FoodShare Handbook Release 10-05
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1 GENERAL PROGRAM REQUIREMENTS

1.1 INTRODUCTION

1.1.1 GENERAL PROGRAM INTRODUCTION

7 CFR 273.1(a)

FoodShare Wisconsin helps individuals and families who have little money to buy the food they need for good health.

The US Department of Agriculture is responsible for setting the basic program rules so they are similar everywhere in the country. The Wisconsin Department of Health and Family Services administers the state's FoodShare Program. Government workers at county/tribal human or social service agencies (local agencies) determine eligibility for FoodShare benefits and are responsible for issuing benefits.

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1.1.2 FOODSHARE BENEFITS

FoodShare benefits are used to purchase food at grocery stores that participate in FoodShare Wisconsin.

FoodShare benefits are deposited in a participant's account using an Electronic Benefits Transfer (EBT) system, and are spent using a debit card called the Wisconsin QUEST Card. The Wisconsin QUEST card allows access to FoodShare benefits through point-of-sale or swipe card terminals at food stores. These transactions look like any other debit card transaction and are free to the cardholder.

FoodShare benefits can be used to buy foods such as:

- breads and cereals;
- fruits and vegetables;
- meats, fish and poultry;
- dairy products; and
- seeds and plants which produce food for the household to eat.

FoodShare benefits **cannot** be used to buy items such as:

- nonfood items, such as pet foods, soaps, paper products, and household supplies, grooming items, toothpaste, and cosmetics;
- beer, wine, liquor, cigarettes or tobacco;
- food that will be eaten in the store; or

- hot foods.

Click on the following link, if the customer has additional questions regarding specific food items. (Questionable food items)

If the participant eats at a group meal site for the elderly or has meals delivered to his/her home, he/she can use FoodShare benefits to pay for these meals if the facility or meal provider is authorized to accept the QUEST card.

FoodShare benefits can be used for group meals if the participant is staying in a drug and alcohol treatment center, a shelter for battered women, a shelter for the *homeless* or a group home for the disabled and the facility is authorized to accept the QUEST card.

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1.1.3 WHO IS ELIGIBLE

Individuals or families who use FoodShare Wisconsin include people of all ages who are employed but have low incomes, are living on small or fixed incomes, have lost their jobs, or have disabilities and cannot work.

An individual or family does not need to be eligible for, or apply for, *W-2* to qualify for FoodShare benefits.

U.S. citizens and certain citizens of other countries who live in the United States legally and permanently may qualify for FoodShare benefits.

People affected by natural disasters may be eligible for FoodShare benefits. If a natural disaster (flood, tornado, etc.) occurs, special procedures and a simplified application process are used to issue FoodShare benefits quickly to victims of the disaster.

FoodShare Wisconsin can replace food purchased with FoodShare benefits that were destroyed in a household misfortune or disaster.

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1.1.4 ELIGIBILITY OVERVIEW

This section gives the "big picture" of determining *FS* eligibility.

Non-Financial Eligibility
The application process begins with a person contacting a local agency to request FoodShare benefits. The local agency must determine if s/he is a resident of the county. The local agency must also determine if s/he is a boarder, foster person, or resident of an institution. Some people are not eligible for FS because their food needs are already met.

Food Unit
The food unit is everyone who purchases and prepares food with the primary person, and family members. There are some exceptions regarding who must be included in the food unit based on relationship rules.

Individual
To be eligible for FS, an individual must be a US citizen or qualifying alien. A social security number is needed for each person who is requesting FS benefits. A food unit member cannot belong to more than one food unit with a few exceptions.

Work Programs
Almost everyone age 18-59 must register for and participate in work programs. Some exceptions are full-time students and parents caring for young children.

FS Group
The FS group includes everyone who will receive FS benefits.

Unearned Income
Add the FS group's unearned income and any unearned income that is deemed from an ineligible member. Some types of unearned income include: *child* support, unemployment compensation, Social Security, and *W-2* payments.

Earned & Training Income
Add all the food unit's gross earned income. Some types of earned income include: wages, tips, and self-employment income.

Room & Board Income
Calculate income the food unit receives from a boarder.

Gross Income Computation
The 200% FPL gross income test applies to all *BB* categorical households (except for households with a *EBD* member) as a condition of eligibility. Most FoodShare groups are considered categorically eligible if their gross income is at or below 200% FPL and the language describing "JobNet" Services is issued to the group on a *CARES* generated notice of decision.

Households that include an elderly, blind or disabled member with gross income that exceeds 200% of the FPL must be tested for FS using the regular *SNAP* rules. Under the regular SNAP rules, these households have no gross income limit, but must have net income that does not exceed 100% FPL and countable assets that do not exceed $3000.

Dependent Care
If a food unit member pays for child care or care for an *adult* food unit member, s/he may receive a deduction for each dependent. The care must be necessary for the food unit member to look for work, work, or go to school.

Shelter & Utilities
Food units who pay shelter and utility costs may receive a shelter and utility deduction. The food group receives a Standard Utility Allowance based on the type(s) of utilities for which they are billed. Unless the food unit includes an elderly or disabled individual, a shelter deduction is allowed only if the total shelter expense exceeds half the income after all other deductions.

Income Test
FS groups that are not categorically eligible must pass the net income test based on net income limits and group size. Categorically eligible FS groups do not have to pass this test, however if net income exceeds the FS net income limit, FS groups of 3 or more people may not receive FS benefits. If the group's net income equals or is less than the limit, the group might be eligible for benefits.

Allotment
An allotment is the amount of FS an eligible group receives. The allotment is calculated by looking at FS group size and total net income. Prorate the initial allotment if the FS group applies after the first of the month.

Review Date
The local agency must review a FS group's eligibility within certain time frames. Most FS food units are certified for 12 months. Food units that include a *migrant* or seasonal farm worker, and food units who are *homeless* are certified for 6 months. These food units are subject to reduced change reporting policy.

Food units that include only elderly, blind or disabled individuals (EBD) with no reported earnings are certified for 12 months and must report most changes within 10 days.

Benefit Amounts
FoodShare benefit amounts are based on household size and monthly net income after deductions. The lower the net income, the more FoodShare benefits a household may receive. Only families with very little or no monthly net income will receive the maximum amount of FoodShare benefits.

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1.2 VERIFICATION

1.2.1 VERIFICATION INTRODUCTION

7 CFR 273.2(f)

1.2.1.1 General Verification Rules
1.2.1.2 Request for Verification
1.2.1.3 Responsibility for Verification

Verification is the use of documentary evidence or a collateral contact with a third party to confirm the accuracy of statements or information. The local agency must give food units at least 10 days to provide required verification.

The verification receipt date is the day verification is delivered to the appropriate Income Maintenance agency or the next business day if verification is delivered after the agency's regularly scheduled business hours. Income Maintenance agencies must stamp the receipt date on each piece of verification provided.

1.2.1.1 General Verification Rules

The general Income Maintenance verification rules are as follows:

1. Only verify those items required to determine eligibility and benefits for the programs for which you are testing eligibility.
2. Do not verify an item that is not required to be verified and is not documented as questionable.
3. Avoid over-verification (requiring excessive pieces of evidence for any one item). If you have all the verification you need, do not continue to require added verification.
4. Do not verify information already verified unless you believe the information is fraudulent or differs from more recent information. If you suspect fraud exists, determine if you should make a referral for fraud or for front-end verification. See the Income Maintenance Manual 3.2.2 Fraud Prevention/Front End Verification.
5. Do not exclusively require one particular type of verification when various types are adequate and available.
6. Verification need not be presented in person. Verification may be submitted by mail, fax, or through another electronic device, or through an authorized representative.

1.2.1.2 Request for Verification

7 CFR 273.2(c)(5)

Requests for verification MUST be made in writing. Verbal requests are not acceptable and will not stand up in a fair hearing. Workers are required to give the customer notice regarding required verification, when it is due to the agency, and the consequences of not verifying timely.

Do not deny the *FS* group for failure to provide the required verification until the:

1. 11th day after requesting the verification, or
2. 31st day of the application or review processing period, whichever is later.

If the 11th or 31st day falls on a weekend or *postal holiday*, the action should be taken the next business day.

Note: Allow FS to reopen at SMRF or recertification when closed for lack of verification or other reasons if the reason for case closure is fully resolved during the calendar month following case closure, as long as the SMRF is returned no later than during the 7th month or review interview was timely.

Allow FS to reopen when closed for lack of verification after a change is reported or discovered, as long the requested verification is provided in the calendar month following case closure.

In these situations benefits are prorated from the time the HH completes the required action.

1.2.1.3 Responsibility for Verification

7 CFR 273.2(f)(5)

The applicant has primary responsibility for providing required verification and for resolving any discrepancies or questionable information. The local agency must assist the applicant in obtaining this verification providing the applicant has not refused to cooperate with the application process.

If all attempts to verify the information have been unsuccessful because the person or organization providing the information has failed to cooperate with the household and agency (for example, by charging a fee or refusing to complete a verification form), and all other sources of verification are unavailable, determine an amount to be used for certification purposes based on the best available information. Clearly document the attempts to obtain verification and the reasoning for the estimate that is used. Best available information may include; customer statement, oral or written.

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1.2.2 SOURCES FOR VERIFICATION

1.2.2.1 Documentary Evidence
1.2.2.2 Collateral Contacts
1.2.2.3 Home Visits
1.2.2.4 Discrepancies in Verification
1.2.2.5 Request for Contact
1.2.2.6 Case Documentation

7 CFR 273.2(f)(4)

Local agencies must use documentary evidence as the primary source of verification for all information except Wisconsin *residence* (1.2.3.5) and household composition (1.2.3.7).

Although documentary evidence must be the primary source of verification, acceptable verification must not be limited to any single type of document and may be obtained from the applicant or other source. Whenever documentary evidence cannot be obtained or is insufficient to make a firm determination of eligibility or benefit level, the *ESS* may require collateral contacts or home visits. See the Suggested Verification Sources chart (1.2.6) for more details.

1.2.2.1 Documentary Evidence

7 CFR 273.2(f)(4)(i)

Documentary evidence consists of written confirmation of a household's circumstances. Examples of documentary evidence include wage stubs, rent receipts, and utility bills.

Applicants may provide documentary evidence to verify information in person, through the mail, by facsimile (FAX) or other electronic device, or though an authorized representative. Applicants must not be required to present verification in person at the FoodShare office. The local agency must accept any reasonable documentary evidence provided and must be primarily concerned with how adequately the verification proves the statements in the application.

1.2.2.2 Collateral Contacts

7 CFR 273.2(f)(4)(ii)

Collateral contacts consist of oral confirmations of circumstances by persons other than food unit members. A collateral contact may be made either in person or over the telephone.

The local agency, generally, must rely on the applicant to provide the name of any collateral contact. The applicant may request assistance in designating a collateral contact. The local agency is not required to use the collateral contact designated by the applicant if the collateral contact cannot be expected to provide accurate third-party verification.

When the collateral contact designated by the applicant is unacceptable, the local agency must either designate another collateral contact, ask the applicant to designate another collateral contact or to provide an alternative form of verification, or substitute a home visit. The local agency is responsible for obtaining verification from designated collateral contacts.

When talking with collateral contacts, local agency staff should disclose only the information that is absolutely necessary to get the information being sought. ESS should avoid disclosing that an individual has applied for *FS* , nor should they disclose any information supplied by the applicant or suggest that the applicant is suspected of any wrongdoing.

Clearly document the collateral contact information.

1.2.2.3 Home Visits

7 CFR 273.2(f)(4)(iii)

Home visits may be used as verification only when documentary evidence is insufficient to make a firm determination of eligibility or benefit level, or cannot be obtained. Home visits must be scheduled in advance with the applicant. Home visits are to be used on a case-by-case basis where documentation is insufficient. Simply because a household fits an error-prone profile does not constitute a lack of verification.

1.2.2.4 Discrepancies in Verification

7 CFR 273.2(f)(4)(iv)

When unverified information is received by the local agency from a source other than the food unit, the applicant must be given a reasonable opportunity to resolve the discrepancy prior to a determination of eligibility or benefits. If the unverified information is received through an IEVS data exchange regarding unreported sources of income or assets, the local agency may contact the source directly for verification.

When verification is received, or if the household fails to provide requested verification, the local agency must issue a notice notifying the applicant of the

action that has been taken and providing the applicant with an opportunity to request a fair hearing prior to an adverse action.

Document clearly in case comments the reason for verification requests due to questionable information or discrepancies.

1.2.2.5 Request for Contact

7 CFR 273.12(c)(3)

The agency may receive unclear information about changes in a food unit's circumstances from which the agency cannot readily determine the effect of the change on the food unit's case. The agency may receive such unclear information from a third party or from the food unit itself. If there is not enough information reported to request specific verification, issue a request for contact notice to the food unit.

The request for contact notice advises the food unit that there has been unclear information reported and the need to contact the agency within 10 days. If there are other items that need to be verified, the notice will list those specific items. The notice will also state the consequences if they fail to respond. The food unit has 10 days to respond either by telephone or by other correspondence to clarify its circumstances. The burden of clarifying an issue is placed on the food unit. If the food unit does not respond to the request for contact, the agency must issue a notice of closure for loss of contact and close the FoodShare case. If the food unit does respond but refuses to provide sufficient information to clarify its circumstances, the agency must also issue an appropriate notice to close the FoodShare case.

Example 1: A Notice of Decision was sent to Mike at Adverse Action. The notice was returned to the agency by the Post Office as “undeliverable” with no forwarding *address*. The worker should enter a “?” on the “Loss of Contact “ field and request verification of Mike’s Wisconsin *Residency*. If Mike does not contact the agency within 10 days, the worker should enter the “Y” on “Loss of Contact” and close the FoodShare case.

Example 2: Mary’s neighbor reports to the agency that a man has moved in with Mary and her children. The neighbor doesn’t know the man’s name or if he is related to Mary or her children. The worker should enter a “?” in the Loss of Contact field and send the verification checklist requesting contact. If Mary does not contact the agency within 10 days, a “Y” should be entered and the FoodShare case closed due to loss of contact.

Example 3: Lydia’s landlord reports he believes either Lydia or her husband is working but doesn’t know where. The worker doesn’t know if Lydia or her husband is the one working or what the source of income is. The worker

should enter the "?" on the "Loss of Contact " field and send the verification checklist requesting contact. If Lydia does not contact the agency within 10 days, a "Y" should be entered and the FoodShare case closed due to loss of contact.

If the landlord had reported that Lydia was now working at ABC Corporation, the worker would enter the appropriate information on Employment Page and use the "?" s on that screen to pend the case and request verification.

1.2.2.6 Case Documentation

7 CFR 273.2(f)(6)

Case files must include documentation to support eligibility, ineligibility, and benefit level determinations. Documentation must be in sufficient detail to permit a reviewer to determine the reasonableness and accuracy of the determination.

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1.2.3 NONFINANCIAL VERIFICATION

1.2.3.1 Identity Verification
1.2.3.2 Social Security Numbers Verification
1.2.3.3 Alien Eligibility Verification

1.2.3.4 Disability Verification
1.2.3.5 Wisconsin Residence Verification
1.2.3.6 Address Verification
1.2.3.7 Household Composition Verification

1.2.3.1 Identity Verification

7 CFR 273.2(f)(1)(vii)

Verify the identity of the primary person. If the primary person uses an authorized representative verify the identities of both the authorized representative and the applicant. Identity is the only verification required to process expedited benefits.

Identity may be verified through readily available documentary evidence, or if this is unavailable, through a collateral contact. Any documents, which reasonably establish the applicant's identity, must be accepted, and no requirement for a specific type of document, such as a birth certificate or photo ID, may be imposed.

1.2.3.2 Social Security Numbers Verification

7 CFR 273.2(f)(1)(v)

Social Security Numbers, or proof that application has been made for a *SSN*, must be provided for all household members applying for *FS* , including newborns. Do not deny benefits pending issuance of a SSN if you have documented a SSN application was made. Failure to provide a SSN or proof of application for a SSN will result in denial of FS benefits for that individual.

Workers receive an alert when a SSN entered in *CARES* does not match the SSN verified by the Social Security System (WTPY). In such cases, verify if possible with a third party source and contact the Social Security Administration.

If the agency determines that a food unit member has refused to provide or apply for a SSN, that individual is ineligible to participate in FoodShare Wisconsin.

Exception for newborns: See 3.13.1.2 SSN Requirements.

1.2.3.3 Alien Eligibility Verification

7 CFR 273.2(f)(1)(ii)

Verify the immigration (or alien) status (3.12.1) of applicant non-citizens. If a non-citizen does not want the agency to contact *INS* to verify his or her immigration status, the agency must give the applicant the option of withdrawing the application or participating without that member. An undocumented alien is ineligible until acceptable documentation is provided unless the local agency has submitted a request for verification and is awaiting a response from INS, *SSA* (verification of work quarters), or another federal agency.

Verify citizenship only when the person or group's statements about his/her citizenship are questionable. A claim of citizenship is questionable when:

1. The claim is inconsistent with statements made by the applicant.
2. The claim is inconsistent with information on the application or previous applications.
3. The claim is inconsistent with information received from another source.
4. The person does not have an SSN.

Do not discriminate on the basis of religion, race, ethnic background, political beliefs, or national origin when deciding if a claim is questionable. Do not target groups such as *migrant* farm workers or American Indians for verification. A surname, accent, or appearance that seems foreign is not enough reason to question citizenship.

In addition, if an alien is applying for benefits on behalf of another person you may, under federal law, only verify the status of the person who will actually be receiving the benefits.

1.2.3.4 Disability Verification

7 CFR 273.2(f)(1)(viii)

Verify the disability status of all household members applying for FS who are claiming to be disabled (3.8.1).

1.2.3.5 Wisconsin Residence Verification

7 CFR 273.2(f)(1)(vi)

*Address**, Wisconsin residency, and household composition are separate and distinct eligibility factors with different verification requirements.***

Verification of *residence* is required for FoodShare eligibility, with an exception for the *homeless* and migrant workers.

If it becomes known that a FS applicant or member does not reside in Wisconsin, action must be taken to deny or terminate FS benefits for this individual.

Residence must be verified at the time of application and whenever an individual states s/he resides in Wisconsin but his/her Wisconsin residency is determined questionable. Do not require any specific type of verification. See 1.2.6.1 Required Verification to Determine Eligibility

"Residency " refers to ***Wisconsin residency*.**

- State residency is a required eligibility factor that must be verified through documents or collateral contact.

- If the address on the application is not a fixed Wisconsin mailing address and there is no additional information presented at the time of the interview to verify that the household resides in Wisconsin, the worker should attempt to obtain verification of state residency.
- Workers should verify state residency for *only if the information was not already verified for another program* (e.g. BadgerCare Plus). In other words, don't over verify.
- Because Wisconsin is a state-wide project area, a move from one county to another within the state of Wisconsin does not make an individual's Wisconsin residency questionable.

Exception
An exception exists for verifying the residency of homeless persons (3.2.1.3) and migrant farmworkers (2.1.4.3). Do not require residence verification for homeless persons or migrant assistance groups newly arrived in Wisconsin. Do not verify shelter and/or utilities (4.6.7) as part of residence verification. That is a separate verification requirement.

CARES Processing - Residency
Currently there is no verification field attached to the Wisconsin residency question on the Current Demographics page in CWW. Until CARES can be updated to pend the case for verification of Wisconsin residency, workers must use the Loss of Contact field on the General Case Information page.

Anytime information is obtained that determines an individual does not reside in Wisconsin, the worker must document the source of the information in case comments and then update the ""Resides in WI" field on the Current Demographics page to No.

If a determination of state residency cannot be made at application based on verification provided at intake the worker must:

- Enter a "?" in the Loss of Contact field on the General Case Information page to pend FS. Add text to the verification checklist via CNIN stating that state residency requires verification. Explain to your customer possible sources to verify state residency during the intake appointment.
- If information is provided by the customer, make the necessary updates to the case. **and**
- If there is no response from the customer by the verification due date, update the Loss of Contact field with a "Y". Enter case comments to document the denial of FS due to failure to verify state residency.

A worker may also become aware of information that makes Wisconsin residency questionable on an ongoing FS case. Examples of questionable residency include:

1. Refusing to provide the address where the food unit is living,

2. Notices returned as "undeliverable with no known forwarding address", and
3. Agency receives unclear information.

When Wisconsin residency is questionable the worker must:

- Enter a "?" in the Loss of Contact field on the General Case Information page to pend FS. Add text to the verification checklist via CNIN to explain to the customer what information needs to be clarified (which FS unit member(s)' state residency requires verification),
- If information is provided by the customer, make the necessary updates to the case, **and**
- If there is no response from the customer by the verification due date, update the Loss of Contact field with a "Y".

If a FS case is also open for health care, and information is received that causes residency to be questionable for both FS and health care the worker must:

- Enter a "?" in the Loss of Contact field on the General Case Information page to pend FS. Enter a "Q?" in the Address Verification field on the General Case Information page to pend health care,
- Add text to the FS verification checklist via CNIN to explain to the customer what information needs to be clarified (which FS unit member(s)' state residency requires verification),
- If information is provided by the customer, make the necessary updates to the case, **and**
- If there is no response from the customer by the verification due date, update the Loss of Contact field with a "Y" and enter a "QV" in the Address Verification field.

Example 1: Mary is applying for FS. She refuses to provide the street address where she is currently living. She will only provide a General Delivery (PO Box) address, but does not claim to be homeless. This brings into question both whether or not she is actually living in Wisconsin (State residency), and whether her presence in the home may have an effect on her case or another case (household composition).

Since state residency is questionable, the worker should follow the Request for Contact (1.2.2.5) policy and process to obtain verification. Since Mary's household composition is also questionable, the worker should enter a "?" in the Verification code field for Mary's living arrangement type on the Current Demographics page and initiate an FEV, if appropriate. If verification of state residency is not provided by the verification due date, deny the case for failure to do so by answering "N" to the "Resides in Wisconsin" on the Current Demographics page. If Mary fails to provide clarifying information of her household composition or verification that is adequate for the worker to correctly determine Mary's food unit, by the verification due date, the worker must deny FS for failure to do so by entering "NV" in the Verification code field

for Mary's living arrangement type on the Current Demographics page.

Example 2: Margaret is open for multiple programs, including FS. Her Notice of Decision was returned to the agency as undeliverable with no forwarding address. Because of the returned mail, the agency determines that Margaret's Wisconsin residency is questionable. The worker must enter a "?" in the Loss of Contact field and a "Q?" in the address verification field, issue the verification checklists using the appropriate verification due dates, and add clarifying text to the FS verification checklist via CNIN. If acceptable verification is not received by the due date, the worker must enter a "Y" in the Loss of Contact field and a "r;QV" in the address verification field, run eligibility and confirm on AGEC to close the affected programs.

1.2.3.6 Address Verification

Verification of address is not required for FoodShare eligibility.

"Address" refers to the actual place where the household resides.

- An address is required to be provided unless a household is homeless, a migrant, or newly arrived in Wisconsin. Verification of address is not required.
- A household does not have to reside in a permanent dwelling.
- A household may use a general delivery address when it applies.

An address must be provided in order to set a FoodShare filing date. An application is considered filed the day the FoodShare agency receives a request for FoodShare with a name, address, and valid signature.

A household can give a general mailing address and the application filing date will be set if the application also includes the applicant's name, and signature. If an address is not given on the application, the application is not valid and cannot be used to set the filing date unless the applicant is homeless, a migrant or has recently moved into Wisconsin and does not yet have a fixed mailing address.

CARES Processing - Address
It is acceptable to enter an NQ in the Address Verification field on the General Case Information page if there is no other documentation verifying address.

1.2.3.7 Household Composition Verification

Household Composition affects eligibility. If the household composition is determined questionable, verification is required.

Note: FS Households that are subject to reduced reporting requirements (6.1.1.2) are required to report changes in household composition at application,

review, and upon submission of a six-month report form (SMRF) or when the change in household composition would result in additional income that would cause the food unit's total income to exceed 130% FPL for their reported unit size. For these households, a report of a change in address does not necessarily make household composition questionable.

CARES Processing: Household Composition
If information is presented at application that causes household composition to be questionable the worker must:

- Enter a "?" in the Verification code field for the individual's living arrangement type on the Current Demographics page to pend FS, **and**
- Initiate an FEV if appropriate.

If the worker becomes aware of information that causes household composition to be questionable for an ongoing case s/he must:

- Enter a "?" in the Loss of Contact field on the General Case Information page to pend FS. Using CNIN, add text to the verification checklist to explain to the customer what information needs to be clarified,
- When the information is provided by the customer, make the appropriate updates to the case, **and**
- If there is no response from the customer by the verification due date, change the Loss of Contact field to a "Y".

Example 3: Susan is applying for FS and provided a Wisconsin street address, but failed to verify her shelter expenses. Since she works in Wisconsin and the address on her pay stub matches the address she provided, state residency is considered to be verified and is not questionable. Additional verification is not needed and because the shelter expenses were not verified those expenses will not be used in the FS allotment calculation.

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1.2.4 FINANCIAL VERIFICATION

1.2.4.1 Gross Non-exempt Income Verification
1.2.4.2 Earned Income Verification
1.2.4.3 Self-Employment Income Verification
1.2.4.4 Asset Verification
1.2.4.5 Expense Verification
1.2.4.6 Dependent Care Expense Verification
1.2.4.7 Shelter and Utility Expense Verification
1.2.4.8 Medical Expense Verification

1.2.4.9 Child Support Payments Verification

1.2.4.1 Gross Non-exempt Income Verification

7 CFR 273.2(f)(1)(i)

Gross non-exempt income must be verified for all food unit members prior to certification. Verify income for all households through documentary evidence or collateral contact.

Documentary evidence is written confirmation of a household's circumstances; examples include wage statements or check stubs, rent receipts, utility bills, and employment verification forms. Although documentary evidence should be the primary source of verification, acceptable verification cannot be limited to only this type of source and may be obtained through the household or other sources. "Other sources" may include collateral contacts (1.2.2.2) which are oral confirmations of a household's circumstances by a person outside of the household.

1.2.4.2 Earned Income Verification

You may use income received during the last 30 days as an indicator of the income that is and will be available to the household during the certification period unless that income does not accurately reflect changes in income that have occurred or are anticipated to occur.

You may use statements from employers to verify prospective income.

You may also use the Employer Verification Form- Earnings (EVF-E) to verify prospective income. However, this form is not mandatory for *FS*. An EVF-E is considered a valid source of earned income verification only if the form is returned as complete, and contains the employers' signature.

If income fluctuates to the extent that a 30-day period alone cannot provide an accurate indication of anticipated income, the agency and the household may use a longer period of past time if it will provide a more accurate indication of anticipated fluctuations in future income. To average widely fluctuating income, use the household's anticipated income including fluctuations anticipated over the certification period. In any case, make every attempt to accurately verify prospective income and clearly document the reasoning for the prospective income estimate.

Example 1: If Joan worker receives an employment verification form completed by the employer that includes all necessary information to make a reasonable estimate of prospective income and the information is not questionable, she must not also require the client to submit check stubs.

The opposite also holds true. If the client submits all check stubs received in the most recent 30 days that include enough information to make a reasonable estimate of prospective income, and the information is not questionable, the *ESS* must not also require the client to submit a form completed by the employer.

If all attempts to verify the income have been unsuccessful because the person or organization providing the income has failed to cooperate with the household and agency (for example, by charging a fee or refusing to complete a verification form), and all other sources of verification are unavailable, determine an amount to be used for certification purposes based on the best available information. Clearly document the attempts to obtain verification and the reasoning for the estimate that is used. Best available information may include but is not limited to:

1. One or more check stubs from past pay periods (i.e. more than 30 days ago.
2. Customer statement (oral or written).

As in all cases, instruct the client to keep all statements and check stubs for future verification purposes.

1.2.4.3 Self-Employment Income Verification

Self-employment income is earned directly from one's own business - not as an employee with specified salary or wages. Self-employment income is verified with Self-Employment Income Reporting Forms (SEIRFs) and/or IRS tax forms.

1.2.4.4 Asset Verification

7 CFR 273.2(f)(2) and 7 CFR 273.2(f)(3)

Assets are not considered in the FS eligibility determination for *BB* categorical FS applicants and recipients since they are authorized to receive a *TANF*-funded service. Although the amount of available liquid assets must be reported at the point of initial application to determine eligibility for priority service and expedited issuance (2.1.4), the reported assets are not required to be verified.

EBD households that have gross income that exceeds 200% and are therefore not categorically eligible are subject to the $3000 asset limit and must verify assets. See 4.4.1 Assets.

1.2.4.5 Expense Verification

7 CFR 273.2(f)(3)

Verify expenses at application and when a change in the expense is reported. At review ensure that there is up-to-date documentation in the file to support current *CARES* entries.

1.2.4.6 Dependent Care Expense Verification

Dependent care expenses required for food unit members to keep or obtain employment, get training or education preparatory for employment, or comply with employment and training requirements should be deducted from income. Convert expenses to monthly amounts.

Dependent care expenses are not required to be verified in order for the expense to be used in the FoodShare benefit calculation, unless the applicant or member's statement is deemed questionable. Examples of applicant/member statements that may be considered questionable include:

- Claimed dependent care expenses exceed monthly income,
- Reported amount seems unreasonably high compared to market rates, **and**
- Applicant or member receives *child* care subsidy and reported the full amount rather than his/her share of the cost.

Reminder: Only the amount of dependent care expenses the household is responsible to pay can be used as a deduction.

1.2.4.7 Shelter and Utility Expense Verification

Shelter and utility expenses are not required to be verified in order for the expense to be used in the FoodShare benefit calculation, unless the applicant or member's statement is deemed questionable. Examples of applicant/member statements that may be considered questionable include:

- Claimed shelter or dependent care expenses exceed monthly income,
- Applicant or member receives housing subsidy but reported the market rent amount, **and**
- Reported amount seems unreasonably high compared to market rates.

1.2.4.8 Medical Expense Verification

7 CFR 273.2(f)(1)(iv)

Medical expenses are not required to be verified in order for the expense to be used in the FoodShare benefit calculation, unless the applicant or member's statement is deemed questionable. Examples of applicant/member statements that may be considered questionable include:

- Applicant or member has private health insurance or is covered by Medicaid or BadgerCare Plus and is claiming unusually high out of pocket expenses for a time period when s/he had coverage.
- Claimed monthly medical expenses exceed monthly income.

If questionable request verification, which includes: date of service, billing date, amount owed, and date amount is due.

Medical expenses are budgeted prospectively, so do not require eligible elderly, disabled, or blind household members to verify recurrent medical expenses monthly. Rely on estimates of recurring medical expenses during the certification period. Include changes that can be anticipated based on available information. Consider the group member's medical condition, public or private medical insurance coverage, and the current verified medical expenses incurred by the FS group member.

When converting medical expenses to monthly amounts, use the same calculation methods used for budgeting prospective income.

1.2.4.9 Child Support Payments Verification

7 CFR 273.2(f)(1)(xii)

The legal obligation of a food unit member claiming to pay child support to non-food unit members must be verified. A child support deduction can also be claimed without a court order if the payments are made on a regular basis and can be verified.

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1.2.5 QUESTIONABLE ITEMS

7 CFR 273.2(f)(2) and
USDA SNAP Policy Guidance, November 11, 2008

Local agencies may request verification of other factors if information provided at application, review, or reported change is questionable, unclear, or incomplete and would have an affect on *FS* eligibility or benefit level.

Some examples of circumstances that may require further verification are:

1. Household Composition
2. Claim of Separate Food Unit
3. School Enrollment
4. Household expenses exceed income
5. Pay stub name differs from employed FS Unit member's name
6. Medical expenses that are unusually high or exceed monthly income
7. Other

If an agency receives conflicting information, verification must be requested to clarify the circumstances. For example, if household expenses exceed income, obtain a written statement from the client on how they are paying expenses, or verify with the landlord how rent is being paid.

There may be instances where the household member has reported its earnings as required by program rules, and produced a pay stub to verify those earnings. Although the name on the pay stub differs from the applicant/participant's name, the purpose of the documentation is not to verify identity. The household member can attest to the accuracy of those earnings and provides a reasonable explanation for the discrepancy with the name contained on the pay stub. The local agency could reasonably consider such documentary evidence to verify the reported income. See 1.2.1.3 Responsibility for Verification.

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1.2.6 SUGGESTED VERIFICATION SOURCES

1.2.6.1 Required Verification to Determine Eligibility
1.2.6.2 Verify Only If Questionable
1.2.6.3 Verify For A Household To Receive A Deduction (Not Required For Eligibility)

Below is a list of suggested verification sources, this list does not include every possible verification option. Accept any documents that reasonably meet the verification requirement; do not require a specific source of verification.

1.2.6.1 Required Verification to Determine Eligibility

Verification Item	Suggested Verification Sources
Alien Status	• SAVE

	• *INS* Alien Registration Card (Green Card) • Naturalization certificate • *SSA* query to verify work quarters
Wisconsin *Residence*	• Current rent receipt that must show *address* • Current mortgage receipt • Current lease agreement • Landlord inquiry • Current utility bill with address and responsible person's name • Check stub with current address • Driver's license • Home visit • Subsidized housing authority approval • Post office statement or collateral contact • Library card • Voter registration • Piece of mail received at claimed residence • Real estate tax statement or receipt • Weatherization program approval or denial • Renter or homeowner's insurance documents • School registration record • Letter from employer offering job • Telephone book • Motor vehicle registration • List of residents from a treatment center official, group home, etc. • Written statement from non-relative
Monthly Gross Income	Earned Income: • Dated check stubs for the previous 30 days with the employee's name or ID number • Earnings report or statement from employer • IEVS report or computer match from another state Unearned Income: • DWD UI query • Pension Statement • SSA's WTPY report • Current award letter • Current SSA or *SSI* check • Collateral contact with the employer, SSA, insurance company • IEVS report or computer match from another state For Self-employment or Farm Income and expenses: • Income tax return for the previous tax year • Self Employment Income Report Form(s) (*SEIRF*) • Bookkeeping records
Primary Person's	• Birth record query

ID	• Birth certificate (See 1.2.6.4 if the BC is from Puerto Rico.) • IEVS match • Baptismal certificate • Military service papers • Immigration or naturalization papers • Hospital birth record • Adoption record • Passport or US citizen ID card • Family bible • Paycheck • Driver's license • Completed SS-5 • Confirmation or church membership papers • Voter registration card • Family records (birthday books, genealogy, newspaper birth announcement, marriage license, support or divorce papers) • Employee ID card • Life insurance policy • School records (ID, report cards, diploma) • State/federal or Indian census records • Medical records (vaccination certificate, doctor's or clinic's records, bills) • Other social service program ID • Labor union or fraternal organization records • Court order of name change • Wage stubs • Voter's registration card
Disability / Blindness	• Statement or third party contact from *VA* disability benefits • Statement, check, or third party contact from Social Security Administration • Statement or collateral contact that proves a person receives a Railroad Retirement disability annuity and also qualifies for Medicaid • Statement that a person receives *interim assistance* benefits pending the receipt of SSI and SSDI • Statement or third party contact that proves that an individual receives GA and meets the SSA guidelines for a disability

1.2.6.2 Verify Only If Questionable

Verification Item	Suggested Verification Sources
Dependent Care*	• Written statement from provider • Cancelled check • Collateral contact with provider • Paid receipt or bill • Collateral contact with *child* care worker
Shelter / Utility Expense*	• Mortgage payment records • Rent receipt • Statement from landlord • Lease • *HUD* subsidized housing approval • Property tax statement • Real estate agreement • Canceled check for rent or utility payment • Statement from person(s) with whom the group shares shelter costs • Utility bill • Utility budget amounts • Statement from utility company • Landlord inquiry • Deferred payment agreement • Firewood receipt • Telephone bill • Documented phone contact with landlord or utility company • Statement or receipt from landlord for utilities paid by landlord • Homeowner's insurance policy or billing statement • Statements from collateral contact
SSN	• Social Security Card • Form 1610 (I-D) • Form SSA-5 • Form 2583 • Medicaid Card • Tax documentation (*W-2*, Tax return form, refund check) • Social Security Administration documents such as award/denial letter or SSA/SSI benefit check • WTSP (*CARES* screen DXSN) inquiry • HP Enterprise Services query
Age	• Birth certificate (See 1.2.6.4 if the BC is from Puerto Rico.) • IEVS match • Baptismal certificate • Military service papers • Immigration or naturalization papers

	• Hospital birth record • Adoption record • Passport or US citizen ID card • Driver's license • Family records (birthday books, genealogy, newspaper birth announcement, marriage license, support or divorce papers) • Life insurance policy • School records (ID, report cards, diploma) • State/federal or Indian census records
Relationship	• Birth record query • Birth certificate (See 1.2.6.4 if the BC is from Puerto Rico.) • Baptismal certificate • Military service papers • Immigration or naturalization papers • Hospital birth record • Adoption record • Family bible • Confirmation or church membership papers • Family records (birthday books, genealogy, newspaper birth announcement, marriage license, support or divorce papers) • Life insurance policy
Household Composition (*P&P*)	• Written or oral statement from a third party • Affidavit signed by applicant indicating food is purchased and prepared separately from other household members
Medical Expenses	• Billing statement • Itemized receipts • Medicare card showing Part "r;B" coverage • Health insurance policy showing premium, coinsurance, co-payment, or deductible. • Medicine or pill bottle with price on label • Statement from pharmacy • Repayment agreement with provider • Statement from doctor verifying over-the-counter drug was prescribed • Bill for services of a visiting nurse, home-maker, home health aide • Lodging or transportation receipts, or both, for obtaining medical treatment or services • Bill or receipts for dog food or veterinarian services, or both, for a seeing eye or hearing dog. • Bill or receipt for purchase or rental of prescribed equipment or medical supplies, or both

	• *MA* case record for MA deductible
School Enrollment Status	• Report card • Collateral contact with school authorities • Current school schedule

* Lack of verification will not affect eligibility but the deduction will not be allowed.

