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 Department of Human Resources 311 West Saratoga Street Baltimore MD 21201	<b>FIA ACTION TRANSMITTAL</b>
Control Number: FIA/OPR #98-43	Effective Date: Upon Receipt Issuance Date: March 24, 1998

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

**FROM: KEVIN MAJON, EXECUTIVE DIRECTOR, FIA**

**RE: REVISED POLICY MANUAL SECTIONS**

**PROGRAM AFFECTED: FOOD STAMPS**

**ORIGINATING OFFICE: OFFICE OF POLICY AND RESEARCH**

**SUMMARY**

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 established new policies and procedures for the Food Stamp Program. These changes have necessitated the revision of the Family Investment Administration's Food Stamp Manual to reflect the current food stamp policies and procedures. FIA is in the process of revising the Food Stamp Manual and will distribute sections of the manual to local departments as they are completed. FIA expects to complete the revision of the entire manual by July 1998.

**ACTION REQUIRED**

Attached are the following revised Food Stamp Manual sections:

- Section 100 - Household Composition
- Section 101 - Strikers
- Section 102 - Students
- Section 103 - Residents of Shelters
- Section 104 - Self Employed Households
- Section 108 - Households with Non-Members
- Section 212 - Deductions

Please remove all current sections referenced above from the Food Stamp Manual and replace them with the attached revised sections.

**ACTION DUE**

The required action is due upon receipt of this Action Transmittal.

**INQUIRIES**

Please direct inquiries to Steve Sturgill at (410) 767-7733.

**Attachments**

cc: FIA Management Staff  
Constituent Services  
OIM Help Desk

<b>DEPARTMENT OF HUMAN RESOURCES</b>	<b>FOOD STAMP MANUAL</b>	
<b>FAMILY INVESTMENT ADMINISTRATION</b>	Section 100	Page 1
<b>HOUSEHOLD COMPOSITION</b>		

### 100.1 Purpose

This section defines the eligibility group called the food stamp household. It describes who is and is not part of the group for food stamp purposes. It also describes certain persons who are not eligible to receive food stamps and persons who have eligibility only in special situations. (COMAR 07.03.17.03A)

### 100.2 Ineligible Households

The following people or groups of people are not eligible to receive food stamps. Therefore, they are never part of the food stamp household.

#### A. Boarders

- (1) Individuals or groups of individuals who:
  - (a) live with others and pay reasonable monthly compensation to others for their meals and lodging; or
  - (b) reside in commercial boarding houses (except the proprietor's household)
- (2) Persons who must be included in the household (see Section 100.3 B) cannot be boarders regardless of the amount of money they pay.
- (3) Reasonable monthly compensation is defined as follows:
  - (a) If the boarder receives more than two meals a day, the payment must equal or exceed the maximum monthly allotment for the appropriate household size of the boarder household.
  - (b) If the boarder receives two meals or less a day, the payment must equal or exceed two-thirds of the maximum monthly allotment for the appropriate household size of the boarder household.
- (4) This also applies in cases where, over a period of a week or month, the household receives two or less meals per day when the total meals are averaged over that period of time. For example, an individual may be part of a board arrangement that provides three meals per day on Monday through Thursday each week, but not for Friday, Saturday or Sunday. When averaged over the seven days, the number of meals is less than 2, or 1.7 per day.

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### 100.2 Ineligible Households (continued)

- (7) Individuals disqualified for failure to comply with work requirements.

#### D. Residents of Institutions

- (1) Except for the four groups listed in 100.4, residents of institutions are not eligible.
- (2) A person is considered a resident of an institution when that institution provides them with a majority (50% or more) of their meals as part of its normal services.

NOTE: See Section 108 for the treatment of the income and resources of a disqualified or ineligible household member.

### 100.3 Food Stamp Household Definition

- A. The eligible group for food stamp purposes is the food stamp household. A household may be one person or a group of people who reside together and customarily purchase and prepare their food together. It is not necessary that the group of people share other non-household expenses. Also, there is no requirement that the household have cooking facilities or common storage of food.
- B. The following people who reside together **must** be included in the same food stamp household. They cannot choose to be excluded on the basis of being a boarder, roomer or live-in attendant. When they claim separate living units in the same building, they cannot be separate households if any common living quarters (e.g. kitchen or bathroom) are shared.
- (1) Spouses are either of two people who:
- (a) Are married to each other under applicable state law; or
- (b) Hold themselves out to the community as husband and wife by representing themselves as such to relatives, friends or neighbors

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### 100.3 Food Stamp Household Definition (continued)

#### (2) Parents and Children

- (a) Children, 21 years old and younger, living with their parents cannot be separate households from their parents.
- (b) Adult children (22 years or older) who live with their parents can be separate households if they purchase and prepare their food separately.

#### (3) Children Under 18 Years of Age

- (a) Children (other than foster children) under 18 who live with and are under the parental control of someone other than a parent cannot be a separate household.

C. No individual may participate as a member of more than one household in any month except under the following condition:

- (1) the individual is a resident of a shelter for battered women and children as described in Section 103.

D. If a person or group leaves a household, they must be permitted to apply and participate as a separate household the month after the move, if otherwise eligible. The remaining household members will receive benefits based on the reduced household size.

### 100.4 Special Eligibility Situations

The following persons may make up or be part of the food stamp household provided they meet the special requirements described below.

#### A. Strikers

Households with a member subject to work registration who is on strike are not eligible for food stamps unless they were eligible for benefits on the day prior to the strike (See Section 101). Persons who are exempt from work registration are not defined as strikers. Therefore, this policy does not apply to them. In addition, it does not apply to persons locked out from their jobs.

