



Department of Human Resources
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FIA INFORMATION MEMO

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**TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND CASE MANAGERS**

FROM: CHARLES HENRY, ACTING EXECUTIVE DIRECTOR, FIA

RE: QUESTIONS AND ANSWERS – 2000 FIRST QUARTER

PROGRAM AFFECTED: TCA, FS AND MA

ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS

BACKGROUND

FIA Policy and Training staff conducted Quarterly Briefings in March 2000 to provide local staff with information concerning newly released policy. Questions surfaced during the briefings and other training sessions conducted since that time. The following is a compilation of program questions with the answers and clarifications related to those questions. This transmittal also clarifies and expands on answers given in FIA Information Memo 00-41.

Procedural Questions

Questions Concerning Action Transmittal (AT) 00-34

Q1: What do you do in the following situations: The redetermination has been scheduled, the customer moves to another jurisdiction and the interview has not been completed. Or, the customer is already in the new jurisdiction and there is outstanding redetermination work?

A1: As stated in the "Background" section of AT 00-34, the **new office** should take the appropriate action to provide the service needed. This may include contacting the former jurisdiction. In some situations, the local offices may find it necessary to allow flexibility for the customer and local departments.

For example:

A customer reports her new address to the new local office. Her redetermination is due and the case will close unless the case manager takes immediate action. Her case record is housed in the former jurisdiction (both on CARES and physically). The local departments should cooperate to provide uninterrupted benefits. If the customer is willing to travel to the former jurisdiction, then the former jurisdiction **may** complete the redetermination prior to case transfer. The Department's position is that the **local departments should always cooperate with one another in a spirit of fairness that will ensure seamless customer service.**

Q2: Action Transmittal 00-34 mentions reviewing all outgoing and incoming transfers to see if there are outstanding BEGS. Can it be made clear that the same review needs to be done to see if there are ongoing recoupments?

A2: Yes, certainly. The case manager **must** clearly note recoupment issues in the case narrative. Additionally, it would be helpful to note any ongoing recoupment issues in the "NOTES" section of the "CASE RECORD TRANSFER" form (DHR/FIA 738).

Food Stamps – Failure to Comply with Federal, State, or Local Assistance Program Requirements. Action Transmittal 00-42

Q3: If a household is under full family sanction for TCA and the phantom income is entered on the UINC screen for food stamps, would we increase the phantom income when the TCA grant increases or is it indeed frozen at that level?

A3: The income is frozen. Otherwise, case managers would have to individually adjust all phantom income cases each time TCA grants increase because of cost of living adjustments.

Q4: Since the new policy regarding phantom income is effective April 1, 2000 will locals be held harmless for cases completed prior to this date?

A4: Local departments will be held harmless for the **new** policy provided in the AT.

Q5: If the household size changes in a case where phantom income is being counted, does the phantom income change as well? If so, is it at the former rate or adjusted to the current rate?

A5: The phantom income would change as well. It would be adjusted at the former rate. (See action transmittal 97-80 page 4, Q&A #1)

- Q6:** In a given month you have both an agency and a customer caused overpayment. We can determine the overall overpayment amount but cannot establish what portion of the overpayment is to be charged to the customer and what portion is to be charged to the agency. For food stamps do we count gross or net income?
- A6:** This should not happen since CARES establishes Administrative Error (AE), Inadvertent Household Error (IHE) and Intentional Program Violation (IPV) overpayments separately. If there is absolutely no possible way to tell them apart, don't use phantom income.
- Q7:** Is there any limit on the length of time a customer would be subject to the noncompliance rules for means-tested programs? Example: A TCA case is case closed for failure to comply with a requirement of the program. The case manager enters phantom income on the food stamp case. A year later the food stamp case closes. Two years later the food stamp case is reopened. Is TCA phantom income still counted for food stamps?
- A7:** There is no time limit on compliance. The case manager should look at the situation during the time the household was not receiving TCA to see if they can make a determination of compliance.
- Q8:** Are unemployment benefit recoupment amounts counted as phantom income?
- A8:** No. Unemployment benefits are not means-tested public assistance.
- Q9:** The case manager enters phantom income on CARES when a TCA customer fails to comply with a program requirement. The customer starts a job. The phantom income is still on the system but there is nothing in the narrative to identify the source. What is the procedure?
- A9:** You must adjust the TCA to reflect the earned income. If the income exceeds the TCA amount the customer is no longer subject to this rule. (See Action Transmittal 97-80, page 3)

**Food Stamps – Treatment of Welfare Avoidance Grants
Action Transmittal (AT 00-36)**

- Q10:** Can a WAG be used to purchase tools needed for self-employment?
- A10:** Local departments establish the criteria for issuing a WAG. Some local departments have issued WAGS for this purpose.
- Q11:** How will QC look at a local decision regarding WAGS?