1.2.6.3 Verify For A Household To Receive A Deduction (Not Required For Eligibility)

Verification Item	Suggested Verification Sources
Legal Obligation to pay child support	• *KIDS* /CARES Interface • Court documentation
Child support paid out	• KIDS/CARES Interface • Court documentation • Cancelled checks • Bank statements • Check stubs • Written agreement between the two parties

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2 APPLICATIONS AND REVIEWS

2.1 APPLICATIONS

2.1.1 INITIAL CERTIFICATIONS (APPLICATIONS)

7 CFR 273.2(d)

2.1.1.1 Application Process
2.1.1.2 Application Forms
2.1.1.3 New Application Required Due to Break in Service
2.1.1.4 Setting the Filing Date
2.1.1.4.1 Verbal Requests For FoodShare Benefits
2.1.1.4.2 Faxed Application Registrations
2.1.1.4.3 Application Registrations at the Wrong Agency
2.1.1.4.4 Application Registrations At The Wrong Office Within The Correct Agency
2.1.1.5 SSA Participation in FS Applications
2.1.1.5.1 SSA Worker Responsibility
2.1.1.5.2 SSI Applicants in Public Institutions

A new application for FoodShare benefits is required whenever an individual or family makes a request for FoodShare benefits and:

1. they have not received FoodShare benefits in Wisconsin in the past, **or**
2. they have received FoodShare benefits, but a break in service has occurred.

2.1.1.1 Application Process

The FoodShare application process includes:

1. Submitting an application by:
    a. submitting a name, *address*, and signature on an initial application registration form to set a filing date through *CARES* Client Registration,
    b. using the FoodShare Wisconsin Application Form (F-16019A or F-16019B) **OR**
    c. completing the application via ACCESS.
2. Completing a face to face or telephone interview. (2.1.3.5),
3. Verifying certain information (1.2.1), and
4. Confirming the *FS* eligibility determination in CARES (2.1.7).

The FoodShare Wisconsin Application F-16019A must be readily accessible to potentially eligible FS recipients who choose not to set a filing date the same day they are in the FS office.

Assistance must be provided to schedule the interview, provide an interpreter, provide access due to a disability, etc. if needed. Local agencies must encourage individuals to file an application registration for FS on the same day they express an interest in FoodShare or show concerns about food insecurity.

When a person completes an application registration for FoodShare benefits, the application filing date must be documented by recording the date of receipt at the FoodShare office. An application interview cannot be initiated prior to setting a filing date.

FoodShare applicants have the right to apply for assistance in person.

If a childless *adult* appears at a local agency and requests FoodShare, *DHS* prefers that they complete a full application by phone or online. However, the individual must be given the option to apply with only their name, address and signature using a paper Request for Assistance (*RFA*). Paper RFAs that are submitted to the local agency by childless adults should be faxed to the ESC at (888) 415-2115.

Local agencies can also complete an RFA electronically using CWW, if they collect a written signature. The written signature should be faxed to the ESC at (888) 415-2115.

Important Note: The agency should not create an RFA and then also have the customer apply online or by phone. The application should be submitted one way or the other, but not both. Submitting duplicate applications only delays application processing and benefit issuance.

2.1.1.2 Application Forms

The state has created an online application for FoodShare. The ACCESS Application can be found at the following site, https://access.wisconsin.gov/.

The paper application for FoodShare has been developed for use when the CARES system is unavailable. It can also be given to clients who request a paper application form and for *SSA* staff when they accept applications for households where all household members are applying for or receiving *SSI*. The form is found on the Eligibility Management web site at http://dhs.wisconsin.gov/em/forms/imforms.htm

For ease of distribution and use, the form has been printed in the following manner:

> FoodShare Wisconsin Registration Form - F-16019A includes the Registration Form and Important Information (Replaces DES-11605).

FoodShare Wisconsin Application Form - F-16019B includes the Registration Form, Important Information (Part 1) and the Application form (Part 2). This replaces DES-2035 for FS applications.

Registration Form - This will be completed by the customer and used to set the initial application filing date for FoodShare. This portion of the form is designed to be separated from the other sections so that it can be mailed, faxed or handed in to the ESA to set the FS application filing date. This form also collects information to determine eligibility for priority services.

Additional Information Form - This section describes the applicant/recipient's rights and responsibilities. This portion of the form is designed to be separated from the Registration Form and/or the Application Form so that the customer can read and keep this information for his/her records.

Application Form - This section gathers the information necessary to determine FoodShare benefit eligibility. This portion is designed to be separated from the other sections so that it can be submitted to the ESA agency. Application and recertification interviews are required for FS, however this paper application form will serve as a back-up for the CARES generated Application Summary. Local agencies may also receive completed F-16019B applications from Social Security Agencies (SSA) when an application interview has been completed with SSI recipients at the SSA office.

2.1.1.3 New Application Required Due to Break in Service

A "break in service" occurs when the final day of the FS closure month has passed and FS have not reopened during the month following the month of case closure. Except in the situations listed below, a break in service requires the person or group to reapply and complete the application process if they wish to receive benefits.

The only exceptions are if the break in service is caused by any of the following agency actions:

1. a client requests an appointment before the end of his or her certification period but no recertification appointment is available before the case closes,
2. the group contains a member who is a *migrant* and received FS in the previous thirty days, or
3. the 10 days for clients to provide verification has not yet passed.

In such instances, the worker should document the reason for the late recertification and set the program request date for the first of the month so that there is no pro-ration of benefits.

Example 1: Sam requests an appointment to recertify his FS benefits on

September 25th, his benefits end on September 30th. The first available appointment is October 3rd. Sam meets with his worker on October 3rd. Sam's worker sets the program request date for October 1st so the agency's delay does not cause a pro-rated FS amount. The worker documents in case comments the reason for the late certification.

Example 2: Raquel's FS case closes December 31 for failure to verify information. On January 1, Raquel turns in the requested verification. This is not a break in service. Raquel is not required to file a new FS application.

2.1.1.4 Setting the Filing Date

In situations where a new application is required, the filing date is set when the agency receives **one** of the following:

1. a client registration is completed and a signed RFA is submitted; **or**
2. a signed 1-page application registration form (F-16019A); **or**
3. a completed, signed FoodShare Wisconsin Application Form (F-16019B), **or**
4. an ACCESS Application containing an electronic signature.

Example 3: A FS case has been open since March. The 12-month review was due by February 28. The client did not show for the scheduled review appointment. It is now March 3 and s/he is calling to request a review appointment. In this scenario, the client would need to reapply for FS and benefits would be pro-rated from the date a signed application registration form is received either from client registration in CARES or F-16019A. This case would also require an evaluation for expedited services (2.1.4).

The FS Application Registration form is used when an applicant comes into the agency, requests FS, but cannot stay to complete Client Registration in CARES because of their schedule or because there is not sufficient time or personnel to complete Client Registration before the office closes to the public. Mail (if applicant calls) or hand the form to the applicant. The filing date is the day the signed application/registration is delivered to the appropriate Income Maintenance agency or the next business day if it is delivered after the agency's regularly scheduled business hours.

The filing date on an ACCESS application is the date the application is electronically submitted or the next business day if submitted after the agency's regularly scheduled business hours.

This procedure was set up to ensure customers have the opportunity to set a filing date the first day they contact the agency. In some instances, the customer may request to take this form or a FS Application with them. These materials should be made available for the customer to take. However, it is important for the agency representative to explain that:

1. The filing date cannot be set until the agency receives a signed application or application registration form. These may be paper F-16019A or F-16019B ACCESS application or generated from CARES.
2. Although a priority service (2.1.4) determination is not required until the signed application registration form is received, when screening a potential applicant over the phone, information regarding the need for priority service may be gathered in order to schedule an interview appointment during the phone conversation. The filing date cannot be set without a signature, however a request for assistance can be documented and the application registration form can be mailed to the potential applicant along with an appointment notice.
3. A telephone interview may not be completed until the filing date has been set.

2.1.1.4.1 Verbal Requests For FoodShare Benefits

VERBAL REQUESTS FOR FOODSHARE BENEFITS ARE NOT VALID
Although verbal requests for FoodShare benefits are not valid, local agencies must encourage individuals to file an application or set a filing date for FS on the same day they express an interest in FoodShare Wisconsin or concerns about food insecurity.

Local agencies must not discourage households from applying for FS if their application or benefits for another program have been denied or terminated. In this situation, the local agency shall encourage the household to continue with the FS application process.

2.1.1.4.2 Faxed Application Registrations

7 CFR 273.2(c)(1)

Local FS agencies should accept faxed application registrations to initiate the application process and set the filing date. No benefits should be issued, or any final determination of a household's eligibility be made until an interview is completed and an application with an original signature is received by the FoodShare office. Faxed application registrations received on weekends, holidays or after hours should be considered received on the first working day following receipt of the application registration.

2.1.1.4.3 Application Registrations at the Wrong Agency

7 CFR 273.2(c)(2)(ii)

As of June 15, 2009, FoodShare applicants are no longer required to apply for assistance in the county in which they reside. The filing date for FS will be set wherever an application is submitted, regardless of whether the customer submits the application in the county in which s/he resides. The

case must still be processed and maintained by the local agency in the applicant's county of *residence*.

When an ACCESS application or RFA is submitted to a county other than the county of residence, the county that received the application or RFA should transfer it to the correct county's inbox the same day that it is submitted to allow the county of residence time to schedule a priority service interview, if necessary. The file date will not be reset when the application or RFA is transferred.

Mailed or faxed applications received by a county other than the county of residence should be date stamped and faxed to the county of residence the same day that it is submitted to allow the county of residence time to schedule a priority service interview, if appropriate. The file date is the date the application was received in any FoodShare agency.

If an applicant walks in to an agency other than the county of residence to apply, that agency should complete Client Registration and have the customer sign the application registration to set the filing date. Once Client Registration is completed, the RFA should be transferred to the county of residence.

RFAs that are submitted to the local agency by childless adults should be faxed to the ESC at (888) 415-2115.

2.1.1.4.4 Application Registrations At The Wrong Office Within The Correct Agency

If a person comes into the wrong office, but is in the right county to apply for FS, s/he must be allowed to set the filing date. The agency will complete Client Registration in CARES, or have the person complete the application registration, schedule an eligibility interview in the correct office, transfer the case if necessary, and give the client notice of the appointment and location.

2.1.1.5 SSA Participation in FS Applications

7 CFR 273.2(k)

If an SSI applicant or recipient lives alone or in a household where all FS group members receive or are applying for SSI, s/he has the right to apply for FS at the ES agency or at the SSA office handling his/her SSI case.

When the SSI applicant or recipient is eligible for this option, s/he is not required to go to an ES agency to apply for FS. The SSA must assist the applicant in completing the application form and submit the application to the ES agency for the applicant. SSA will refer SSI recipients who contact them to inquire about FS benefits to the ES agency. Anyone who applies for FS at the SSA office is told of

their option to apply at the ES agency and that doing so may expedite receipt of FoodShare benefits.

2.1.1.5.1 SSA Worker Responsibility

1. Decide if the SSI applicant/recipient is eligible to apply for FS at the SSA office.
2. Interview the FS applicant and accept the FS Application.
3. Screen the FS applicant for priority service and help the FS applicant complete the application.
4. Mail the completed application to the ES agency within 1 federal workday.

Reminder: SSI applicants who want FS priority service must complete the FoodShare Wisconsin Application Registration form to be submitted by the SSA to the ES agency.

The FS interview conducted by SSA replaces the regular application interview by the ESA. An additional interview by the ES agency is not required. The ES agency will process these FS applications and contact the SSI applicant by other means if more information is needed to process the application.

2.1.1.5.2 SSI Applicants in Public Institutions

Residents of public institutions may apply for SSI prior to their release under the SSA Prerelease Program. SSA staff will accept a FS application from the person at the same time they apply for SSI under this program.

When SSA forwards a FS application to the ESA for a resident of a public institution, the time period for processing the application begins the date the resident is released from the institution. Process the application within 30 days after the applicant's release.

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2.1.2 APPLICATION PROCESSING TIMEFRAME

7 CFR 273.2(c); 7 CFR 273.2(g)

The application process must be completed within 30 days of the initial filing date, unless the applicant is eligible for expedited services (2.1.4). Applicants are required to cooperate with the completion of this process. Local agencies are required to assist the applicant in the completion of the application process if the applicant requests such assistance.

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2.1.3 INTERVIEWS

2.1.3.1 Scheduling the Interview
2.1.3.2 Completing the Interview
2.1.3.3 Use of an Authorized Representative
2.1.3.4 Signature
2.1.3.5 Telephone Interviews
2.1.3.6 Completing Telephone Interviews
2.1.3.7 Post Telephone Interview Process

2.1.3.1 Scheduling the Interview

7 CFR 273.2(e)(3)

Local agencies must make every attempt to schedule interviews to ensure that an initial *FS* eligibility determination can be completed within the 30 day processing timeframe. Applicants eligible for priority service must be scheduled for an interview the same day or the next business day following the filing date.

Interviews are typically held at the local office, but may be held at a mutually acceptable location, including the food unit's *residence*. If an interview is scheduled at a residence, it must be scheduled in advance. In many circumstances, a telephone interview (2.1.3.5) may be scheduled.

Local agencies must notify each household that misses their initial application interview or review appointment that they missed the scheduled interview and that the household is responsible for rescheduling a missed interview. The use of Client Scheduling in *CARES* will ensure that households receive this notice. If Client Scheduling is not used, notices of missed interview appointments and client responsibility to reschedule must be issued by the local agency. Keep a copy of the agency notice in the case file. Agencies may not deny a household's application prior to the 30th day after the application filing date if the household fails to appear for the first interview.

For households that miss a scheduled appointment and contact the agency to re-schedule within the 30-day application processing period (2.1.2), the agency must schedule another interview.

FoodShare applicants have the right to a face-to-face interview. The ESC will schedule telephone interviews for all applications. However, if a childless *adult* requests an in-person interview, the ESC will make arrangements with the local agency to conduct it.

2.1.3.2 Completing the Interview

7 CFR 273.2(e)(1); 7 CFR 273.2 (b)(4)(iv)

During an interview, the *ESS* must not simply review the information that appears on the application but must explore and resolve with the applicant all unclear information. The interviewer must also advise households of their rights and responsibilities during the interview.

Although CARES provides a means for an individual to apply for several programs of assistance, FS eligibility must be based solely on the requirements and regulations governing the FS Program. Applications for FS may not be denied solely on the basis that an application to participate in another program has been denied. Similarly, ongoing FS benefits may not be terminated solely because benefits from another program have been terminated. During an interview, the interviewer must advise applicants for joint W2/FS that W2

requirements do not apply to FS and that households that lose or decline W2 benefits may still qualify for FS.

The ESS must ask the applicant to identify all household members and their relationship to each other, and if they share food.

Providing SSNs (3.13.1) for each household member is voluntary. However failure to provide an *SSN* will result in the denial of FoodShare benefits to each individual failing to provide an SSN. Although SSN and alien status information is not required for household members not applying for benefits, the ESS must determine if the non-applicant household member has income or assets that affect the applying household members' eligibility. If so, that information must be provided and verified in order to determine FS eligibility for the applicant household members.

Advise the FS applicant of their change reporting requirements (6.1.1) at the time of the interview. If the food unit will be subject to six-month reporting (6.1.2), explain the six-month report form and process to the applicant as well.

It is not necessary for applicant signatures to be witnessed by an agency representative for a FS application to be considered complete.

2.1.3.3 Use of an Authorized Representative

7 CFR 273.2(n)

Representatives may be authorized to act on behalf of a food unit in the application process, in obtaining FS benefits, and/or in using FS benefits.

The local agency must inform applicants and prospective applicants that indicate that they may have difficulty completing the application process, that a non-food unit member may be designated as the authorized representative for application processing purposes. The authorized representative designated for application processing purposes may also carry out food unit responsibilities during the certification period such as reporting changes in the food unit’s circumstances.

A non-food unit member may be designated as an authorized representative for the food unit provided that the person is:

1. an adult who is sufficiently aware of relevant food unit circumstances, and
2. the authorized representative designation has been made in writing by the primary person, *spouse*, or another responsible member of the food unit.

Individuals who are disqualified for an Intentional Program Violation (*IPV*) (3.14.1) cannot serve as authorized representatives during the disqualification period, unless the agency has determined that no one else is available to serve as an authorized representative.

Residents of drug and alcohol treatment centers must apply and be certified for FS eligibility through the use of an authorized representative.

2.1.3.4 Signature

7 CFR 273.2 (b)(1)(iii)

The FoodShare applicant must sign the completed CARES generated Application Summary or FoodShare Wisconsin Application (F 16019B) or 6 month report form
indicating that all the information provided is true and complete and that they understand their rights and responsibilities.

It is not necessary for applicant signatures to be witnessed by an agency representative for a FS application to be considered complete.

Any responsible adult FS AG member or a households' authorized representative may sign the FS application, review or 6 month report form.

Example 1: Eve applies and sets the filing date for FS. Jule, Eve's roommate, who is also an adult, completes the intake interview and signs the Application Summary. The FS application is valid without Eve's signature on the *CAF* Combined Application Form because Jule is a responsible adult AG household member.

2.1.3.5 Telephone Interviews

7CFR273.2(e)(2)(i - ii)

Households who request a FTF interview must be granted one.

Local agencies should waive the face to face (FTF) interview requirement in favor of a telephone interview unless the household requests a FTF interview.

While a hardship reason is no longer required to allow a telephone interview, the following hardship reasons (if applicable) should be collected and documented at the time of application:

a. the client is elderly or disabled,
b. illness,
c. severe weather,
d. transportation difficulties,
e. conflict with work, training or school hours,
f. childcare issues,
g. caring for a HH member,
h. confidentiality concerns,
i. stigma from an office visit would deter HH from applying for benefits, or

j. other hardship situation.

Keep in mind:

- Even if a household has an authorized representative, FTF interviews may be waived and a telephone interview conducted.
- Workers should not question hardship statements.
- When a FTF interview is waived, a telephone interview must be completed. This includes priority service applications.
- Telephone interviews do not exempt the household from verification requirements (1.2.1 Verification Introduction).
- Waiving the FTF interview does not exempt the household from signature requirements. A filing date must be set prior to conducting a telephone interview for applications. See 2.1.1.4 Setting the Filing Date.
- Waiving the FTF interview does not affect the length of the certification period.

2.1.3.6 Completing Telephone Interviews

A filing date must be set prior to conducting a telephone interview for all new FS applicants. See 2.1.1.4 Setting the Filing Date.

At the start of the telephone interview, make a verbal agreement with the client that s/he will complete the application or recertification (2.2.1) interview over the phone. Document the agreement in case comments and include the hardship reason for the telephone interview.

Go over the application with the client using the intake or review driver flows in the CARES system. Access the data exchange information for the case and act on any information that you find. If there are discrepancies in the information, resolve those differences during the interview and/or verification process. At the end of the interview, advise the client about EBT training available through your local agency.

2.1.3.7 Post Telephone Interview Process

After the interview, if verification is needed, print out a verification list and send it to the client with instructions to provide the listed documents to the FS worker within 10 days or by the end of the application or review processing period, whichever is later.

If the food unit claims deductible expenses during the interview, the food unit must verify certain claimed deductions or the deduction will not be allowed (See 1.2.4.5 Expense Verification). If verification of the deductions is not provided, do not allow the deduction and do not close the case.

At the end of the telephone interview, the application review and/or SMRF must be signed by the client to be considered complete. If a valid signature has been collected (See 2.1.3.4 Signature) for the current interview, you do not need to collect an additional signature and the case summary or CAF must be provided to the applicant/member. If a change is reported during the interview the case summary/CAF must be sent to the client to review, make corrections if any, sign and return to the agency.

If there is not a signature for the current interview, instruct the client that you will be mailing the printed Application Summary to them for their signature. The Application Summary should be signed and returned to the agency within 10 days or by the end of the application or review processing period, whichever is later. The application or review is not complete until the signed Application Summary signature page is returned to the agency.

If the signed Application Summary is not returned within the ten day period, or by the end of the application or review processing period, whichever is later, close the case for failure to sign the application (closure code 045).

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2.1.4 EXPEDITED SERVICE AT APPLICATION

7 CFR 273.2(i)

2.1.4.1 Eligibility for Expedited Services at Application

2.1.4.2 Verification Requirements for Expedited Services
2.1.4.3 Eligibility for Migrant Workers

Expedited Services are designed to get the initial *FS* allotment to the FS group within seven calendar days from the date of the application. In order to do this, the applicant must be allowed to complete the interview quickly and *CARES* must issue benefits quickly. The two phases of expedited services are:

1. Priority Service - which refers to whether or not a person should be interviewed the same day or the next working day from the filing date
2. Expedited Issuance - which refers to how quickly CARES will issue FoodShare benefits once the case is confirmed and eligible for expedited issuance. Expedited benefits will be issued the same day or the next business day following confirmation in CARES. All food units that apply after the 15th of the month and who are eligible for expedited issuance must receive the prorated initial allotment and next month's allotment within 7 calendar days from the application filing date.

Local agencies must provide priority service and expedited benefits to those households that qualify for them.

2.1.4.1 Eligibility for Expedited Services at Application

A person or food unit may be eligible for priority services and expedited issuance if:

1. Their total monthly gross income and available assets are less than the monthly costs for utilities and rent or mortgage; or
2. Their gross monthly income is less than $150 and they have $100 or less in available liquid assets; or
3. Their household includes a *migrant*/seasonal farm worker, who is also defined as "destitute" by meeting all of the following criteria:
    a. Liquid assets are less than $100,
    b. Income prior to the day of application was from a terminated source,
    c. Income received on a monthly or more frequent basis, shall be considered as coming from a terminated source if it will not be received again during the balance of the month of application or during the following month,
    d. If income is normally received less often than monthly, (i.e. quarterly) it is considered terminated if the source has been terminated and no future payments are made, **and**
    e. They don't expect to receive more than $25 from a new source ten days after the date of application.

Treatment of Income for Destitute Migrants:

1. Budget income from a terminated source which was received by the food unit between the first of the month of application and the application date, as income available for the food unit's needs in the month of application.
2. *Disregard* any income from a new source expected during the month of application. This income may not be more than $25.00 or must be received at least 10 days after the date of application.
3. After the application month, budget income from a new source for the months it will be received.

The home of a migrant worker in his/her state of *residency* is an exempt asset.

There is no eligibility for expedited services at recertification (2.2.1).

2.1.4.2 Verification Requirements for Expedited Services

A food unit eligible for expedited benefit issuance is only required to provide verification of identity of the primary applicant before the expedited benefits can be issued. Any documents, which reasonably establish the applicant's identity, must be accepted, and no requirement for a specific type of document, such as a birth certificate or photo ID, may be imposed. Even collateral contact is acceptable. If any other required verification is readily available, it must be used in the initial eligibility determination. Other outstanding required verification items must be requested, however do not delay the issuance of expedited benefits pending the receipt of other requested verification.

CARES will deny ongoing months with a failure code reason related to expedited verification requirements. If requested verification is not received, the AG will remain closed due to failure to provide requested expedited verifications (codes 152, 153, or 154). In many instances a verification checklist is not sent, resulting in negative *QC* errors. To avoid possible errors confirm all FS benefit months, including the second or third month "r;fail". Run eligibility a second time to place the case in pending status and to send a system generated verification request. Change the verification due date on the checklist to the 30th day of the application. Suppress any incorrect notices.

There is no limit to the number of times a household can be certified under expedited procedures as long as the household:

1. submitted all the required verifications within the last 30 day application processing period following an expedited issuance, or
2. was certified under normal processing standards since the last expedited certification.

2.1.4.3 Eligibility for Migrant Workers

According to Wisconsin Statutes, 103.90 (5) (a), "A 'migrant worker' is any person who temporarily leaves a principal place of *residence* outside of his state

and comes to this state for not more than 10 months in a year to accept seasonal employment in the planting, cultivating, raising, harvesting, handling, drying, packing, packaging, processing, freezing, grading, or storing of any agricultural or horticultural commodity in its unmanufactured state."

Migrants are eligible for priority service if:

1. Income is less than $150 gross, **and**
2. Available assets are $100 or less, **or**
3. They meet the definition of ”r;destitute” by meeting all three of the following criteria:

a. Assets are $100 or less, **and**

b. The only income received by the food unit prior to the application filing date was from a terminated source, **and**

c. The household does not expect to receive more than $25 from a new source within 10 calendar days from the date of application.

Treatment of Income for Destitute Migrants:

1. Budget income from a terminated source which was received by the food unit between the first of the month of application and the application date, as income available for the food unit’s needs in the month of application.
2. Disregard any income from a new source expected during the month of application. This income may not be more than $25.00 or must be received at least 10 days after the date of application.
3. After the application month, budget income from a new source for the months it will be received.

The home of a migrant worker in his/her state of residency is an exempt asset.

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2.1.5 CHANGES REPORTED DURING THE APPLICATION PROCESSING PERIOD

For applications, changes that occur between the filing date and the intake interview date must be acted on as part of the application. Changes that are reported after the interview, whether or not the case has been processed, must be acted on in the same manner as any other reported change.

If information is reported during the 30-day application processing period that would cause a *FS* application to be denied for both the initial month and month two, and the denial is confirmed in *CARES*, a new application is required. In situations that result in denial of benefits for the initial month and certification for the month two, a new application would not be required.

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2.1.6 WITHDRAWING THE APPLICATION

7 CFR 273.2(c)(6)

The food unit may voluntarily withdraw the application at any time prior to the determination of eligibility. The local agency must document in case comments the reason for the withdrawal, if any was stated by the food unit, and that contact was made with the food unit to confirm the withdrawal. The food unit must be advised of the right to reapply at any time subsequent to the withdrawal.

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2.1.7 CONFIRMING THE FS ELIGIBILITY DETERMINATION IN CARES

Before confirming *FS* eligibility, *ESS* must ensure that the correct eligibility determination has been made. A check of individual eligibility details of the non-financial results and also the budget details are essential. Some items to consider are:

1. Are verifications complete?
2. Are correct household members included in the food unit/food group?
3. Is correct income used?
4. Are correct expenses and deductions allowed?
5. If the AG is denied, is the denial reason correct?
6. Is there clear documentation in *CARES* case comments?

If so, confirm the FS eligibility and process a referral of any mandatory *FSET* participants to FSET (3.16.1).

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2.2 REVIEWS

2.2.1 CERTIFICATION PERIODS (REVIEWS)

7 CFR 273.14(a); 7 CFR 273.10(f)

2.2.1.1 Six Month Reviews
2.2.1.2 Shortening a Certification Period
2.2.1.3 Completing a Recertification

2.2.1.4 Review Processing Timeframe
2.2.1.5 Eligibility Reviews for Other Programs and Their Impact on the FoodShare Certification Period

The certification period for *FS* eligibility for most food units is 12 months. Food units where all food unit members are *homeless* and food units that include a *migrant* or seasonal farmworker have a 6-month certification period. Recipients must complete an interview (2.1.3) (review) and verify current household information in the last month of the certification period in order to be recertified and continue receiving FS benefits.

Food units with zero FS benefits in their initial benefit month and a FS allotment greater than 0 in the second month, will be certified for 12 months beginning with the application month. If the benefit calculation is zero for the first two months, the case will be denied.

Example 1: Barry applied for FS in August after he lost his job. In the FS benefit determination for August and September, Barry received zero for August (due to excess net income) and $98 in September. His certification period starts in August.

If FS eligibility is denied in the month of application for any other reason, and eligibility begins the following month, the 12-month certification period begins in the month following the application month.

Example 2: Barry's VQT sanction ends 08/31/04. He reapplies and re-requests FS on 08/25/04. He is ineligible in August and eligible for $141 in September. Barry's 12-month certification period begins 09/01/04.

2.2.1.1 Six Month Reviews

The certification period of the following food units is 6 months:

1. food units that include a migrant of seasonal farm worker, or
2. food units that are homeless, and
3. where action is taken in *CARES* to indicate homelessness or a migrant food unit member prior to adverse action in month 4 of the certification period.

NOTE: Once a 6-month certification period has been established the review will remain due in month 6 even if the homeless food unit secures housing, or the migrant worker leaves the food unit prior to the review month.

2.2.1.2 Shortening a Certification Period

Local agencies may not end a certification period earlier than the assigned termination date, unless the agency receives information that the food unit has

become ineligible or the food unit does not cooperate in clarifying its circumstances. Loss of W2 or a change in employment is not sufficient in and of itself to meet the criteria necessary for shortening certification periods.

2.2.1.3 Completing a Recertification

7 CFR 273.14(b)

There are several steps to completing a recertification (review) for FS cases:

1. Notification must be sent to the recipient informing him/her that the certification period is ending and an interview (2.1.3) must be conducted if benefits are to continue.
2. An interview must be conducted and the recipient must be notified of verifications required to determine continued eligibility for the program.
3. Certain information gathered at the interview must be verified (1.2.1).
4. Benefit eligibility must be confirmed in CARES (2.1.9) in order for the review or recertification to be considered complete.

2.2.1.4 Review Processing Timeframe

The 30-day processing timeframe for a review is not the same as it is for applications. The 30-day review processing timeframe refers to the review month. In other words, a review must be processed and confirmed by the last day of the review month unless there is an agency-caused delay such as allowing 10 days for verification. In those instances, the worker should document in CARES the reason for the late recertification and set the FS program request date for the first of the month so that there is no pro-ration of benefits.

The FS case will close effective the last day of the review month at adverse action of the review month if recertification is not completed, including confirmation. The local agency and the FS recipient have until the end of the review month to complete recertification.

FS that close at recertification may reopen without requiring a new application under specific conditions. Allow FS to reopen at recertification if the requested action to resolve ineligibility is completed in the month following the end of the current certification period, as long as the interview was timely.

- An interview must be completed within the review month of the current certification period to be considered timely. If the HH fails to complete a timely interview, FS will close effective the last day of the review month at adverse action and a new FS application is required.

- If FS close for lack of verification after a timely review and the household takes the required action within the calendar month following the certification period, the agency shall reopen FS and prorate benefits from the date the household took the required action.

The new certification period will begin the month after the month the review was due.

- If FS close for lack of signature after a timely review and the household returns the signature page within the calendar month following the certification period, the agency shall reopen FS and prorate benefits from the date the household returns the signature page. The new certification period will begin the month after the month the review was due.

- If FS close due to agency delay in scheduling the interview or the HH is not available to complete the interview until the end of the review month, benefits shall be restored back to the first of the month to ensure ongoing benefits, as long as verification is timely.

Example 3: Holly completes a timely FS review on July 12, but does not have verification of her wages from Marigold's. Holly's worker, Jeff, issues a request for verification of earned income. Holly fails to provide verification and her case closes effective July 31. On Aug 5, Holly provides verification of her wages. Jeff changes the date on the FoodShare Request page to August 5 and issues prorated benefits from August 5 through August 31. Holly's previous FS certification period ended on July 31, 2007. Her new certification period runs from Aug 5, 2007 to July 31, 2008.

If Holly responded timely to Jeff's request for verification and submitted her verification in July, but Jeff did not process the verification until August, benefits would have been issued back to August 1, due to Jeff's late processing.

Example 4: Tom's FS review is due by June 30. He completes his interview on June 27 and has verification due July 07. Tom provides the requested verification on July 05. Although Tom's case closed effective June 30 due to lack of completed review/ verification, his FS case is reopened with a certification period beginning July 1. Benefits are not prorated and he is not required to submit a new application.

Example 5: Ruby calls her worker on August 21 to schedule a FS review but the only appointment available is not until September 4. Ruby completes her review but does not have verification of her wages from Sunny's Craft House. Ruby's worker, Kim, issues a request for verification of earned income with a verification due date of September 14. Ruby submits the necessary verification on September 10. Because Ruby submitted her verification timely (within 10 days) and because the agency was unable to complete the interview in August, Kim issues benefits to Ruby back to September 1.

Had Ruby submitted the necessary verification after September 14, Kim would not issue benefits back to the first but only to the date verification was submitted.

Example 6: Tricia's household has a FS certification period ending June 30, 2008. Tricia completed a telephone interview on June 17. The signature page is not returned timely and FS close June 30. Tricia returns the signature page on July 14. FS reopen without requiring a new FS application. Benefits are prorated from July 14, with a new certification period from July 14, 2008 to June 30, 2009.

2.2.1.5 Eligibility Reviews for Other Programs and Their Impact on the FoodShare Certification Period

Reviews completed for other assistance programs do not automatically count as a review for FS and will not change the FS certification period.

3 NONFINANCIAL REQUIREMENTS

3.1.1 GENERAL NON-FINANCIAL ELIGIBILITY

Non-financial eligibility for *FS* is determined by gathering certain information about household members. Some of these non-financial factors impact FS eligibility for an entire FS group. Other factors only impact FS eligibility for an individual.

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3.2.1 RESIDENCE

3.2.1.1 Joint or Shared Physical Custody of Children
3.2.1.2 Temporary Absence
- 3.2.1.2.1 Military Absence
- 3.2.1.2.2 Incarceration and Huber Law Prisoners

3.2.1.3 Homelessness
- 3.2.1.3.1 Shelters for the Homeless
- 3.2.1.3.2 Transitional Housing
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3.2.1.4 Institution
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- 3.2.1.5.1 Residential Care Apartment Complexes (RCAC)
- 3.2.1.5.2 Adult Family Home (AFH)
- 3.2.1.5.3 Drug & Alcohol Treatment Centers
- 3.2.1.5.4 Shelters for Battered Women & Children
- 3.2.1.5.5 Section 202 & 236 Housing

7 CFR 273.3

Applicants for FoodShare benefits must reside in, or be temporarily absent from Wisconsin.

Guidelines for Determining *Residency* (See 1.2.3.5)

1. *Residence* does not mean the legal place of residence or principal home.
2. Residence does not mean the intent to live permanently in Wisconsin or the county.
3. A person who is in Wisconsin or in a county solely for vacation purposes is not a resident of the county.
4. Do not require someone to reside in Wisconsin or within a county for any minimum length of time.
5. Residence does not mean a permanent dwelling or a fixed mailing *address*.

3.2.1.1 Joint or Shared Physical Custody of Children

Children are included in the household where they reside when they are under the care and control of a *parent* or other caretaker in that household. There may be situations when the residence of a *child* is not easily determined. There are many methods that can be used to determine the child's residence. If the residence of a child is questionable, court documents can be used to determine if there is a primary caretaker designated. It may be a situation of joint custody and a 50-50 custody split. If one parent is not designated as primary caretaker, the parents can be asked to decide. Individuals can only be included in one food unit.

If the parents can not or will not decide, compare the parents' activities and responsibilities against the following list and determine which one is exercising more control than the other:

1. If the parents reside in different school districts, where does the child attend school? Who selected the school?
2. Who assists the child with homework or school-related tasks?
3. Are there tuition costs for the child's education? If so, who pays those costs?
4. If the child is enrolled in day care, who arranges for and pays these costs?
5. Who is responsible for taking the child to and from school and/or day care?
6. Which parent is listed as the contact for emergencies at the child's school or day care provider?
7. Who arranges medical and dental care for the child? Who selects the physician and dentist?
8. Who maintains the child's medical records?
9. Who initiates decisions regarding the child's future?
10. Who responds to medical or law enforcement emergencies involving the child?
11. Who spends money on food or clothing for the child when the child visits the absent parent?
12. Who disciplines the child?
13. Who plays with the child and arranges for entertainment?
14. Are more of the child's toys, clothing, etc. kept at one parent's home than the other's?

Only one parent can receive *FS* for a child. If you still can not determine which food unit the child should be in, the caretaker that first applies would be eligible. Use the best information available to make your decision, and document in case comments the basis of your determination. If you still can not determine which food unit the child should be in, call the *CARES* call center.

Example 1: Holly lives with her mother in Gleason. She attends school in her mother's district and her mother maintains a home for her. She visits dad on the weekends. Dad is receiving FS. Holly is considered as "residing" with her

mother. Her father cannot include her in his food unit.

Example 2: Fran (mom) has legal custody of Clarence. However, Clarence resides with grandma, and occasionally visits mom. Clarence is considered "residing" with grandma and would be included in Grandma's food unit if she applied. Clarence would not be included in Mom's food unit since he is residing with Grandma.

Example 3: Mary and Rich have joint/shared custody of Ryan. He spends days with Rich because Mary works days, and nights with Mary because Rich works nights. However, Mary maintains a home for Ryan, he attends school in mom's district, and she provides for most of his needs. Ryan is considered "residing" with Mary, and can receive FS with her. Ryan would not be included in Rich's food unit since he is residing with Mary.

Example 4: Pam and Paul have 50/50 shared custody of Emily. Neither is designated as primary caretaker. They do not agree on who exercises more control over Emily. They both have Emily for 3 and on half days per week. They live in the same school district, both are contacted in an emergency, etc. Paul comes in to the agency to apply for FS first. Emily would be included in Paul's food unit.

3.2.1.2 Temporary Absence

Include in the household an individual temporarily absent from the household when the expected absence is no longer than 2 full consecutive calendar months past the month of departure. Some examples are absence due to illness or hospitalization, employment, and visits.

To be considered temporarily absent, one must meet ALL of the following conditions:

1. The individual must have resided with the food unit immediately before the absence,
2. The individual intends to return to the home, and the food unit must maintain the home for him/her,
3. If the absent person is a child, the caregiver of the absent child is responsible for the child's care and control when the child returns to the home, and
4. If the absent person is an *adult*, the adult must still be responsible for care and control of the child during their absence.

