



Department of Human Resources
311 West Saratoga Street
Baltimore MD 21201

FIA ACTION TRANSMITTAL

Control Number: #02-14

Effective Date: December 21, 2000

Issuance Date: September 12, 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: TREATMENT OF FUNDS IN INDIVIDUAL DEVELOPMENT ACCOUNTS

PROGRAM AFFECTED: FOOD STAMP PROGRAM

ORIGINATING OFFICE: OFFICE OF POLICY, RESEARCH AND SYSTEMS

SUMMARY

Recently the Department received a letter from the Food and Nutrition Service that notified us that the President signed Public Law 106-554, the Consolidated Appropriations Act of 2001 on December 21, 2000. The legislation contains a provision that affects how we treat individual development accounts (IDA) under the Assets for Independence Act (AFIA) for the Food Stamp Program.

IDAs under the AFIA provide federal funds to match the amount of earnings that low-income working individuals and families put into savings for a first time home, post secondary education, or to start a new business. Southern Maryland Tri-County Community Action, Inc. is the only organization that we are aware of that is sponsoring an AFIA Demonstration Project.

OLD POLICY

We treated funds contributed by an individual to an AFIA IDA as a resource. We counted any accrued interest as income. There was no policy about excluding funds placed in an IDA.

NEW POLICY

- Exclude from assets any funds deposited in an individual development account under the Assets for Independence Act.
- Exclude from income any interest earned on the deposit.

CARES PROCEDURE FOR INDIVIDUAL DEVELOPMENT ACCOUNTS

Exclude funds deposited in IDA account under AFIA. **Do not enter the IDA deposits or their earned interest on CARES.** Case managers should include information about the IDA on the NARR screen.

ACTION DUE

This provision was effective December 21, 2000. Any household that lost benefits because of the delay in implementation is entitled to restored benefits back to December 21, 2000.

INQUIRIES

Please direct policy questions to Kay Finegan at (410) 767-7939.

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