



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

FIA ACTION TRANSMITTAL

Control Number:

#02-11

Effective Date: October 1, 2001

Issuance Date: September 11, 2001

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

FROM: CHARLES E. HENRY, EXECUTIVE DIRECTOR

**RE: REPORTING CHANGES IN UNEARNED INCOME FROM A PRIVATE
SOURCE**

PROGRAM AFFECTED: FOOD STAMP PROGRAM

ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS

SUMMARY

The Food and Nutrition Service recently approved a waiver that increases the threshold for reporting changes in unearned income from a private source.

OLD POLICY

Households were required to report changes of more than \$25 in unearned income from any source, including income from a private source.

NEW POLICY

- Households are required to report changes of **more than \$100 in unearned income from a private source**. This source of income is generally payments by private individuals directly to the household.

Note: Households must continue to report new income from a private source.

- Unearned income from a private source includes, but is not limited to:
 - ◆ Child support that is paid through the Child Support Enforcement Administration (CSEA) or through a private agency that collects child support under contract with the State;

- ◆ Contributions;
 - ◆ Alimony;
 - ◆ Direct child support; or
 - ◆ Gifts.
- The waiver does not apply to unearned income from federal, State or local government agencies, private institutions (banks) or other corporations (former employers). Households must continue to report changes of more than \$25 in unearned income from these sources.
 - Note: The waiver does not apply to households subject to the simplified reporting waiver.
 - Examples:

Ms. A receives child support from the noncustodial parent through CSEA. She said her child support fluctuates each month. She received \$50 in January, \$30 in February and \$100 in March. The agency averaged these amounts and used \$60 for the certification period beginning April 1. In May she began receiving \$125 on a regular basis. She is not required to report this change until her next recertification. If she does report the change, the case manager must act on the change.

Mr. B receives \$150 per month from his mother to help with his expenses. The agency used this in the food stamp calculation for the certification period beginning July 1 through December. In August his mother reduced her monthly contribution to \$75. His sister began to give him \$50 per month. He is not required to report the change in the amount of contribution from his mother until his next recertification period because the change is less than \$100. He is required to report the contribution from his sister because it is a new source of income.

Policy Reminders:

- Do not include income in the food stamp calculation if the amount of income that the household will receive, or when the household will receive it is uncertain.

Example: A household has received child support payments of differing amounts only twice in the past six months. The amount of this income and when the customer will receive it again is uncertain. The case manager will not count child support when anticipating income for the certification period.
- Include anticipated income during the certification period only for the month the household normally expects to receive the income unless the income is averaged.

Example: A household usually gets one child support check payment a month. However, in June the household receives two payments, one for the previous month and one for the current month. The case manager should count the additional payment for the month the household expected to receive it (May) and not when it was actually received (June).

- Do not count as income money that the household receives in the form of a nonrecurring lump sum payment, including retroactive lump sum payments.

Example: A household receives a lump sum payment for six months of back-owed child support. The case manager will not count this payment as income. It is a resource in the month of receipt.

ACTION DUE

This policy is effective October 1, 2001 for applications and recertifications.

INQUIRIES

Please direct policy questions to Kay Finegan at (410) 767-7939 and systems questions to Kelly Brown at (410) 238-1294.

cc: DHR Executive Staff
FIA Management Staff
Constituent Services
DHR Help Desk
RESI

CARES PROCEDURES

For Applications

- Process case as usual,
- Enter the source of unearned income in the **Source** field on the **UINC** screen,
- Enter the appropriate verification in the **V** field,
- Enter the appropriate frequency type in the **Freq** field.

For Active Cases

- Select Option **R** from the **AMEN** screen,
- Fast path to **UINC** screen,
- Enter the source of unearned income in the **Source** field,
- Enter the appropriate verification in the **V** field,
- Enter the appropriate frequency type in the **Freq** field.