Attending school - Persons temporarily absent to attend a school is not a reason to remain included in the food unit.

Hospitalized Newborn - Infants who remain hospitalized for an extended period of time should be added to the food unit, even if the absence is greater than 2 consecutive months.

Example 5: Karley resides with and receives FS with her mother. On June 6th, it is reported that Karley is going to stay with her father in Madison for the summer. She'll be returning to her mother's home on August 15th.

The month of departure is June. Since she is only absent for 1 calendar month (July), she is considered temporarily absent from her mother's household. She will not be out of the home longer than 2 full consecutive months.

Example 6: Her mother reports Karley will be leaving on May 24 to spend the summer with her father. She is expected to return to her mother's residence on August, 1st. Karley will be absent from her mother's home for 2 consecutive calendar months (June and July) so would not be considered temporarily absent. She should be removed from her mother's household effective July and added back to the household when she returns.

3.2.1.2.1 Military Absence

Someone absent solely for full-time service in the military is not considered temporarily absent, and is not in the household. Income from someone outside of the household may be used in the financial eligibility determination.

If military income is direct deposited into an account jointly owned by the person in the military and a member of the FS AG, it will be counted as unearned income, with the exception of combat pay. Military allotments paid to a *spouse* or dependent of the person in the military are budgeted as unearned income as long as the spouse or dependent is a member of the FS AG. This includes cash sent directly from the person in the military to a FS AG member.

Please see 4.3.4.2 *Disregard* Unearned Income for the treatment of combat pay.

3.2.1.2.2 Incarceration and Huber Law Prisoners

An individual who is incarcerated for more than 30 days is ineligible for FoodShare unless they meet all the Huber criteria listed below.

Huber law prisoners who are released from confinement for the purpose of caring for members of their family, and who purchase and prepare meals with their family members can still be included in the FS Unit and may be

eligible for FoodShare benefits. The prisoner must meet all financial and non-financial eligibility requirements.

A Huber Law prisoner is caring for his/her family if s/he meets all the following criteria:

1. Intends to return home after his or her confinement.
2. Continues to exercise care and control of his or her children.
3. Continues to plan for the support and care of his or her children.
4. Is released to attend to the needs of his/her family and to purchase or prepare meals with his/her family.

A Huber law prisoner released under a bracelet monitoring program who continues to live in the home is eligible for FS.

The temporary absence policy (3.2.1.2) time limit does not apply for Huber and those monitored under the bracelet program

Example 7: A mother with three school age children has been sentenced to serve 90 days in a Huber facility. She is released at 8:00 A.M. to her place of employment and must report directly back to the Huber facility by 4:30 P.M. This mother is absent from the household and is not eligible for FS benefits.

Example 8: A father applies for FS for himself and his two school age children. He is sentenced to serve 90 days in a Huber facility. Under the terms of his sentence he is released each morning at 6:00 A.M. to report to his job; at 3:00 P.M. he is to leave his job and report to his home to care for his children, including fixing and eating dinner with them. He must report back to the Huber facility by 8:00 P.M. This father is temporarily absent from the FS household and is eligible for FS benefits.

Example 9: A father is on a bracelet monitoring program under the Huber program and living with his wife and child at home and working full time. Some of his wages are intercepted by the county jail to offset incarceration and monitoring costs. Treat as a group of 3 and budget the gross amount of his wages.

3.2.1.3 Homelessness

7 CFR 271.2

"*Homeless*" is defined as "An individual who lacks a fixed and regular nighttime residence or an individual whose primary nighttime residence is:

1. A supervised shelter designed to provide temporary accommodations (such as a welfare hotel or congregate shelter),
2. A halfway house or similar institution that provides temporary residence for individuals intended to be institutionalized,

3. A temporary accommodation for not more than 90 days in the residence of another individual, or
4. A place not designed for, or ordinarily used as a regular sleeping accommodation for human beings (a hallway, bus station, a lobby, or similar places)."

3.2.1.3.1 Shelters for the Homeless

Determine eligibility for a *homeless* shelter resident as if s/he is living independently. Homeless shelters include transitional and temporary housing.

3.2.1.3.2 Transitional Housing

Transitional housing helps homeless people move to independent living in a reasonable amount of time. It includes housing designed to serve deinstitutionalized homeless individuals, homeless people with mental disabilities, and homeless families with children.

3.2.1.3.3 Temporary Housing

Temporary housing includes housing commonly known as a "rooming house".

The homeless person may use FoodShare benefits to purchase prepared meals from authorized shelters, some restaurants, and grocery stores.

An authorized shelter may not also be the person's authorized representative.

3.2.1.4 Institution

7 CFR 273.1(b)(7)

An institution is any establishment that provides care and/or services above and beyond meals and lodging.

A resident of an institution is anyone who receives most of his/her meals as part of the institution's normal operation.

Residents of institutions are ineligible for FS.

Some facilities appear to be institutions but are not. Persons living in the following licensed or authorized facilities may be eligible for FS:

1. Shelters for the homeless,
2. Group living arrangements ,
3. Drug and alcohol addiction treatment centers,
4. Shelters for battered women and children,

5. Section 202, 221(d)(3), and 236 housing, and all residents of any federally subsidized housing for the elderly.

3.2.1.5 Group Living Arrangement

A group living arrangement is a public or private nonprofit residential setting serving no more than 16 residents. It must be certified by the appropriate state or local agencies. An example may be a Community Based Residential Facility (*CBRF*).

Any blind or disabled (3.8.1) resident of a group living arrangement may be eligible.

The resident may purchase meals from the group living arrangement when *FNS* authorizes the facility to accept and redeem FS.

Determine the resident's eligibility as a 1 person food unit (3.3.1) when the facility applies as an authorized representative. If the resident applies in his/her own behalf, determine the group size according to food unit rules.

Residents of a group living arrangement that move out before the 16th of the month should have half of their FoodShare allotment for the month returned by the authorized representative.

3.2.1.5.1 Residential Care Apartment Complexes (RCAC)

An RCAC is a place where 5 or more adults reside that consists of independent apartments, each of which has an individual lockable entrance and exit, a kitchen, including a stove, an individual bathroom, and sleeping and living areas. Residents of RCAC facilities that offer optional meal services, separately from the cost of care can be treated as single apartment dwelling residents and be nonfinancially eligible for FS.

Residents of these facilities that do not have these services separate from the cost of care may be eligible if the resident meets the eligibility criteria for a group living arrangement (3.2.1.5). Residents are ineligible for FS if they choose a meal plan provided by the facility that provides a majority, more than 50%, of their daily meals.

Every tenant has a signed “Service Agreement” with the RCAC provider which lists the services the tenant is to receive from the facility (including meals) and the fees charged for those services. Charges for meals should be separately identified in this agreement. Both the resident and the facility have copies of the service agreement (contract). However, most RCAC’s do not have a separate lease for individual tenants.

The name and address of the facility on the service agreement can also be used to verify that the residence is an RCAC by checking against the Department's Residential Care Apartment Complex Directory.

As of April 21, 2005, at application and review, individuals residing in an RCAC will be tested according to the new RCAC policy. The ES worker must determine and verify the meal situation for each RCAC resident that requests FS.

To correctly process a case in CARES on screen ANLA
If the individual's meals are purchased from the RCAC separately from their cost of care, code the individual as <01> on CARES screen ANLA.

If the individual's meals are included in his/her cost of care, code the individual as <25>, (ineligible unless blind or disabled) on CARES screen ANLA .

Example 10: Maria lives in an RCAC. Her service agreement shows she has no meals included in her cost of care but she does have the option to select from various meal plans. She has opted to prepare all of her meals herself and not purchase any meal plan from the RCAC. She would be non-financially eligible for FS. ANLA would be coded as 01.

Example 11: John also lives in the same RCAC. He has opted to purchase one of the dinner meal plans from the RCAC. Because the meal plan is purchased separately from his cost of care and the plan provides less than 50% of his daily meals, he would also be non-financially eligible for FS. ANLA would be coded as 01.

Example 12: Francis lives in an RCAC that does not offer the option to buy meal plans separately from the cost of care. Her meals are included the monthly cost of care. She does not meet the non-financial eligibility criteria for FS unless she is blind or disabled.

3.2.1.5.2 Adult Family Home (AFH)

An AFH is a type of group living arrangement where care and maintenance above the level of room and board (but not including nursing care) are provided in a private residence by the care provider whose primary domicile is this residence for 3 or 4 adults, or more adults if all of the adults are siblings, each of whom has a developmental disability.

The individual in an AFH who is receiving foster care or paying board may be in their own FoodShare group if they wish.

3.2.1.5.3 Drug & Alcohol Treatment Centers

Private, nonprofit centers providing treatment or drug and alcohol addiction are not institutions.

Publicly operated mental health centers certified as drug and alcohol addiction treatment and rehabilitation programs are not institutions. DCS/BCP certifies these facilities. State certification of these centers should not be confused with state licensing of drug and alcohol treatment centers. Such licensing is not required for FS eligibility.

Furthermore, in order for residents of a drug and alcohol treatment center to be certified to receive FS the center must be:

1. a). Tax exempt, and
   b). Certified by the state as either receiving or eligible to receive or operating to further the purposes of part B of title XIX (Medicaid). This may include faith-based treatment centers.

or

2. Authorized as a retailer by FNS.

To determine which substance abuse and mental health centers are listed as State Title XIX agencies go to
http://dhs.wisconsin.gov/bqaconsumer/AODA_MH/AODAmhFacility.pdf

An authorized representative must apply for these residents. The center employs and appoints the authorized representative. The center may choose a representative to be the FoodShare payee or an authorized buyer. S/he will receive a Wisconsin QUEST card to access FoodShare benefits on behalf of the resident. The center may also choose the resident to be the sole QUEST cardholder as the primary person of the case. The QUEST cardholder may purchase food for meals or meals prepared or served by the center, or both.

Determine the eligibility of a resident of a drug and alcohol addiction treatment center as a one person FS group, unless the resident is a parent whose child(ren) resides with them at the center. Include any child(ren) residing with their parent(s) at the center, whether or not the center provides the majority of the child(ren)'s meals, when determining eligibility.

Note: Faith-based treatment and rehabilitation facilities are not required by law or FNS regulation to allow residents to opt-out of religious programming or activities in order to participate in the FS program.

3.2.1.5.4 Shelters for Battered Women & Children

A shelter for battered women and children is a public or private nonprofit residential facility serving battered women and their children.

Shelters for battered women and children may act as the authorized representative for FS applicants and recipients. Document the basis that the facility is eligible to participate. Any shelter for battered women and children authorized by FNS to redeem FoodShare benefits at wholesale stores is eligible.

A shelter resident may be a member of an eligible food group before entering the shelter. Although in most cases an individual may not be a member of 2 food groups in the same month, a resident of a shelter for battered women and children may be eligible for dual benefits as a separate food group while living at the shelter. This occurs when the earlier food unit contains the person who allegedly abused the resident.

They are food units separate from:

1. Other residents of the shelter and
2. Any food unit to which they belonged at the time they entered the shelter.

Review the former group's eligibility and allotment. Re-test the former group and include the change in FS group composition.

3.2.1.5.5 Section 202 & 236 Housing

Exempt residents of any federally subsidized housing for the elderly and disabled from the "residents of institutions" policy.

HUD funds some housing units primarily for the aged and disabled. This housing is called Section 202, Section 221(d)(3), and Section 236 housing. These housing units provide meals if the resident can not get them without help.

Residents of 202/236 housing may still be eligible for FoodShare benefits. If you are unsure if a residence is an institution or 202/236 housing, contact the Wisconsin Housing and Economic Development Authority (WHEDA) at (608) 266-7884 to verify.

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3.3.1 FOOD UNIT/FOOD GROUP/RELATIONSHIPS

3.3.1.1 H.U.G (Households, Units, Groups)
3.3.1.2 Relationship Definitions
3.3.1.3 Relationship Rules
3.3.1.4 Relationship Rules Exception

7 CFR 273.1(a)

3.3.1.1 HUG (Households, Units, Groups)

To determine who is nonfinancially eligible for FoodShare, you must start with all household members.

H - Households:

Households consist of all persons living in or temporarily absent from the same *residence*. It is important to enter all household members into *CARES* to ensure that the correct eligibility determination is made.

U - Food Units:

One or more persons who live in the same household and purchase and prepare food together for home consumption. This group is tested for eligibility together. There are some exceptions for boarders, foster persons, and certain elderly and disabled individuals.

Examples
Examples of a food unit include:

1. A person living alone.
2. A group of persons living together who purchase and prepare meals together for home consumption.

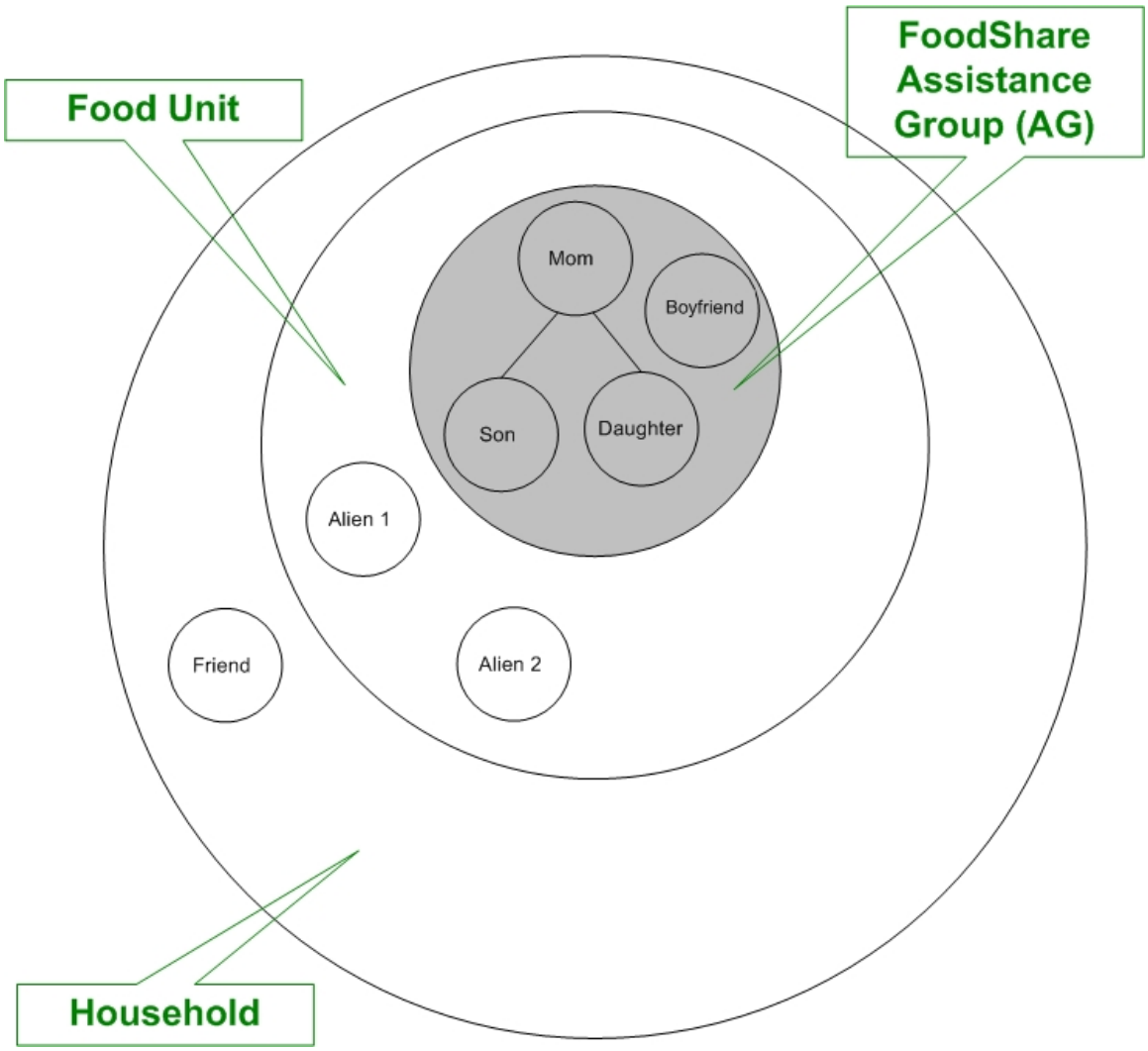
3. A person (or group of persons) living with others, but who usually purchases and prepares food for home consumption separately from the others.

Purchase and Prepare
People living together who:
1. Share in the cost of purchasing food.
2. Share in the preparation of food.
3. Eat together.

Each person does not have to shop, provide money, prepare food, and eat together. Any of those activities is sufficient to include a member in purchasing and preparing food with the group.

G - Food Groups

The FoodShare group is formed by persons who are in the same food unit and pass all the individual non-financial criteria. This table identifies where to find non-financial CARES screens and policy references.



3.3.1.2 Relationship Definitions

Adult : a person who is 18 years old or older.

Child : a person's biological, step, or adopted son or daughter, regardless of age. If a child is adopted, the adoption severs the biological tie to the *parent*.

Minor : someone less than 18 years old who is under the parental control of an adult food unit member.

Parent: a person's biological, step, or adoptive mother or father regardless of age. Parenthood doesn't have to be verified. If a child is adopted, the adoption severs the biological tie to the parent.

Parental Control: an adult providing parental control acts as a parent would toward the minor child. A minor child is considered under parental control if the

child is financially or otherwise dependent on a member of the household. Foster care providers do not meet the parental control definition.

Sibling: brother, sister, half-brother, half-sister, stepbrother, stepsister, and siblings related through adoption.

Spouse : A person recognized by Wisconsin law as another person's legal husband or wife. Wisconsin does not recognize common law marriage.

Stepparent : The spouse of a person who is the biological parent of a child. A stepparent that is divorced from a biological parent is no longer considered a stepparent.

3.3.1.3 Relationship Rules

7 CFR 273.1(b)(1)

The following individuals must be included in the same food unit, even if they do not purchase and prepare meals together:

1. Spouses and spouses,
2. Biological (unless no longer a parent because of adoption), adoptive, or step-parents and their children under the age of 22, **and**
3. Adults and minor children under the age of 18 years over whom they are exercising parental control.

Example 1: Tim and Jane are unmarried and live together. They claim separate food unit status. Jane comes into the office and reports she had a baby. If Tim is the father, he is in the food unit with Jane and the baby.

If Tim is not the father, determine if he is participating in parental decisions that affect the baby. If yes, include Tim in Jane and the baby's food unit since he is providing parental control. If no, Tim is a separate food unit.

Example 2: Sue divorced Bob, but they continue to live together. Since they state that they do not purchase and prepare meals together they are allowed to be separate food units.

If Sue and Bob had children in common, relationship rules would require that they be in the same food unit, even if they were no longer married and claimed to purchase and prepare separately.

Under certain specific circumstances, individuals and their spouses who are elderly and disabled may be a separate food unit, even if they are living and eating with others. See 5.2.1 for rules related to *FS*-E eligibility.

Note: The provision that allows *EBD* HH members who cannot purchase and prepare their meals separately does not take precedence over the basic HH composition provision which requires children under 22 years of age who reside with their EBD parent to be included in the same HH.

Example 3: Stella, who is over 60 years old and is disabled, allows her 19 year old daughter Gracie to move in with her. Although Stella and Gracie claim to purchase and prepare separately, they must be included in the same food group because elderly persons may not be separated from their children who are under 22 years of age.

3.3.1.4 Relationship Rules Exception

A minor, living with his or her own spouse or child and with an adult who is not the minor's parent, is not considered under the control of the adult and can be a separate food unit if they purchase and prepare food separately.

Example 4: For example, a 17-year old living with an aunt. The 17-year old has a 1-year old son. If the 17-year old and her son purchase and prepare food separately from the aunt, they can be their own food unit.

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3.4.1 DUAL MEMBERSHIP & DUPLICATE BENEFITS

7 CFR 273.3(a)

A person cannot be a member of more than 1 food unit and 1 *FS* group in the same month except residents of shelters for battered women and children.

Persons moving to Wisconsin from another state are not eligible to receive duplicate FS benefits. States typically issue benefits on either a calendar or fiscal month. A fiscal month cycle provides benefits from a date in one month to a corresponding date in the next month. California (Fresno), Massachusetts, Nevada and South Dakota issue on a fiscal month cycle. Illinois issues benefits by calendar month (first day through the last day of the month) and by fiscal month (16th through 15th). Wisconsin issues on a calendar month cycle.

Example 1: In early October, a FS group moves to Wisconsin from Illinois. Prior to the move, Illinois issued the group's FS on a fiscal month cycle. It was an allotment for September 16 through October 15. The FS group applies in Wisconsin on October 10. The last day the group is considered an Illinois FS group is October 15. If determined eligible, the first day the group would receive FS from Wisconsin would be October 16.

Workers should contact the other state to verify the FS end date.

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3.5.1 BOARDERS

3.5.1.1 Boarders Introduction
3.5.1.2 Reasonable Compensation

7 CFR 273.1(b)(3)

3.5.1.1 Boarders Introduction

A boarder is anyone who resides with a household and:

1. Pays reasonable compensation to the household for lodging and meals and,
2. Is in the food unit from which s/he purchases his/her meals and,
3. The food unit's primary person asks that s/he be included.

A boarder group includes all the persons in a household who are included in the same payment for meals. This applies whether each person actually makes part of the payment or one or more persons makes the payment on their behalf. Include spouses and *minor* children of a boarder in the same boarder group, even if they claim they are making separate payments. Boarders are not eligible to participate as their own food unit.

Children and parents living together are not boarders if the *child* or *parent* is paying board to the other.

A *spouse* who lives with a spouse and pays board to his/her spouse is not a boarder.

A *sibling* who lives with a sibling and pays board to that sibling is not a boarder.

3.5.1.2 Reasonable Compensation

Reasonable compensation means the person pays enough money for meals to qualify as a boarder.

Compute reasonable compensation based on the number of meals a day the person pays for. A boarder group who pays for more than 2 meals a day pays reasonable compensation when they pay an amount that equals or exceeds the Allotment Maximum. The Allotment Maximum is based on the size of the boarder group.

A boarder group who pays for 2 meals or less a day pays reasonable compensation when they pay an amount that equals or exceeds 2/3 of the allotment maximum for the size of the boarder group.

Persons paying less than reasonable compensation are not boarders. Count income and assets of people who are paying less than reasonable compensation. Do not count a boarder's income and assets unless s/he is a food unit member.

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3.6.1 FOSTER CARE RECIPIENTS

7 CFR 273.1(b)(4)

3.6.1.1 Foster Care Recipients Introduction
3.6.1.2 Foster Care Payment

3.6.1.1 Foster Care Recipients Introduction

A foster person is a person for whom foster care is being paid. They are placed in the homes of relatives or other individuals by a federal, state, or local government foster care program. This determination is regardless of the funding source or the age of the foster person. Include a foster care recipient in the food unit only when the primary person asks that the foster care recipient be included. The foster care recipient may belong only to the food unit s/he receives the foster care and meals from.

3.6.1.2 Foster Care Payment

A foster care provider is the person providing foster care for a foster person. Money paid for the care of a foster care recipient is income of the recipient, not the provider.

Count the foster care recipient's income only if the foster care recipient is in the food unit.

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3.7.1 ADOPTION ASSISTANCE

The *child* included in the adoption assistance payment must always be included in the food unit.

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3.8.1 ELDERLY, BLIND, OR DISABLED INDIVIDUALS

3.8.1.1 EBD Introduction
3.8.1.2 Disabled Veterans

3.8.1.1 EBD Introduction

An elderly individual is a food unit member age 60 or older.

A disabled individual is a food unit member who receives disability or blindness benefits from any of these programs: *SSA*, *MA*, *SSI* or SSI related MA, Railroad Retirement Board (*RRB*). A food unit member who receives a *VA* payment must meet one of the criteria listed in 3.8.1.1 to be considered disabled.

If an individual is certified as disabled or blind by one of the above agencies, but has not received the initial benefit, consider him/her disabled.

An individual receiving retirement benefits from the RRB and found eligible for Medicare by the RRB is disabled. An individual who receives GA and meets the SSI program disability criteria is also disabled.

Use the elderly and disabled definitions to determine food unit membership, restaurant eligibility, student status, and medical, shelter, and utility deductions.

Under certain specific circumstances individuals and their spouses who are elderly and disabled may be a separate food unit even if they are living and eating with others. See 5.2.1 for rules related to *FS*-E eligibility.

3.8.1.2 Disabled Veterans

The definition of a Disabled Veteran is:

1. A veteran with a disability rated by the VA as total or paid as total by the VA, or

2. A veteran or surviving *spouse* of a veteran considered by the VA to be in need of regular aid and attendance or permanently housebound, or
3. A surviving *child* of a veteran and considered by the VA to be permanently incapable of self-support, or
4. A surviving spouse or a surviving 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 by SSA.

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3.9.1 ATTENDANT/HOUSEKEEPER

7 CFR 273.1(b)(6)

An attendant/housekeeper is a person who meets both of the following conditions:

1. Lives in the home of the person s/he provides *child*, medical, or nursing home care, or similar services to. If the person receiving care lives in the attendant's home, an attendant/housekeeper situation does not exist.
2. Is not a *parent*, child, *sibling* or *spouse* of anyone in the same food unit as the person s/he is caring for.

A live-in attendant/housekeeper may apply for FoodShare benefits as a separate food unit from other household members if the conditions above exist.

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3.10.1 STRIKERS

7 CFR 273.1(e)

3.10.1.1 Striker Exceptions
3.10.1.2 Termination of a Strike
3.10.1.3 Eligibility on the Day Before a Strike
3.10.1.4 Pre-Strike Income

A striker is anyone involved in either of the following, whether or not s/he is in a collective bargaining unit:

1. A strike or concerted stoppage of work by employees against their employer. This includes a stoppage because a collective bargaining agreement expired.
2. A concerted slowdown or interruption of operations by employees against their employer.

A person is a striker whether or not s/he personally voted for the strike. Strikers are not exempt from Work Participation requirements.

3.10.1.1 Striker Exceptions

None of the following is a striker:

1. An employee affected by a lockout.
2. Persons exempt from the *FS* work requirements except those exempt solely because they're employed. For example, a caretaker of a *child* under six years old is not a striker. (See 3.16.1)
3. Any employee of the Federal Government, the State or any political subdivision engaged in a work related strike. S/he has voluntarily quit his/her job without good cause.

3.10.1.2 Termination of a Strike

A strike has ended when:

1. The employer notifies its striking employees that it has hired or is hiring replacement workers.
2. All or some of the employees can not return to the same job they held with that employer before the strike.
3. The employees return to work with the same employer. If a striker accepts other employment while on strike without resigning from the struck company, striker provisions continue to apply.

3.10.1.3 Eligibility on the Day Before a Strike

To be eligible, a FS group with a striker must have been eligible on the day before the strike began.

If the case was open for FS on that date, it remains eligible if it continues to meet all criteria.

If the case was not open on that date, determine if the case could have been eligible on the day before the strike. Assume the application date is the day before the strike began and the strike never occurred. Use the Striker Evaluation Form (8.2.1). Deny an application if the group would have been ineligible the day before the strike.

3.10.1.4 Pre-Strike Income

Determine the FS group's eligibility and allotment. Add the highest of the 2 following incomes to the income of the other FS group members:

1. The striker's income on the day before the strike ("pre-strike income"), or
2. The striker's income on the date of the current determination ("current income")

Determine the striker's pre-strike income by adding:

1. All unearned income s/he would normally expect to have received that month, and
2. All earned income s/he would have received in a month using the wage rate s/he was earning on that date. Allow the 20% earned income deduction.

Determine the striker's current income as you would any other person's regular income.

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3.11.1 FOOD DISTRIBUTION PROGRAM (TRIBAL COMMODITIES)

7 CFR 281.1(c)

3.11.1.1 Choice of Programs
3.11.1.2 Preventing Dual Participation
3.11.1.3 Switching Programs
3.11.1.4 FS Discontinuance Date
3.11.1.5 Denial due to FS IPV

The Great Lakes Inter-Tribal Council and the Menominee Tribe administer the program. Eleven tribes distribute commodities.

A person may receive commodities from one of these tribes if s/he is eligible and:

1. Is a Native American living in one of the counties served by that tribe , or
2. Lives within the geographical boundary of the tribe's reservation. This applies whether or not s/he is a Native American

3.11.1.1 Choice of Programs

Eligible persons must choose either the *FS* or commodities program. They can not participate in both. They may change their program choice, but must tell their current agency of the desired change.

Deny FS to any FS unit when a member receives commodities from a *Food* Distribution program.

3.11.1.2 Preventing Dual Participation

Inform applicants that participation in both programs is prohibited.

Do not verify if an applicant tells you s/he did not receive commodities in the current or preceding month, and will not receive them next month, unless the report is questionable.
If the report is questionable or s/he received commodities in one of those months:

1. Determine the month(s) s/he received, or will receive commodities.
2. Determine which tribe issued the commodities.
3. Contact the tribal Food Distribution Program staff to determine when the commodities were or will be received.
4. Inform the tribal staff of the FS request, the likely disposition of the application, and first FS issuance date.
5. Remind the FS group that it is illegal to receive both FS and Food Distribution benefits in the same month.

6. Document your performance of these 5 steps in the case record.

3.11.1.3 Switching Programs

When someone switches between programs, do not issue the initial benefit until the other program's benefits stop.

Deny FS if an applicant has already received commodities in the application month. If it is too late to stop commodities participation for the month after application, deny the FS application.

3.11.1.4 FS Discontinuance Date

When a FS recipient wishes to begin participating in the Food Distribution Program:

1. Before adverse action, drop the FS group from FS at the end of the month.
2. After adverse action, drop the FS group from FS at the end of the next month.

3.11.1.5 Denial due to FS IPV

Deny Food Distribution benefits to persons ineligible for FS because of an *IPV*. *DHS* sends a list of IPV disqualified persons to the Great Lakes Inter-Tribal Council and the Menominee Tribe monthly.

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3.12.1 CITIZENSHIP AND IMMIGRATION STATUS

7 CFR 273.4

3.12.1.1 Qualified Alien or Immigration Status
Chart 1- Determining if a non-citizen is eligible for FS
Chart 2- Decoding the admission or adjustment codes from INS
3.12.1.2 Eligibility Pending Documentation of Immigration Status
3.12.1.3 Work Quarter Eligibility
3.12.1.4 Military Connection Eligibility
3.12.1.5 Battered Alien Eligibility
3.12.1.6 State Option FoodShare Program (SOFSP)
3.12.1.7 Ineligible & Illegal Aliens
3.12.1.8 Encouraging Application
3.12.1.9 Gaining Citizenship
3.12.1.10 Derivative Citizenship
3.12.1.11 Iraqis And Afghans With Special Immigrant Status

To meet the citizenship or qualifying alien requirement for *FS* , a person must be one of the following:

1. A citizen of the US which is defined as a person:
   a. who was born in the US. Geographically, the US is the continental US, Alaska, Hawaii, Puerto Rico, US Virgin Islands, and Northern Mariana Islands, including Guam, or
   b. who is a naturalized citizen of the US
2. A person born outside of the U.S. to, or adopted by, at least one U.S. citizen. They are sometimes referred to as a "derivative citizen."
3. A non-citizen with a qualifying immigration status.

Note: Effective 10/1/10, all Puerto Rican Birth Certificates issued before 07/1/10 are invalid. Ongoing recipients of IM programs from Puerto Rico do not need to submit new, valid birth certificates. However, all Puerto Rican Birth Certificates submitted by applicants must have been issued after 07/1/10.

3.12.1.1 Qualified Alien or Immigration Status

1. Use Chart 1 to determine if a non-citizen is eligible for FS. If federal requirements are not met, a qualified non-citizen may be eligible for the State Option FoodShare Program (SOFSP).

2. Use Chart 2 for decoding the admission or adjustment codes from *INS*. Refer also to the INS SAVE Manual M300 (revised 09-00) and the Travel and Identity Documents guide.

CHART 1

Alien Status Code	Federal FoodShare		State Option FoodShare Program (SOFSP)
	Date of Entry Before 8/22/96	Date of Entry On or After 8/22/96	
Citizen	Eligible	Eligible	NA
01-Lawfully admitted for permanent *residence*	Ineligible unless: • meets work quarters, or • military requirement, or • Hmong or Highland Lao tribal member, or • receives disability benefit, or • born before 8/22/31, or • under age 18, or • has lived in the US as a qualified alien for 5 years from the date of entry	Ineligible unless: • meets work quarter requirement, or • military requirement, or • Hmong or Highland Lao tribal member, or • receives disability benefit, or • has lived in the US as a qualified alien for 5 years from the date of entry, or • under age 18	Eligible if federal requirements are not met.
02-Permanent Resident under color of law (PRUCOL)	Ineligible	Ineligible	Ineligible
03-Conditional Entrant Lawfully present under Section 203(a)(7)	Ineligible unless: • meets work quarters, or • military requirement , or • receives disability benefit, or • born before 8/22/31, or	Ineligible unless: • meets work quarters, or • military requirement, or • receives disability benefit, or • born before 8/22/31, or • under age 18,	Eligible if federal requirements are not met.

	• under age 18, or • has lived in the US as a qualified alien for 5 years from the date of entry	or • has lived in the US as a qualified alien for 5 years from the date of entry	
04-Refugee Lawfully present under Section207	Eligible for first seven years after date of entry. After seven years only eligible if: • meets work quarters, or • military requirement, or • Hmong or Highland Lao tribal member, • receives disability benefit, or • born before 8/22/31, or • under age 18, or • has lived in the US as a qualified alien for 5 years from the date of entry	Eligible for first seven years after date of entry. After seven years only eligible if: • meets work quarters, or • meets military requirements, or • Hmong or Highland Lao tribal member, or • receives disability benefit, or • has lived in the US as a qualified alien for 5 years from the date of entry, or • under age 18	Eligible if the federal requirements are not met.
05-Asylee Lawfully present under Section 208	Eligible for first seven years after asylum was granted. After seven years only eligible if: • meets work quarters, or • military requirement, or	Eligible for first seven years after granted asylum. After seven years only eligible if: • meets work quarters or, • meets military requirement, or • Hmong or Highland Lao	Eligible if the federal requirements are not met.

	• Hmong or Highland Lao tribal member, or • receives disability benefit, or • born before 8/22/31, or • under age 18, or • has lived in the US as a qualified alien for 5 years from the date of entry	tribal member, or • receives disability benefit, or • has lived in the US as a qualified alien for 5 years from the date of entry, or • under age 18	
06-Parolee Lawfully present under Section 212(d)(5)	Ineligible unless: • meets work quarters, or • military requirement, or • Hmong or Highland Lao tribal member, or • receives disability benefit, or • born before 8/22/31, or • under age 18, or • has lived in the US as a qualified alien for 5 years from the date of entry	Ineligible unless: • meets work quarters or, • meets military requirement, or • Hmong or Highland Lao tribal member, or • receives disability benefit, or • has lived in the US as a qualified alien for 5 years from the date of entry, or • under age 18	Eligible if the federal requirements are not met.
07-IRCA	Ineligible	Ineligible	Ineligible
08-Work Authorization: Temp.	Ineligible	Ineligible	Ineligible
09-Undocumented Alien	Ineligible	Ineligible	Ineligible

10-Illegal Alien	Ineligible	Ineligible	Ineligible
11-Cuban/Haitian Entrant (Section 501(e) of the Refugee Education Act of 1980)	Eligible for first seven years after date of entry. After seven years only eligible if: • meets work quarters, or • military requirement, or • receives disability benefit, or • born before 8/22/31, or • under age 18, or • has lived in the US as a qualified alien for 5 years from the date of entry	Eligible for first seven years after date of entry. After seven years only eligible if: • meets work quarters, or • Meets military requirement, or • receives disability benefit, or • has lived in the US as a qualified alien for 5 years from the date of entry, or • under age 18	Eligible if federal requirements are not met.
12-Considered a permanent resident by INS	Ineligible	Ineligible	Ineligible
13-Special AG worker under Section 210(A)	Ineligible	Ineligible	Ineligible
14-Additional Special AG worker under Section 210A	Ineligible	Ineligible	Ineligible
15-Withheld Deportation-Section 243(h) or 241(b)(3)	Eligible for first seven years after date of withheld deportation. After seven years only eligible if: • meets work quarters, or • military requirement, or • Hmong or Highland Lao	Eligible for first seven years after date of withheld deportation. After seven years only eligible if: • meets work quarters, or • meets military requirement, or • Hmong or Highland Lao tribal member,	Eligible if federal requirements are not met.

	tribal member, or • receives disability benefit, or • born before 8/22/31, or • under age 18, or • has lived in the US as a qualified alien for 5 years from the date of entry	or • receives disability benefit, or • has lived in the US as a qualified alien for 5 years from the date of entry, or • under age 18	
16-Battered Alien Code the battered immigrant *adult* or *child* or *parent* with the broadest immigrant eligibility category that applies to that person (e.g., a battered refugee immigrant, code as refugee). Document in case comments that the person is a battered immigrant and therefore exempt from sponsor deeming. Do not list the sponsor in *CARES* on ACCH. Do not list any of the sponsor's income and assets.	Ineligible unless: • meets work quarters, or • military requirement, or • Hmong or Highland Lao tribal member, or • receives disability benefit, or • born before 8/22/31, or • under age 18, or • has lived in the US as a qualified alien for 5 years from the date of entry	Ineligible unless: • meets work quarter requirement, or • military requirement, or • Hmong or Highland Lao tribal member, or • receives disability benefit, or • has lived in the US as a qualified alien for 5 years from the date of entry, or • under age 18	Eligible if federal requirements are not met.
17-Amerasians	Eligible for first seven years after date of entry. After seven years only eligible if: • meets work	Eligible for first seven years after date of entry. After seven years only eligible if : • meets work	Eligible if federal requirements are not met.

	quarters, or • military requirement, or • Hmong or Highland Lao tribal member, or • receives disability benefit, or • born before 8/22/31, or • under age 18, or • has lived in the US as a qualified alien for 5 years from the date of entry	quarters, or • meets military requirement, or • Hmong or Highland Lao tribal member, or • receives disability benefit, or • has lived in the US as a qualified alien for 5 years from the date of entry, or • under age 18	
18 - Native Americans born abroad	Eligible	Eligible	Eligible
19 - Trafficking Victims - Including the *minor* children, spouses and in some cases the parents and siblings of victims of severe trafficking. In the case of an alien who is awarded a T visa and who is under 21 years of age on the date the T visa application was filed, Derivative T visas are available to the alien's *spouse*, children, unmarried siblings under 18 years of	Eligible for first seven years after date of entry. After seven years only eligible if: • meets work quarters, or • military requirement, or • Hmong or Highland Lao tribal member, or • receives disability benefit, or • born before 8/22/31, or • under age 21, or • has lived in	Eligible for first seven years after date of entry. After seven years only eligible if : • meets work quarters, or • meets military requirement, or • Hmong or Highland Lao tribal member, or • receives disability benefit, or • has lived in the US as a qualified alien for 5 years from the date of entry, or	Eligible if federal requirements are not met.

age on the date on which the alien's visa application was filed and parents. In the case of an alien who is awarded a T visa and was 21 years of age or older on the date the T visa application was filed, the Derivative T visas are available to the alien's spouse and children.	the US as a qualified alien for 5 years from the date of entry	• under age 21	

2) Use chart 2 for decoding the admission or adjustment codes from INS. Refer also to the INS SAVE Manual M300 (revised 09-00) and the Travel and Identity Documents guide.