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100.4 Special Eligibility Situations (continued)

**B. Students**

Students must meet one of the eligibility requirements listed in Section 102.

**C. Residents of public or private non-profit homeless shelters**

If otherwise eligible, residents of homeless shelters may receive food stamps, even though meals may be provided by the shelter.

**D. Residents of some non-profit housing for the elderly**

If the housing was built under Section 202 of the Housing Act of 1959 or Section 236 of the National Housing Act

**E. Narcotics addicts or alcoholics**

For the purpose of participation in a drug or alcohol treatment rehabilitation, the individual must reside at a facility or treatment center. The treatment center must be a non-profit (federally exempt) facility. It must also be licensed as providing treatment by a health, mental health or alcohol abuse agency of the State of Maryland, or be licensed by the Food and Nutrition Service (USDA) as a retail food outlet.

**F. Disabled or blind individuals**

- (1) Disabled or blind individuals who are residents of a group living arrangement (GLA) and who receive any of the following benefits:
  - (a) Supplemental Security Income (SSI)
  - (b) Retirement Survivor's Disability Insurance (RSDI)
  - (c) Disability retirement benefits from a governmental agency because of a disability considered permanent under the Social Security Act
  - (d) An annuity payment under the Railroad Retirement Act and determined eligible to receive Medicare by the railroad Retirement Board
  - (e) Presumptive eligibility payments pending receipt of SSI
  - (f) Federal disability-related Medical Assistance

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100.4 Special Eligibility Situations (continued)

- (2) This also applies to an individual who is blind or disabled who:
- (a) is a veteran with a disability rated or paid as total by the Veteran's Administration (VA); or
  - (b) is a veteran considered by the VA to be in need of regular aid and attendance or permanently housebound; or
  - (c) is a surviving spouse or surviving child of a veteran who the VA has determined to be in need of aid and attendance, is permanently incapable of self-support; or
  - (d) is a surviving spouse or child of a veteran and considered by the VA to be entitled to compensation for a service connected death or pension benefits for a non-service connected death and has a disability considered permanent.
- (3) The GLA facility must be a non-profit (federally tax-exempt) facility certified by a health, mental health or social service agency of the State of Maryland (See Section 109 for more detailed information on GLAs.)

**G. Women or women and children residing in shelters for battered women and children**

See Section 103 for more detailed information

**H. Elderly and disabled persons living with others who cannot purchase and prepare their own meals because they suffer from a permanent physical disability**

See Section 109 for more detailed information

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### 100.5 Non-Household Members

Do not consider the following individuals household members when determining the household's eligibility for food stamps. Non-household members, who are otherwise eligible, may participate as separate households. This does not apply to persons who must be included in the same food stamp household.

#### A. Roomers

Individuals who pay the household for lodging, but not meals, and do not eat with the household.

#### B. Live-in Attendants

Individuals who reside with a household for the purpose of providing medical, housekeeping, child care or other similar personal services.

### 100.6 Verification

Verify, if questionable, any factors affecting the composition of a household, such as household size and boarder status. Case managers must question all claims of separateness. The burden of proof for establishing separate household status is on the household.

### 100.7 Designating the Head of Household

The members of a household applying for benefits may designate the head of household. The local department will make the head of household designation if the household does not. Local departments cannot impose special requirements on the head of household, such as requiring that the head of household appear for appointments at the local department.

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STRIKERS	Section 101	Page 1

### 101.1 Purpose

This section defines a striker for program purposes. It also provides eligibility requirements for households containing a striking member or members.  
(COMAR 07.03.17.03D)

### 101.2 Definition of a Striker

- A. A striker is defined as anyone involved in a strike or concerted stoppage of work by employees (including a stoppage that results because a collective bargaining agreement has expired) or any concerted slowdown or other concerted interruption of operations by employees.
- B. Persons on strike are not considered to have voluntarily quit their jobs.
- C. There are several situations in which people may appear to be strikers but, for food stamp eligibility, are not considered strikers:
  - (1) Persons exempt from work registration requirements the day prior to the strike, for any reason other than employment; or
  - (2) Employees who are locked out because their work place has been closed by an employer due to a strike; or
  - (3) Employees unable to work as a result of striking employees. For example, striking newspaper pressmen prevent the printing of newspapers and consequently prevent truck drivers from working because there are no papers to deliver; or
  - (4) Employees, who are not part of the bargaining unit, refusing to work because of undesirable conditions at the work place caused by the strike. For example, employees who do not want to cross a picket line for fear of personal injury; or
  - (5) Employees who individually cease work, but are not ceasing work because of concerted action.
- D. The distinction between strikers and non-strikers is that strikers are involved in a concerted action by employees to temporarily stop work, while non-strikers are employees taking individual action or being forced by striking employees to stop work.

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### 101.3 Determining Striker Status and Eligibility

- A. Households with striking members are ineligible to participate unless the household was eligible for benefits the day prior to the strike and are otherwise eligible to participate in the program at the time of application.
- B. If eligible, the household cannot receive an increased allotment as the result of a decrease in income of the striking member.
- C. Take the following steps to determine the eligibility of households when a member has temporarily stopped working:
  - (1) First determine if the member who has stopped working is a striker. If not, treat the household without consideration of the special striker policies. (However, assign a short certification period, since the household's circumstances are likely to change.)
  - (2) Determine if the striking member was exempt from work registration on the day prior to the strike. If so, take into account any loss of income to determine eligibility and benefits. In effect, treat the striking member as a non-striker.
  - (3) Determine if the household was eligible the day prior to the strike if the striking member is not exempt from work registration. Use that day as the date of application and assume the strike did not occur. Take into account the income the striking member would have received to determine eligibility and benefits.
- D. Determine eligibility by comparing the striking member's income on the day prior to the strike to the striker's current income. Add the higher of the two amounts to the current income of the other household members. Apply the earned income deduction when appropriate.
- E. If the household contains a striking member who is not exempt from work registration and the household was not eligible on the day prior to the strike, the household is ineligible as long as the strike lasts.