A11: QC will review the local decision according to policy and the local plan for the treatment of a WAG (Action Transmittal 00–36). Thorough narration is extremely important.

Q12: What is the definition of “reimbursement” for the WAG policy? We ordinarily consider a reimbursement as a payment for an expense the customer has already paid. Is a reimbursement a “billed expense” or a “paid expense?”

A12: See Food Stamp Manual 211.3 G – Reimbursements for Past or Future Expenses. The WAG can be for a past or future expense or a “paid” or “billed” expense.

Q13: Will local departments be cited in error by QC reviewers on food stamp cases where WAGS were issued prior to April 1, 2000?

A13: No

Q14: Most WAGS given in our agency are for maternity leave when the employer offers no compensation. The customer will be out of work for 6-8 weeks. The WAGS are given for normal living expenses, such as rent or utilities, until the customer returns to work. Is there any way to exclude this as income? Does “maternity leave” offer any special consideration? Discriminatory problems?

A14: Maternity leave does not offer a customer any special advantage. Case managers should only look at a WAG under the lump sum or excludable income provisions when it is used to pay expenses that are **not** considered normal living expenses. (See AT 00-36)

Clarification of Food Stamp Policy Included in Information Memo 00-41

Q15: A customer has an apartment and another individual moves in. They split rent and expenses. Is this sharing or a rental income situation?

A15: Original Answer: Ask the customer questions about their situation. If the customer feels they are roommates, consider it sharing and use the portion each pays as a shelter cost. If the customer considers the other individual to be a roomer, the rent that is paid to the customer is self-employment income and the customer can receive a deduction for the full rental expense and utilities.

Expanded Answer: When separate households live in the same apartment, share rent and one receives a rent payment from the other and pays the landlord, the household that pays the landlord would not have the

rent received counted as income. A rent payment that a household receives from and uses on behalf of a third party, i.e. a rent payment that passes through, is excluded income.

Example: Two individuals live in the same apartment. Household B is the food stamp applicant. The total rent for the apartment is \$500. Household A shares the rent with Household B. Household A pays \$200 to Household B. Household B adds \$300 to the \$200 and pays the landlord \$500. The \$200 paid by Household A is not counted as income to Household B. Household B would be allowed a \$300 shelter expense. In this situation, the income received from Household A would be treated the same regardless of whether Household B states that Household A is a roomer.

Q16: A new applicant applies for food stamps. He voluntarily quit his job without good cause in the last 60 days. When does this individual become eligible, after 60 days or when he complies.

A16: Original Answer: The individual would become eligible for food stamps when he or she complies with work requirements or becomes exempt from the work requirement. (See 130.20 in the FS Manual)

Corrected Answer:

For the first violation, the individual would be eligible for food stamps after one month from the date of the quit or the date of compliance, whichever is later.

For a second violation, the individual would be eligible after three months from the date of the quit or the date of compliance, whichever is later.

For a third or subsequent violation, the individual would be eligible after 6 months from the date of the quit or the date of compliance, whichever is later.

The individual may re-establish eligibility during a disqualification period if he or she becomes exempt from work registration except for reasons of TCA work registration or receipt of unemployment compensation.

Q17: Is there any way to get current information regarding lump sum policy for all programs and how to code lottery winnings in CARES?

A17: Original Answer: Lottery winnings are coded in CARES as "LS" (Lump Sum) because most lottery winnings are non-recurrent payments. Treatment of lottery winnings for all programs would be handled the same way as regular lump sum payments.

Expanded Answer: In rare cases the household may receive installment payments for the winnings. Count installment payments as unearned income if the amount and receipt can be anticipated.

INQUIRIES

Please direct TCA questions to Jo-Ann Showalter at (410) 767-7956 and food stamp questions to Kay Finegan at (410) 767-7939.

cc: DHR Executive Staff
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