CHART 2

Immigration Status	CARES Code	I-94 Codes	I-551 Codes	Other
Cuban/Haitian Entrant	11	212(d)(5) or paroled or C/H Entrant and from Cuba or Haiti or I-551 stamp and CU6 or CH6	CU6 or CU7, CH6	Unexpired and expired 1-551 stamp in foreign passport
Deportation Withheld	15	106 or 243(h) or 241(b)(3)	NA	INS Form I-688B annotated 274a.12(a)(10); INS Form I-766, annotated A10; order from an immigration judge showing deportation withheld under 243(h) or

				removal withheld under 241(b)(3)
Battered Alien	16	AR1, AR6, C20 through C29, CF1, CF2, CR1, CR6, CR7, CX1, CX2, CX3, CX6, CX7, CX8, F20 through F29, FX1, FX2, FX3, FX6, FX7, FX8, IF1, IF2, IR1, IR2, IR3, IR4, IR6, IR7, IR8, IR9, IW1, IW2, IW6, IW7, MR6, MR7, P21, P22, P23, P26, P27, P28; IB3, IB6, IB7, IB8, B11, B12, B16, B17, B20 through B29, B31, B32, B33, B36, B37, B37, B38, BX1, BX2, BX3, BX6, BX7, BX8 some Z13	AR1, AR6, C20 through C29, CF1, CF2, CR1, CR6, CR7, CX1, CX2, CX3, CX6, CX7, CX8, F20 through F29, FX1, FX2, FX3, FX6, FX7, FX8, IF1, IF2, IR1, IR2, IR3, IR4, IR6, IR7, IR8, IR9, IW1, IW2, IW6, IW7, MR6, MR7, P21, P22, P23, P26, P27, P28; IB3, IB6, IB7, IB8, B11, B12, B16, B17, B20 through B29, B31, B32, B33, B36, B37, B38, BX1, BX2, BX3, BX6, BX7, BX8 some Z13	I-551 stamp in foreign passport with one of the preceding codes; or IMPORTANT: Applicant has filed an I-130 or I-360 petition as a battered alien. INS Form - 797 is documentation of approval of an I-130 application.
Amerasian	17	AM1, AM2, or AM3	AM 6, AM7, or AM8	I-551 stamp in foreign passport with one of the preceding codes
Foreign born Native American	18	S13	S13	I-551 stamp in foreign passport with S13 tribal membership card from federally recognized

				tribe.
Trafficking Victim	19	T-2, T-3, T-4 and T-5 known as "Derivative T" visas are not currently available in the SAVE system. Call the toll-free trafficking verification line at 1-866-401-5510 to notify ORR of the benefits for which the individual has applied.		Health and Human Service Office of Refugee Resettlement Certification Letter

See also the Travel and Identity Documents Guide for explanations of the types of INS authorization documents.

3.12.1.2 Eligibility Pending Documentation of Immigration Status

CFR 273.2(f)(1)(ii)(B)

A non-citizen is ineligible until acceptable documentation of qualifying immigration status is provided unless:

1. The agency has submitted a document provided by a household to INS for verification. Pending such verification, the agency cannot delay, deny, reduce or terminate the individual's eligibility for benefits on the basis of the individual's immigration status, or
2. The applicant or the agency has requested qualifying quarter information from *SSA*. SSA has responded that the individual has fewer than 40 quarters but is investigating to determine if more quarters can be determined. The agency must certify the individual pending the results up to 6 months from the date of the original determination of insufficient quarters, or
3. The applicant or agency has requested verification from a federal agency for verification of the alien's status. The agency must certify the individual pending the results up to 6 months from the date of the original determination of insufficient quarters.

3.12.1.3 Work Quarter Eligibility

Legal permanent resident aliens who have worked for 40 qualifying quarters are eligible. There is no time limit on this category of eligibility.

A qualifying quarter includes:

1. One worked by a parent of an alien before the alien reached his/her eighteenth birthday, including those quarters worked before the alien was born;
2. One worked by a spouse of an alien during their marriage if the alien remains married to the spouse or the spouse is deceased.

Each person in the applying household is considered an applicant. Therefore, each spouse can claim the quarters of the other spouse, and the children can claim the quarters worked by their parents.

Count both qualifying quarters of work covered by Title II of the Social Security Act, and qualifying quarters of work not covered by Title II. Beginning 1/1/97, a quarter in which the alien received Federal means-tested assistance is not counted as a qualifying quarter.

3.12.1.3.1 Disclosure of Work Quarter Information

The local agency may request information from the SSA about work history for non-covered employment as well as covered employment.

If you are unable to determine work quarters through the SSA automated system, you may accept the applicant's sworn statement of sufficient work, pending verification, provided the applicant has been in the country sufficient time to earn the quarters (totaling the time from the employed applicant and parent and spouse).

The SSA is authorized to release work quarter information on an alien, an alien's parents or spouse to a county/tribal agency (not applicant) for the purpose of determining eligibility, even if the parent or spouse cannot be located or refuses to sign a release statement.

You may also find work quarter information through CARES data exchange screens. To verify alien's work quarters information you can request it in CARES on DXQR. It will be available on DXQC 48 hrs later.

3.12.1.4 Military Connection Eligibility

Qualified aliens who are honorably discharged veterans and who fulfill minimum active duty service requirements in the U.S. Armed Forces, or who are the spouse, unmarried depended child, or unremarried surviving spouse of such a veteran or active duty personnel are eligible for FoodShare benefits with no time limit exception.

A veteran is a person who was honorably discharged after:

1. Serving for 24 months in the U.S. armed forces, or
2. Serving for the period for which the person was called to active duty in the U.S. armed forces, or
3. Serving in the Philippine Commonwealth Army or as a Philippine Scout during WW II, as described in title 107, 38 U.S.C.

An unmarried surviving spouse of a veteran or active duty person is defined as:

1. A spouse who was married to the deceased veteran for at least one year, or
2. A spouse who was married to the deceased veteran before the end of a 15 year time span following the end of the period of military service, or
3. A spouse who was married for any period to the deceased veteran and a child was born of the marriage or was born before the marriage.

3.12.1.5 Battered Alien Eligibility

An alien who is the spouse or dependent unmarried child of a U.S. citizen or alien who has been battered or subjected to extreme cruelty under the following criteria is eligible:

1. Aliens (adults or children) who have been battered or subjected to extreme cruelty in the U.S. by a spouse or a parent, or by a member of the household of the spouse or parent who has failed to intervene to stop the battery or extreme cruelty, but only if there is a substantial connection between such battery or cruelty and the need for benefits
2. Aliens whose child or children have been battered or subjected to extreme cruelty in the U.S. by a spouse or parent of the alien, or a member of the alien's household, and the other parent failed to intervene in the battery or extreme cruelty, and the alien did not actively participate in the battery or cruelty, but only if there is a substantial connection between such battery or cruelty and the need for benefits.
3. Alien children whose parent has been battered or subjected to extreme cruelty in the U.S. by the parent's spouse, or by a member of the spouse's family residing in the same house-hold as the victim parent if the spouse consents to or accepts such battery or cruelty, but only if there is a substantial connection between the battery or extreme cruelty and the need for the public benefit sought.

Do not apply this section if the person responsible for the battery or extreme cruelty continues to reside in the same household or FS group as the person subjected to the battery or cruelty.

3.12.1.6 State Option FoodShare Program (SOFSP)

Effective August 1, 1998, Wisconsin issued benefits to qualifying aliens who were made ineligible for FS under sections 402 and 403 of the Personal Responsibility and Work Opportunity Act (PRWORA). It will not be apparent in CARES whether the non-citizen is receiving federal or state funded FS, as long as status codes, dates of entry, and birth dates are entered correctly.

3.12.1.7 Ineligible & Illegal Aliens

Ineligible aliens include:

1. Visitors and tourists.
2. Diplomats and others in Foreign Service.
3. Persons illegally in the US.
4. Students with student visas.
5. Aliens who refuse to provide the documentation required to verify their qualifying immigration status.

Failure to verify qualifying immigration status means the person is ineligible for FS, not necessarily in the country illegally.

3.12.1.8 Encouraging Application

In order to encourage potentially eligible people to apply for FS, it should be made clear that we will not require those *food* unit members who are not requesting eligibility to furnish an *SSN* or alien documentation.

Local agencies are prohibited from contacting INS regarding the alien status of a food unit member who is not requesting eligibility unless the worker "knows" that the alien is in violation of INS law. "Knowing" is defined as having a determination of the INS or the Executive Office of Immigration Review, such as a Final Order of Deportation. Although an agency may have contact with, or be aware of, the presence of "undocumented" aliens, it may be quite unusual for a local agency to actually "know" that an alien is not lawfully present in the U.S.

3.12.1.9 Gaining Citizenship

At application and review, applicant non-citizens aliens must be asked if they have become citizens.

3.12.1.10 Derivative Citizenship

A child born outside of the US automatically becomes a citizen of the US when ALL of the following conditions have been fulfilled:

1. At least one parent of the child is a citizen of the US, whether by birth or naturalization,
2. The child is under the age of eighteen years,
3. The child has entered the U.S. as a legal immigrant, **and**
4. The child is residing in the US in the legal AND physical custody of the citizen parent pursuant to a lawful admission for permanent residence.

A child who was/ is under the age of 18 on or after February 27, 2001 and who meets all of the above requirements acquired citizenship automatically on February 27, 2001. This rule is based on the Child Citizenship Act of 2000

3.12.1.11 Iraqis And Afghans With Special Immigrant Status

Beginning December 19, 2009, Special Immigrants from Iraq or Afghanistan (Class of Admission Codes SI-1, 2, 3, 6, 7 and 8) are to be treated like they are refugees when determining their eligibility for FoodShare, Medicaid or BC+ for as long as they have this Special Immigration status. This policy applies to these immigrants regardless of when they received this status.

Class of Admission Cod	Description	CARES Alien Registration Status Code
SI1	Nationals of Iraq or Afghanistan serving as interpreters with the U.S. Armed Forces	Code 04
SI2	Spouses of an SI1	Code 04
SI3	Children of an SI1	Code 04
SI6	Nationals of Iraq or Afghanistan serving as interpreters with the U.S. Armed Forces	Code 04
SI7	Spouses of an SI6	Code 04
SI8	Children of an SI1	Code 04

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3.13.1 SSN REQUIREMENTS

3.13.1.1 Failure To Comply
3.13.1.2 SSN Application for Newborns
3.13.1.3 Good Cause
3.13.1.4 Religious Exception

7 CFR 273.6

A *food* unit participating or applying for *FS* must provide the *SSN* of each food unit member who is requesting benefits. Individuals without a SSN must apply for one before certification. If anyone has more than one number, all numbers must be provided.

Explain that failure to provide a SSN will disqualify the person without the SSN. Allow the SSN applicant to participate on a month by month basis, while awaiting receipt of the SSN. S/he must provide the SSN or proof of application within 30 days of the FS application.

A completed Form *SSA*-2583 (Message from Social Security) is proof of application for a Social Security Number for a newborn FS group member.

3.13.1.1 Failure To Comply

Providing an SSN is voluntary, but if an individual applying for FS refuses to provide an SSN, they will be denied and their income will be deemed to the group. Any food unit member who does not provide a SSN is ineligible. The only exception is if there is good cause for not providing it. Disqualify only the person without the SSN, not the entire food unit.

3.13.1.2 SSN Application for Newborns

For a newborn member, verify the SSN or that an application for an SSN has been made. Do not deny benefits pending issuance of an SSN if you have documented an SSN application has been made. A *parent* of a newborn may begin an SSN application while still in the hospital.

A completed Form SSA-2583 is proof of application for a Social Security Number for a newborn food unit member.

If the household is unable to provide proof of application for an SSN for a newborn, the household must provide the SSN or proof of application at its next recertification or within 6 months following the month in which the baby is born, whichever is later. If the household is unable to provide an SSN or proof of application for an SSN at its next recertification within 6 months following the baby's birth, review good cause exceptions. Deny FS benefits for the baby if the AG refuses to provide an SSN for the baby without good cause.

3.13.1.3 Good Cause

Use information from the FS group member, the SSA , your agency and any other sources to determine good cause. If the member has applied for a SSN, s/he satisfies the requirement.

Apply good cause if the client makes every effort to supply the information timely.

If s/he can show good cause, allow participation on a month by month basis.

3.13.1.4 Religious Exception

If a FS applicant refuses to provide an SSN for him or herself and/or any other household member based on a sincere religious objection, allow him or her and all otherwise eligible members of the FS group to received FS.

You may check with the SSA or query whether a SSN already exists for the person, and use any existing SSN for verification and matching purposes without further notice to the FS household member.

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3.14.1 IPV DISQUALIFICATION

3.14.1.1 Period of Ineligibility
3.14.1.2 IPV Disqualification for Receipt of Multiple FS Benefits

7 CFR 273.16

A person commits an Intentional Program Violation (*IPV*) when s/he intentionally:

1. makes a false or misleading statement, or misrepresents, conceals or withholds facts; or
2. commits any act that constitutes a violation of the *Food* Stamp Act, the Food Stamp Program Regulations, or any Wisconsin statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing or trafficking of FoodShare benefits or QUEST cards.

An IPV may be determined by the following means:

1. Federal, state, or local court order,
2. Administrative Disqualification Hearing (ADH) decision,
3. Pre-charge or pretrial diversion agreement initiated by a local district attorney and signed by the FoodShare recipient in accordance with federal requirements, or
4. Waiver of the right to an ADH signed by the FoodShare recipient in accordance with federal requirements.

3.14.1.1 Period of Ineligibility

The following sanction periods are for IPV's committed after 12/01/96. Anyone determined to have committed an IPV is ineligible for:

1. One year for the first intentional program violation.
2. Two years for:
    a. the second intentional program violation or,
    b. the first IPV for which an individual is convicted in a federal, state or local court to have used or received benefits in a transaction involving the sale of drugs.
3. Permanently for:

a. a third intentional program violation, **or**

b. a first IPV resulting from the conviction of the individual by a federal, state or local court for having used or received benefits in a transaction involving the sale of firearms, ammunition, or explosives, **or**

c. a first IPV resulting from a conviction of an individual in a federal, state or local court involving trafficking benefits for an aggregate amount of $500 or more.

d. a second IPV for which an individual is convicted in a federal, state or local court to have used or received benefits in a transaction involving the sale of drugs

Only the person determined to have committed an IPV is ineligible. Other members of the *FS* group may continue to be eligible.

The individual must be notified in writing once it is determined that s/he is to be disqualified. Begin the disqualification period no later than the second month

following the date the individual receives written notice of the disqualification. The disqualification period must continue uninterrupted until completed regardless of the eligibility of the disqualified individual's household.

If a court finds an individual guilty of Intentional Program Violation, the term of the disqualification period and the disqualification begin date must comply with the court order. If the court order does not specify a disqualification period, the disqualification period for the IPV is in accordance with the schedule above. If the court order does not specify the date for the disqualification period to begin, the disqualification period should begin in accordance with the provisions in the paragraph above, but within 45 days of the court decision.

For all IPV disqualifications, begin the disqualification period in the first possible payment month regardless of whether the person becomes a non-participant or remains in the FS group. Do not pend the disqualification period until the disqualified individual reapplies.

If a non-participating person with an IPV disqualification does reapply for FS, apply any remaining periods of ineligibility. If the ineligibility period has expired when the person reapplies, s/he may be eligible to receive benefits.

Example 1: John is notified of his one-year IPV disqualification in January, effective February 1. He doesn't request FS for the first nine months of his period of ineligibility. If John reapplies for FS in November and is determined otherwise eligible, he will still be ineligible for FoodShare benefits for the three remaining months of his disqualification period. If he waits until February to reapply, the disqualification period will have expired and he may be determined eligible for FS.

A pending administrative disqualification hearing or prosecution does not affect the person's eligibility. Do not take any adverse action in the matter before the case is resolved. Continue to act on other changes in income and circumstances.

Do not impose a disqualification period retroactively on an individual who has committed an IPV, but who had not been disqualified timely. Disqualify a FS group member only to the extent that the disqualification period has not elapsed.

Example 2: You determine in December that a person should have been disqualified in June for 1 year. Disqualify the person for the remaining 5 months.

All IPV's determined for an individual prior to 04/03/1983 shall be counted as one IPV for determining a current disqualification period.

3.14.1.2 IPV Disqualification for Receipt of Multiple FS Benefits

A person who makes a fraudulent statement about his or her identity or place of *residence* in order to receive multiple FS benefits simultaneously shall be ineligible for a period of 10 years.

Before imposing the 10 year disqualification period:

1. A finding of fraud must be made by a state agency, **AND**
2. A conviction of fraud must be entered by a state or federal court, **AND**
3. The disqualification period must be ordered by a state or federal court.

Do not use an administrative disqualification hearing decision, or a Pre-Trial Diversion Agreement as a basis for imposing this penalty. If the IPV determination is not made according to the above conditions, the disqualification period must comply with the terms specified in 3.14.1.1.

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3.15.1 STUDENT ELIGIBILITY

7 CFR 273.5

An institution of higher education requires a *HS* diploma or equivalency certificate for enrollment, or is a regular college or university degree program that does not require a high school degree as a condition of enrollment. It does not include any *adult* basic education program. Higher education institution examples are business, vocational, trade and technical schools, colleges, and universities.

Anyone, age 18-49, enrolled half time or more, in an institution of higher education is ineligible, unless s/he meets one of the following criteria.

1. Employed at least 20 hours a week at any wage.
2. Self employed at least 20 hours a week with self employment earnings (after SE expenses are subtracted) equivalent to at least the federal minimum wage for 20 hours a week ($7.25 x 20 = $145 a week).
3. Both employed and self-employed at least 20 hours a week and earning at least the federal minimum wage for 20 hours a week ($7.25 x 20 = $145 a week). Earnings are based on self employment income (after SE expenses are subtracted) plus gross income from other employment.
4. Participating in a Title IV or state work study program.

a. Continue the exemption until the end of the month in which the school term ends, or the student refuses to do his assigned work. A student who has

stopped working during the school year because the work study funding has run out would continue to be classified as an eligible student until the end of the school term.

b. The exemption does not cover school breaks of longer than one month, unless the student is participating in work study during the break.

5. Responsible for the care of a dependent household member under age 6. If 2 people exercising *parental control* are in the food unit, allow student status to only 1 person per *child*.
6. Responsible for the care of a dependent household member who has reached age 6 but is under age 12 if the agency determines adequate child care is unavailable. If 2 people exercising parental control are in the food unit, allow student status to only 1 person per child.
7. Is a single parent enrolled in an institution of higher education on a full-time basis (as determined by the institution) and is exercising care and control of a dependent food unit member under the age of 12. To apply this provision there must be only one biological or adoptive parent, or *stepparent* in the same food unit as the child. If there is no biological or adoptive parent or stepparent living with the child, another full-time student living with the child may qualify as an eligible student under this provision if the student has parental control of the child and does not live with his or her *spouse*.
8. Receiving a Tribal *TANF* cash payment, *W-2* cash payment, or working in a W-2 Trial Job. Assigned to or placed in an institution of higher learning by *WIA*.
9. Enrolled in a W-2 employment position.
10. Physically or mentally unfit for gainful employment. Verify the claim, if it's not clear. Receipt of temporary or permanent disability benefits, a statement from a physician, or certified psychologist is appropriate verification.
11. Participating in an on-the-job training program. This exemption applies only during the period of time the person is being trained by the employer.
12. Is assigned to or placed in an institution of higher education through or in compliance with the requirements of *FSET*.
13. Is enrolled in an educational program that is designed to be completed in 2 years or less and obtaining certification or a diploma from the program will lead to employment that is in demand.

Example 1: During an interview for FS, Jack, reports that he is a full time student at Northern Technical College for phlebotomy and plans to graduate in the next year. Since phlebotomists are in occupational demand, Jack is confident he will be able to obtain a job in his field upon graduation. Based on common knowledge that there is a shortage of trained medical professionals, the worker agrees. Jack is single and does not meet any of the other exemptions. If all other FS eligibility requirements are met, Jack would be an eligible student based on the new exemption reason.

Example 2: When Carla applies for FS, she reports that she is enrolled half time at Madison Area Technical College and is taking cooking with herbs, pottery and jewelry making. Carla indicates that she does not know if she'll attend next semester because she is unsure about her career goals. No other student exemptions are met. Carla would not be an eligible student, because the direction of Carla's potential career is unclear. Carla is encouraged to apply again if she disenrolls from school or if she pursues courses that will lead to a job in demand.

Example 3: When Bill applies for FS, he reports that he is enrolled in a 4 year nursing program, but only has 2 years to graduate. Bill would not be an eligible student since the program was designed by the college to be completed in 4 years.

Note: A student who lives in campus housing that offers a meal plan and the student gets more than half of their meals from the meal plan, is not eligible for FS.

A student is enrolled as of the 1st day of the school term through normal scheduled class periods, vacation, and recess unless s/he:

1. Graduates.
2. Is suspended, expelled, or drops out.
3. Doesn't intend to register for the next school term (excluding summer school).

FoodShare Employment & Training

Students enrolled in higher education at time of FS application and then found eligible for FS, may request to be referred to FSET to participate in activities other than education. Activities may include job search, work experience or self employment. FSET cannot provide reimbursement for expenses related to education for students who self initiate enrollment in higher education.

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3.16.1 WORK REQUIREMENTS

3.16.1.1 Background
3.16.1.2 Introduction
3.16.1.3 Exemptions

3.16.1.4 Work Registration Requirement
3.16.1.5 Voluntary Quit or Reduced Work Effort (VQT)
3.16.1.6 Sanction Period
3.16.1.6.1 At application
3.16.1.6.2 Ongoing
3.16.1.7 Good Cause
3.16.1.8 Ending A VQT, Reduced Work Effort, or Job Refusal Sanction

3.16.1.1 Background

As of March 1, 2008 *FSET* became a voluntary program for all *FS* applicants and recipients. The FSET program serves persons who wish to voluntarily enroll, but benefits cannot be sanction for nonparticipation. Although Wisconsin has a voluntary FoodShare Employment and Training (FSET) program, Federal regulations require FS applicants and recipients to comply with work requirements as a condition of FS eligibility.

All FSET and *ABAWD* policy is contained in the FSET handbook at http://www.emhandbooks.wi.gov/fset/ *DHS* is in the process of updating every section of the FSET handbook.

3.16.1.2 Introduction

FS applicants and recipients must comply with the following work requirements as a condition of FS eligibility.

1. Register for work at time of application and every 12 months thereafter, **and**
2. Not quit a job of 30 or more hours/week or reduce work hours under 30 hours per week (or with earnings equivalent to 30 hours per week at federal minimum wage, currently $7.25/hour) without Good Cause, 30 days prior to application or anytime thereafter, **and**
3. Not refuse to accept a bona fide offer of suitable employment without Good Cause. Suitable means that pay is equivalent to minimum wage or higher, employee is not required to either join or quit a union or trade organization, job is not obtained due strike or lock out, the job does not pose health risks or and matches persons physical and mental ability to perform the job, etc.

Minor variations in the number of work hours worked or in the weekly gross wage equivalent to federal minimum wage multiplied by 30 hours/week are inevitable and must be taken in consideration when assessing compliance with work requirements.

3.16.1.3 Exemptions

The following FS applicants and recipients are exempt from meeting work requirements:

1. A person younger than age 16 or age 60 or older. A 16 or 17 year old, who is not the head of the HH and is attending school or a work program, at least half time, is also exempt.
2. A student enrolled at least half time in any recognized school, training program or institution of higher education. Students must meet eligibility requirements as listed in FSHB 3.15.1. A student will remain exempt during the school term, school breaks, and school vacations unless they graduate, are expelled, suspended, drop out or do not plan on registering for the next term (excluding summer school).
3. A person considered physically or mentally incapable of becoming employed.
4. A person subject to work requirements under title IV of the Social Security Act (i.e. *W-2*).
5. A *parent* or other HH member who is responsible for caring for a *child* under age 6, or for someone who is incapacitated.
6. A person receiving unemployment compensation.
7. A regular participant in an AODA program.
8. A person employed or self employed at least 30 hours/week or earning at least the equivalent of federal minimum wage multiplied by 30 hours/week. This includes *migrant* and seasonal workers.
9. A household member who has applied for *SSI* is exempt from work requirements until a disability determination is made. If they are determined ineligible for SSI, registration for work should be re-evaluated.

3.16.1.4 Work Registration Requirement

As a condition of FS eligibility, each household member not exempt from work requirements must register for work at the time of application and review. Registration for work is completed when the agency receives one of the following:

1. A signed *RFA* after client registration in CWW is completed,
2. A signed Page 1 application registration form (F-16019A),
3. A completed, signed FoodShare Wisconsin Application Form (F-16019B),
4. An ACCESS Application containing an electronic signature, or
5. A signed signature page from the *CARES* Application Summary.

The *adult* who signs the FS application registers all adult household members who are required to register for work.

IM workers should provide applicants and recipients with information about the FSET program. Workers need to inform work registrants that although registration for work is mandatory, participation in FSET is voluntary and nonparticipation will not result in being sanctioned.

3.16.1.5 Voluntary Quit or Reduced Work Effort (VQT)

A FS applicant or member not exempt from the work requirements will be sanctioned from receiving FS benefits if 30 days prior to application or anytime thereafter if they voluntarily and without good cause:

1. Quit a job of 30 hours a week or more,
2. Reduce work hours below 30 hours/week, or
3. Refuse a bona fide offer of suitable employment.

3.16.1.6 Sanction Period

3.16.1.6.1 At Application

If a VQT, reduction of work hours below 30 hours/week or refusal of suitable employment occurred within 30 days of the application filing date, without Good Cause, the individual will be sanctioned for 30 days from the FS filing date. If there are no other eligible members in the household, the application will be denied and the applicant will have to re-apply either after the sanction end date or at anytime s/he becomes exempt prior to that date.

Example 1: John applied for FS for himself and his 3 children on March 2nd. On February 28th he had voluntarily reduced his work hours, without good cause, to 15 hours per week. He will be sanctioned from March 2nd through March 31st (30 days). His children will be eligible for benefits beginning March 2nd. John's participation status will be a Gross Deemer. His income will be used in the FS eligibility determination for the rest of the household.

Example 2: Kathy applied for FS for herself on March 15th. She voluntarily quit her full time job on March 14th without Good Cause. Her sanction period would be from March 15th through April 13th. Since there are no household members eligible for FS, her application will be denied. She can re-apply for FS benefits anytime after April 13th or at anytime she becomes exempt prior to that date.

3.16.1.6.2 Ongoing

The Sanction period for an ongoing case is as follows:

1st occurrence - One month
2nd occurrence - Three months
3rd occurrence - Six months

The sanction period begins the 1st of the month following the month in which the person was given proper notice that they have been sanctioned. The sanctioned

individual's participation status will be a Gross Deemer. His or her income will be used in the FS benefit determination for the rest of the FS group.

Example 3: Joan has been open for FS benefits for herself and her two teenage children since October. On February 20th she reported she quit her job on January 5th. She does not have good cause for quitting the job. Her VQT sanction begin date will be April 1st.

If the VQT or reduced work effort occurs in the last month of the certification period, the sanction period begins the day after the last certification period ends, regardless of whether or not the person reapplies for FS.
When a sanctioned member moves to another household, s/he carries the remainder of the sanction to the household s/he joins. Only the household member who failed to comply is ineligible.

3.16.1.7 Good Cause

Upon determining that an individual voluntarily quit employment, reduced work hours below 30 hours/week, or refused an offer of suitable employment, the worker must determine if the reason the person took this action was due to Good Cause. Consider all facts and individual circumstances when making this determination.
Reasons for Good Cause include, but are not limited to:

1. Job did not meet suitable employment criteria (See FSET Handbook 4.17 Suitable Employment)
2. A person was fired or resigns at the employer's demand.
3. Employer discriminated on the basis of age, race, sex, color, handicap, religious belief, national origin or political belief.
4. Unreasonable work demands or conditions made continued employment unreasonable. For example, working without being paid on schedule.
5. Acceptance of other employment at a wage equivalent to working 30 hours/week at federal minimum wage.
6. Reduced work hours under 30 hours/week, but wage earned is equivalent to working 30 hrs/week, at federal minimum wage, or above.
7. Enrolled at least half-time in any recognized school, training program or institution of higher education.
8. Changes in the household impacted access to current employment. For example, the FS HH moved to anther community because a member accepted a new job or enrolled at least half-time in a recognized school, training program, or institution of higher education.
9. Quit a job or reduced hours due to personal health reasons or health reasons of others.
10. Resignation of someone under age 60, which the employer recognizes as retirement.
11. Quit in the context of the natural pattern of employment, such as migrant or construction labor.

12. Hours of employment were reduced, but the employer remains the same.
13. Quit unsubsidized employment to join a volunteer program, such as *VISTA*, AMERICORPS, etc.
14. Unavailability of transportation.
15. Inadequate child care for children under age 12
16. Self employment ended
17. Other circumstances where the agency feels there is good cause.

If the sanctioned person requests a Fair Hearing because their reason for Good Cause was not approved, benefits should continue until after the Fair Hearing decision. If the sanction is upheld, the period of ineligibility will begin the 1st of the month following the month of decision.

Any federal, state or local government employee who participates in a strike and is dismissed because of the participation is considered to have voluntarily quit the job without good cause.

Note: Simplified reporting does not require reporting of job loss or reduction in work hours. Workers are required to determine Good Cause at the time the loss or reduction in employment becomes known to the agency. A sanction is imposed the 1st of the month after the month proper notice of the sanction is provided, regardless of when the VQT became known to the agency. Therefore benefit recovery does not apply to VQT.

Example 4: While processing Scott's SMRF on December 20th, Mary notices that Scott's last day of work was October 1st. Mary contacts Scott to determine if his job ended due to Good Cause. Scott does not have good cause for quitting his job. Because Mary is processing the VQT after Adverse Action in December, his sanction begin date will be February 1st.

3.16.1.8 Ending A VQT, Reduced Work Effort, or Job Refusal Sanction

When the sanction period ends, a re-request for FS must be made prior to adding the person back to the FS group. If the person is requesting to be added to an open FS case, the person will be added to the case the 1st of the month following the month the sanction ended and the re-request was made.

In multiple person cases, if the case has closed and the household is re-applying after the sanction end date, assume the sanctioned person is re-requesting FS benefits at the time of the application. The sanctioned individual will be added to the FS case as of the filing date for the new application.

For one person cases, the sanctioned individual will have to reapply for FS benefits once the sanction period ends. If a FS application is filed in the final

month of the sanction period, the agency must use the same application for determining eligibility for the subsequent month.

A sanction period may end early only if the person becomes exempt from meeting work requirements.

Example 5: Jeff received notice on March 10th that he will be sanctioned beginning April 1st for voluntarily quitting his full time job. On March 28th Jeff reports new full time employment. The sanction would not apply because Jeff is now exempt from meeting work requirements since he is employed more than 30 hours per week.

Note: A work sanction cannot be cured through FSET participation. Although an individual may be mandatory for meeting work requirements, participation in FSET activities remains voluntary. A sanction cannot be imposed for FSET nonparticipation.

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3.17.1 CHILD SUPPORT COOPERATION

Child support cooperation is no longer a requirement for *FS* for custodial or non custodial parents. Sanctioned individuals who now meet financial and nonfinancial requirements can be added back to ongoing FS cases effective the first of the month following the month the request is made to add the person to the case. This is in accordance with the current FS person add policy (6.1.3.3 Changes That Cause an Increase in Benefits, Including Person Adds).

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3.18.1 FLEEING FELONS AND PROBATION AND PAROLE VIOLATORS

7 CFR 273.11(n)

Deny *FS* Program eligibility to persons who are fleeing felons and/or probation/parole violators.

A fleeing felon is a person who is fleeing to avoid prosecution or custody/ confinement after a felony conviction. A probation and parole violator is a person who is in violation of conditions of probation or parole imposed by state or federal law.

Obtain felon information by asking the client at application or review if any household members meet the above criteria. Document the response in case comments.

Upon the written request of a local, state, or federal law enforcement officer when a *food* unit member is fleeing to avoid prosecution or custody for a crime that would be classified as a felony or is violating a condition of probation or parole, you must provide an *address*, social security number, and if available, a photograph to the law enforcement official. This also applies to other food unit members who have information necessary for the apprehension or investigation of another member who is fleeing to avoid prosecution or is violating a condition of their parole.

FS agencies must not require that a photo ID be required as a condition of eligibility for FS. You are only to provide a photograph in the above circumstances if the food unit member happened to use a photo ID to verify their identity. If the ineligible person is still in the home, count his or her income and expenses as if s/he were still a FS group member.

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3.19.1 DRUG FELONS

3.19.1.1 Applications
3.19.1.2 Ongoing cases
3.19.1.3 Regaining Eligibility

7 CFR 273.11(m)

For *FS* eligibility purposes, a drug felon is a person (*adult* or a *minor*) who is convicted of a felony in a state or federal court involving the possession, use or distribution of a *controlled substance* within the last 5 years. Convicted drug felons must have a negative drug test result (pass) to become eligible for FS. Drug felons that test positive (fail) for controlled substances will be sanctioned.

The cost of drug testing must be paid for by the local agency. If the drug felon passes the drug test do not test again at each review. Drug tests required by another credible source may be used if taken within the last 30 days. If a previous drug test result is offered but is older than 30 days, require a new drug test. Examples of credible sources include, but are not limited to, probation officers, employers, FEPs, etc.

A FoodShare applicant or recipient must state in writing whether s/he or any member of his/her household has been convicted in any state or federal court of a felony for possession, use, or distribution of a controlled substance. The customer's signature on the Application Summary is sufficient to satisfy this requirement.

3.19.1.1 Applications

Applicants who meet the definition of a drug felon and agree to take a drug test will be tentatively approved until a drug test is taken. If the individual passes this test, s/he remains eligible. If the applicant refuses to take a drug test, s/he will be denied indefinitely until s/he agrees to take a drug test.

If the drug test result is positive, the individual is ineligible for 12 months from the next possible payment month. If the drug test result is negative, the individual remains eligible. Do not retest the individual at review.

Applicants who miss a scheduled drug test should be sanctioned immediately. If the applicant then agrees to take a test within the application period, schedule another one. If s/he takes and passes this test, remove the sanction and supplement any benefits missed. If the applicant misses a drug test and requests another test after the initial application period, set up the test. If s/he passes this test, approve benefits for the next possible payment month.

For one person food unit, a missed drug test appointment would result in a denial or termination of the FS case. A new application (2.1.1) would be required if the individual wanted a new opportunity to take a drug test.

Example 1: Jane is applying for FS for herself and her two *kids* on June 19. She admits she is a convicted drug felon and agrees to take a drug test. The worker schedules the drug test for June 25th. No other verification is needed by June 21, so the worker processes the application and Jane is found eligible for June, July, and August FS benefits. Results from the drug test are received by the worker on July 2nd. Jane failed the drug test. Jane will be sanctioned effective August 1 for 12 months. Her two children remain eligible for FS.

3.19.1.2 Ongoing cases

If a felony drug conviction is reported for an eligible FS member at review or any other time, immediately schedule the individual for a drug test. Refusal to take a drug test will result in the felon being removed from the FS assistance group indefinitely until the individual agrees to take the test. If a felon tests positive on a drug test, deny FS for the individual for 12 months starting in the next possible benefit month.

Example 2: Bob is receiving FS with his girlfriend and her daughter. He was convicted of a drug felony on June 29 and reported this at his July review on July 12th. He was placed on probation as a result of his conviction. He refuses to take a drug test. Bob will be sanctioned until he agrees to take a drug test. If he had agreed to take the test and failed, he would be sanctioned in the next possible benefit month for 12 months.

3.19.1.3 Regaining Eligibility

To regain eligibility after 12 months the drug felon must reapply and submit to another drug test. If the individual does not submit to a test, continue to deny the individual until a test is agreed to. If the person agrees to take a test, continue to deny the individual until the results are received.

