPLORING MANAGEMENT (RAP)

Management is the comparison of the monthly income received and expenses paid by the applicant or recipient. In exploring eligibility, an applicant or recipient is required at a minimum to explain management.

For RAP an applicant is required to explain management for the month(s) of application and may be required to explain management for months prior to the month of application. A recipient is required to explain management if questionable for the month of complete eligibility review and may be required to explain management during the review period. An application cannot be rejected for failure to provide documentation of expenses paid in months prior to application; however, failure to explain management during the month(s) of application may result in denial of the application if eligibility cannot be determined.

When current paid expenses exceed acknowledged income receipt of income from other possible sources must be explored by the eligibility specialist and verification or documentation secured by the individual, if indicated.

If the applicant or recipient cannot explain how the bills were paid, the case should not be denied or canceled solely on "management". However, the eligibility specialist must request that the applicant or recipient furnish additional information, that is, pend the case. Failure by the applicant or recipient to provide this information within the pending deadlines will result in the case being denied based on the fact that eligibility cannot be determined.