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### 101.3 Determining Striker Status and Eligibility (continued)

**Example:** A household containing a striker applies on the day the strike begins. The household would have met the income test on the day prior to the strike. However, the household has resources of \$2,100. The household is ineligible to participate for the duration of the strike, even if the resources drop below the resource limit at some time during the strike.

### 101.4 Verification and Reporting

- A. Verify household income on the day prior to a strike if the household believes it would have qualified them for benefits. Verify non-striker status and/or household composition if it is questionable.
- B. A household with a member on strike but eligible for the program has the same responsibility to report changes as any other household. Take prompt action on these reported changes to determine if the change affects the striking household's eligibility or benefits. Process all changes that result in a decrease, increase or termination of benefits.

### 101.5 Work Registration

Eligible strikers are subject to the work registration requirements described in Section 130.

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<b>STUDENTS</b>	Section 102	Page 1

### 102.1 Purpose

This section describes special policies that apply to households with students.  
(COMAR 07.03.17.03A)

### 102.2 Student Status

- A. A person is considered a student if the individual is between 18 and 50 years old and enrolled at least half-time in an institution of higher education.
- B. An institution of higher education is limited to those institutions that normally require a high school diploma or equivalency certificate for a student to enroll. This definition also allows students of vocational and technical schools to participate in the program while they are obtaining practical skills.

NOTE: Some institutions which normally require a high school diploma or its equivalent will waive this requirement for certain students that have not graduated from high school. Students attending school under these special institutions of higher education are considered students for the purposes of this policy.

- C. This section does not apply to the following:

- (1) Persons age 17 or under
- (2) Persons age 50 or over
- (3) Persons physically or mentally unfit

NOTE: Physically or mentally unfit means any condition for which the person receives temporary or permanent disability payments issued by government or private sources or a condition verified in a statement from a physician or certified psychologist.

- (4) Persons attending high school
- (5) Persons participating in on-the-job training programs (a person is considered to be participating in an on-the-job training program only during the period of time s/he is being trained by the employer)
- (6) Persons not attending school at least half-time (half-time is determined by the institution)

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### 102.2 Student Status (continued)

- (7) Persons enrolled full-time in schools which are not institutions of higher education

### 102.3 Eligibility Requirements

The student must meet one of the following requirements to be eligible. If the student does not meet one of the requirements, the individual is considered a non-household member for program purposes. (See section 102.6 for treatment of income and resources.) The student must:

- A. Be employed or self-employed for a minimum of 20 hours per week and receiving weekly earnings at least equal to the federal minimum wage multiplied by 20 hours; or
- B. Participate in a State or federally financed work-study program during the regular school year. To qualify, a student must be approved for a work-study program at the time of application for food stamps. The exemption begins with the month in which the school term begins or the month work study is approved, whichever is later. The exemption continues until the end of the month in which the school term ends; or
- C. Be a recipient of Temporary Cash Assistance; or
- D. Be responsible for the care of a dependent household member under the age of 6; or
- E. Be responsible for the care of a dependent household member who has reached the age of 6 but is under age 12 for whom adequate child care is not available to enable the student to attend class and comply with work requirements. (A statement from the customer will be sufficient to verify that adequate child care is not available.); or
- F. Be a single parent enrolled in an institution of higher education on a full-time basis and be responsible for the care of a dependent child under age 12. (This provision applies in those situations where only one natural, adoptive or stepparent, regardless of marital status, is in the same household as the child.); or

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### 102.3 Eligibility Requirements (continued)

- G. Be assigned or placed in an institution of higher education through a program under the Job Training Partnership Act (JTPA), or Work Opportunities, or a Program under Section 236 of the Trade Act of 1974.

### 102.4 Definition of Work-Study

- A. To qualify under the work-study exemption, a student must actually be working at a job for which the student receives earnings or tuition credit for the work performed.
- B. This exemption does not apply to students who are working in hospitals or student- teachers who are teaching as part of their coursework for which they earn credit.
- C. Most work-study programs are funded through Title IV, Part C of the Higher Education Act of 1965, as amended. As long as there is some federal funding involved, these programs meet the definition of federally-financed work-study programs. Participating institutions are required to maintain listings of which students benefit from Title IV-C work-study funds and maintain separate payroll records for those students employed on campus. (See Section 211 for treatment of Title IV educational income.)
- D. Do not consider students who are paid to attend institutions of higher education with federal JTPA or Work Opportunities funds as work-study students. The students in this program receive compensation based on the number of hours of class attendance and not for any worked performed. Therefore, they are not entitled to the work-study exemption.
- E. The exemption from work registration for work-study students exempts the student from work registration through authorized breaks and summer vacations, even if work-study jobs are not available.

### 102.5 Work Registration

- A. Exempt a student who is enrolled at least half-time in an institution of higher learning from work registration requirements if the student meets one of the above criteria

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### 102.5 Work Registration (continued)

B. Enrollment status begins with the first day of the school term at an institution of higher education and ends when:

- (1) the student graduates; or
- (2) the student is expelled or suspended; or
- (3) the student drops out; or
- (4) the student does not register for the next normal school term (excluding summer school)

C. Enrollment status during vacations and recesses is based on the status just prior to the school break.

### 102.6 Income/Resources

Do not consider the income and resources of an ineligible student when determining eligibility and the benefit level for the remainder of the household. Consider ineligible students as non-household members.