If the second drug test is negative, the person may be eligible for the FS Program as of the first of the month following the month in which the individual agreed to take the test. If the second test results are positive, the person is ineligible for the FS program for an additional 12 months. As with other sanctions that end, the individual must re-request FS. The individual will not automatically be eligible when the sanction period ends.

If the ineligible drug felon is still in the home, *deem* that person's income and expenses to the FS group.

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3.20.1 QC SANCTIONS

FoodShare recipients that refuse to participate in a Quality Control (*QC*) review are sanctioned from FoodShare Wisconsin. The entire *food* unit is sanctioned if any individual refuses to participate in a QC review.

There are two types of QC sanctions:

1. State QC review sanctions
2. Federal QC review sanctions

Food Units with a state QC review sanction are sanctioned in the next possible payment month through the end of the annual quality control review period (September 30), plus another 95 days or until the unit member(s) cooperate, whichever occurs first.

Food Units with a federal QC review sanction are sanctioned in the next possible payment month through the end of the annual quality review period (September 30) plus another 7 months, or until the food unit member(s) cooperate.

Example 1: Susan's *FS* case is sampled for a QC review of 6/08 FS benefits. State QC reports to the agency that Susan refuses to cooperate with the State QC review. Susan's food unit is ineligible until 01/04/09, or until she cooperates with the State QC review, whichever occurs first

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4 FINANCIAL REQUIREMENTS

4.1 GENERAL FINANCIAL ELIGIBILITY

4.1.1 GENERAL FINANCIAL ELIGIBILITY

7 CFR 273.9

Eligibility and benefit calculations for *FS* are based on prospectively budgeted monthly income using estimated amounts. The income to be budgeted is identified through the interview (2.1.3) and the verification (1.2.1) process. Only include income actually available to the group. Do not budget income until the first month in which it is received. The worker must use the best-verified information available when determining the best estimate of income.

Disregard means do not count, exempt, or exclude. Disregard any gain or benefit that is not in the form of money paid directly to the household. Examples of these in-kind benefits are meals, clothing, housing, and garden produce.

Deem means allocate income and/or expenses to the food group from an individual not in the food group. Deeming occurs regardless of whether the allocated amounts change hands. Deeming may occur for sponsored aliens, or for members of the food unit, who are not included in the food group due to non-financial ineligibility.

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4.2 CATEGORICAL ELIGIBILITY

4.2.1 CATEGORICAL ELIGIBILITY

4.2.1.1 Categorical Eligibility Introduction
4.2.1.2 Case Processing
4.2.1.3 Special Circumstances
4.2.1.4 Transitional FoodShare Benefits
4.2.1.5 EBD Households

7 CFR 273.2(j)(2)

4.2.1.1 Categorical Eligibility Introduction

Most FoodShare groups are considered categorically eligible if their gross income is at or below 200% FPL and the language describing "JobNet" Services, a partially *TANF* funded service that all food unit members are authorized to

receive, is issued to the group on a *CARES* generated notice of decision. The following text will appear on *FS* approval and change notices.

"Wisconsin JobNet is available to you. JobNet is the single largest source of job openings in Wisconsin, you can access JobNet via the internet at http://www.dwd.state.wi.us/jobnet/mapWI.htm or on touch screen monitors at your local job center. To locate a Job Center nearest you call 1-888-258-9966."

The FS group is not categorically eligible if any member of its food unit loses FS eligibility because s/he:

1. Total gross income is above 200% (8.1.4),
2. Was disqualified for an *IPV* (3.14.1)or,
3. Was disqualified due to a drug felony sanction (3.19.1).

Food Units that contain a member who is sanctioned for an IPV or Drug Felony continue to be eligible to receive TANF JobNet services so assets are excluded and not deemed. The sanctioned food unit member's income continues to be deemed.

If the household's gross income goes over 200% of FPL, the case will close. A negative notice will be sent with reason code 013: Income reported exceeds the program eligibility standard.

Do not test a categorically eligible FS group against the FS asset, gross income and net income limits. Calculate the group's net income to determine its allotment amount. Continue to verify *residency* and sponsored alien information because JobNet does not collect this information.

Categorically eligible FS groups with zero benefit allotment amounts will be denied. The denied or closed FS group can file a new application and complete an intake interview if they wish to be reconsidered for FS eligibility.

4.2.1.2 Case Processing

CARES will deny or close the FS case automatically when the FS group's adjusted income is greater than the allotment amount. CARES will issue a closure notice that will include reason code 557: "Your net income exceeds the level to receive FoodShare benefits."

If the group is required to re-apply for FS, after being closed the group must be assessed for priority service, have a new filing date set, and complete an intake interview. If the group provides verification within the month following the month of case closure, which resolves ineligibility, FS reopen without the group needing to reapply for FS. Benefits are prorated from the date the HH took the required action.

4.2.1.3 Special Circumstances

Food units with zero FS benefits in their initial benefit month and a FS allotment greater than 0 in the second month will be denied in the first month and opened in the second month. If the benefit calculation is zero for the first two months, the case will be denied. The 12- month FS certification period will begin the month of application even though the first month may be denied because the allotment amount is zero.

Example 1: Barry applied for FS in August after he lost his job. In the FS benefit determination for August and September, Barry received zero for August (due to excess income) and $98 in September. His certification period starts in August.

4.2.1.4 Transitional FoodShare Benefits

If the FS benefit is reduced to zero for the month between the benefit determination month and the month TFS begins, the case will remain open. See 5.1.1 Transitional FoodShare Benefits (TFS).

Example 2: Donna got a job in July and her last *W-2* check was issued in August. Her TFS benefit starts in September. Her income from her new job caused her allotment to be reduced to zero for August. The case remains open during the month of August and her TFS benefits start in September.

4.2.1.5 EBD Households

Households that include an elderly, blind or disabled member with gross income over 200% of the FPL must be tested for FS using the regular *SNAP* rules. Under the regular SNAP rules, these households have no gross income limit, but must have net income that does not exceed 100% FPL and countable assets that do not exceed $3000.

Case process
If the household passes both the asset and the net income tests, the income must be adjusted in the CARES system for the FS calculation to allow the household to pass the 200 % gross test and issue the correct benefit. Use the F-16033 to determine to the adjusted income amount. Suppress the CARES generated notices and send a manual positive notice along with a copy of the worksheet. See Ops Memo 10-51 for CWW entries.

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4.3 INCOME

4.3.1 INCOME (GENERAL)

7 CFR 273.9(a)

Participation in the *FS* Program is limited to those food units whose income is determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet. Income is any gain or benefit that can be used to purchase goods and services.

Income of a non-food unit member is not budgeted as income for the food unit. This is true whether the income is earned or unearned. If the income of a non-food unit member is directly deposited into an account jointly owned by a food unit member, it is counted as unearned income for the food group.

Example 1: Sam and Betty are receiving FoodShare benefits. Sam is a reservist in the army and has been called to active duty in a noncombat zone. He will be living away from Betty. He will now receive army pay which will be direct deposited into a joint account that Sam and Betty share. Sam's income will be budgeted as unearned income to the food unit.

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4.3.2 EARNED INCOME

4.3.2.1 Counted Earned Income
4.3.2.2 Disregarded Earned Income

Earned Income is gained from the performance of service, labor, or work. Earned income includes, but is not limited to salaries, wages, commission, tips, or payments for services. Count earned income only for the month in which it is received, except when the average number of payments increase due to mailing cycle adjustments.

Note: Occasionally, a regular periodic payment (e.g., wages, title II,or *VA* benefits) is received in a month other than the month of normal receipt. As long as there is no intent to interrupt the regular payment schedule, consider the funds to be income in the normal month of receipt.

Example 1: Bill works in February but does not receive his pay for those hours until March. Count those wages for March.

Households receiving income on a recurring monthly or semimonthly basis shall not have their monthly income varied merely because of changes in mailing cycles or because weekends or holidays cause additional payments to be received in a month.

Example 2: Jim receives his military pay on the 1st and 15th of each month. If Jim's payday for the following month is a holiday or falls on a weekend, he is paid on the last preceding work/week day. This may result in Jim receiving 3 paychecks in one month. In this situation, only 2 paychecks per month should be budgeted for Jim.

4.3.2.1 Counted Earned Income

Count the following sources of income as earnings in the month received:

1. Wages, tips, or salaries, including but not limited to hourly wages and piecework
2. Self-employment earnings (4.3.3)
3. Recurring profit sharing payments
4. Wages withheld at the requests of the employee as income in the month it would normally have been received
5. Advances on wages
6. Any money received for accrued sick days and severance pay from an employer
7. Any money received as payment for baby-sitting or *child* care as self-employment income if the care is provided in the *FS* group's home. If a self-employed child care provider also provides meals, they may be entitled to income deductions. If the care is not provided in the member's home, count the payments as regular earned income.
    a. Any child care payment paid by an outside source to a food unit member is treated as earned income. In situations when a food

unit member pays another food unit member from his/her own pocket, such child care payments are not counted as earned income because the money is moving between food unit members.

8. Attendant care payments provided by an outside source are treated as earned income for the attendant if the care is for a disabled household member
9. Money received form the sale of a person's blood or plasma
10. Any training allowance from a vocational or rehabilitative program recognized by a governmental agency that is not an expense reimbursement, unless the source is listed as an exception in Section 4.3.2.2.
11. Earnings from *WIA* On The Job Training when the earner is either:
    a. At least 19 years old; or,
    b. Less than 19 years but not under the *parental control* of a member of the same food unit.

Note: see # 9 in 4.3.2.2 for WIA work experience

12. Military Pay. Military pay cycles affect how income is counted. Count any income received on the last day of a month by an active member of the military as income in the following month. Some military personnel are eligible for a supplemental payment if they meet the FoodShare gross income limits. The FSSA allowance is considered gross earned income and is to be budgeted like other military income. However, it appears on a different line on the military paycheck.
13. Contractual Pay. Contractual income that is the food units annual income (intended to provide support for the entire year), and is not paid on an hourly or piece work basis, should be prorated over 12 months. Contractual income that is not the food units annual income (intended to provide support for the HH for only a portion of the year), and is not paid on an hourly or piece work basis, shall be prorated over the period the income is intended to cover.

Example 3: Joe works for public school as a Teacher's Aide. Joe's worked there for the last 3 years and receives a 9 ½ month contract every August, he earns $13,480.50 annually. He lives off his salary as a Teacher Aid for the full year and does not supplement his income during the summer, average his income over 12 months =$1,123.40.

Example 4: Nancy works for the public school as a nurse part-time. She receives a contract for 9 ½ months every August. In the summer she supplements her income with a job at the Girl Scout campgrounds in the first aid tent. Average Nancy's school income over 9 ½ months because her contract income is not her annual income.

Income from piecework or hourly work is not contractual income. Do not treat it as such.

14. *Migrant* Farmworker Income. To determine *migrant* farm income:

a. Request a copy of any existing work agreement,
b. Contact the employer when necessary to find the hours of work and wage rate,
c. Ask the migrant how many hours s/he and members of his/her family expect to work and the wage rate they expect to be paid.

Most migrants work in fairly stable work environments such as canning factories or under some type of contract. In these cases, determine the employer's usual pay levels and pay periods, and project the hours and the rate of pay expected. Do not assume without supporting documentation or collateral contacts that a migrant farm worker works 40 hours a week.

If the earnings received by the migrant worker is from employment other than agricultural income, it will be budgeted in the normal procedure on CWW Employment screens. Normal procedures are also used for all unearned income and assets.

15. All W-2 Wisconsin WorksTrial Job wages, including the employer subsidy portion.
16. All Subsidized Private Sector Employment (SPSE) income.
17. All Transitional Jobs Demonstration Project (TJDP) income.

4.3.2.2 Disregarded Earned Income

"*Disregard*" means "do not count." When you are calculating the total amount of income a person has received, you should exempt or exclude any of the following kinds of income:

Disregard the following sources of income:

1. Wages withheld as a general practice by an employer (even if in violation of law) until actually received by the employee
2. Earned Income Tax Credit (*EITC*) payments
3. Earned income of any person 17 years or younger, who is a food unit member under parental control of an *adult* food unit member and is enrolled in an elementary, high school, technical school, or university. This includes GED classes, and home schools recognized or supervised by the state or local board of education. Disregard the income until the month following the month in which the person turns 18 years of age. These provisions apply to semester and vacation breaks provided the student plans to return to school following the break.
4. Reimbursements or flat allowances for job or training related expenses. Expenses may be for travel, daily allowance, dependent care, uniforms, and transportation to and from a job or training site, including travel expenses of migrant workers.
5. Reimbursements for a volunteer's out-of-pocket expenses incurred in the course of his/her volunteer activities.

6. Income from Title I of the Domestic Volunteers Services Act only when the volunteer received FS at the time s/he joined the Title I program. Interruptions in FS participation do not alter this disregard . Some individuals were receiving the disregard for a Title I program at the time of conversion to the Food Stamp Act of 1977. Continue the disregard for the same time frame they said they would volunteer for at the time of conversion. If these exceptions do not apply, count Title I income as earned income.

Title I programs include:

a. AmeriCorps**VISTA*
b. University Year for Action
c. Urban Crime Prevention Program

7. All Title II program income. These programs include:

a. Retired Seniors Volunteer Program (RSVP)
b. Foster Grandparents Program
c. Senior Companion Programs

8. Income from the Title V Senior Community Service Employment Program (SCSEP) of the Older Americans Act. Organizations that receive Title V include, but are not limited to, the:

a. Experience Works Program.
b. National Council on Aging.
c. National Council of Senior Citizens.
d. American Association of Retired Persons.
e. U.S. Forest Service.
f. National Council on Black Aging.
g. National Urban League.
h. National Association for Spanish Speaking Elderly.

9. WIA work experience: Any allowances, earnings (except On The Job Training) or payments to FS group members participating in WIA programs, including Jobs Corps and YouthBuild. Only count earnings from WIA On The Job Training when the earner is either:

a. At least 19 years old; or,
b. Less than 19 years but not under the parental control of a member of the same food unit.

Note: see # 11 in 4.3.2.1 for WIA OJT.

10. On The Job Training payments from the JTPA Summer Youth Employment and Training Program.
11. Allowances, earnings, and payments to participants in the **National & Community Service Trust Act of 1993 (NCTSA).** Programs included in this act are:

AmeriCorps Network of Programs - The network of programs developed to engage Americans in a year or two of national service in exchange for an education award of $4,725 per year of completed service.

The AmeriCorps Network of Programs include:

- AmeriCorps*USA - for participants 17 years and older;
- AmeriCorps - for participants 18 years and older; and
- AmeriCorps*NCCC - for participants 16 to 24 years of age.

See number 6a in 4.3.2.2 above, to contrast with AmeriCorps*Vista which is different.

There is no longer an On the Job Training (OJT) component of AmeriCorps. All AmeriCorps income is exempt for FoodShare benefits.

AmeriCorps programs include:

- Serve-America - The program involves school aged youth in community service, recruits adult volunteers in the schools, and provides service training in elementary and secondary schools.
- Higher Education Innovative Projects - Institutions of higher education integrate service into the curriculum, develop teacher and volunteer training programs, and involve students in community service.
- American Conservation and Youth Service Corps -Teenagers and young adults receive job and skill training, living allowances and scholarships as they provide community service. Special corps members, such as senior citizens, may be included if they provide special skills to the program.
- National and Community Service Programs - Employees are age 17 or older and work full-time or part-time. They received education or housing benefits upon completing their term.

12. Work study by a student enrolled in an institution of higher learning.
13. Repayments - See 4.5.6.7 Earned Income Repayments.
14. 2010 Census temporary employment income. The income of permanent census workers is counted as earned income.

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4.3.3 FARMING AND OTHER SELF EMPLOYMENT INCOME

4.3.3.1 Business Operations
4.3.3.2 Identifying Farms and Other Businesses
4.3.3.3 Capital and Ordinary Gains
4.3.3.4 Rental Income
4.3.3.5 Averaging Income
    4.3.3.5.1 Part Year Income
    4.3.3.5.2 IRS Tax Forms
    4.3.3.5.3 Worksheets
    4.3.3.5.4 Self Employment Income Report Form (SEIRF)
4.3.3.6 Anticipating Earnings
    4.3.3.6.1 Shelter Expense
    4.3.3.6.2 Farm and Self-Employment Expenses - Utilities
    4.3.3.6.3 Self-Employed Child Care Provider
    4.3.3.6.4 Unearned Rental Income

7 CFR 273.11(a) and (b)

Self-employment income is earned directly from one's own business rather than as an employee with a specified salary from an employer. Self-employment income is reported to the IRS as farm, self-employment, rental, or royalty income. If it is not reported to the IRS, the eligibility worker must judge if it is self-employment income. All self-employment income is earned income, except royalty income and some rental income.

Example 1: Pam baby sits for her cousin in her cousin's home. This is regular

employment Pam's cousin is her employer. Linda provides *child* care in her own home for 3 neighborhood children this is self-employment because Linda is her own employer.

4.3.3.1 Business Operations

A business is operating if it is ready for business, even if there are no sales and no work is being performed. A seasonal business operates in the off season (unless there has been a significant change in circumstances) see 4.3.3.5.2 for part year income. A business isn't operating when it can't function in its specific purpose.

Example 2: A mechanic cannot work for 4 months because of an illness. S/he may claim the business was not operating for those months.

4.3.3.2 Identifying Farms and Other Businesses

Identify a self-employment business by the following criteria:

1. **By Organization**
   It is organized in 1 of 3 ways:
   a. A sole proprietorship is an unincorporated business owned by 1 person.
   b. A partnership exists when 2 or more persons conduct business. Each contributes money, property, labor or skills, and expects to share in the profits and losses. Partnerships are unincorporated.
   c. A corporation is a legal entity authorized by a state to operate under the rules of its charter. A corporation:
      i. Is taxed as an entity rather than its owners being taxed as individuals.
      ii. Provides only limited liability. Each owner's loss is limited to his/her investment, while each owner of an unincorporated business is also personally liable.

2. **By IRS Tax Forms**
   A self-employed person earning more than $400 annual net income must file an end-of-year federal tax return. Anyone who owes more than $400 in taxes at the end of the year must file quarterly estimates.

3. **By Employee Status**
   A self-employed person earns income directly from his/her own business, and:
   a. Does not have federal income tax and FICA payments withheld from a paycheck.

b. Does not complete a W-4 for an employer.
c. Is not covered by employer liability insurance or worker's compensation.
d. Is responsible for his/her own work schedule.

Examples of self-employment are:

a. Businesses that receive income regularly, for example, daily, weekly, or monthly, such as - merchant; small business; commercial boarding house owner or operator; owner of rental property
b. Service businesses that receive income frequently and, possibly sporadically, such as - craft persons; repair persons; franchise holders; commission sales persons (door-to-door sales, delivery, etc.); subcontractors; sellers of blood and blood plasma.
c. Businesses that receive income seasonally, such as - summer or tourist oriented business; seasonal farmers; (custom farm machine operators); *migrant* farm work crew leaders; fishers, trappers, or hunters; roofers
d. Farming, including income from cultivating the soil or raising or harvesting agricultural commodities, earned by full-time, part-time or hobby farming.
e. Fishing with gross annual proceeds or expected income of $1,000 or more.

4.3.3.3 Capital and Ordinary Gains

The IRS uses different tax rates for capital and ordinary gains from selling assets. However, include the entire gain or loss from IRS form 4797 as earned income for food units who have an ongoing self employment business. When self employment is terminated and the business is sold, the sale of property essential to self-employment is considered an asset and therefore excluded.

4.3.3.4 Rental Income

7 CFR 273.9(b)(1)(ii)

Rental income is earned if the owner actively manages the property on an average of 20 or more hours a week. See 4.3.4.1 Unearned Income if the person manages the property less than 20 hours a week.

Include gross receipts minus allowable business expenses as earned income. Tax Forms 1040 C or E are used to determine rental income. Use that income recorded on the tax forms plus the principal paid if using tax from E to estimate future income. If the client has not completed a scheduled C or E tax form, use the following method to calculate earned income.

a. When the owner is not an occupant, "net rent" is the total rent payment(s) received minus the total mortgage payment (principal and interest) and other verified operational costs such as (but not limited to) hazard insurance, mortgage insurance and taxes.
b. When income is received from a multi-unit property and the owner lives in one of the units, compute "net rent" as follows:
    i. Add the total mortgage payment (principal and interest) and other verified operational costs such as (but not limited to) hazard insurance, mortgage insurance and taxes common to the entire operation.
    ii. Multiply the number of rental units by the total in step (i).
    iii. Divide the result in (ii) by the total number of units, to get the proportionate share.
    iv. Add the proportionate share to any operating costs paid that are unique to the rental unit. This equals total expenses.
    v. Subtract total expenses from total rent payments to get net rent.

4.3.3.5 Averaging Income

Average self-employment income that represents a food unit's yearly income over a 12 month period, even if the income is received within only a short period of time during that 12 months.

Example 3: A hot dog vendor works from April through October and uses the income for living expenses for the entire year. Average the income over a 12 month period.

4.3.3.5.1 Part Year Income

Average self-employment income that is intended to meet the food unit's needs for only part of the year over the period of time the income is intended to cover.

Example 4: A landscaper works from May through the end of August and supplements this income with other sources during the rest of the year. Average his self-employment income over a 4-month period rather than a 12-month period.

4.3.3.5.2 IRS Tax Forms

Use IRS tax forms to average income only if:

1. The business was in operation at least 1 full month during the previous tax year,
2. The business has been in operation 6 or more months at the time of the application, and

3. The person does not claim a significant change in circumstances since the previous year.

If all 3 conditions are met, and the tax forms are not complete, ask the client to either complete the appropriate tax form(s) or have the client complete one *SEIRF* for the previous year's circumstances. Completing the form(s) is solely the client's responsibility.

4.3.3.5.3 Worksheets

To calculate self-employment income, use the self-employment income worksheets to adjust the income figure on the IRS tax forms. The worksheets identify net income and depreciation. Add back in depreciation on the IRS form as indicated on the worksheet.

For each operation, select the worksheet needed. Use the provided tax forms and/or schedule, to complete the worksheet.

The worksheets are:

1. Sole Proprietor (F-16037)
    a. IRS Schedule C, Form 1040: Nonfarm Business Income
    b. IRS Schedule F, Form 1040: Farm Income
    c. IRS Form 4797: Capital & Ordinary Gains
2. Partnership (F-16036)
    a. IRS Form 1065: Partnership Income
    b. IRS Schedule K-1, Form 1065: Partner's Share of Income
3. Corporation (F-16034)
    IRS Form 1120: Corporation Income
4. Subchapter S Corporation (F-16035)
    a. IRS Form 1120S: Small Business Corporation Income
    b. IRS Schedule K-1, Form 1120S: Shareholder's Share of Income

Disallowed Expenses

Some specific expenses that are not allowed in the calculation of Self Employment Income for FoodShare are:

1. Depreciation
2. Net loss carryover from previous periods (long term capital loss)
3. Federal, State, and local income taxes
4. Charitable donations
5. Work-related personal expenses, such as transportation to and from work
6. Employer work-related personal expenses such as pensions, employee benefit and retirement programs and/or profit sharing expenses (Business expenses for employees' pensions, benefits, retirement programs, and profit sharing expenses are allowable, but the work-related personal expenses of the employer are not).

7. Amortization and depletion
8. Guaranteed payments to partners

Next, divide self-employment income by the number of months the business was in operation, including partial months, during the previous tax year. The result is monthly income. Add this to the food unit's other earned. If monthly income is a loss, add zero to the income.

When a food unit has more than 1 self-employment operation, the losses of one can offset the profits of another. Do not use losses from self-employment to offset other earned or unearned income.

Exception: Offset farm income losses with any other countable income only if the farmer received or anticipates receiving annual gross proceeds of $1,000 or more from the farm operation.

If more than 1 worksheet is used because there is more than 1 operation, combine the result of each worksheet into 1 monthly self-employment income amount. Then add that total to any other income. A salary or wage paid to a food unit member is an allowable business expense, but included in the earned income of the payee. Next, divide self-employment income by the number of months the business was in operation, including partial months, during the previous tax year. The result is monthly income. Add this to the food unit's other earned. If monthly income is a loss, add zero to the income.

4.3.3.5.4 Self Employment Income Report Form (SEIRF)

The SEIRF simplifies reporting income and expenses when earnings must be anticipated. The client must enter previous and/or expected income information on the SEIRF to determine an average. Budget this average prospectively. Use it to report income for any type of business. If the SEIRF is not completed, ask the client to complete it. Do not fill out the SEIRF yourself.

> Tip: Farm operators may find it easier to complete the IRS tax form when income and expenses are more complex.

4.3.3.6 Anticipating Earnings

Calculate self-employment income based on anticipated earnings when:

1. The business was not in operation for at least one full month in the prior tax year.

2. The business has not been in operation for six or more months at the time of the application.
3. Past circumstances do not represent the present.

Examples of changed circumstances are:

1. The start of a business.
2. The owner sold a part or all his business.
3. The owner is ill or injured and will be unable to operate the business.
4. There's a substantial cost increase causing less profit for each unit sold.
5. Sales are consistently below previous levels beyond normal sales fluctuations.
6. The business is consistently earning above previous levels beyond normal fluctuations.

Changes are effective according to the normal prospective budgeting cycle. The date of an income change is the date you agree a significant change occurred. You must judge whether the person's report was timely to decide any over or underpayment.

Self employment income, by its very nature is somewhat uncertain. Use of SEIRFs and/or IRS forms to determine monthly average income takes this into consideration.

When a new self-employment business is reported or when a change in circumstance occurs and the past circumstances no longer represent the present, recalculate self-employment income:

1. When <u>six or more months</u> of actual self-employment information is available, calculate monthly average self-employment income using at least six months of prior earnings beginning from the date self employment began or the date of the significant change.
2. When <u>two or more full months</u> of actual self-employment income information is available, use all of the actual income available to establish a monthly net income amount. See example 5.
3. When <u>at least one full month but less than two full months</u> of actual self-employment income information is available, calculate a monthly average net income amount using the actual net income received in any partial month of operation, the one full month of operation and an estimate of net income for the next month. See example 6.
4. When there is <u>less than one full month of actual income</u> information available, calculate a monthly average net self-employment income using the actual net income received in the partial month (since the change in circumstance occurred) and estimated income and expenses for the next two months. See example 7.

Use the average until the person's next review or if a significant change in circumstances is reported between reviews.

Example 5: Bonnie applies for CC and *FS* on April 5, 2007. She reports that she started self-employment in January 2007. The agency uses a SEIRF for January, February and March to determine the prospective self-employment income estimate for Bonnie's FS and CC certification period (April 2007 - March 2008).

On Bonnie's September SMRF, no change in self-employment income is reported and the worker continues to use the average determined at the time of application.

Example 6: Ricardo is applying for FS and Medicaid eligibility on February 5, 2007. He started self-employment on December 15th. To calculate his prospective self-employment income, he completes a SEIRF for December, January, and February including his actual and expected income and expenses for three months. The worker divides this total by three to determine an anticipated monthly average income amount. This amount is used until a change in self-employment is reported, or until Ricardo completes a new application or a review.

Example 7: Jenny is a FS and CC recipient who has been self-employed as a hair dresser since 2002. Jenny's FS and CC certification period is December 2006 to November 2007. The worker used Jenny's 2005 tax return to establish a monthly income amount.

In March 2007 Jenny reports that she has been unable to work since breaking her arm on February 17. She is not sure when she'll be able to return to work, but it will not be until at least May. The worker has Jenny complete a SEIRF for February 17- February 28 (actual income since the change in circumstance occurred) and for March and April using the best estimate of income to establish her prospective self-employment income. The worker will use these three months to determine a prospective self-employment income estimate for the remainder of the certification period. Jenny does not need to submit any additional SEIRFs.

Remember, eligibility for CC could continue pending Jenny's return to work. However, the CC authorization can continue for up to 6 weeks for a break in employment.

4.3.3.6.1 Shelter Expense

If the FS group claims the total shelter costs as a business expense, do not allow any shelter deduction. If a FS group claims a percentage of it's shelter costs as a business expense, the remaining percentage is a shelter deduction.

If shelter expenses are questionable, you may use IRS form 8829 "Expenses for Business Use of Your Home."

Example: Fred, a self-employed farmer, uses 50% of his home owners insurance and property taxes as a business deduction. His yearly insurance and taxes are $1200. Use the remaining $600 as a shelter deduction. Prorate the $600 over 12 months.

4.3.3.6.2 Farm and Self-Employment Expenses - Utilities

A self employed group is allowed the full heating standard utility allowance (HSUA), regardless of the percentage of utility expense claimed on the taxes for business use of the home.

4.3.3.6.3 Self-Employed Child Care Provider

A child care provider can deduct the cost of meals provided to the enrolled children from the income earned by the child care business. They may report the actual cost of the meals or they may use the federal standard deductions. Tier 1 applies to households with income at or below 185% of the Federal Poverty Level income guidelines. Tier 2 applies to all other households.

Effective from July 1, 2010 - June 30, 2011

TIER 1	TIER 2
Breakfast $1.19 Lunch or Supper $2.22 Supplement (snacks) $0.66	Breakfast $0.44 Lunch or Supper $1.34 Supplement (snacks) $0.18

4.3.3.6.4 Unearned Rental Income

If someone receives rental income but does not actively manage the property 20 or more hours a week the income is unearned. See Self-Employment 4.3.3.4 if he/she does manage the property for at least 20 hours a week.

1. When the owner is not an occupant, "net rent" is the total rent payment(s) received minus the total mortgage payment (principal and interest) and other verified operational costs such as (but not limited to) hazard insurance, mortgage insurance, and taxes.

2. When income is received from a multi-unit property and the owner lives in one of the units, compute "net rent" as follows:
    a. Add the total mortgage payment (principal and interest) and other verified operational costs such as (but not limited to) hazard insurance, mortgage insurance, and taxes common to the entire operation.
    b. Multiply the number of rental units by the total in step (a).
    c. Divide the result in (b) by the total number of units, to get the proportionate share.
    d. Add the proportionate share to any operating costs paid that are unique to the rental unit. This equals total expenses.
    e. Subtract total expenses from total rent payments to get net rent.

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4.3.4 UNEARNED INCOME

4.3.4.1 Unearned Income Introduction
4.3.4.2 Counted Unearned Income
4.3.4.3 Disregarded Unearned Income

4.3.4.1 Unearned Income Introduction

7 CFR 273.9(b)(2)

Unearned income is income not gained by work or delivery of a service or product. Count all unearned income unless it must be disregarded. Some unearned income is disregarded because of source, type, or the reason for receiving it.

Count unearned income as income in the month that it is received, except when:

1. It isn't available to the *FS* group.
2. You're told otherwise by specific instructions in this Handbook.
3. When two payments from the same income source are received the same month due to mailing cycle adjustments, count each payment only for the month it is intended. Income sources commonly affected by such mailing cycle fluctuations include general assistance, other public assistance programs, *SSI*, and *SSA* benefits.

Note: Occasionally, a regular periodic payment (e.g. title II,or *VA* benefits) is received in a month other than the month of normal receipt. As long as there is no intent to interrupt the regular payment schedule, consider the funds to be income in the normal month of receipt.

4.3.4.2 Counted Unearned Income

1. Tribal *TANF* payments
2. Interest, dividend, and royalty payments if available to a food unit member. Dividends which the household has the option of either receiving as income or reinvesting in a trust or other investment are to be considered as income in the month they become available to the household unless exempt under 4.3.4.3. Disregarded Unearned Income.
3. Annually paid annuities and lottery winnings. Average these payments over 12-months. Do not count the entire amount in the month received.
4. Net SSI payments
5. SSI-E (Supplemental Security Income-Exceptional Expense Supplement) payments

Verified expenses which meet all the following criteria must be deducted from SSI-E payments:

a. The payment is for a past or future expense.
b. The payment is not in excess of the actual expense.
c. The payment is not for a normal household living expense.
d. The payment is used for the intended purpose. This means it is used for a cost associated with the individual's needs related to the disability.

Such expenses are verified at application, review, and change. Be sure to document your actions in case comments.

Example 1: If the need for which the "E" payment was made is attendant care,

but the payment is actually spent on a monthly loan installment, do not allow the deduction.

Example 2: If the actual expense is $45.00 and the "E" payment is $50.00, only the smaller amount may be deducted.

7. Gross Social Security payments less any repayments withheld due to previous overpayments of Social Security benefits. Include any *Child* Support payments withheld from Social Security payments. This will ensure that Child Support payments are correctly included in the total gross unearned income and correctly budgeted as a Child Support payment deduction.
8. Unemployment Insurance (Unemployment Compensation) payments, except for the $25 supplemental weekly Unemployment Compensation payment (stimulus payment) authorized by the American Recovery and Reinvestment Act of 2009 (ARRA) for FoodShare. *Disregard* the stimulus payments effective 11-06-09.
9. Worker's Compensation benefits
10. *VA disability pension adjustments*
11. Private disability payments
12. Caretaker Supplement for Children (CTS; *C-Supp*) payments
13. Child Support (*CS*) and maintenance payments made directly to the food unit, or passed through to the FS group by a CS agency, whether court ordered or voluntary. However, CS paid to a custodial *parent* that resides with the non-custodial parent and the *child*(ren) for whom the CS is paid is not counted as income. Disregard CS payments received directly from an absent parent by a food unit if the money is turned over to the CS agency. Disregard CS payments retained by a CS agency.
14. Child Support and family Support must be prorated among the members covered by the court order. If a Family Support order includes the custodial parent, the income proration would also include that parent. Child support is prorated for only the children covered by the court order. Maintenance is budgeted for the person actually receiving it. The most up-to-date information about Child Support and Maintenance is auto populated on the *CARES* Worker Web Child Support screen.
15. W-2 payments received under W-2T, or CSJ, or as the custodial parent of an infant (CMC)
16. Kinship Care payments are unearned income of the child the payment is for
17. Any money received for sick or severance pay from an insurance policy, an income continuance policy, or disability payments from an employer that are not paid as accrued sick, vacation, or personal time. Gross income from these sources is budgeted. Whether or not the income is taxed or untaxed does not determine if the pay is counted as unearned or earned income.

18. Reimbursements for normal household living expenses such as rent, mortgage, personal clothing, and food eaten at home. These are counted because they are a gain or benefit. Include stipends that are part of a financial aid package and are intended as a reimbursement for living expenses.
19. Count a subsidized adoption payment, or adoption assistance payment as unearned income.
20. Tribal distribution payments. Income from tribal distributions should be prorated over the period it is intended to cover if it is predictable and regularly received. If the assistance group becomes ineligible and then reapplies before receiving their next installment, continue to use the same prorated amount as before.

Example 3: Dawn receives $500 quarterly from the Potawatami Tribe. The frequency of the payment is regular and the amount is predictable. To calculate the monthly amount to be budgeted prospectively, prorate the amount over the time period intended:
$500/3 = $166.67 per month to be prospectively budgeted.

21. Money withdrawn or dividends that are or could be received from an otherwise exempt trust fund
22. Monetary gifts over $30 a calendar quarter. Calendar quarter: 3 consecutive months beginning with January, April, July or October.
23. Income from a land contract. Deduct expenses (for example, taxes) the person must pay by the contract's terms from the gross amount. If received less often than monthly, prorate it over the period between payments. Ignore it until s/he first receives it after becoming eligible.
24. Any money received from an installment contract must be:

a. Counted as income in the month received, or

b. Averaged over the number of months between payments. For example, average a quarterly payment received in January over January, February, and March. The FS group must choose one of the above methods. Document the choice in the case record.

25. If someone receives rental income but does not actively manage the property 20 or more hours a week the income is unearned. See Self-Employment 4.3.3.4 if he/she does manage the property for at least 20 hours a week.

a. When the owner is not an occupant, "net rent" is the total rent payment(s) received minus the total mortgage payment (principal and interest) and other verified operational costs such as (but not limited to) hazard insurance, mortgage insurance, and taxes.

b. When income is received from a multi-unit property and the owner lives in one of the units, compute "net rent" as follows:

i. Add the total mortgage payment (principal and interest) and other verified operational costs such as (but not limited to) hazard insurance, mortgage insurance, and taxes common to the entire operation.

ii. Multiply the number of rental units by the total in step (i).
iii. Divide the result in (ii) by the total number of units, to get the proportionate share.
iv. Add the proportionate share to any operating costs paid that are unique to the rental unit. This equals total expenses.
v. Subtract total expenses from total rent payments to get net rent.

26. Royalty income is unearned income received for granting the use of property owned or controlled. Examples are patents, copyrighted material or natural resources. Royalties often are a percentage of receipts from using the property or an amount for each unit produced.

Royalty and rental income

a. Royalty income is always unearned.
b. Rental income is earned only if the owner actively manages the property 20 hours or more per week. CARES will budget self-employment income from rental property as earned income if the property is self-managed 80 or more hours per month. If the monthly hours entered are less than 80, the income will be treated as unearned income even if the self-managed switch is "Y ".

Verify unearned rental income using available documentation. It is not necessary to collect serifs for unearned income.

4.3.4.3 Disregarded Unearned Income

Disregard the following income:

Housing and related income:

1. Disregard rent paid by the Department of Housing and Urban Development (*HUD*) and Farmer's Home Administration (*FMHA*) directly to a landlord as income. Do not include these payments as a deduction in the Shelter/Utilities Computation Unit. Only include as a rent expense what the household owes to the landlord after the HUD and FMHA payments.
2. Disregard rent paid by HUD to residents in the experimental housing program in Green Bay.
3. Disregard HUD and FMHA utility reimbursement payments made directly to a household or utility provider as income.
4. Disregard HUD utility reimbursement payments diverted by a Native American housing authority directly to the utility provider without permission, consent, or agreement of the FS group.
5. Under the Family Investment Centers program, HUD provides grant money to public housing agencies and Indian housing authorities. In turn, they provide access to education and job opportunities to public housing residents.