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RESIDENTS OF SHELTERS	Section 103	Page 1

### 103.1 Purpose

The purpose of this section is to describe the special policies that apply to residents of shelters for battered women and their children (COMAR 07.03.17.03A).

### 103.2 Definition of Shelter

Shelter for battered women and children means a public or private non-profit residential facility that serves battered women and their children. If the facility serves other individuals, a portion of the facility must be set aside on a long-term basis to serve only battered women and children.

### 103.3 Residency and Separate Household Status

- A. A special exception to the rule that no individual may participate in more than one project area or as a member of more than one household in any one month is made for residents of shelters as defined above. Since many shelter residents have recently left a household containing the person who has abused them, assume that these persons did not have access to their portion of any food stamp allotment. If the currently certified household does contain the person who subjected them to abuse, the shelter resident may apply for and, if otherwise eligible, be certified as a separate household in the same month and/or in the same project area.
- B. Consider persons temporarily residing in shelters for battered women and children as individual household units when applying for and participating in the Food Stamp Program.

### 103.4 Income and Resources

- A. Certify shelter residents who apply as a separate household solely on the basis of their income and resources and the expenses for which they are responsible.
- B. Do not consider the income, resources and expenses of the former household.
- C. Consider as shelter expenses any room payments made to the shelter.

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#### 103.4 Income and Resources (continued)

D. Consider resources as inaccessible if they are:

- (1) Jointly owned by the shelter resident and any member of the former household if that household contains the person that subjected the resident to abuse and
- (2) Access to the value of the resources is dependent upon the agreement of a of a joint owner who still resides in the former household

NOTE: The above policy on income and resources applies only to residents of shelters as defined in this section.

#### 103.5 Expedited Service

- A. Residents of shelters who are entitled to expedited service must have access to their food stamp benefits no later than the seventh calendar day after the application is filed.
- B. Prorate benefits for the initial month as for any other household (See Section 412).

#### 103.6 Action on Changes to Former Households

- A. Case managers must take prompt action to reduce or terminate benefits to former households to reflect the loss of any household member(s).
- B. Case managers must ask any shelter residents applying for benefits if they are currently part of other participating households.
- C. If the shelter resident is currently participating in the same project area, the case manager must take the following steps:
  - (1) Reduce benefits by changing the household size to reflect the loss of any member. Give timely and adequate notice of the reduction to the former household.
  - (2) If appropriate, terminate benefits by sending the former household a Notice of Expiration, informing it that its certification period expires at the end of the month following the month in which the notice is sent. Case managers must inform the household that it must file a new application in order to continue receiving benefits.

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103.6 Action on Changes to Former Households (continued)

- D. If the shelter resident is a member of a currently certified household in another project area, the case manager must inform the other project area of the change in household composition so that prompt action can be taken. This can be done by either telephone or in writing.

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SELF-EMPLOYMENT HOUSEHOLDS	Section 104	Page 1

### 104.1 Purpose

This section describes the special policies that apply to households that have self-employment income (COMAR 07.03.17.03).

### 104.2 General Information

All the policies and procedures described in the general sections of this manual apply to households with self-employed members. However, there are four specific areas that require special consideration:

- A. Work Registration
- B. Resources
- C. Income
- D. Certification Periods

### 104.3 Work Registration

Receiving income from self-employment does not automatically exempt a household member from the work registration requirement. In order to be exempt, a self-employed member must be:

- A. Working a minimum of thirty hours weekly, or
- B. Receiving earnings which, on a weekly basis, are equal to the Federal minimum wage multiplied by thirty hours (see Section 130)

**EXAMPLE 1:** A cash crop farmer who performs actual farming activity 8 months out of the year is exempt from work registration during the other 4 months if his annual income from farming equals the Federal minimum wage multiplied by 30 hours when considered on a weekly basis. In other words, annual income divided by 52 must be at least equal to 30 times the minimum wage.

**EXAMPLE 2:** A franchise operator hires other people to perform the actual day-to-day operation of the business. He does not actually work at least 30 hours weekly on the business. He does not earn enough annually to equal weekly earnings of 30 times the minimum wage. This member must register for work unless he is otherwise exempt.

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### 104.3 Work Registration (continued)

EXAMPLE 3: A tourist shop owner operates the business at least 30 hours per week during the tourist season. The shop is closed during the off season and the owner does not work at the business during that time. The owner is exempt from work registration during the tourist season. However, she must be registered for work during the off season unless:

- The income earned during the tourist season is intended to provide annual support and it equals an annual weekly amount of 30 times the Federal minimum wage; or
- She qualifies for some other work registration exemption

### 104.4 Resources

Exempt as a resource any monies that have been prorated as income. For example, a cash crop farmer receives his income when he sells his crop. This income is prorated over the year and therefore cannot be counted as a resource.

### 104.5 Special Income Considerations

#### Capital Gains

Count the full amount of proceeds from the sale of capital goods or equipment as self-employment income, even if only 50% of the proceeds from the sale is taxed for Federal income tax purposes. Add the proceeds from the sale of capital goods or equipment to any other self-employment income and compute the total self-employment income as described in Section 104.6.

### 104.6 Income Computation

Consider the following special factors when determining the gross monthly income for self-employed households:

#### A. Annualizing

- (1) Prorate over a 12-month period self-employment income that represents a household's annual support, even if the income is received in only a short period of time. For example, the self-employment income of a crop farmer must be prorated over a 12-month period, if the income is intended to support the farmer on an annual basis.