6. Disregard as income services provided to a public housing resident under a Family Investment Centers program. Services include:
    a. Child care,
    b. Employment and training counseling,
    c. Literacy training,
    d. Computer skills training,
    e. Assistance in attaining certificates of high school equivalency, and
    f. Other similar services.
7. Disregard free rent, no income is counted and no rent deduction is allowed.
8. A tenant may be billed utility expenses for common electrical devices, for the benefit of any number of tenants, but wired through his/her meter. A notice from the landlord identifies that cost and the tenant's reimbursement. Disregard the reimbursement.

Employment Training and Education:

1. Educational aid for students is not counted as income.
2. Disregard educational expense reimbursements.
3. Disregard income produced by an educational trust that you excepted in the Asset Unit.

Loans:

Disregard as income any loan to the FS group. This includes loans from private individuals and commercial institutions.

Medical and Dependent Care:

1. Disregard reimbursements for medical or dependent care. Examples are payments from the *MA* Community Integration Program (CIP), such as buying a seeing-eye dog.
2. Disregard dependent care payments as income for a group member's care when a county agency:

a. Pays a dependent care provider directly.

b. Reimburses the FS group after the group has incurred or paid a dependent care expense.

3. Disregard payments from the Wisconsin Family Support Program, which reimburses families for allowable medical expenses for in-home support for children with severe disabilities. Payments are vendored or made directly. Do not confuse this program with "family support", a court ordered obligation that combines child support and maintenance.

SSA programs:

1. Disregard reimbursements for services provided by the Social Services Block Grant Program.
2. Disregard retroactive SSI payments which are paid in installments.
3. Retroactive SSI benefits which total 12 months or more of the Federal Benefit Rate (monthly SSI amount) will be paid in 3 or fewer installments

at 6 month intervals. Each installment payments should be counted as an asset. Retroactive SSI benefits which equal or exceed 12 months of benefits, but which are owed to the following categories of recipients will continue to be received in one lump sum:

a. A person who has a medical impairment which is expected to cause death within 12 months.

b. A person who is ineligible for benefits and is likely to remain ineligible for the next 12 months.

4. Disregard income of an SSI recipient necessary to fulfill a Plan for Achieving Self Support (PASS) regardless of the source. This income may be spent in accordance with an approved PASS or deposited into a PASS account. The SSA must approve the individual's PASS in writing, identifying the amount of income that must be set aside each month to fulfill the PASS. It is the household's responsibility to report and verify that such income is necessary to fulfill its PASS in order for the income to be disregarded.
5. A qualified organization may collect a fee for acting as the representative payee for an SSI or *OASDI* recipient. Disregard the amount withheld from the SSI or OASDI payment as income to the recipient. Reduce the SSI or OASDI amount by the amount withheld instead.

Energy Assistance Program

Disregard payments and allowances made by the Wisconsin's Home Energy Assistance Program (WHEAP).

Community Options Program

Disregard Community Options Program (COP) payments. But if a household member is receiving COP payments for providing services, count the money as earned income for providing the service.

Tribal / Native American Payments

1. Disregard all compensation including cash, stock, partnership interest, land, interest in land, and other benefits received from the Alaskan Native Claim Settlement Act.
2. Disregard up to $2000 per calendar year of income received by an individual Native American which is derived from land held in trust or in restricted status, when determining eligibility and benefit levels.
3. Disregard income from certain submarginal land of the US held in trust for certain Indian tribes (PL 94-114, Section 6).
4. Disregard payments to individual tribal members from these federal settlements:

a. Grand River Band, Ottawa Indians (PL 94-540).

b. Sac and Fox Indians claims agreement (PL 94-89).

c. Navajo and Hopi Tribe relocation payments (PL 93-531).

d. Confederated Tribes and Band of the Yakima Indian Nation & Apache Tribe of the Mescaler Reservation (PL 95-433).

e. Passamaquoddy Tribe, the Penobscot nation, and the Houlton Band of Maliseet (PL96-420), Maine Indian Claims Settlement Act of 1980.
f. Turtle Mountain Band of Chippewas, Arizona (PL 97-408).
g. Blackfeet & Gros Ventre tribes, Montana (PL 97-408).
h. Papago tribe, Arizona (PL 97-408).
i. Assiniboine Tribes of Fort Belknap Indian Community and Fort Peck Indian Reservation, Montana (PL 98-124).
j. Red Lake Band of Chippewas (PL 98-123).
k. Saginaw Chippewa Indian Tribe of Michigan (PL 99-346).
l. Chippewas of the Mississippi including these Minnesota Reservations: Mille Lac, White Earth, and Leech Lake (PL 99-377).
m. Chippewas of Lake Superior (PL 99-146, Dockets 18-C & 18-T). This includes the following Wisconsin reservations: Bad River, Lac du Flambeau, Lac Courte Oreilles, Sokaogon Chippewa Community, Red Cliff, and St. Croix.
n. White Earth Band of Chippewa in Minnesota (PL 99-264).
o. Michigan Keweenaw Bay Indian Community and Minnesota Fond du Lac, Grand Portage, Nett Lake, and White Earth reservations (Dockets 18-S, 18-U, 18-C, & 18-T).
p. Puyallup Tribe of Indians Settlement Act of 1989 (PL 101-41).
q. Catawba Indian tribe of South Carolina Land Payments Claims Settlement Act of 1993.
r. 1931 Indian Child Welfare (PL 95-608).
s. Seneca Nation Settlement Act of 1990.
t. Confederated Tribes of the Colville Reservation grand Coulee Dam Settlement Act.
u. Cherokee nation of Oklahoma Indians (Docket 262-83LO).
v. Cheyenne River Sioux Tribe.
w. Crow Creek Sioux Tribe.
x. Lower Brule Sioux Tribe.
y. Devil's Lake Sioux Tribe.
z. Oglala Sioux Tribe.
aa. Rosebud Sioux Tribe.
bb. Shoshone-Bannock Tribes.
cc. Standing Rock Sioux Tribe.
dd. Bois Forte Band of the Chippewa tribe under 25 USCS 1407 (PL 106-568).

5. Disregard the first $2,000 of individual shares for the following:
    a. Old Age Assistance Claims Settlement Act (PL 98-500).
    b. Yankton Sioux Tribe (Dockets 342-70 & 343-70).
    c. Peoria Tribe of Oklahoma (Dockets 313, 314-A, & 314-B).
    d. Maricopa Ak-Chin Indian Community (Dock 235).
    e. Wichita and Affiliated Tribe (Keechi, Waco & Tawakonie) of Oklahoma (Dockets 371 & 372).
    f. Ak-Chin, Salt River Pima-Maricopa and Gila River Pima-Maricopa Indian Communities (Docket 228).
    g. Rincon Band of Mission Indians (Docket 80-A).

h. Walker Paiute Tribe (Docket 87-A).
i. Seminole Nation of Oklahoma, Seminole Tribe of Florida, Miccosukee Tribe of Indians of Florida and Seminole Indians of Florida (Dockets 73, 151, &73-A).

Child Nutrition Act of 1966 and the National School Lunch Act
Disregard the value of assistance received from programs under the Child Nutrition Act of 1966 and the national School Lunch Act. These are:

a. Special Milk Program.
b. School Breakfast Program.
c. Special Supplemental Food Program for Women, Infants and Children (*WIC*).
d. School Lunch Program.
e. Summer Food Service Program for Children.
f. Commodity Distribution Program.
g. Child and *Adult* Care Food Program.

Disaster and Emergency Assistance Payments

1. Disregard major disaster and emergency assistance payments made by federal, state, county, and local agencies, and other disaster assistance organizations, including National Flood Insurance Program (NFIP).
2. Disregard Emergency Assistance (OPM) or emergency General Assistance when either is given to a *migrant* or seasonal farm worker FS group if:

a. The payment is provided to a 3rd party (vendored) on behalf of the migrant or seasonal farm worker; and,
b. The FS group was in the job stream when it was provided.

2. Disregard disaster unemployment benefits to any individual that is unemployed as a result of a major disaster. Individuals cannot be eligible for any other unemployment compensation and also receive disaster unemployment benefits. Payments are limited to 26 weeks.

Veterans Benefits
Exclude VA aid and attendant and homebound allowances if:

1. The payment is for a past or future expense.
2. The payment is not in excess of the actual expense.
3. The payment is not for a normal household living expense.
4. The payment is used for the intended purpose.

Disregard aid and attendance and housebound allowances received by veterans, spouses of disabled veterans and surviving spouses.

GI bill
All military personnel fund the GI bill through mandatory payroll deductions in their first year of service. Disregard these deductions.

Combat Pay

Workers are now required to determine if a military allotment made available to an AG by an absent member deployed to a combat zone should be excluded when determining eligibility. Disregard any amount of combat zone pay that goes to the household that is in excess of the military person's pre-deployment pay. The exclusion lasts while the military person is deployed to the combat area.

If the amount of military pay from the deployed absent family member is equal to or less than the amount the household was receiving prior to deployment, all of the allotment would be counted as income to the household. Any portion of the military pay that exceeds the amount the household was receiving prior to deployment to a designated combat zone should be excluded when determining the household's income for FS purposes.

Procedure

Follow these steps in determining how to budget combat zone pay:

1. Ask if the service member is deployed to a combat zone.
2. If the answer is no, verify military pay using a bank record or Leave and Earnings Statements (LES) and clearly document in case comments how income to the FS AG was determined and verified.
3. If the answer is yes, verify the service member's pay before deployment to a combat zone and the amount they receive due to being assigned to a combat zone. Leave and Earnings Statements (LES) or bank records can be used to verify this amount.
4. Any portion that is more than the amount the unit was receiving immediately before deployment to a combat zone is exempt as combat pay.
5. Clearly document in case comments the combat pay source of verification and method used to determine amount to be disregarded and budgeted.

Note: Deployment to a combat zone can be established through a variety of methods including:

1. The deployed person's military pay record, the Leave and Earnings statement (LES).
2. Orders issued to the military person in which the place of deployment is public record.
3. Contacting the Call Center which has a listing of designated combat zones, as well as a listing of pay items which may or may not be the result of deployment to a designated combat zone

Example 3: John, his wife Bonnie and their daughter have an open FS case. John is in the military stationed overseas, his monthly income is $1,000. John sends his wife $1,000 every month.

When John is deployed to a combat zone his pay is increased to $1,300 a month, which is deposited into a joint account. Because the $300 is combat

pay, it is exempt income and not counted in the determination. The pre-combat pay of $1,000 is budgeted as unearned income for FS.

Example 4: Dori is in the military and receives $1000 per month in wages. Dori's husband Louie and their son Joe have an open FS/MA case. Dori has her military pay directly deposited into a bank account in her name only; Louie has no access to the funds or to the account. Do not count any of Dori's income in the eligibility determination for Louie and Joe.

Example 5: Ben is in the military. His paycheck is $1,000 a month. He has $500 directly deposited into his account and $500 directly deposited into a joint account with his wife, Andrea. The $500 directly deposited into the joint account is budgeted as unearned income in Andrea's FS and/or MA determination. Since Andrea does not have access to Ben's account, only the amount deposited in their joint account is counted.

Example 6: Tim is in the military making $1,200 a month. An allotment check of $1,000 is paid directly to his wife Karla, and $200 to himself. $1,000 is budgeted as Karla's unearned income for her FS and/or MA determination.

Dottie Moore
Disregard as income any penalty payment paid as a result of the Dottie Moore lawsuit by *DHS* (formerly DHSS) to any AFDC applicant or recipient. These $50 to $200 penalty payments have been ordered by the US District Court for the Eastern District of Wisconsin in Civil Action No. 80-C-118.

Victims of Nazi Persecution
Disregard as income payments under PL 103-286 to victims of Nazi persecution.

Payments to Crime Victims
Disregard any payments received from a state established fund to aid victims of a crime.

Agent Orange Settlement Fund
Disregard payments received from the Agent Orange Settlement Fund or any other fund established in settling "In Re Agent Orange Product Liability Settlement Fund litigation MDL No. 381 (EDNY).

Wartime Relocation of Civilians
Disregard payments under PL 100-383 to US citizens of Japanese ancestry and permanent resident Japanese aliens or their survivors and Aleut residents of the Pribil of Islands and the Aleutian Islands West of Unimak Island.

Radiation Exposure Act
Disregard payments from any program under the Radiation Exposure Act (PL 101-426) paid to compensate injury or death resulting from exposure to radiation

from nuclear testing ($50,000) and uranium mining ($100,000). Apply this disregard retroactively to 10-15-90. Continue the disregard as long as payments are identified separately.

Children of Vietnam Veterans Who Are Born With Spina Bifida
Disregard payments received under the provision of the Benefits for Children of Vietnam Veterans Who Are Born With Spina Bifida (PL 104-204). These payments are made to any child for a Vietnam veteran for any disability he or she experiences resulting from the spina bifida. Apply this disregard retroactively to 9-26-96. Continue this disregard as long as payments are identified separately.

Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970
Disregard reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 (PL 92-646, Section 216).

Capital Gains
Disregard capital gains from the sale of a personal asset as income. Profits gained from the sale of an asset continue to be counted as an asset. (See 4.3.3.3 for policy related to self employment)

Reverse Mortgage
Disregard reverse mortgage payments made to homeowners. Reverse mortgage payments are loans against the borrowers home and are considered an asset the month received and thereafter.

Payments to Filipino World War II Veterans
Disregard payments from the Filipino Veterans Equity Compensation Fund. The American Recovery and Reinvestment Act (ARRA) of 2009 created the fund for certain veterans and the spouses of veterans who served in the military of the Government of the Commonwealth of the Philippines during World War II. The compensation fund offers one time payments may be up to $15,000 to eligible persons.

Unemployment Insurance (Unemployment Compensation, or *UC*) Stimulus Payment
Effective 11-06-09
The $25 supplemental weekly Unemployment Compensation (UC) payment (stimulus payment) authorized by the American Recovery and Reinvestment Act of 2009 (ARRA) for FoodShare .

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4.4 ASSETS

4.4.1 ASSETS

This entire section is new with this release.

4.4.1.1 Introduction
4.4.1.2 Jointly Owned by Different Food Units
4.4.1.3 Jointly Owned by Same Food Unit
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4.4.1.6 Divestment
4.4.1.6.1 Period of Ineligibility

CFR 273.8

4.4.1.1 Introduction

Non *EBD* Households
Assets are not included as part of the *FS* eligibility determination and are not required to be verified since all FS applicants and recipients are authorized to receive a *TANF*-funded service. All FS applicants and recipients are categorically eligible for FS (4.2.1). The amount of available liquid assets must be reported at the point of initial application to determine eligibility for priority service and expedited issuance.

EBD Households
However, Effective July 1, 2010, households that include an Elderly, Blind, and Disabled (EBD) member are tested against the 200% FPL gross income limit as a condition of eligibility for Broad Based categorical eligibility. If this household with an EBD member is over 200% FPL we must apply regular FoodShare rules to determine if they meet the net income (100% FPL) and asset test.

The remainder of this section applies only to Households with an EBD member that has gross income that exceeds 200% FPL.

Equity value

Count the equity value of nonexempt assets. Equity value is the fair market value (FMV) minus any encumbrances against the asset. *Disregard* the equity value of exempt assets.

Separate & Mixed Assets

Disregard exempt assets kept in a separate account, or in an account with other exempt assets.

If an asset is in an account mixed with countable assets, disregard the exempt assets for 1 of these periods:

1. For 6 months from the date the exempt asset was mixed with the countable assets.
2. If an exempt asset is money that has been prorated as income, exempt it only for the period over which it has been prorated. After that period expires, count the remaining asset. Self-employment, or farm income are examples of prorated income.

Jointly Owned Accounts

A joint account is:

1. A deposit of funds (savings, checking, share and NOW accounts, certificates of deposit, and similar arrangements), made with,
2. A financial institution (such as a bank, savings and loan, credit union, or insurance company), where,
3. The holders have equal access to the funds.

Jointly held accounts in a state regulated financial institution are accessible to all holders of the account. The food unit has access to the joint account, with the exceptions below.

Do not assume that a jointly held account is accessible if it is:

1. Established for business, charitable, or civic purposes.
2. A trust or restricted account. The person named as holder has no or limited access to the funds.
3. A special purpose account. A special purpose account has at least one holder acting as the power of attorney, guardian, or conservator for another account holder(s).

4.4.1.2 Jointly Owned by Different Food Units

Unless excepted below, *deem* the full value of assets owned jointly by separate food units to each unit.

Example 1: An asset worth $600 is owned by 3 persons in the same household. 2 are in the same food unit and the 3rd is in another unit. Deem the asset's full value of $600 to each food unit. In the unit with 2 owners, deem $300 to each owner.

If a food unit jointly owns an asset and shows:

1. The asset is not available to it, do not count the asset's value for that unit.
2. It has access to only a portion of the asset, count only that portion's value as an asset for that unit.

A jointly owned asset is unavailable to a food unit when:

1. It cannot practically be subdivided; and,
2. The group's access to its value depends on the willingness of a joint owner who refuses access.

4.4.1.3 Jointly Owned by Same Food Unit

When the joint owners of an asset are in the same food unit, deem each an equal share of the asset's total value. This avoids counting more than the asset's actual value.

Example 2: Three food unit members own an asset valued at $600. Assigning full value to each holder would give the food unit $1800 (3 x $600). Only $600 is actually available. To avoid this, give each food unit member an equal share or $200. The food unit's total is now the asset's actual $600 value.

If only 2 food unit members are FS group members, each contributes $200 to the FS group's assets. This is a total contribution of $400 from FS group members. Determine why the other food unit member is not in the FS group. This will determine if the $200, or a portion of it, is deemed to the group.

4.4.1.4 Disregarded Assets

Disregard means "Do not count." Other terms meaning disregard are ”r;exempt” or ”r;exclude”. Disregard the following assets:

Unavailable assets
Unavailable assets are:

1. Assets inaccessible to the food unit because they are unknown to the food unit. The assets become available assets the day the food unit becomes aware of them.
2. Nonexempt assets that the owner cannot make immediate use of.
3. Assets that a food unit is unable to sell for any significant return because the food unit’s interest is relatively slight or because the costs of selling the food unit’s interest would be relatively great.

"Significant return" means any return, after estimating costs of sale or disposition, and taking into account the ownership interest of the food unit, that the local agency determines are more than $1500. This does not apply to financial instruments such as stocks, bonds, and negotiable financial instruments.

Examples of unavailable assets are:

1. Some irrevocable trust funds.
2. Property and goods in probate.
3. Security deposits for rental property or utilities.
4. Some gifts.
5. Some items in a collection.
6. Non-liquid assets that have a lien on them as security for a loan. The purpose of the loan must be to produce income. It cannot be for the purchase of the asset against which the lien is in effect.

The lien agreement must prohibit selling the asset until the lien is satisfied. Non-liquid assets include land, crops, buildings, timber, farm equipment, and machinery.

Example 3: A farmer borrows from a bank to buy a new dairy bulk tank by allowing a lien on his corn crop. The value of the corn crop is unavailable until the lien is removed by satisfying the loan.

Example 4: Sue Jones has an IRA with a $4500 balance. She provides verification that it will take 30 days to close the account, and because of penalties and taxes, the amount she will receive is $3150. The asset is not counted at application because it is not immediately available. However, after 30 days $3150 will be considered available. The asset will be considered available regardless of whether or not Sue chooses to withdraw the funds.

Self-Employment or Business Assets
Self-employment or business assets are generally income producing property. Exclude assets directly related and essential to producing goods or services.

Real Property
Disregard all real property, regardless of whether it is homestead property or not. A home is any dwelling place intended for human habitation. All real property including homestead property is excluded as an asset.

Vehicles
Disregard all vehicles.

Land Contracts
Disregard land and installment contracts for land or a building if the contract produces income consistent with its FMV

Installment Contracts
Disregard the value of property sold under an installment contract or held as security in exchange for a purchase price consistent with its FMV. This includes the sale of any property or building, if the terms of the installment contract provide a purchase price consistent with the property's FMV.

Disaster Payments
Disregard any governmental payment designated to restore a home damaged in a disaster. Apply this exemption if the household is subject to a legal sanction if the funds are not used as intended.

Disregard any payments to farmers for a farm emergency caused by a natural disaster. The *USDA* determines if a farm emergency exists.

Personal Goods & Property
Disregard household goods and personal effects, such as home appliances, furniture, and clothes.

Burial Plot
Disregard 1 burial plot for each food unit member.

Pre-Paid Funeral Agreements
Disregard the value of one bona fide pre-paid funeral agreement per household member, up to $1,500 in equity value. Count the available value above $1,500.

Exclude the following types of retirement accounts:

- 401 (Traditional Defined- Benefit Plan).
- 401(a) plans: Employer sponsored retirement plans, including Cash Balance Plans, Employee Ownership Plans, Money Purchase Pension Plans, and Profit Sharing Plans.
- Keogh Plans.
- 401(k) plans: Generally a cash-or-deferred arrangement, including Simple 401(k) plans.
- 403(a): Employee Retirement Annuities.
- 403(b): Tax-sheltered annuities provided for employees of tax-exempt organizations and State and local educational organizations.
- 408: Individual Retirement Accounts (IRAs).
- 408(a): Roth IRAs.
- 408(p): Simple Retirement Account IRAs.
- 408(k): Simplified Employee Pension Plans.
- 457(b): Retirement plans for local governmental and certain non-governmental, tax-exempt employers.
- 501(c) (18): Exemption from tax on corporations that have trusts created before 6-25-1959 forming part of a plan providing benefit payments under a pension plan funded by employees.
- Federal Employee Thrift Savings Plan.

Trust Funds
Count funds in a trust and any income produced by the trust. Disregard the funds only if **all** of these conditions exist:

1. The trust arrangement is not likely to end.

2. The trustee administering the funds is either:
    a. A court, institution, corporation, or organization under neither the direction or ownership of any household member; **or**
    b. Someone, not in the food unit, but appointed by a court with court imposed limits on his/her use of the trust's funds.
3. Trust investments made for the trust do not directly involve or assist any business or corporation under the control, direction, or influence of a food unit member.
4. The funds are held in irrevocable trust and are either established from:
    a. The funds of someone not in the food unit.
    b. The food unit's funds, if the trustee uses the fund solely for investments on behalf of the trust or to pay educational or medical expenses for anyone named by the food unit creating the trust.

Money Prorated as Income
A food unit member may have deposited money into an account from self-employment or farming. Prorate this money as income.

Disregard money prorated as income as an asset when it is being counted as income. When it is no longer prorated as income, count it as an asset.

Tools & Other Work Related Equipment
Disregard the value of tools or other equipment essential to the employment or self-employment of a FS group member. Examples of essential tools are those of a mechanic, plumber, or other tradesperson, or a farmer's machinery

Relocation Payments
Disregard payments from the Uniform Relocation Assistance and Real Properties Acquisition Act of 1970

Nutrition Benefits
Disregard the value of assistance received from programs under the *Child* Nutrition Act of 1966 and the National School Lunch Act. These are:
1. Special Milk Program
2. School Breakfast Program
3. Special Supplemental Food Program for Women, Infants and Children (*WIC*)
4. School Lunch Program
5. Summer Food Service Program for Children
6. Commodity Distribution Program
7. Child and *Adult* Care Food Program

LIHEAP
Disregard all payments provided by the Low Income Home Energy Assistance Program (LIHEAP).

HUD

Disregard payments from the Department of Housing and Urban Development (HUD) settling the Underwood v. Harris judgment against HUD (Civil No. 76-0469, DDC).

These payments are for retroactive tax and utility cost subsidies. Disregard them for the month in which the payment is received and the following month. Thereafter, count any remaining amount as an asset.

Wartime Relocation of Civilians

Disregard payments under PL 100-383 to U.S. citizens of Japanese ancestry and permanent resident Japanese aliens or their survivors and Aleut residents of the Pribilof Islands and the Aleutian Islands West of Unimak Island.

Alaskan Native Claims

Disregard payments including cash, stock, partnership interest, land, interest in land, and other benefits from the Alaskan Native Claims Settlement Act (PL 92-203).

Native American Settlements

Disregard payments to individual tribal members from these federal settlements:

1. Grand River Band, Ottawa Indians (PL 94-540).
2. Sac and Fox Indian claims agreement (PL 94-189).
3. Navajo and Hopi Tribe relocation payments (PL 93-531).
4. Confederated Tribes and Bands of the Yakima Indian Nation & Apache Tribe of the Mescalero Reservation (PL 95-433).
5. Passamaquoddy Tribe, The Penobscot Nation, and the Houlton Band of Maliseet (PL 96-420), Maine Indian Claims Settlement Act of 1980.
6. Turtle Mountain Band of Chippewas, Arizona (PL 97-403).
7. Blackfeet & Gros Ventre tribes, Montana (PL 97-408).
8. Papago tribe, Arizona (PL 97-408).
9. Assiniboine Tribes of Fort Belknap Indian Community and Fort Peck Indian Reservation, Montana (PL 98-124).
10. Red Lake Band of Chippewas (PL 98-123).
11. Saginaw Chippewa Indian Tribe of Michigan (PL 99-346).
12. Chippewas of the Mississippi including these Minnesota reservations: Mille Lac, White Earth, and Leech Lake (PL 99-377).
13. Chippewas of Lake Superior (PL-94-146, Dockets 18-C & 18-T). This includes the following Wisconsin reservations: Bad River, Lac du Flambeau, Lac Courte Oreilles, Sokaogon Chippewa Community, Red Cliff, and St. Croix.
14. White Earth Band of Chippewas in Minnesota (PL 99-264).
15. Michigan Keweenaw Bay Indian Community and Minnesota Fond du Lac, Grand Portage, Nett Lake, and White Earth reservations (Dockets 18-S, 18-U, 18-C, & 18-T).
16. Seneca Nation Settlement Act of 1990 (PL 101-503).

17. Catawba Indian Tribe of South Carolina Land Claims Settlement Act of 1993.
18. 1931 Indian Child Welfare (P.L. 95-608)
19. Puyallup Tribe of Indians Settlement Act of 1989 (PL 101-41).
20. Confederated Tribes of the Colville Reservation Grand Coulee Dam Settlement Act.
21. Cherokee Nation of Oklahoma Indians (Docket 262-83LO).
22. Cheyenne River Sioux Tribe
23. Crow Creek Sioux Tribe
24. Lower Brule Sioux Tribe
25. Devils Lake Sioux Tribe
26. Oglala Sioux Tribe
27. Rosebud Sioux Tribe
28. Shoshone-Bannock Tribes
29. Standing Rock Sioux Tribe
30. Bois Forte Band of the Chippewa tribe under 25 USCS 1407 (PL 106-568).

Disregard the first $2,000 of individual shares for the following:

1. Old Age Assistance Claims Settlement Act (PL 98-500).
2. Yankton Sioux Tribe (Dockets 342-70 & 343-70).
3. Peoria Tribe of Oklahoma (Dockets 313, 314-A, & 314-B).
4. Maricopa Ak-Chin Indian Community (Dock 235).
5. Wichita And Affiliated Tribe (Keechi, Waco & Tawakonie) of Oklahoma (Dockets 371 & 372).
6. Ak-Chin, Salt River Pima-Maricopa and Gila River Pima- Maricopa Indian Communities (Docket 228).
7. Rincon Band of Mission Indians (Docket 80-A).
8. Walker Paiute Tribe (Docket 87-A).
9. Seminole Nation of Oklahoma, Seminole Tribe of Florida, Miccosukee Tribe of Indians of Florida and Seminole Indians of Florida (Dockets 73, 151, and 73-A).

Earned Income Tax Credit (*EITC*)

Disregard any Earned Income Tax Credit (EITC) payments received by participating FS group members for 12 continuous months from the month of receipt. If there is a break of one day or more, count the remaining EITC as an asset.

Example: John, a FS recipient, received a $1,000 EITC lump sum payment in January and deposited it in his savings account. On March 31, he is ineligible for benefits for failure to complete a review. On April 3rd, he reapplies for FS and is found eligible as of the 3rd. Count any remaining amount of the $1,000 EITC payment as an asset.

IDA Program

Disregard total Individual Development Account (IDA) balances as assets if it is an account funded under TANF (Community Reinvestment) or the Assets for Independence Act (AFIA).

Wisconsin sales tax
The one-time rebate payment of WI sales taxes in January 2000 should be counted as an asset in the month of receipt

Wisconsin Higher Education Bonds
Wisconsin Higher Education Bonds are sold by the state to the public as a way to save for a higher education. To determine their net value as an asset, subtract broker's fees from market value.

1. The bonds also may be sold back to the state within certain time restraints. If the bonds are sold back:
    a. Before the maturity date, a portion of their value is withheld. The amount withheld equals the school's tuition and fees. Any excess goes to the person.
    b. On or after the maturity date, the value is the total amount received.
2. The bonds may be sold on the "secondary" bond market at any time. Since they can be disposed of on the market with no time limit, they are an available asset. Compute net value as: market value - broker's fees. (Verify the amounts through a broker.)

Agent Orange Settlement Fund
Disregard payments received from the Agent Orange Settlement Fund or any other fund established in settling "In Re Agent Orange product liability Settlement Fund litigation, M.D.L. No. 381 (E.D.N.Y.)" as assets. Continue to disregard the payments for as long as they are identified separately. Apply this disregard retroactively to 1-1-89.

Radiation Exposure Compensation Act
Disregard payments from any program under the Radiation Exposure Act (PL 101-426) paid to persons to compensate injury or death resulting from exposure to radiation from nuclear testing ($50,000) and uranium mining ($100,000). When the affected person is deceased, payments are made to the surviving *spouse*, children, parents, or grandparents of the deceased. The federal DOJ makes the payments. Continue to disregard the payments for as long as they are identified separately. Apply this disregard retroactively to 10-15-90.

Life Insurance
Disregard the cash value of any life insurance policies.

Crime Act of 1984
Disregard payments to crime victims under the Crime Act of 1984.

Veteran's Administration Disability Pension Payments

Disregard the annual adjustment in a *VA* disability pension as an asset in the month the group receives it. The VA usually makes this benefit adjustment in October.

***SSI* PASS Accounts**
Disregard income of an SSI recipient necessary to fulfill a Plan for Achieving Self Support (PASS) as an asset regardless of the source. This income may be spent in accordance with an approved PASS or deposited into a PASS account.

The *SSA* must approve the individuals PASS in writing, identifying the amount of income that shall be set aside each month to fulfill the PASS.

Nazi Persecution Victims
Disregard as an asset payments under PL 103-286 to victims of Nazi persecution.

Native American Trust Funds
Disregard up to $2000 per calendar year held by an individual Native American which is derived from restricted land or land held in trust by the Department of Interior, Bureau of Indian Affairs.

Student Financial Aid
Disregard student financial aid as an asset as long as the student is enrolled in an institution of higher education. If the student graduates or disenrolls from school, count any remaining available student financial aid as an asset.

Shelters for Battered Women Residents
Disregard assets a food unit living in a shelter for battered women and children owns with someone in its former food unit if agreement of the joint owner still living in the former food unit is needed to access the asset.

4.4.1.5 Liquid Assets

Stocks, Bonds, and Other Investments
Count the current cash value of any available investment that includes, but is not limited to: stocks, bonds, mutual funds, or IRA's. Available means that the asset could be cashed in at any time. Investments that are part of retirement plans are generally not available until someone is of retirement age.

To calculate the net value of investments such as stocks, bonds, or mutual funds, verify the current value(s) as of closing of the market on the day before you do the calculation. For individual stocks or bonds, multiply the value per share times the number of shares. Deduct any losses or penalties charged as a result of a potential sale or early withdrawal.

Loans

Count any loan to a FS group member as an asset, even if the FS group member anticipates spending it in the same month.

Loan Repayments
Count the principal of a loan repayment to a food unit member from a non-food unit member as an asset

Savings and Checking Accounts
Count money deposited in a savings or checking account. Disregard the value of outstanding (uncleared) checks.

Cash
Count any cash on hand as an asset.

US Savings Bonds
Count the cash value of a US Savings Bond unless it is unavailable. A bond is unavailable only if the FS group proves it tried to cash the bond and was refused.

Nonrecurring Lump Sum
Count nonrecurring lump sums beginning with the month of receipt.

Interest Income
Count interest, dividend, and royalty income as an asset if not received directly.

Example 5: Mary has a CD. She receives an interest check every time the CD matures. The interest is income. If she leaves the interest to accumulate, count it as an asset.

4.4.1.6 Divestment

The FS group is not eligible if a member has given away or transferred assets that would have been counted in the eligibility determination:

1. Within 3 months before the date of application or while receiving FS and,
2. The reason for transfer was to become or remain eligible for FS.

The following asset transfers are not divestments:

1. Assets that would have been disregarded.
2. Assets sold or traded at or near their FMV.
3. Assets transferred between members of the same food unit.
4. Assets given away for reasons other than to qualify for or keep FS eligibility. It is the food unit's responsibility to prove the reason for the transfer was other than to create or continue eligibility.
5. Disclaimed inheritance. An inheritance is disclaimed under s. 853.40, Wis. Stats A disclaimer occurs when a beneficiary renounces any claim to an inheritance. A disclaimer is not a divestment as the person disclaiming never gains ownership of the disclaimed asset. The disclaimer must be

filed in the probate court having jurisdiction. It is also filed in the office of the register of deeds in the county in which any real estate is located.

4.4.1.6.1 Period of Ineligibility

Add the value of the divested assets to other countable. Determine how much this total exceeds the FS group's asset limit. Use the Disqualification Chart (8.1.7) to determine the ineligibility period.

Example 6: A 1 person group with $1,250 in savings transferred the ownership of non-homestead property worth $5,650 to a person not in the same FS group. As calculated:
$5,650 = value of property = countable divested value
+1,250 = group's existing assets

$6,900 = total of group's assets and divested value
- 2,000 = group's asset limit

$ 4900 = divested value in excess of group's limit used in calculating the FS disqualification period. Disqualify the group for 9 months.

The period of ineligibility begins at either:

1. The month of application, or
2. The first allotment issued after the notice of adverse action period has expired in an ongoing FS case, unless a Fair Hearing and continuation of benefits is requested.

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4.5 SPECIAL SITUATIONS

4.5.1 INCOME FROM A PRIVATE NON-PROFIT CHARITABLE AGENCY

In a calendar quarter, *disregard* the first $300 received by a household from any private, nonprofit charitable agency. If the application is after the 1st day of a calendar quarter, include the entire quarter in computing the excess. Count any amount over $300 as unearned income. Start in the month in which the overage first shows.

Calendar quarter: 3 consecutive months beginning with January, April, July or October.

Example 1: In April a food unit receives $100 cash from Agency X. In May it gets another $100 in cash from Agency X. In June it gets $250 cash from Agency Z. The calendar quarter total is $450. Disregard the first $300. Count the remaining $150 as unearned income received in June.

Example 2: A household received $80 from a private, nonprofit charitable agency in January, $250 in February, and $210 in March. Include the entire January payment in the calculation, even though received before the unit's application date of 1-23-91. The total $540 for January, February & March is subject to the policy: $540 - $300 = $240.

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4.5.2 LOAN REPAYMENT

Count the principal of a loan repayment to a *FS* group member from a Non FS group member as a liquid asset. Count the interest of a loan repayment to a FS group member from a Non-FS group member as unearned income.

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4.5.3 REIMBURSEMENT

Disregard a reimbursement for an identified expense, other than normal household living expenses, and used for the purpose intended. Assume a reimbursement does not exceed an actual expense unless the provider or food unit says the amount is excessive. If the amount exceeds the actual expense, count the excess as income.

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4.5.4 PROTECTIVE PAYEE AND THIRD PARTY PAYMENTS

When a food unit member is also a protective payee, *disregard* the money s/he receives for the care and maintenance of a third party who is not in the food unit. However, count any portion of the money the member spends for its own household's needs as income to the protective payee.

If a single payment is for the care of a food unit member and a third party not in the food unit, disregard the portion of the payment intended for the third party. When you cannot identify each person's portion, prorate the payment equally.

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4.5.5 NONRECURRING LUMP SUM PAYMENT

Disregard money received as a nonrecurring lump sum payment as income. A nonrecurring lump sum is a payment received only once. Count it as a liquid asset in the month the food unit receives it. Types of nonrecurring lump sum payments include:

1. Income tax refunds, rebates, or credits.
2. Retroactive lump sum insurance settlements.
3. Retroactive *UC* payments.
4. Utility or rental security deposit refunds.
5. Retroactive SS or public assistance payments.
6. Retroactive Caretaker Supplement for Children (CTS; *C-Supp*).
7. *TANF* payments made to divert a family from becoming dependent on welfare, such as Emergency Assistance.

When a combination of current and lump sum payments are received at once, the current amount is income and the nonrecurring amount is an asset.

Example 1: A group member receives *SSA* benefits. In June, she gets a $950 check. $430 is for the current month (June) and $520 is a retroactive payment for underpayments in February and March. The $430 is income and the $520 is an asset.

A recurring payment, received in two or more monthly installments, is income. Exceptions are *EITC* and *SSI* Retroactive Installment Payments.