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#### 104.6 Income Computation (continued)

- (2) Annualize self-employment income even if the household receives income from other sources in addition to the self-employment.

#### **B. Averaging**

- (1) Average over a 12-month period self-employment income received on a regular basis (weekly, monthly, etc) that does not fluctuate greatly in amount but which represents a household's annual support. For example, a dairy farmer whose annual income is derived from his business, receives income from the sale of milk on a regular basis. Convert this income to a yearly amount and average over a 12-month period.
- (2) Average self-employment income that is intended to meet the household's needs for only part of the year, over the period of time the income is intended to cover. For example, self-employed vendors who work at this business only in the summer and supplement their income from other sources during the balance of the year must have their self-employment income averaged over the summer months rather than a 12-month period.
- (3) Average self-employment income over the period of time a business has operated, if it has been in business for less than a year. Project this monthly amount for the coming year.

#### **C. Anticipating**

- (1) Anticipate rather than average self-employment income under the following circumstances:
- (a) The average amount does not accurately reflect the household's actual monthly circumstances because there has been a substantial increase or decrease in business; or
- (b) The nature of the business is such that the receipt and amount of income varies greatly; or
- (c) A business has been in operation such a short time that there is not enough information to average earnings and project them over a yearly period.

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#### 104.7 Self Employment Earned Income Deduction

The self-employment earned income deduction is 50% of the gross earnings. This 50% allowance includes the cost to produce and the 20% earned income deduction. For example, a self-employed farmer had gross annual earnings of \$12,000 from his business. 50% of \$12,000 is \$6000. \$6000 divided by 52 equals \$115 of self-employment income, weekly. \$115 multiplied by 4 equals \$460 of self-employment income, monthly.

#### 104.8 Certification Periods

- A. Assign a 12-month certification period to self-employed households under the following circumstances:
- (1) The household's self-employment income represents their annual support, and
  - (2) The household has no other source of income, and
  - (3) The income is such that it has been prorated or averaged over a 12-month period, and
  - (4) The income can be readily predicted, and
  - (5) The household's circumstances are not likely to change.
- B. Assign a certification period of less than a year under the following circumstances:
- (1) The self-employment income does not represent the household's annual support; or
  - (2) The household has sources of income other than self-employment; or
  - (3) The self-employment income has been anticipated.

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### 108.1 Purpose

This section describes the procedures for handling cases with nonmembers in the household.

### 108.2 General Information

- A. In certain cases, not every person in a food stamp household is eligible to participate in the Food Stamp Program.
- B. One or more people living in the household may be nonmembers, ineligible, or disqualified from the Food Stamp Program because of a non-financial eligibility factor.
- C. Income and resources of a nonmember are treated differently depending on the reason for the ineligibility.

### 108.3 Nonmembers of a Household

- A. Do not include the following individuals in a food stamp household except as required in Section 100.3 (i.e. parents and children under age 22).
  - (1) Roomer. An individual to whom a household furnishes lodging, but not meals, for compensation.
  - (2) Live-in attendant. An individual who resides with a household to provide medical, housekeeping, childcare or similar services (See section 100).
  - (3) Boarder. An individual who pays an amount equal to or greater than the monthly coupon allotment.
  - (4) Other. Other individuals who share living quarters with the household but who do not customarily purchase and prepare meals with the household.
- B. These individuals (if otherwise eligible) may participate as separate households. Boarders may not participate independent of the household providing the boarder service.
- C. Do not include these individuals in determining household size, eligibility, or benefit level.
- D. Do not consider the income and resources of these individuals available to the household with whom they live.
- E. Include as income to the household any payments from the nonmember.

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### 108.3 Nonmembers of a Household (continued)

- F. The household cannot deduct any portion of household expenses that are paid by the nonmember.
- G. If the household shares deductible expenses with the nonmember, deduct only the amount actually paid or contributed by the household as a household expense. If the payments cannot be differentiated, prorate the expenses evenly among persons actually paying or contributing to the expense and deduct only the household's pro rata share.
- H. When the earned income of one or more household members and the earned income of a nonmember are combined into one wage, determine the income as follows:
  - (1) If the household's share can be identified, count the portion due to the household as income.
  - (2) If the household's share cannot be identified, prorate the earned income among all those for whom it was intended to cover, and count the prorated portion to the household.

### 108.4 Ineligible Members

Some household members are ineligible to receive food stamps because of Food Stamp Program rules. Others are ineligible for such reasons as being disqualified for committing an intentional program violation (IPV) or for refusing to comply with a requirement. Ineligible individuals include the following:

- A. Individuals who do not meet the eligible student requirements in section 102.
- B. Individuals who do not meet the citizenship or eligible immigrant status of section 120
- C. Individuals disqualified for an intentional program violation as described in section 480.
- D. Individuals disqualified for failure to provide a social security number as described in section 405.
- E. Individuals disqualified for noncompliance with work requirements as described in section 130.
- F. Able-bodied adults without dependent children who fail to comply with the work requirement as described in section 130.
- G. Individuals during any period the individual is fleeing to avoid prosecution, or custody or confinement after conviction for a felony, or violating a condition of probation or parole.

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**108.4 Ineligible Members (continued)**

- H. Individuals, if convicted after August 22, 1996 of any offense that is classified as a felony and which has an element of possession, use, or distribution of a controlled substance.
- I. Individuals convicted in a court or by an administrative disqualification hearing to have made a fraudulent statement with respect to residence or identity of the individual in order to receive multiple benefits simultaneously.
- J. Individuals convicted by a court of trafficking food stamp benefits of \$500 or more.