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4.5.6 REPAYMENTS

4.5.6.1 Repayments due to a W-2 IPV
4.5.6.2 Repayments for means tested sources that are withheld
4.5.6.3 Repayments for means tested sources that are paid out of pocket
4.5.6.4 Repayments for non-means tested sources that are withheld
4.5.6.5 Repayments for non-means tested sources that are paid out of pocket
4.5.6.6 SSI Repayments
4.5.6.7 Earned Income Repayments
4.5.6.8 General Relief / Interim Assistance
4.5.6.9 Jury Duty
4.5.6.10 Vendor Payments

Repayments are moneys that are paid back either voluntarily or involuntarily from some other program's benefits. Intentional failure to comply with program requirements is determined by the authorities for that program. Contact those authorities to determine the reason for repayments. The amount of a repayment that should be used to determine eligibility and benefits varies depending on the source and reason for the repayment See the sections below for specific repayment policy based on the source and reason of the repayment.

For all repayments, *disregard* no more than the current payment from that source. Disregard income that is mixed with other types of income and used to repay an overpayment back to the source of the income.

Example 1: Ted receives $50 each month in *VA* benefits and $250 in Social Security benefits. The VA overpaid him by $200. If he pays back $50 each month to the VA, do not budget the $50 as income. If he pays back $75 each month, disregard only $50. Budget the remaining $25 because it isn't money from the source of the overpayment. Remember that his VA benefits are only $50 a month. The $25 is probably from his Social Security benefits.

4.5.6.1 Repayments due to a W-2 IPV

When a repayment is due to an intentional failure to comply with *W-2* program requirements, count any portion of that program's benefit that is withheld as a repayment.

4.5.6.2 Repayments for means tested sources that are withheld

Disregard repayments (not due to a *FS IPV*) from benefits payable to the food unit that are withheld from a means-tested assistance payment or other source of income due to an overpayment.

An assistance payment is any benefit provided by a means tested program funded by federal, state, or local funds. Means tested programs are those which base eligibility on income and assets. These include, but are not limited to, W-2 and the Refugee Assistance Program.

Example 2: Kim received an overpayment of $100 from W-2 (not due to IPV). She has $10 a month withheld from her $673 W-2 check to repay the overpayment. Disregard the $10 monthly until the $100 is repaid. Her net check is now $663. Budget the net amount of $663 for FS.

4.5.6.3 Repayments for means tested sources that are paid out of pocket

Disregard repayments (not due to a FS IPV) from out of pocket or from non-means tested benefits to repay an overpayment for a means-tested program.

An assistance payment is any benefit provided by a means tested program funded by federal, state, or local funds. Means tested programs are those which base eligibility on income and assets. These include, but are not limited to, W-2, *SSI* and the Refugee Assistance Program.

Example 3: Kim received an overpayment of $100 from W-2 (not due to IPV). She has agreed to make a one time payment of $100 in June to pay this back. Her June W-2 benefit was $673. Budget the net amount of $573 ($673 - $100) for FS for June.

Example 4: Money taken from a non-means tested program (SSDI) or out of pocket payments used to repay an overpayment for a means-tested program (SSI) are not counted as income when determining FS eligibility. Budget the net SSDI.

4.5.6.4 Repayments for non-means tested sources that are withheld

Disregard repayments (not due to a FS IPV) from benefits payable to the food unit that are withheld from a non means-tested assistance payment or other source of income due to an overpayment.

Non-means tested programs are those which do not base eligibility on income and assets. Social Security and Unemployment Compensation (*UC*) are examples of a non-means tested source.

Example 5: Pao receives FS and Unemployment Compensation (UC). UC is not a means tested program. Pao had an overpayment in his UC and $25 is being recouped in his current checks. His gross is $500 and his net is $475. Budget the net $475 as income for FS.

4.5.6.5 Repayments for non-means tested sources that are paid out of pocket

Disregard out of pocket payments (not due to a FS IPV) to a prior non-means tested overpayment received from that source.

Non-means tested programs are those which do not base eligibility on income and assets. Social Security and Unemployment Compensation (UC) are examples of a non-means tested source.

Example 6: Val incurred a $20 overpayment from Social Security. SS income is not means tested. Val cashes her $726 SS check and uses the money to repay the $20 overpayment. Disregard the $20 and budget $706 for FS. If she used the $20 to repay other types of overpayments, such as VA or W-2, count it as income because the repayment isn't from the same source.

4.5.6.6 SSI Repayments

Always budget net SSI regardless of the reason for any overpayment.

4.5.6.7 Earned Income Repayments

Disregard earned income used to repay an overpayment received earlier from that same source. Do not disregard more than the current amount of payment from that source. Disregard earned income for this reason even if the earnings are mixed with other types of income and used to repay an overpayment.

Example 7: Jill works part-time for $50 (net) a month and receives $250 a month in Social Security (*SSA*) benefits. She is overpaid by her employer's error by $200. If she pays back $50 a month to the employer, do not count that

$50. If she pays back $75 a month, only $50 (equal to her regularly received earned income from the overpayment source) is not counted. The other $25 is paid from her SSA benefit and is counted.

4.5.6.8 General Relief / Interim Assistance

The state of Wisconsin no longer administers a General Relief (*GR*) program. However, some local agencies administer their own GR or Interim Assistance (*IA*) program.

Count GR payments, including work relief, as income unless the payments can be excluded. For example, disregard GR vendor payments made to *homeless* people in transitional or temporary housing.

Do NOT count IA as income. Since there are always repayment agreements for IA , it is considered a loan to be repaid and should not be budgeted as income.

4.5.6.9 Jury Duty

Since the method of payment for jury duty varies by jurisdiction, determine the specific manner in which an individual is being compensated before deciding how to count it. Count any portion of the payment which is over expenses as earned income, to be budgeted in the month received, assuming payment is made within the jurisdiction's usual payment is paid beyond this period.

If all or a portion of the jury duty payment is attributable to expenses incurred while serving (such as transportation costs), disregard this portion as a reimbursement

4.5.6.10 Vendor Payments

A vendor payment is diverted by the provider of the payment to a 3rd party for an expense of the FS group. Vendor payments may be counted or disregarded as income. Ask, "Is the vendor payment something legally obligated to the FS group?" If yes, count the vendor payment or benefit as income.

Examples of vendor payments counted as income are:

1. Garnished wages paid to a 3rd party for a FS group's debts or expenses such as rent.
2. W-2 and GR payments that are not paid directly to the recipient. These include vendored or vouchered payments and those paid to a protective payee. Count them as unearned income.

3. Vendored W-2 and GR payments made to a third party for homeless FS groups living in transitional or temporary housing
4. Money deducted or diverted from a binding written support or alimony payment to a 3rd party for a FS group's expense. This includes court ordered support or alimony payments.
5. Educational loans on which payment is deferred, grants, scholarships, fellowships, Veteran's educational benefits and the like, provided to a 3rd party on behalf of the FS group for living expenses such as rent or mortgage, clothing or food eaten at home.
6. Unemployment compensation benefits intercepted by *CS* agencies.

Some examples of disregarded vendor payments are:

1. Payments in behalf of the FS group made by a relative who is not a member of the FS group as a gift or other contribution.
2. Rental payments made by *HUD* to a landlord.
3. Payments made by a government agency directly to a *child* care institution to provide for a FS group member
4. Payment of a group's medical bills made directly to the medical provider by any 3rd party, such as an insurance company or GR.
5. Payments specified by a court order or other legally binding agreement to go directly to a 3rd party instead of the FS group are excluded because they are not otherwise payable to the household.
6. Support payments not required by a court order or other legally binding agreement paid to a 3rd party rather than the FS group. This included payment over the amount specified in a court order or written agreement.
7. Educational aid that is paid to a 3rd party rather than the FS group for purposes other than living expense. A vendor payment to a school for tuition is an example.
8. Emergency assistance from state or local funds which is over and above the assistance grant (s).
9. Payments made by the State of Wisconsin for Medicare Part A and B coverage under the QMB, SLMB, or ALMB programs.

Example 8: In Fred and Tina's divorce judgment the court orders Fred to pay $400 a month in child support. In addition, the court orders Fred to pay $200 a month to a health insurance company for the children's health care coverage. The $400 is counted as income to Tina's household and the $200 is excluded from income, because it is not otherwise owed to the food unit.

Example 9: Xao loses all his belongs in a fire. An emergency payment voucher is given to a clothing store. Disregard the payment as it is an extra payment used for an emergency.

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4.6 DEDUCTIONS AND EXPENSES

4.6.1 DEDUCTIONS AND EXPENSES

4.6.1.1 Calculation Period
4.6.1.2 Fluctuating & Irregular Costs
4.6.1.3 One-time Costs
4.6.1.4 Converting Expenses To Monthly Amounts

7 CFR 273.9(d)

A *FS* group may be eligible for 6 deductions from gross income in the monthly budget that determines their benefit allotment. These deductions are: a standard deduction, an earned income deduction, a medical expenses deduction, a *child* support payment deduction, a dependent care expense deduction, and a shelter expense deduction. Some FS groups are not allowed a deduction for some expenses and some expenses are not always deducted in full.

The amount of the monthly expenses used to determine these deductions is determined prospectively using the best verified information available.

Do not allow a deduction from any disregarded income. Make deductions only from countable income.

If the food unit fails to report or verify an expense, the deduction is not allowed.

4.6.1.1 Calculation Period

Most allowable expenses are deducted in the month in which the expense is expected to be billed, not the month the expense is paid.

Example 1: Include in the group's shelter expenses rent that is due each month even if the group has not yet paid the expense.

4.6.1.2 Fluctuating & Irregular Costs

A food unit may choose to average an allowable deduction when the costs fluctuate or are billed on other than a monthly basis. If there is a regular interval between billing periods, average the expense over those periods. If there is no regular interval, average the expense over the period the expense is intended to cover.

4.6.1.3 One-time Costs

The food unit can count a one time only expense as 1 time deduction or average it over the certification period. If it chooses averaging, average it over the remaining months in the certification period following the report of the expense.

The amount of the monthly expenses used to determine these deductions is determined prospectively using the best verified information available.

4.6.1.4 Converting Expenses To Monthly Amounts

Expenses that are billed more or less than monthly must be converted to monthly amounts:

- 2 for semi-monthly expenses (billed 2 times per month)
- 2.15 for bi-weekly expenses (billed every 2 weeks)
- 4.3 for weekly expenses (billed each week)

If there is no regular interval between billing periods, average the expense over the period the expense is intended to cover.

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4.6.2 STANDARD DEDUCTION

The standard deduction is subtracted from all countable gross income in the *FS* eligibility determination. The standard deduction varies depending on FS group size and is adjusted annually by the federal government. (See 8.1.3 Deductions)

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4.6.3 EARNED INCOME DEDUCTION

The earned income deduction is 20% of the gross monthly countable earned income of the *FS* group. This deduction is intended to offset work-related expenses such as taxes and social security withheld from wages.

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4.6.4 MEDICAL EXPENSES

4.6.4.1 Allowable Medical Expenses
4.6.4.2 Medical Expenses Not Allowed
4.6.4.3 Budgeting Medical Expenses including MA Deductible Expenses
4.6.4.4 Treatment of Medical Expense Deductions for Medicare Prescription Drug Discount Cardholders

The medical expense deduction is determined using verified allowable monthly medical expenses incurred by elderly, blind, or disabled *FS* group members exceeding $35 per month.

4.6.4.1 Allowable Medical Expenses

Allow previously acquired charges (not yet paid) and current payments when calculating a medical expense deduction. Previously acquired charges include

charges incurred anytime before or during the certification period, as long as the individual has an agreement to pay the charges and is still obligated for the expense.

Past unpaid medical bills can be used to prospectively budget recurring medical expenses at application or recertification.

One time medical expenses (i.e. hospital bills) can be budgeted for one month or averaged over the remaining certification period.

Medical expense payments made during the certification period are allowable. Medical expenses paid prior to the certification period are not allowable.

Example 1: Jack has surgery in January and receives a hospital bill for $400 in February. Jack then applies and becomes eligible for FS in April. At the time of application, Jack has not made any payments toward the medical bill. The *ESS* can use the entire $400 hospital bill when calculating Jack's medical expense deduction.

Example 2: Jack has surgery in January and receives a hospital bill for $400 in February. He makes his first $50 monthly payment toward his medical bill in March. Jack then applies and becomes eligible for FS in April. The ESS cannot use the $50 March payment when calculating the medical expense deduction. The worker can, however, use the remaining $350 of the hospital bill ($400 - $50 = $350) to calculate the deduction.

Allowable medical expenses are:

1. Medical and dental care including psychotherapy and rehabilitation services provided by a state licensed practitioner or other qualified health professionals, including chiropractors and acupuncturists.
2. Hospitalization or outpatient treatment, nursing and nursing home care. This includes payments by the FS group for a person who was a FS group member immediately before entering a state recognized hospital or nursing home.
3. Prescription drugs when prescribed by a licensed medical practitioner authorized under state law. This includes the cost of postage for mail-order prescription drugs.
4. Over-the-counter medication (including insulin) when approved by a licensed practitioner or other qualified health professional.
5. Sickroom equipment (including rental), or other pre-scribed equipment, and medical supplies.
6. Health and hospitalization insurance premiums, including Medicare premiums. Nursing home care insurance policies are deductible only if the policy states that the benefits are intended to pay medical bills - then it is

reasonable to conclude that the household member intends to use the benefits for paying medical bills rather than normal living expenses.

Only allow the premium of the elderly, disabled, or blind food unit member. For example, a mother pays $165 for herself and her disabled son. If she only covered herself the payment would be $100, therefore $65 is the expense for the *child*. Count the $65 as an allowed medical expense.

In the absence of specific information on how much of a premium is for the eligible food unit member, prorate the premium and allow the *EBD* member's portion of the premium as the expense.

7. Dentures, hearing aids, and prosthetics.
8. Purchase and maintenance costs of any animal specifically trained to perform some function that the member cannot readily perform or help compensate for a physical condition, to serve the needs of disabled program participants, including the cost of food and veterinarian care.

The trainer does not need to have any special credentials and can be the person claiming the deduction as long as the animal is trained to do a specific function the owner cannot do for themselves.

Reimbursement for these expenses is an allowable deduction if:

a. It does not exceed the actual expense.
b. It does not represent a gain or benefit to the household as do normal living expenses such as rent or mortgage, personal clothing or food eaten in the home.
c. It is provided specifically for an identified expense.
d. It is used for the purpose intended.

9. Eye glasses and contact lenses prescribed by an ophthalmologist or optometrist.
10. Reasonable cost of transportation and lodging to obtain medical care. For transportation, allow:
    a. The actual cost of the public carrier; or,
    b. If a private vehicle, the lesser of the mileage rate paid by the county or by the state for unrepresented state employees. See http://www.dhfs.state.wi.us/bfs/pdf/APP/Travel/trav10.pdf to obtain the current state rates.
11. Charges for an attendant, homemaker, home health aide, child care, or housekeeper necessary due to age, infirmity or illness.

Treat attendant care costs that qualify either as a medical or dependent care deduction as a medical deduction. Deduct an amount equal to the 1 person allotment if the household furnishes the majority of the attendant's meals. Use the allotment in effect the last time eligibility was determined. You must update the amount at the next scheduled review but may do so earlier.

12. Any cost-sharing, co-payment, or *MA* deductible expense incurred by an MA recipient, including MA deductible pre-payments.

13. Payments made on a loan's principal if it was used to pay a one-time medical expense. Do not allow loan expenses, such as interest.
14. BadgerCare and Medicaid Purchase Plan (MAPP) premiums.
15. The SeniorCare enrollment fee.
16. Lifeline / MedicAlert. The costs of Lifeline or MedicAlert devices used by persons to contact medical help in emergencies are an allowable medical expense deduction for FoodShare benefits if prescribed by a licensed practitioner or other qualified health professional.

4.6.4.2 Medical Expenses Not Allowed

Do not allow:

1. Expenses paid by or that will be paid by insurance.
2. Expenses paid by or to be paid by any governmental program, including MA and Medicare, except discounts or subsidies authorized through the Medicare-Approved Prescription Drug Discount Card. Any discounts and Transitional Assistance subsidies through the Medicare-Approved Drug Discount Card used to purchase drugs are disregarded when determining the amount of the food unit's medical expense deduction.
3. Costs of health and accident policies such as: any payable in lump sum settlements for dismemberment or death, or income maintenance policies covering mortgage or loan payments while the beneficiary is disabled.
4. Loan repayments for anything other than the loan's principal.
5. Premiums for nursing home insurance policies that would not be used to cover allowed medical expenses.
6. Lying in costs for the birth of a child.

4.6.4.3 Budgeting Medical Expenses including MA Deductible Expenses

Medicare premiums and any cost-sharing or deductible expenses incurred by MA recipients are allowable medical expense deductions. The deductible expenses actually incurred, or anticipated to be incurred on a monthly basis may be used to determine the amount of the FS medical expense deduction. The MA deductible amount itself does not necessarily determine the amount of the FS medical expense deduction, and should not automatically be averaged over the FS certification period to arrive at an excess medical expense deduction. Only allow the medical expenses incurred by elderly, disabled, or blind FS group members.

Example 3: A FS group member has a MA deductible of $400 for a 6 month MA certification period. Based on the verified expenses in the previous 6 months, the person anticipates he will incur $100 per month in medical expenses. Enter $100 in expenses on the Medical Expense page in *CARES* and CARES will allow $65 in excess medical expenses for each month ($100 - $35 = $65). When the FS/MA group member meets the MA deductible and MA

opens, the worker should remove the monthly excess medical deduction. Remember to check the medical expense screens whenever MA opens and adjust the expenses accordingly.

However, if an individual makes a pre-payment or incurs a one time medical expense that may be used to meet the MA deductible, s/he has 4 choices in how that expense will be counted as a FS medical expense deduction:

1. Deduct it as a lump sum for 1 month, or
2. Enter into a payment plan with the medical provider and claim the monthly payment obligation under the payment plan. The monthly obligation can be claimed for as long as the original payment plan is in place, however amounts still due after they were budgeted during a previous FS certification period may not be included as part of the monthly expense. No incurred expense can be counted more than once, or
3. Choose to average the one time medical expense over the remaining months of the FS certification period. The averaging of the one time medical expense cannot extend past the certification period in which the expense was originally counted.
4. Choose to average the one-time medical expense over the period it was intended to cover.

Example 4: A FS group member who is disabled has a MA deductible of $600. He meets the deductible with a one-time expense of $850. He chooses to average the expense over the period it was intended to cover. The worker averages the non-reimbursable portion of the expense, $600, over the remaining months of the MA deductible period.

Example 5: A customer is certified for 12 months for FS and 6 months for MA with an $800 deductible. During month 2 the customer incurs a one-time medical expense of $4000. The MA deductible is met and the person becomes eligible for MA for the rest of the MA certification period. The non-reimbursable amount is $800 since MA pays the remainder of the bill after the deductible is met. For purposes of FS eligibility, s/he can do 1 of these:

1. Choose to have the entire non-reimbursable expense ($800) applied to one month as an excess expense in the next possible benefit month.
2. Enter into a payment plan with the provider and the incurred monthly payment amount due is used to determine the excess medical expense. The payment plan can extend beyond the FS certification period as long as no part of the medical expense is counted more than once. For instance, if the payment plan calls for $40 payments to be made each month for 20 months, the $40 expense can be counted each month for 20 months. However, if the client falls behind in the payment plan and in the 21st month enters into a second payment plan to cover the remaining balance, DO NOT allow the remaining balance as a medical expense because it was already deducted during the previous 20

months.

3. Request that the $800 be averaged over the remaining 10 months of the FS certification period. In which case, the monthly excess medical expense deduction would be:

   $80 - $35 = $45 each month for 10 months.

4. Request that the $800 be averaged over the remaining 4 months of the MA certification period, or the period the expense is intended to cover. In which case, the monthly excess medical expense deduction would be $200 - $35 = $165 each month for 4 months.

The second option is also available when a client is billed for an allowable one-time medical expense prior to certification and has arranged to pay the expense on monthly basis over a period of time. If during this period of time the client applies for FS, the monthly installment amount due is an allowable expense for the excess medical deduction.

Except when an expense is averaged during a certification period, the expense should be budgeted in the month it is billed or otherwise becomes due, regardless of when the client intends to pay the expense. Allow the expense in the next possible benefit month. Under all of the one-time medical expense options, the amount incurred (not amount paid) is counted. The client may or may not pay the bill, that is why it is important to make sure that the expense is not counted more than once.

4.6.4.4 Treatment of Medical Expense Deductions for Medicare Prescription Drug Discount Cardholders

Under Medicare Part D, only unreimbursed out-of-pocket expenses for prescription drugs are considered when determining a HH's medical expense deduction.

Medicare-Approved Drug Discount Cards and Transitional Assistance subsidies were phased out May 15, 2006.

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4.6.5 CHILD SUPPORT PAYMENT DEDUCTION

4.6.5.1 Child Support Payment Introduction
4.6.5.2 Allowable Child Support Expenses
4.6.5.3 Child Support Expenses Not Allowed
4.6.5.4 Family Support

4.6.5.1 Child Support Payment Introduction

The current, court ordered *child* support obligation amounts are allowed as a *FS* deduction. This information is obtainable through court records and/or the *KIDS* system. (Process Help Chapter 62.3 Child Support Court Ordered Amount) The amount an individual is obligated to pay is allowed as a deduction, without consideration for actual payments made. Update ongoing cases at review (recertification), SMRF or reported change.

A child support deduction can still be claimed by FS applicants and members who make regular child support payments but do not have a court order in place. In these cases, determine a deduction amount using verification such as:

- Cancelled checks,
- Written documentation between the two parties agreeing to the arrangement,
- Bank statements, **or**
- Check stubs

Example 1: Mike has an agreement with Terri for their child in common to pay $250 a month for child support. Obtain a statement from Mike and Terri

regarding their payment arrangement or use other documentation to establish proof of the deduction.

Average allowable deduction costs when they fluctuate on a monthly basis. If there is a regular interval between billing periods, average the expense over those periods.

Deduct the court-ordered and non-court ordered (if payments are made on a regular basis) child support obligation by FS FoodShare group members to or for a non-food unit member. In the situation where the custodial and non-custodial parents reunite in one food unit while one *parent* continues to pay child support under court order to the county/state agency, that food unit can not deduct the child support paid. If it comes back into the food unit from the agency it is not counted as income.

The situation of a parent obligated for paying child support for a child living in his or her own food unit also occurs when the child moves between the parents' two residences and one or both parents are under a court order to pay child support. The child support cannot be passed directly from parent to parent, it must first be paid to an individual or agency outside the household.

If a child support obligation exists for a non-custodial parent (*NCP*) to an individual or agency outside the household for a child that currently resides with the NCP, allow the deduction for the NCP.

Determine the child support deduction amount by

1. Verifying the obligated amount listed on a court order in KIDS **or**
2. Using a record of payment for non-court ordered payments.

4.6.5.2 Allowable Child Support Expenses

Allowable child support obligations are:

1. Arrearages,
2. Legal obligation for a non-food unit member to pay for things such as rent or mortgage payment,
3. Legal obligation for health insurance payments,
4. A prorated share of child support paid by ineligible members, **or**
5. Non-court ordered child support payments that are made on a regular basis

4.6.5.3 Child Support Expenses Not Allowed

CFR 273.9(d)(5)}

Do not allow:
1. Maintenance,
2. Payments made in accord with a property settlement.
3. Lying in costs for the birth of a child.
4. The annual child support R&D fee, **or**
5. An employer's check withholding fee.

4.6.5.4 Family Support

If the worker is unable to determine which part of a family support payment is child support, prorate the payment among the group members it is intended for and exclude the spouse's share as a deduction.

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4.6.6 DEPENDENT CARE DEDUCTION

Determine the monthly allowable dependent care expenses if the dependent care is necessary to enable an individual in the food unit to:
1. Keep or obtain employment,
2. Get training or education preparatory for employment,
3. Comply with employment and training requirements (*FSET*), **or**
4. Maintain a spot for their *child*(ren) with their current dependent care provider if one or both parents temporarily lose their ability to meet one of the above requirements.

Do not allow the deduction unless the dependent care is necessary and there is not a capable *parent* available in the food group to provide dependent care.

Example 1: Tim and Jane are married and have one child. Jane states that their child attends daycare two days a week while she looks for work. Although she states that Tim is capable of caring for the children, he is not currently participating in any of the four activities listed above. Do not allow the dependent care deduction.

Example 2: A married couple, Mary and Ian, send their children to Sprouts Daycare while Mary works and Ian attends college. Mary was notified that she will be laid off for one or more months. Mary and Ian are required to make ongoing payments to Sprouts Daycare, whether or not their children attend, in order to maintain a spot for their children at the daycare. Allow the dependent care deduction. Changes in circumstances will be captured at their next review or if they report a change in income that exceeds reduced reporting limits.

Effective October 1, 2008 applicants and members can deduct the total monthly dependent care costs. There is no longer a cap at $175 or $200.

The provider of the dependent care cannot be a member of the food unit.

Do not allow in-kind payments as a deduction. This includes free rent in exchange for child care. In this case, no income is counted, no rent deduction is allowed, and no child care deduction is allowed.

Example 2: A food unit member is a dependent care provider. S/he is compensated for providing dependent care by paying no rent. Do not allow the dependent care deduction.

Do not allow a dependent care deduction for the portion an agency pays directly to the dependent care provider. Deduct any amount the group actually incurs or pays above the vendored, vouchered, or reimbursed payment.

Transportation provided by the child care provider, which is not reimbursed through a child care authorization, is an allowable deduction when the transportation is necessary for the household member to seek or maintain employment.

See the Child Day Care Manual, Chapter 3, for further child care policy instructions regarding:

1. *W-2* Child Care recipients who are also FSET or Learnfare participants. They may not have a co-pay obligation
2. Costs above Child Care Deduction.

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4.6.7 SHELTER AND UTILITY DEDUCTION

4.6.7.1 Shelter and Utility Deduction Introduction
4.6.7.2 Allowable Shelter Expenses
4.6.7.3 Standard Utility Allowances
4.6.7.4 Shelter Deduction During a Temporary Absence
4.6.7.5 Shelter Deductions for Group Living Arrangement Residents
4.6.7.6 Shelter Deduction for Homeless Food Units

4.6.7.1 Shelter and Utility Deduction Introduction

The shelter deduction is determined by the food unit’s reported and verified monthly expense obligation for the current *residence* for shelter.

Deduct shelter and utility obligation amounts (not actual amount paid) which exceed 50% of the food unit's net income after all other deductions are made. If shelter and utility obligation amounts (not actual amount paid) are less than 50% of the food unit's income, do not allow a deduction.

The shelter and utility deduction cannot exceed the shelter maximum unless the food unit includes an elderly, blind, or disabled individual. Food units that include elderly, blind, or disabled individuals have no shelter cap.

Private payments and loans
Sometimes a relative or friend who is not a food unit member will pay the food unit's shelter directly to the provider or landlord on behalf of the food unit. In such cases, the eligibility worker should determine if the payment is a loan.

If the payment is a loan, it is excluded from income, and the expense is allowed in the shelter computation. If the payment is not a loan and a relative or friend makes the vendor payment, it must be excluded from income and the shelter expense is not allowed as a deduction.

4.6.7.2 Allowable Shelter Expenses

Shelter expenses that are deductible include:

1. Rent
2. Home mortgage and property taxes (if not in the mortgage)
3. Countable utility expenses
4. Mobile home lot rent and loan payments

5. Insurance on the structure (if not included in the mortgage). If a household has a homeowner's insurance policy that includes insurance on the structure and household contents, but the costs cannot be separately identified, the total cost is allowable. **Note**: renter's insurance is not an allowable shelter deduction.
6. Second mortgages (regardless of what the mortgage is used for)
7. Special assessments.
8. Condominium fees or condo association fees.

Do not count as shelter or utility expenses such surcharges as pet expenses, extra garage rentals, or air conditioning surcharges. The monthly amount of rent should be taken into consideration each month when the shelter deduction is determined without regard to when the rent is actually paid. Only allow current monthly expenses. DO NOT include arrearages, late charges or discounts for early payment.

Disregard HUD US Department of Housing & Urban Development and *FMHA* Farmer's Home Administration payments paid directly to the landlord or mortgage holder as an expense. Only include the amount the household owes after the HUD or FMHA payments as a rent expense.

Do not allow in-kind payments as a shelter deduction. This includes arrangements such as receiving free rent for providing *child* a person's biological, step, or adopted son or daughter, regardless of age, care, or other services. In these situations, no rent deduction is allowed, no income is counted and no child care deduction is allowed.

Include costs for the repair of damages to the *FS* FoodShare group's home due to a natural disaster as a shelter expense. Examples of natural disasters are fires, floods, hurricanes, and tornadoes.

Do not count expenses for repairs that have been or will be reimbursed to the food unit by any private or public relief agency, insurance company, or any other source.

If anyone in the household shares the shelter cost with the FS FoodShare group, create a separate shelter screen for each contributor, using the correct obligation amount for which each contributor is responsible.

When a self employed person claims the total shelter costs as a business expense, do not allow any shelter deduction. If a they claim a percentage of the shelter costs as a business expense, the remaining percentage is a shelter deduction.

4.6.7.3 Standard Utility Allowances

Effective April 1, 2009, all FS Assistance Groups will receive the full heating standard utility allowance (HSUA) in the FoodShare budget. Wisconsin FoodShare has received approval from the Food and Nutrition Service (*FNS*) to expand eligibility for the HSUA to all FS households that anticipate receiving an energy assistance payment..

All FS households can reasonably anticipate that they will receive an annual energy assistance payment of at least $1. At the end of each state fiscal year (most likely in June) *DHS* will implement a reconciliation tape match with the Department of Administration to determine which FS households did not already receive a WHEAP payment. Once this match is completed DHS will add a $1 benefit (in lieu of a WHEAP payment) to the FS household's EBT card.

The actual date of the energy assistance payment is not important; anticipation of the payment is. Households receiving FS do not need to wait until they receive an energy assistance payment to be eligible for the HSUA, because they can anticipate receipt of either $1 of energy assistance or a WHEAP payment.

Verification of receipt of WHEAP or obligation of a heating expense is no longer required to receive the HSUA. Verification of other utilities is also no longer required since the HSUA is the highest utility standard.

See 8.1.3 Deductions for the current amount.

4.6.7.4 Shelter Deduction During a Temporary Absence

Allow shelter and utility expenses for a dwelling. The food unit is temporarily absent from when the absence is caused by:

1. Employment or training away from home,
2. Illness, **or**
3. Abandonment due to a natural disaster or casualty loss.

Do not deduct shelter or utility expenses if:

1. The food unit does not intend to return to the home, or
2. Any current occupants of the home receive FS and are being allowed the shelter and/or utility expense deductions, **or**
3. The food unit rents or leases the home to others during their absence.

4.6.7.5 Shelter Deductions for Group Living Arrangement Residents

Allow the appropriate utility allowance for a resident of a qualified group home if the utilities are identified separately. Residents of group living arrangements have no limit on the amount used as a shelter deduction because they are disabled. Allow shelter and medical deductions for room and medical costs that can be separately identified.

Sometimes room, meals, and medical costs cannot be identified separately. If the cost of room and meals are combined into one amount, the amount of the payment that exceeds the maximum allotment for a one-person food group can be used as the shelter deduction.

If the amount paid for medical and shelter cost cannot be separately identified by the group home, no deduction is allowed for the cost.

Example 1: Bev pays the *CBRF* Community Based Residential Facility $500 and receives shelter, meals, and medical care from the CBRF. Separate costs cannot be identified. Do not allow a deduction.

Example 2: Shirley is in a CBRF and her room and meal costs are combined into one amount of $600 per month. Separate costs cannot be identified. A one person allotment is $200. $600 - $200 = $400. The shelter expense is $400.

4.6.7.6 Shelter Deduction for Homeless Food Units

Homeless food units may be eligible for a shelter deduction using shelter expenses if they incur monthly expenses for shelter and a standard utility allowance (4.6.7.3) if they reasonably anticipate receiving an energy assistance payment.

Determine eligibility for shelter residents using only their income and assets. Include only expenses they are responsible for. Count room payments to the shelter in the food unit's shelter expenses.

Do not include back payments on previously owed shelter expenses since the expenses were incurred before the budgeting period. The exception to this is vendor payments that must be repaid. Food units who have shelter expenses paid with a vendor payment can count the actual shelter costs if they repay the vendor payment.

Example 3: *GR* pays Gwen's shelter expenses while she is living in a homeless shelter during March. She agrees to pay the money back when she starts work. She is employed in April and moves. She incurs her March shelter costs in April since that is when she is expected to repay the GR payment. Her new shelter costs also are due in April. Include both March and April shelter costs for April.

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4.7 DEEMING

4.7.1 DEEMING

Deem means allocate income and/or expenses to the food group from an individual not in the food group. Deeming occurs regardless of whether the allocated amounts change hands.

Deeming may occur for sponsored aliens, or for members of the food unit, who are not included in the food group due to non-financial ineligibility.

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4.7.2 DEEMING FROM A SPONSOR

4.7.2.1 Exemptions from Sponsor Deeming
4.7.2.2 Indigence Exemption
4.7.2.3 Sponsor Liability
4.7.2.4 Verification of Sponsor's Income
4.7.2.5 Exempt Immigrants

A sponsor is a person who executes an affidavit of support or similar agreement for an Immigrant. The agreement is a condition of the immigrant's entry into the US promising to provide enough support to maintain the immigrant at or above the 125 percent of the poverty level.

There are two different affidavits of sponsor deeming. Those signed prior to December 19, 1997 (I-134), and those signed on or after December 19, 1997 (I-864).

I-134 (pre- PRWORA)
The I-134 form was the primary affidavit of support form used by *INS* before December 19, 1997; it is still used in some limited cases for immigrants who enter after that date.

Deeming applies for only the first three years in the United States. *Deem* the income of the sponsor and the sponsor's *spouse* (if living together), to determine the immigrants eligibility.

I-864.
No time limit on deeming unless exemption criteria exist (4.7.2.1) or sponsor liability ends (4.7.2.3).

4.7.2.1 Exemptions from Sponsor Deeming

1. Immigrants whose sponsor has not signed a legally binding affidavit of support. This applies to immigrants whose sponsors signed affidavits of support before December 19, 1997. Immigrants, such as refugees, who are sponsored by an organization or group who also fall into this category.
2. Immigrants without sponsors.
3. Battered Spouse or *Child* Exception.
4. Sponsor in the same household. When the sponsor lives in the same household as the immigrant they are considered as one food group. Deeming does not apply because the sponsor's income is already counted. There is no deeming exemption if the sponsor receives FoodShare benefits in another household.
5. Children.
6. Indigent Exemption

4.7.2.2 Indigence Exemption

If the immigrant's household income, including any cash or in-kind assistance provided by the sponsor or others, does not exceed 130 percent of the poverty income limit for the household's size, the immigrant is entitled to an indigence exemption from deeming.

An immigrant who satisfies the indigence exemption criteria is exempt from deeming for 12 months and may be renewed for additional 12-month periods.

4.7.2.3 Sponsor Liability

Deeming of a sponsor's income lasts until:
1. The immigrant becomes a naturalized citizen.
2. The immigrant obtains 40 qualifying quarters of work.
3. The sponsor leaves the U.S.
4. The sponsor becomes exempt from deeming
5. The sponsor of the immigrant dies.
6. The sponsor signed I-134 (pre- PRWORA) and deeming applies for only the first three years in the United States.

4.7.2.4 Verification of Sponsor's Income

The eligible sponsored immigrant is responsible for obtaining the cooperation of the sponsor and for providing the agency with the information and documentation necessary to calculate deemed income. Follow normal verification procedures and change reporting requirements. Assist the sponsored immigrant if needed. If necessary, INS through its SAVE program can provide the sponsor's name, *address*, and *SSN*.

The immigrant or immigrant's spouse must provide:

1. The income of the immigrant's sponsor at the time the immigrant applies for *FS*. Include income of the sponsor's spouse (if living with the sponsor).
2. The number of other immigrants for whom the sponsor has signed an affidavit of support or similar agreement.
3. The provision of the INA the immigrant was admitted under.
4. The date of the immigrant's entry or admission as a lawful permanent resident as established by INS.
5. The immigrant's date and place of birth, and immigrant registration number.
6. The number of dependents for Federal income tax purposes claimed by the sponsor and the sponsor's spouse (if living with the sponsor).

The sponsored immigrant is ineligible if verification is not received timely. S/he is ineligible until verification is received. If the immigrant refuses to provide needed information, other *adult* members of the immigrant's food unit must do so. If the same sponsor is responsible for the entire food group, the entire food group is ineligible until verification is provided.

4.7.2.5 Exempt Immigrants

Do not *deem* to any immigrant who has been:

1. Admitted to the U.S. through Deportation Withheld section 243 or 241 of the INA.
2. Admitted to the United States as a refugee as a result of an application, after March 31, 1980, under section 207 of the INA.
3. Paroled into the United States as a refugee under section 212(d)(5) of the INA.
4. Granted political asylum by the Attorney General under section 208 of the INA.
5. A Cuban and Haitian entrant, as defined in section 501(e) of the Refugee Education Assistance Act of 1980 (PL 96-442).
6. The dependent *child* of the sponsor or the sponsor's spouse.
7. Sponsored by an organization.

8. Admitted as a conditional entrant under section 203(a)(7) of the INA.

In addition, do not apply PRWORA sponsor deeming rules to:

9. A battered immigrant (adult or child) or the *parent* of a battered immigrant child, or the child of a battered parent as defined in 04.02.03.01, who are no longer living with the batterer, and who have demonstrated a substantial connection between the need for FS and the battering. This exemption lasts for a period of 12 months from the date of application. After 12 months the battered immigrants continue to be exempt from deeming with regard to the resources and income of the batterer only.