**108.5 Treatment of Income, Deductions and Resources of Individuals who do not meet the Citizenship or Eligible Immigrant Status and Individuals Disqualified for Failure to Provide a Social Security Number.**

During the period of time the member is ineligible, treat the income and resources of ineligible immigrants, and individuals not included in the household for failure to provide or apply for a social security number as follows:

- A. Resources – Consider the total value of resources of the excluded member as available to the household.
- B. Income – Count a pro rata share of the ineligible member's income to the remaining household members. Determine the pro rata share as follows:
  - (1) Subtract the allowable excluded income (see section 211) from the ineligible member's total income.
  - (2) Divide the income evenly among the household members, including the ineligible members.
  - (3) Count as income for the remaining members all but the ineligible member's share.

**Example:** A disqualified member's monthly income is \$200 after subtracting excluded income. Three persons are in the food stamp household, not including the ineligible member. When divided by 4, the pro rata share for each member is \$50. Do not count the ineligible member's share. Include \$150 as available income to the household.

**C. Deductible expenses –**

- (1) Apply the 20 percent earned income deduction to the attributed portion of the ineligible member's earned income.

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**108.5 Treatment of Income, Deductions and Resources of Individuals who do not meet the Citizenship or Eligible Immigrant Status and Individuals Disqualified for Failure to Provide a Social Security Number. (continued)**

- (2) Allow a pro rata portion of any allowable child support, shelter and dependent care that are either paid by or billed to the ineligible member. Divide the deductible expense evenly among the household members including the ineligible member.
- (3) Count all but the disqualified member's portion as a deduction for the remaining members.

**Example:** A disqualified member has gross earned income of \$200 monthly and pays \$60 toward the rent and \$20 towards utilities. The household contains three persons plus the disqualified member. The household's pro rata share of the income is \$150. The pro rata shares of rent and utilities are \$45 and \$15, respectively. The \$150 is included in the household's gross monthly income. Because it is earned income, the household is entitled to the 20% earned income deduction. The household's pro rata share of the ineligible member's shelter expenses, or \$60, is counted as a deductible shelter expense in the food stamp computation.

**Note:** If the person disqualified was entitled to a medical expense deduction, the household is not entitled to any portion of this person's deduction during the disqualification period. Also, if the disqualified person is the only elderly/disabled member of the household, the household is not entitled to the special shelter deduction.

**Example:** The disqualified elderly/disabled member has gross unearned income of \$210 monthly and pays \$60 toward rent and \$50 toward utilities. The disqualified individual has \$60 per month medical expenses. The household normally contains two persons plus the ineligible person. Neither of the other persons is elderly/disabled. Total rent for the three persons is \$200 and utilities are \$80. During the period of ineligibility:

- \$140 is attributed to the household as income. ( $\$210 \div 3 = \$70 \times 2 = \$140$ )
- No medical expenses are allowed.
- The household is allowed \$170 for rent – the eligible member's share ( $\$200 - \$60 = \$140$ ) plus the prorated share from the ineligible member ( $\$60 \div 3 = \$20 \times 2 = 40$ )
- The household is allowed \$63 for utilities – The eligible member's share ( $\$80 - \$50 = \$30$ ) plus the prorated share from the ineligible member ( $\$50 \div 3 = \$16.66 \times 2 = 33$ )
- The household is also subject to the cap on the shelter deduction.

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**108.6 Treatment of Income and Resources of a Member who is Ineligible Because of a Disqualification.**

**A. This includes:**

- (1) An individual disqualified for an intentional program violation as described in section 480.
- (2) An individual disqualified for noncompliance with work requirements as described in section 130.
- (3) An individual during any period the individual is fleeing to avoid prosecution, or custody or confinement after conviction for a felony, or violating a condition of probation or parole as described in section 480.
- (4) An individual if convicted after August 22, 1996 of any offense that is classified as a felony, and which has an element of possession, use, or distribution of a controlled substance as described in section 480.
- (5) An individual convicted in a court or by an administrative disqualification hearing to have made a fraudulent statement with respect to residence or identity of the individual in order to receive multiple benefits simultaneously as described in section 480.
- (6) An individual convicted by a court of trafficking food stamp benefits of \$500 or more as described in section 480.

**B. Once a disqualification penalty is imposed or a person becomes ineligible for a reason listed in 108.6A, the household cannot say the individual is a separate food stamp household. Continue to count the disqualified member's income and resources until the disqualification period or period of ineligibility ends. However, if the disqualified member physically moves out of the home, the household must report this change. At that point, the member's income and resources are not counted.**

**C. During the period the member is ineligible, determine the eligibility and benefit level for any remaining household members as follows:**

- (1) **Resources – Consider as available to household the total value of the resources of the ineligible member.**
- (2) **Income – Count the income of the ineligible member in its entirety.**

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**108.6 Treatment of Income and Resources of a Member who is Ineligible Because of a Disqualification (continued)**

- (3) Deductions – The entire household’s allowable earned income deduction, standard deduction, medical deduction, dependent care deduction, child support deduction and excess shelter deduction continue to apply to the remaining household members.
- D. Do not include the ineligible member when determining the household’s size for the purposes of:
  - (1) Assigning a benefit level to the household,
  - (2) Comparing the household’s monthly income with the income eligibility standards, or
  - (3) Comparing the household’s resources with the resource eligibility limits.
- E. A household’s food stamp allotment cannot increase as a result of the exclusion of one or more household members ineligible for a reason listed in 108.6A.

**108.7 Other Ineligible Household Nonmembers**

- A. Ineligible nonmembers include:
  - (1) Individuals who do not meet the eligible student requirements in section 102.
  - (2) Able-bodied adults without dependent children who fail to comply with the work requirement as described in section 130 (in jurisdictions where this requirement has not been waived).
- B. Do not consider the income and resources of these individuals as available to the household with whom the individual lives.
- C. Consider as income cash payments from the household nonmember.
- D. The household cannot deduct any portion of household expenses that are paid by the nonmember.
- E. If the household shares deductible expenses with the nonmember deduct only the amount actually paid or contributed by the household as a household expense. If the payments cannot be differentiated, prorate the expenses evenly among persons actually paying or contributing to the expense and deduct only the household’s pro rata share.

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108.7 Other Ineligible Household Nonmembers (continued)

F. When the earned income of one or more household members and the earned income of a nonmember are combined into one wage, determine the income as follows:

- (1) If the household's share can be identified, count the portion due to the household as income.
- (2) If the household's share cannot be identified, prorate the earned income among all those whom it was intended to cover and count the prorated portion to the household.

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### 212.1 Purpose

This section describes the allowable food stamp deductions.

### 212.2 General Information

Only certain deductions are allowed when determining net monthly income for food stamp purposes. No other deductions from gross countable income are permitted. The deductions allowed differ for households with aged and/or disabled members and all other households.

### 212.3 Allowable Deductions for Households with Aged/Disabled Members

A. A household qualifies for these deductions if it contains a member who is:

- (1) Age 60 or older; or
- (2) Receiving federally or state supplemental benefits under Section 1616 (a) of the Social Security Act (SSA) provided that the eligibility to receive the benefits is based upon the disability or blindness criteria under title XVI of the SSA; or
- (3) Receiving federally or state administered supplemental benefits under Section 212 (a) of Public Law 93-66; or
- (4) Receiving Social Security Disability Insurance (SSDI) benefits; or
- (5) Receiving Supplemental Security Income (SSI) benefits (including persons receiving SSI based on presumptive eligibility); or
- (6) Receiving disability payments from the Veteran's Administration equal to the full (100%) disability; or
- (7) A veteran with a service-connected or non-service connected disability rated by the Veteran's Administration as total; or
- (8) Receiving disability retirement benefits from a governmental agency because of a disability considered permanent under the Social Security Act; or
- (9) Receiving an annuity payment under the Railroad Retirement Act of 1974 and is determined eligible to receive Medicare by the Railroad Retirement Board.

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**212.3 Allowable Deductions for Households with Aged/Disabled Members  
(continued)**

B. The allowable deductions for these households include the following:

- (1) The standard deduction (See Section 600);
- (2) The earned income deduction (20% of gross earned income or 50% for self-employment income );
- (3) A dependent care deduction, up to the maximum amounts (See section 600);
- (4) An excess shelter deduction with no limit;
- (5) An excess medical expense deduction; and
- (6) A child support deduction for legally obligated child support payments paid by a food stamp household member to or for a child outside the household.

**212.4 Allowable Deductions for All Other Households**

The allowable deductions for all other households are the following:

- (1) The standard deduction (Section 600);
- (2) The earned income deduction (20% of gross earned income or 50% for self-employment income);
- (3) The dependent care deduction, up to the maximum (See Section 600);
- (4) An excess shelter deduction, up to the maximum (See Section 600); and
- (5) A child support deduction for legally obligated child support payments paid by a food stamp household member to or for a child outside the household.

**212.5 Standard Deduction**

Allow the standard deduction for each household regardless of the household type or the source of the household's income.

**212.6 Earned Income Deduction**

The earned income deduction is intended to cover work-related expenses such as, but not limited to, taxes, social security, union dues, and uniforms.

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### 212.7 Dependent Care Deduction

Allow the actual cost for the care of a child or incapacitated adult, up to the maximum amount, when the care is necessary to enable another member of the household to work. This includes seeking, accepting or continuing employment or training or education preparatory to employment.

### 212.8 Excess Medical Expense Deduction

- A. Allow a deduction for the portion of allowable medical expenses that exceed \$35 per household per month when incurred by aged/disabled household members.
- B. Medical expenses incurred by household members who are not aged/disabled do not count toward this deduction.
- C. Do not count medical expenses paid by insurance or another party who is not a household member toward this deduction.
- D. Allowable medical expenses are limited to the following:
  - (1) Medical and dental care including psychotherapy and rehabilitation services when provided by a State-licensed practitioner;
  - (2) Hospitalization or outpatient treatment, nursing care and nursing home care including payments by the household for an individual who was a household member immediately prior to entering a hospital or nursing home;
  - (3) Prescription drugs when prescribed by a health professional licensed under State law to prescribe drugs;
  - (4) Eyeglasses when prescribed by an ophthalmologist or optometrist;
  - (5) Over-the-counter medication (including insulin) and other health-related supplies when approved by a licensed health professional;
  - (6) Premiums for health and hospitalization insurance policies (excluding the cost of income maintenance type health policies and accidental policies);
  - (7) Medicare premiums;
  - (8) Medicaid spend down amounts;

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**212.8 Excess Medical Expense Deduction (continued)**

- (9) Dentures, hearing aids and prosthetics;
- (10) Cost of securing and maintaining a seeing-eye or hearing dog;
- (11) Actual costs (or when these cannot be determined the cents per mile figure established by the State) of transportation and lodging necessary to secure medical treatment or services; and
- (12) The cost of employing an attendant, homemaker, home health aide, housekeeper, or child care provider due to age, infirmity or illness. Include in this cost an amount equal to the food stamp allotment for one person if the household provides the majority of the attendant's meals. Treat these costs as a medical expense if the attendant care cost could qualify under both the medical and dependent care deduction.

**212.9 Excess Shelter Deduction**

- A. Allow a deduction for monthly billed shelter costs that exceed 50% of the household's income after the deductions described above have been made.
- B. The expenses do not have to be paid to allow the expense.
- C. Shelter costs are limited to the following:
  - (1) Rent, mortgage, a second mortgage, or other payments including interest leading to ownership of the shelter occupied by the household. The expense must be a continuing one. Payments that exceed the normal monthly payment are not deductible as a shelter expense.
  - (2) Property taxes, State and local assessment and insurance on the structure itself, but not separate charges on the contents (e.g. furniture, clothing, and personal belongings). If the cost of insurance includes coverage on both the structure and contents, the entire cost is deducted.

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**212.9 Excess Shelter Deduction (continued)**

- (3) Heat and utilities. This includes the cost of heating and cooking fuel; cooling and electricity; water and sewerage; garbage and trash collection fees; and fees charged by the utility provider for utility installation, excluding deposits. Any household that has an obligation for heating and/or cooling separate from its rent or mortgage payment may use the utility allowance as its total utility cost. If the household does not wish to use the utility allowance, it must provide verification of the actual expense (see Section 212.12). Households not eligible for the utility allowance may claim actual utility expenses for those utilities for which they have an obligation (See Section 214 for further details on the utility allowances).
- (4) The household may switch between actual utility costs and the utility allowances only at recertification, unless the household moves to another residence during the certification period. A household with a 24-month certification period can switch only at the end of the 24-month certification period, unless the household moves to another residence.
- (5) A household that incurs a separate telephone expense but is not entitled to claim a utility allowance must use the mandatory telephone allowance as listed in Section 600, even if the actual expense is higher.
- (6) Shelter costs for a temporarily unoccupied home due to employment or training away from home, illness, or abandonment caused by a natural disaster or casualty loss. The shelter costs for a temporarily unoccupied home can be included provided:
- (a) the household intends to return to the home;
  - (b) the current occupants of the home, if any, are not claiming shelter costs on that home for food stamp purposes; and
  - (c) the home is not being leased or rented to others during the household's absence

**NOTE:** Do not use the utility allowance for unoccupied homes. Use only the actual utility costs.

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#### **212.10 Child Support Deduction**

- A. A deduction is allowed for legally obligated child support payments actually paid by a household member to or for a non-household member.
- B. The child support deduction includes the following:
- (1) An average of at least 3 months of child support payments for households with a history of 3 or more months of paying child support, or an estimate of the anticipated payments for households with no child support payments or less than a 3-month record.
  - (2) Payments to a third party on behalf of the non-household member in accordance with a support order.
  - (3) Payments to obtain health insurance, if legally obligated.
  - (4) Amounts for arrearages for households that have at least a 3-month record of child support payments.

#### **212.11 Verification of Dependent Care Expenses**

Dependent care expenses do not have to be verified unless questionable. Acceptable verification includes a bill or written statement from the provider or a collateral contact with the provider.

#### **212.12 Verification of Medical Expenses**

- A. Verify medical expenses, including the amount of reimbursement, at initial application and at recertification if the source or the amount changes by more than \$25. If a household voluntarily reports a change in medical expenses during a certification period, it must be verified if the change would increase the household's allotment.
- B. Acceptable verification of medical expenses includes, but is not limited to the following:
- (1) Current bills or written statement from the provider that shows all amounts paid by insurance, Medicare or Medicaid;
  - (2) Insurance, Medicare or Medicaid statements that show charges incurred and the amount paid by the insurer;

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### 212.12 Verification of Medical Expenses (continued)

- (3) BENDEX for Medicare premium;
- (4) Written statement from licensed health care professionals;
- (5) Collateral contact with the provider. (May be most commonly used to determine costs of over-the-counter medication and health-related supplies and ongoing medical transportation.)

### 212.13 Verification of Shelter Expenses

- A. Shelter expenses do not have to be verified unless they are questionable.
- B. Verify utility expenses if the household is claiming actual expenses instead of the utility standard.
- C. Verify utility expenses for an unoccupied home. Do not use the utility standard.
- D. Acceptable shelter expense verification includes, but is not limited to the following:
  - (1) Mortgage or rental contracts, or a statement from the mortgage company, bank or landlord;
  - (2) Copy of tax, insurance, assessment bills, or a collateral contact with the appropriate government or insurance agency
  - (3) Current bills or a written statement from the provider for heat/utility expenses;
  - (4) Collateral contact with the heat/utility provider.

**NOTE:** Case managers are not required to assist households to obtain verification of shelter costs for an unoccupied home in another county or state.

### 212.14 Verification of Child Support Payments

- A. Verification of child support payments must be requested from households claiming this deduction.

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**212.14 Verification of Child Support Payments (continued)**

A. Acceptable forms of verification include the following:

- (1) Court Order
- (2) Separation Agreement
- (3) Divorce Decree
- (4) Information from Child Support Enforcement (IV-D)

**212.15 Action While Awaiting Verification**

- A. Do not allow any questionable expense as a deduction until verification is provided.
- B. Determine eligibility and benefit level without providing a deduction for the unverified expense if the expense cannot be verified within 30 days of the date of application. This includes medical expenses that may be covered by a reimbursement if the amount of the reimbursement cannot be verified.
- C. When a household fails or refuses to provide verification of the legal obligation or of the actual child support payments, calculate eligibility and benefit level without the deduction.

**EXCEPTION:** Allow the utility standard for households entitled to use it if they wish to claim actual expenses but cannot provide verification within 30 days.

- D. Treat as a reported change verification an eligible household provides after the 30<sup>th</sup> day.
- E. Do not restore lost benefits to the household if verification is provided after the 30<sup>th</sup> day.