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4.7.3 DEEMING FROM INELIGIBLE FOOD UNIT MEMBERS

If an individual food unit member has been kept out or removed from the *FS* group, it may be necessary to *deem* his or her income and/or expenses to the remaining food group as part of the eligibility and benefit determination. In some cases a pro-rated share of the ineligible individual’s income or expenses is deemed to the food group. In other cases the ineligible individual’s gross income or expenses are deemed to the group. In still other situations, only the amount the ineligible individual is actually contributing, or giving to the food group is considered.

Actually contributing means the person provides a portion of his/her income to the food group. To be actually contributing to shelter costs, for example, the person must pay toward the food group's shelter costs.

A prorated share or share is an evenly divided portion of something. It is the whole broken into equal parts. Divide and distribute using either the number of persons or groups involved. The proration depends on the item being prorated and the reason for the person's disqualification from the FS group.

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4.7.4 DEEMING AND INELIGIBLE STUDENTS

4.7.4.1 Student Income
4.7.4.2 Student Medical Expenses
4.7.4.3 Student Dependent Care Expense
4.7.4.4 Student Shelter Expenses
4.7.4.5 Student Utility Expenses

4.7.4.1 Student Income

Do not *deem* any of the ineligible student's income to the food group. If s/he actually contributes a portion to the *FS* group, count it as income to the FS group.

4.7.4.2 Student Medical Expenses

Do not deem any of the student's medical expenses to the FS group.

4.7.4.3 Student Dependent Care Expense

Reduce the FS group's dependent care expenses by the amount the ineligible student actually pays or contributes to any dependent care charges.

4.7.4.4 Student Shelter Expenses

If the ineligible student contributes to the group's shelter expenses in a known dollar amount, or percentage, reduce the group's expenses by the amount contributed. Do not include utilities in this computation.

If the ineligible student contributes an unknown amount, compute the FS group's expense. Prorate the total of all shelter expenses by the number of persons actually contributing toward the payment. Do not include utility expenses in this computation.

Example 1: A food unit of 9 includes a FS group of 6 and 3 ineligible students. Three FS group members, and 2 ineligible students together pay shelter expenses of $495. The prorated share is shelter cost divided by the number of contributors: $495/5= $99. The shares of the contributing AG members is $297

(3 AG members * $99=$297).

4.7.4.5 Student Utility Expenses

Food units that are billed for utilities should receive a standard utility allowance. Food units that include ineligible members may receive a full standard utility allowance if at least one person in the food unit is billed for at least part of a utility bill.

Example 2: A food unit of 7 persons includes a FS group of 5 and 2 ineligible students. They are billed for heat, electricity, and a phone and therefore receive the HSUA. One of the students pays toward the utility expense and one of the AG members pays the rest. Do not prorate the standard. Budget the full HSUA as the utility expense for the AG.

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4.7.5 PRORATED DEEMING

4.7.5.1 Pro-rated Income
4.7.5.2 Prorated Medical Expenses
4.7.5.3 Pro-rated Child Support (CS) Payments
4.7.5.4 Pro-rated Dependent Care Expenses
4.7.5.5 Pro-rated Shelter Expenses

Pro-rated deemers include individuals disqualified from FoodShare eligibility due to:

1. Non-qualifying immigration status, or
2. Failure to provide or apply for a social security number

Prorate the ineligible person's income and expenses between those in and out of the *FS* group. Calculate the amount of pro-rated income and expenses to *deem* to the FS group separately.

4.7.5.1 Pro-rated Income

If the ineligible individual has unearned income:

1. Determine his/her total nonexempt unearned income.
2. Add the number of members in the FS group to the number of ineligible persons in the food unit.
3. Divide the amount in 1 by the total in 2.
4. Multiply the result in 3 by the number of FS group members. Deem the result to the FS group.

Example 1: A food unit of 5 includes a FS group of 3 and 2 persons who are ineligible aliens. One alien has nonexempt unearned income of $128 per month. The figures using the formula above are: (a) $128; (b) 3+2=5; (c) 128/5=25.60; (d) 25.60 X 3 = $76.80. $76.80 is the FS group's share of the unearned income.

If the ineligible individual has earned income:

1. Determine his/her total nonexempt earned income.
2. Deduct 20 percent of the total in 1.
3. Do steps 2, 3, & 4 (above). Enter the result on line 8 of the FS worksheet. Deem the earned income of a non-FS group member as unearned income to the FS group.

4.7.5.2 pro-rated Medical Expenses

Do not deem any of the ineligible person's payments for medical costs for his/her own care as expenses of the FS group. Deem to the FS group a pro-rated amount of medical expenses for a group member's care billed to or paid by the ineligible person. Prorate using a ratio of FS group members to food unit members.

Example 2: The FS group includes a person who is disabled and incurs $84 a month in medical expenses. A *SSN* ineligible food unit member pays the full $84.

The food unit numbers 4 persons: 1 ineligible member and 3 FS group members. The ratio of FS group members to food unit members is 3:4.

The FS group's share is 3/4 of the expense.

$84 / 4 (food unit members) = $21.

$21 x 3 = $63 (FS group's share).

The medical deduction policy allows only the amount over $35 as a deduction.

The deduction is $28 ($63 - 35= $28).

If there were 2 SSN ineligible persons in the food unit, the ratio would be 2:4. Deem to the FS group 1/2 of the medical expense in calculating its medical deduction. This is true even if only 1 of the ineligible food unit members was billed for or paid any of the eligible member's medical costs.

Example 3: A 3 person food unit includes a FS group of 2 and an ineligible alien. The ineligible alien pays $90 a month toward the elderly FS group member's $91 monthly medical expense. The FS group pays $1. The FS group's share is $1 + 2/3 of the remaining $90. 2/3 of $90 is $60. $60 + $1= $61. $61 - $35= $26. The FS group receives a $26 medical deduction.

4.7.5.3 Pro-rated Child Support (CS) Payments

Deem to the FS group a pro-rated share of the amount of court ordered *child* support actually paid by the ineligible member to a non-household member. Deduct all but the ineligible member's pro-rated share from the household income.

Example 4: A food unit of 4 includes 3 FS group members and 1 ineligible alien. The ineligible alien pays $100 legally obligated child support. The pro-rated share is $25 a person ($100 / 4).
The FS group's pro-rated child support deduction is $75 ($25 X 3), or 3/4 of the total payment.

4.7.5.4 Pro-rated Dependent Care Expenses

Deem to the FS group a pro-rated share of the amount of the food unit's dependent care costs (Dependent Care Unit) paid by or billed to the ineligible person.

Example 5: A food unit of 5 includes 3 FS group members and 2 ineligible aliens. The food unit's monthly dependent care costs total $275. An ineligible food unit member is billed for a portion of that total. 1 share is $55 ($275/5). The FS group's pro-rated expense is $165 ($55 X 3), or 3/5 of the total costs.

4.7.5.5 Pro-rated Shelter Expenses

Shelter expenses either billed to or paid by ineligible members are pro-rated among all members of the food unit, including all other ineligible (non-contributing) unit members. Add the pro-rated shares of the eligible FoodShare assistance group members together to find the budgeted amount. Do not count the pro-rated portion for the ineligible member. Do this for shelter costs only but not for utility expenses.

The only exception is when only the income of eligible members is used to pay the entire shelter amount. This is regardless of whether there was a bill or who was billed. The FoodShare assistance group is entitled to the entire expense in this case.

Example 6: A household of 7 includes a food unit of 6 and a FS Assistance Group of 4 The household contains 2 ineligible aliens that are in the Food Unit because they purchase and prepare together, a mom, her 2 *kids* , her boyfriend, and a friend who doesn't purchase of prepare with the unit.

Alien 1 and Mom are responsible for the rent of $600 a month. Divide the shelter expense by the number of food unit members and multiply that by the number of remaining FS group members. $600/6 = $100. ($100) *4 = $400. Budget $400 as the rent amount. Show your calculation in case comments.

Example 7: Using the same household, assume the rent of $600 is divided between the friend, mom, and Alien 1. Do not count the friend's portion of the rent when prorating. The food unit's share of the rent is $400. Divide the shelter expense by the number of food unit members and multiply that by the number of remaining FS group members. $400/6 = $66.66. ($66.66) * (4) = $266.66. Budget $266.66 as the rent amount. Show your calculation in case comments.

Example 8: Using the same household, assume that the rent and utilities are supposed to be shared between the mom and Alien 1. However, Alien 1 is refusing to pay and mom is paying the entire rent and utilities. In this case, budget the entire expenses for the AG.

Example 9: Using a different household than those mentioned above or below, assume a family of 6 has applied for FS. The mother, father and 2 older siblings are ineligible aliens. The 2 youngest siblings are citizens and are the only AG members. The shelter expense of $575/month is in the parents' names. The food unit = 6 and the AG =2. Even though the children are not specifically obligated to pay the expenses, prorate a share of the expenses to the AG. $575/6 = $95.83. 95.83 X 2 AG members = $191.67. Budget $191.67 as the AG's shelter expense.

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4.7.6 GROSS DEEMING

7 CFR 273.22(c)(1)

Gross deemers include individuals disqualified from FoodShare eligibility due to:

1. *IPV* disqualification
2. Fleeing felons
3. Probation or parole violators, or
4. Drug felony sanction

Count these ineligible individuals' income and expenses as if s/he was a member of the *FS* group. Do not include them in the food group to determine the amount of the FoodShare benefit allotment or when comparing the food unit's monthly income with the income eligibility standards. The FoodShare group's benefit allotment cannot be increased as a result of the exclusion of one or more food unit members.

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5 SPECIFIC PROGRAMS

5.1.1 TRANSITIONAL FOODSHARE BENEFITS (TFS)

5.1.1.1 TFS Change Reporting Requirements
5.1.1.2 Sanctions and TFS
5.1.1.3 FSET Exemption for TFS
5.1.1.4 TFS Policy Exception
5.1.1.5 TFS and Companion Cases
5.1.1.6 Recertification During the TFS Benefit Period
5.1.1.7 Recertification When the TFS Benefit Period Expires

Transitional FoodShare (TFS) benefits automatically extend FoodShare benefit eligibility for 5 months to food units whose Wisconsin Works (*W-2*) or Tribal *TANF* (TT) cash assistance ends as long as:

1. the member was part of an active *FS* case in the benefit month and the month the last W-2 or TT payment was issued, **and**
2. the member was receiving a W-2 or Tribal TANF payment. This does not include W-2 Trial Job Placements.

The TFS allotment is calculated using the income (less the W2 payment), expenses, and food group size from the month prior to the last W-2 cash payment (benefit determination month). This amount is frozen for the next 5 consecutive months.

If the W-2 payment reopens after Adverse Action of the month prior to the TFS beginning, the case is entitled to the TFS frozen benefit even if there is no gap in the W-2 payment.

If the initial W-2 placement is valid the participant is eligible to receive TFS benefits when the W-2 payment ends no matter the reason it ends. This includes cases where some of the W-2 payments may be recouped from the household because the recipient failed to report a change or the worker did not end the placement correctly. If the initial W-2 placement was based on fraudulent information and the total W-2 payments are being recovered, the household is not eligible for the TFS benefit. Calculate the correct *FS* benefit based on non TFS criteria for the months the household was incorrectly open for TFS to determine if there is an over/under issuance.

5.1.1.1 TFS Change Reporting Requirements

The food unit has no change reporting requirements during the five-month TFS benefit period. Changes reported and acted upon for other programs will not change the TFS benefit amount. When a TFS case moves to another county, a recertification or review interview is not required to continue TFS.

Exceptions:
If it is reported that the primary person moves out of the TFS household, the TFS benefit will end and the case will close.

If the agency becomes aware that a TFS household moves out of state, the household's TFS benefits should end.

5.1.1.2 Sanctions and TFS

If a food unit member is sanctioned in the benefit determination month his or her individual participation status will be frozen for the five month TFS benefit period. If the W-2 or TT benefit is sanctioned to zero (but W2 remains open) in the benefit determination month, the household is not eligible for TFS.

If a food unit member's W2 cash payment ends due to a sanction, the food unit is not eligible for TFS. If a TFS food unit member receives a *child* support, drug felon, *FSET*, or *IPV* sanction after the TFS benefit determination month or during the five-month TFS benefit period the sanction will not be applied and the original benefit amount will remain frozen. If a *QC* sanction is applied during the five-month transitional period, the food unit remains eligible for TFS. If the food unit is recertified for regular FS , the food unit's current circumstances are assessed and the proper sanctions are applied.

5.1.1.3 FSET Exemption for TFS

Recipients of TFS benefits are exempt from FSET participation. The exemption begins as soon as the eligibility worker ends TT or W-2, or changes W-2 from a paid placement to a case management only placement.

5.1.1.4 TFS Policy Exception

Dual participation in FoodShare Wisconsin is prohibited. The only time a TFS benefit allotment amount changes within the five-month period is if a TFS food group member moves out and becomes eligible to receive FS in another case. The TFS group's benefit amount will be reduced due to the change in household size. The allotment amount will be adjusted to the new household size. Income and expenses used in the original TFS benefit determination will remain the same even if the income or expenses belonged to the individual who left the household. This recalculated benefit amount will remain the same for the remainder of the five-month benefit period. Should that same person move back into the original TFS household, the benefit amount will remain at the reduced amount for the rest of the five-month period.

The dual participation policy is explained to the FS recipient in the initial TFS notice and an additional notice will be sent if the allotment is reduced.

Example 1: Sally and her two roommates share the same apartment and receive FS on the same case. Sally stopped receiving her W-2 payment in June because her only child graduated from high school and moved out. The FS food unit consisting of Sally, her son and her two roommates receive TFS for 5 months. The household size and the allotment did not change because Sally's son never applied for his own FoodShare benefits after he moved out of the household.

If Sally's son begins receiving FS in another case, Sally's FS benefit would be reduced automatically at Adverse Action.

If a TFS food unit reports that they moved into a household with individuals who are required to be included in the same food unit as the TFS food unit, the newly configured food unit must decide whether to:

1. Reapply for regular FS with the new members and end the TFS benefit; or
2. Add the new household members to an open TFS FS case (the TFS benefit amount is frozen and will not increase if new members are added), or
3. Add the TFS members to the existing regular food unit and end the TFS.

Example 2: Rosa, a 20 year-old mother of two, received her second TFS benefit allotment in June. Rosa called her worker to report a change in *address* and that she and her children are now living with her parents (who also have an open FS case). The worker explained that because Rosa is under 22, she must be included in the same food unit as her parents. She and her parents can decide whether to add the parents to the TFS case or if Rosa and her two children should join the parents' FS case. The worker ran a simulated case that showed the benefit allotment would be greater if Rosa's parents were added to her TFS food unit. The parents' FoodShare case is closed and the worker adds Rosa's parents to her TFS case.

5.1.1.5 TFS and Companion Cases

The entire food unit, whether or not the individual members are included in the W-2 assistance group, are eligible for TFS if a W-2 or TT cash payment ends.

Example 3: Simon, along with his two brothers, lives with their sister Dana and her two children. They are all part of Simon's food unit. Dana has been receiving a monthly W-2 payment but recently started a new job. Dana receives her last cash payment July 1st. Dana's W-2 payments ending makes

Simon's entire food unit eligible for TFS. Simon's TFS benefit period will begin August 1st and the TFS benefit includes himself, his two brothers, their sister Dana and her two children.

A food group that includes two W-2/TT groups who both receive a cash payment would be eligible for TFS if one W-2 or TT group stops receiving a W-2 or TT cash payment. If the other W-2 or TT group stops receiving a W-2 or TT payment during the five month benefit period, the TFS benefit amount remains frozen at the original amount. No additional months are added to the TFS five-month benefit period.

5.1.1.6 Recertification During the TFS Benefit Period

TFS food units may request a recertification for regular FS at any time during the five-month TFS benefit period. If a food unit requests to end their TFS benefits and be recertified for regular FS benefits, the worker can determine a regular FS allotment amount. The recipient has the choice of which allotment they will receive. If the recipient chooses to receive regular FS benefits and end the TFS benefit, a recertification including a review interview must be completed.

5.1.1.7 Recertification When the TFS Benefit Period Expires

The TFS benefit period will end after five consecutive months. To continue receiving FS benefits the food unit must complete a recertification including a review interview before the end of the 5th month in the TFS benefit period.

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5.2.1 FS-E

Individuals and their spouses may be a separate food unit even if they are living and eating with others if all 3 of the following are true:

1. They are age 60 or older.
2. They can not purchase and prepare their own meals because of either:
    a. A disability the *SSA* considers permanent.
    b. Some other permanent physical or mental non disease-related disability.
3. The gross monthly income of the persons with whom the elderly and disabled person(s) (and *spouse*, if any) resides does not exceed 165% of the federal poverty level for the number of others in the household.

When computing gross income to compare to the 165% FPL, do not include any income of the elderly and disabled person or his/her spouse.

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5.3.1 DISASTER SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (DSNAP) FOR VICTIMS OF NATURAL DISASTERS

5.3.1.1 DSNAP Introduction
5.3.1.2 DSNAP Applications
5.3.1.3 Verification Requirements

5.3.1.1 DSNAP Introduction

Disaster Supplemental Nutrition Assistance Program (*DSNAP*) policies are used after affected areas have received a Presidential major disaster declaration and the United States Secretary of Agriculture officially declares a food emergency. The State will notify the appropriate county/ tribal/ *W-2* FoodShare (*FS*) agencies when this happens and work with the local agencies to provide DSNAP benefits.

The rules for the DSNAP are significantly different from the regular FS program. For example, alien status, student status, failure to provide a *SSN* , work requirements and disqualification status (*IPV*) from regular FS are irrelevant when determining DSNAP benefits. However, committing an IPV in the DSNAP WILL count towards disqualification for regular FS.

Eligible residents in the affected areas can receive a one time DSNAP payment equal to the maximum allotment for their household size. Current FS members affected by the disaster may have their monthly benefit increased to the maximum allotment for the month the disaster occurred. To be eligible for the DSNAP benefit, applicants/members must apply during the application period for the disaster. Households that have received replacement benefits as a result of the disaster can still receive the DSNAP benefit up to the allotment maximum.

See 7.1.1.5 Replacement Issuance for Destroyed Food for the policy on Replacement Issuance for Destroyed Food.

5.3.1.2 Disaster Supplemental Assistance Program (DSNAP) Applications

All DSNAP applications must be completed in person by the disaster victim or their authorized representative. This includes the interview process.

Benefits must be provided as soon as possible. Process all DSNAP applications as priority service and schedule for a same or next day interview. Client registration staff should be informed about anticipated DSNAP applications, and instructed to not enter income when screening applicants for priority services.

New Applicants
New applicants must complete and sign the Disaster FoodShare Wisconsin Assistance Application (F-16060). The IM agency will use this paper form to manually determine eligibility. Households applying for DSNAP benefits that wish to apply for ongoing FoodShare benefits may do so, but will be required to follow the regular application process in order for the agency to determine eligibility for ongoing benefits.

Current Members
Households currently receiving FoodShare benefits who want to receive a supplement to increase their July benefit amount to the maximum allotment for their family size must complete and sign the Affidavit of Lost Income or Disaster-Related Costs (F-16106) to receive the increase in the allotment.

5.3.1.3 DSNAP Verification Requirements

Applicant's Information	Status	Suggested ways to verify

Identity	Mandatory	• Photo ID Two documents that verify identity and *residency* • A signed affidavit from a collateral contact attesting to the identity of the applicant. • For additional sources of verification see 1.2.6.1 Required Verification to Determine Eligibility
Residency	When Possible	Utility bills, tax bills, insurance policies, driver's licenses, other ID with *address*, bills, or other documents that establish the applicant's home or work address.
Household Composition	If questionable	After taking the application, ask applicant to orally list the names, ages, and birthdates of all household members.
Loss or inaccessibility of liquid resources or of income	Where possible	Obtain a list of banks that were closed due to the disaster and compare with damage maps. Remember that in this day of ATM cards and electronic transmission, few liquid resources are truly inaccessible.
Food Loss	If questionable	Check with the power company. **Note:** A power outage lasting over 4 hours can cause food spoilage.

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6 ONGOING CASE MANAGEMENT

6.1 CHANGES

6.1.1 CHANGE REPORTING

7 CFR 273.12

6.1.1.1 Change Reporting for EBD Food Units With No Earnings
6.1.1.2 Change Reporting for All Other Food Units (Reduced Reporting)

Change reporting policy depends on the type of food unit. There are two:

1. *EBD* Food Units with no earnings, or
2. All other Food Units

6.1.1.1 Change Reporting For EBD Food Units With No Earnings

Elderly, Blind, or Disabled (EBD) Food Units are those where all food unit members are elderly, blind, or disabled. If no one in this food unit has earned income, these food units are required to report the following changes within 10 days:

1. Number of people in the home:

a. When a person is born or dies
   b. When someone moves in or out

2. Income:
   a. Unearned: New source- increases of more than $100 per month in *child* support income; increases of more than $50 per month in other types of unearned income.
   b. Earned: Changes in the source of income (a new job must be reported within 10 days from the start of the job, not from when the recipient received the job.

3. *Address*/Shelter Expense:

a. New address when a move takes place.
b. Change in shelter and utility expense obligations if a move occurs.

Changes must be reported to the *FS* agency within 10 days of the date the change is known to the food unit, except for reporting receipt of a new job. Then the change must be reported within 10 days from when the job starts.

6.1.1.2 Change Reporting for All Other Food Units (Reduced Reporting)

All other food units are only required to report if their total monthly gross income exceeds 130% (8.1.1) of the Federal Poverty Level (FPL) for their reported food

unit size. This change must be reported by the 10th of the month following the month in which the total income exceeded 130% of the FPL.

As long as a food unit's total income is less than 130% of the FPL, a food unit need not report changes in income, assets, address changes, household composition, etc. This is known as "Reduced Reporting" requirements.

If a food unit has reported total income exceeding 130% FPL for their food unit size, and the food unit remains open for FS due to categorical eligibility, the food unit has fulfilled their change reporting requirement for the remainder of the FS certification period.

However, if any change is reported, or becomes known to the agency it must be acted upon.

See 5.1.1 for change reporting requirements for Transitional FoodShare (TFS) recipients.

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6.1.2 SIX MONTH REPORTING REQUIREMENT

Food units certified for 12 months, and subject to reduced change reporting requirements, are required to submit a six-month report form (SMRF) in the sixth month of the certification period. Using the SMRF, these food units are required to report and verify the current gross earned and unearned income received by all household members. Self-employment income that has already been averaged does not need to be re-verified, unless a significant change is reported. Other changes that must be reported on the interim report are:

1. Household composition (persons that have moved in or out, including newborns)
2. New *address* and resulting changes in shelter and utility expenses

3. New or ended sources of earned income (4.3.2) (including self-employment) (4.3.3)
4. Change in legal obligation to pay *child support (4.6.5)*

Any changes reported must also be verified. An *adult* household member must sign the interim report form.

To be considered timely, a SMRF must be returned to the local agency by the 5th day of the process month (month 6) or no later than the end of the process month. An incomplete SMRF returned prior to the end of the process month is considered timely and must be acted on by the agency. If the HH fails to return a timely SMRF, *FS* will close effective the last day of the process month at adverse action.

If verification is needed the recipient has 10 days to provide verification from the date it is requested. If verification is not returned timely, the FS AG will close. A FS AG closed prior to the end of the report month may reopen for month 7 without a new application if requested verification is received prior to the end of month 6, or within 10 days of the request date, whichever is later.

Example 1: Emma is certified for FS from January to December, with a SMRF due in June. Emma returns the SMRF June 27 without verification of her income. Although Emma returned her SMRF at the end of the process month, the due date for verification extends into July because the worker must allow 10 days to provide verification. Emma provides the requested verification on July 2. Emma's certification period for FS remains the same, January to December. Benefits go back to July 1 and are not prorated, as there was no break in service.

FS may reopen without a new FS application at SMRF under specific circumstances. Allow FS to reopen at SMRF if the required action to regain eligibility is completed in the calendar month following the month the SMRF was due, as long as a complete SMRF is returned and verification requirements met, no later than the end of the 7th month of the certification period.

- If FS closes for lack of SMRF, verification, or other reasons and the household takes the required action within the calendar month following the report month, the agency shall reopen FS and issue prorated benefits from the date the household took the required action.

- If FS closes due to agency delay in processing a SMRF, benefits shall be restored back to the first of the month.

Example 2: Joe has an open FS case with a certification period of April through March with a SMRF due in September. Joe fails to return a timely

SMRF in September to his worker Jayne and FS closes effective September 30th.

Joe returns the SMRF with required verification on October 25, but he forgot to sign the form. Jayne returns the SMRF to Joe and indicates that he must return a signed SMRF by October 31 to avoid needing a new FS application.

> **Note**: The SMRF must have an action date on the View/Record Six Month Report Actions page that is in the process month otherwise *CARES* will continue to fail the case for lack of SMRF.

Joe returns the signed SMRF on October 31. Although Joe regains FS eligibility October 31, FS fail with a $0 benefit for October and pass with a FS benefit of $20 for November and December. The FS certification period for Joe's case remains the same, April through March.

Had Joe returned a timely SMRF, but Jayne did not process the form until October, benefits would have been issued back to October 1, due to Jayne's late processing.

If Joe had returned the signed SMRF on November 1, which is beyond the month following the report month, FS would have closed and he would need to reapply.

Note: This policy does not have an impact on Child Care SMRF processing.

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6.1.3 TIMELY ACTION ON REPORTED CHANGES DURING THE CERTIFICATION PERIOD

6.1.3.1 Processing Reported Changes
6.1.3.2 Changes "Verified on Receipt"
6.1.3.3 Changes That Cause an Increase in Benefits, Including Person Adds
6.1.3.4 Sanction Request
6.1.3.5 Person Add Following a Sanction (Re-request)
6.1.3.6 Changes That Cause a Decrease in Benefits

6.1.3.7 Change Impact Matrix

Changes can be reported timely or untimely. *ESS* must act promptly on all reported changes. If verification is requested a minimum of 10 days must be allowed for the recipient to provide.

6.1.3.1 Processing Reported Changes

Request verification from the customer as soon as possible, following the report of a change. See *FSH* 1.2.1. To prevent "failure to act" agency *QC* errors, eligibility workers must act on reported changes within 10 days. As a best practice a worker should process the change as soon as possible and not wait until the 10th day.

Example 1: Barry reports on June 29 that he started a job on June 19. His ES worker must request verification and allow Barry 10 days to provide it. If verification is requested on June 29, it will be due July 09. His ES worker will have time to process the verification and issue proper notice to Barry by adverse action in July. If the ES worker fails to act on the change by not requesting verification until July 09, Barry would have until July 19 to provide the verification, which is after adverse action. In this case it is likely that August benefits would be in error due to worker failure to act promptly on the reported change.

Lack of verification is a common cause of case closure. A new application for FS is not always required under specific circumstances when FS close due to lack of verification during the certification period. Allow FS to reopen without a new application when closing for lack of verification after a change is reported or discovered, as long as the requested verification is submitted in the calendar month following case closure. Benefits are prorated from the date the required action was taken.

Example 2: Julie is certified for FS from March through February. Julie reports on April 5 that she began a job. Julie's worker, Marcia requests verification of Julie's job, due April 15. Julie fails to provide verification by the due date and FS close effective April 30. Julie provides Marcia verification of her job on May 8. Marcia reopens Julie's FS case without requiring a new FS application and prorates benefits from May 8 forward. Julie's certification period remains the same March through February.

FS may also close for reasons other than verification. Allow FS to reopen when a change in circumstances during the month following the month of case closure causes the HH to regain FS eligibility, as long as the HH takes the required action.

Example 3: Pam's FS close effective September 30 due to a pay increase at her job. Pam contacts her worker, Linda on October 8 to indicate her hours have been cut and she wants to reapply for FS. Linda informs Pam that she has the option of reapplying for FS or may provide verification of her new work hours to reopen FS effective the date she provides the verification. Pam chooses to provide verification, which she submits on October 12. Linda reopens Pam's FS with prorated benefits from October 12 forward.

Example 4: Joan's FS close effective October 31 as a result of her new roommate's earned income. Joan contacts her worker Amy on November19 to indicate her roommate moved out and she wants to reapply for FS. Amy provides Joan the option of reapplying for FS or reopening her FS effective November 19. Joan chooses to request Amy to reopen FS without a new application. Amy removes the roommate from the case and redetermines a prospective estimate of Joan's household income and expenses. Amy issues FS benefits from November 19 forward.

6.1.3.2 Changes "Verified on Receipt"

Some examples of changes considered to be "verified on receipt" are:

1. Data exchange (8.3.11) information that does not require further contact with the client,
2. Changes reported by a recipient that do not require further verification, or
3. Adequate verification submitted with a change report.

6.1.3.3 Changes That Cause an Increase in Benefits, Including Person Adds

7 CFR 273.12(c)(1)

All reported changes that cause an increase in the FS benefit including person additions, increases in expenses, etc., will be effective the first of the month following the report month if required verifications are received within 10 days of the request for verification.

If verifications are not received within 10 days, and the FS case is not closed for at least one day, make the change effective the first of the month following the month verifications are received.

Issue the appropriate supplement by the 10th day of the month the increase in benefits is effective.

Note: A person cannot be a member of more than one (1) food unit and one (1) FS group in the same month except residents of shelters for battered women and children (3.4.1). Prior to adding a person from one FS case to another, remove the person from the previous FS case.

Example 5: (baby add):

- Baby Mike is born June 25, and is reported June 27. Supplement FS effective July 1.
- If Baby Mike is born June 2, and is reported June 25; supplement FS effective July 1,
- Or if Baby Mike is born June 27, and is reported July 1; add baby effective August 1.

Example 6: Jule has an open FS case with a certification period of February through January. Jule reports on March 25 that her sister Eve moved in on March 15. Jule's worker requests verification of Eve's eligibility information by April 4. Verification is not provided by April 4 and the FS case closes effective April 30. Eve provides verification to the local agency on May 15. FS reopened without a new application with benefits issued from May 15 forward. Jule's FS certification period remains the same, February through January.

Example 7: (person leave) Lisa reports on March 5 that her husband left the home on February 27. The ES worker should redetermine the prospective estimate of Lisa's household income for April and issue benefits for April based on the new estimate.

Example 8: (rent increase): Carol reports on March 25 that her rent is increasing for April. She submits verification of the increase to her ES worker on April 2, within 10 days. The worker makes the change to increase Carol's FS benefit effective April 1 and issues a supplement for April.

If Carol had reported the rent increase on April 2, the FS benefit increase would have been effective May 1.

6.1.3.4 Sanction Request

An ES worker should act on a sanction request immediately, but has 10 days to process the request. However, the ESS should try to enter the sanction before the next adverse action (6.3.1) in *CARES*.

Example 9: The ES worker receives a sanction request for Jayne on the 12th of June. The worker officially has 10 days to process the sanction. Adverse action is on June 18, the worker makes sure to act on the sanction before the 18th. However, if they do not, the case would not be in error unless he did not act on the sanction until after AA in July.

6.1.3.5 Person Add Following a Sanction (Re-request)

If an individual is requesting to be added to the FoodShare group following:

- A disqualification for an *IPV*, or
- Failure to comply with *FSET* requirements, or
- Failure to comply with other FS program requirements, or
- Was an ineligible alien,

eligibility for the previously excluded person will be effective the first of the month following the period of disqualification, or the first of the month following their request to be added back to the FS group, whichever is later.

Example 10: Margaret's husband David fails to participate in FSET and is sanctioned from August 1 – August 31. Margaret calls on August 25 and requests that David be added back to the FS group on September 1. Verification is complete.

The ESS adds David to the FS group effective September 1. If David is a mandatory FSET participant, the referral to FSET would not be effective until September 1.

If Margaret's request for David to be added back to the FS group was made on or after September 1, he would be added to the group effective the first of the month following the request.

6.1.3.6 Changes That Cause a Decrease in Benefits

7 CFR 273.12(c)(2)(i)

For reported changes that result in a decrease in benefits, process the change to allow for adequate negative notice to be issued to the customer. If verifications are not received within 10 days, and the FS case is not closed for at least one day, make the change effective the first of the month following the month verifications are received.

Example 11: Lisa reports on June 3 that her husband moved back into the home on May 29.

Lisa's worker adds Roy to CARES and requests verification of his income. Roy's income will cause a decrease in FoodShare benefits. Lisa provides Roy's verification on June 10. Notice of a decrease in benefits is issued at adverse action in June and benefits are decreased for July.

If verification was not provided within 10 days, FoodShare benefits would close June 30 for failure to verify income. If Roy's verification was submitted during the month of July, FS would reopen without requiring a new application. Benefits would be prorated from the date Roy's verification was received by the agency.

6.1.3.7 Change Impact Matrix

Household Type	Initial Certification Period and SMRF requirement	Change Reported	Date Change Acted On	Impact on Certification Period	SMRF Reqmt.
Regular	12 months - SMRF required	Homelessness or *Migrant* in household	Prior to Adverse Action in the 4th month of the certification period	CARES will shorten the certification period to 6 months requiring a review in month 6 to continue eligibility.	No
Regular	12 months - SMRF required	Homelessness or Migrant in household	After Adverse Action in the 4th month of the certification period	No effect on the original certification period of 12 months	Yes
Homeless or Migrant	6 months – No SMRF req.	Reports securing housing or no longer migrant	Any time during certification period	Certification period stays at 6 months	No
EBD household with earnings*	12 months – SMRF required	Source of earnings ends	At any time during the certification period	No effect on certification period.	No
EBD without earnings	12 months – No SMRF required	New source of earnings	Prior to AA in the 4th month	No effect on certification period.	Yes
EBD without earnings	12 months – No SMRF required	New source of earnings	After AA in the 4th month	No effect on certification period.	No
TFS	5 months – No SMRF required	Changes other then death of PP,	Any time during the certification	No effect	None

		or loss of WI *residence* by PP	period		
TFS	5 months – No SMRF required	Death of PP or loss of WI residence by PP	Any time during the certification period	TFS closes – client must re-apply	N/A

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6.1.4 CHANGES IN EXPENSES

If a customer reports a new expense as the result of a change in the source of the expense, end date the previous expense in *CARES* and enter the new expense and source. The expense must be verified in order to be counted.

Example 1: Lisa reports on June 20 that she and her family will be moving on July 1. Her new rent amount will be $600 per month.

Her worker end dates her June shelter expense, enters the new shelter expense in CARES for July, and requests verification.

If this change results in an increase in Lisa's *FS* benefit, and Lisa submits verification within 10 days, her *ESS* will issue a supplement for July. If the change was reported in July (and verified timely), Lisa's FS benefit would increase for August.

If Lisa does not verify the expense within 10 days, the ESS will enter an 'NV' for the rent and the expense would not be allowed. If Lisa later provides verification, the expense would be allowed effective the 1st of the month following the receipt of the verification.

If a customer reports an increase in an expense from the same source the previous verified expense is counted until the increase is verified or until the next review is completed.

Example 2: Lisa reports on September 15 that her landlord will be increasing her rent to $650 per month in October. She has not moved.

The ESS requests verification of the increased rent by entering $650 as the new rent amount with a "?". A verification request will be generated by CARES requesting verification of the new rent amount within 10 days. The previous verified expense of $600 is allowed until the increase is verified since CARES will continue to issue the previous confirmed FS benefit while the verification of the new shelter expense "pends".

If Lisa does not provide verification of the increased rent amount within 10 days, the ESS would re-enter the previously verified expense of $600 with the previous verification code. The $600 expense would be allowed until Lisa's next review or until verification of the increased rent amount is provided.

When Lisa completes her review, the current shelter expense ($650 in this example) must be verified in order for the expense to be allowed. If the $650 expense is not verified timely following the review interview, the ESS will enter 'NV' for the expense.

If a customer reports a decrease in an expense from the same source the new expense must be verified in order to be allowed.

Example 3: Lisa calls in December and reports that her monthly *child* care expense will be decreasing from $250 to $150 in January. She has not changed providers. The ESS changes the child care expense amount to $150 in CARES and requests verification. If verification is not provided within 10 days, the ESS enters 'NV' for the expense and the expense is not allowed.

Since this change will cause a decrease in benefits, adequate time for verification and negative notice must be allowed. The expense of $250 must be allowed until the new amount is verified or an 'NV' is entered.

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6.2 TRANSFERS

6.2.1 INTERAGENCY CASE TRANSFERS

6.2.1.1 Interagency Case Transfers Introduction
6.2.1.2 Processing Requests for FS Cases Closed Less Than A Calendar Month

6.2.1.1 Interagency Case Transfers Introduction

7 CFR 273.3(b)

When a *FS* case moves from one agency to another within Wisconsin, the agency is responsible for transferring the case from the old county of *residence* to the new county of residence. When an inter-county move is reported or discovered, the agency that is notified or discovered the move is responsible for collecting the necessary verification and transferring the case.

Once a case has been transferred to a new agency, it should not be transferred back unless the transfer-out agency has to process an overpayment or close out a *W-2* placement. If there are questions about the information entered on the case or problems with the way the case was transferred, the new worker should contact the old worker to get the required information. Do not transfer the case back to the transfer-out agency to have them complete outstanding items.

Note: See 5.1.1 TFS Benefits for policy related to transferring TFS cases
Note: See 7.1.1.7 Deny Benefit Increases Due To Penalties In Other Programs for information on not increasing benefits for individuals who are penalized in other programs.

6.2.1.2 Processing Requests for FS Cases Closed Less Than A Calendar Month

If a FoodShare case assigned to the local agency has been closed for less than a calendar month, the local agency is responsible for processing the request for FoodShare benefits by either applying the break in service policy or by allowing the individual to complete a new application. These individuals should not be referred to the ESC. The case remains with the county until the member either applies for the Core Plan or instructions have been given to start the transfer of existing FoodShare cases to the ESC.

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6.3 NEGATIVE NOTICES

6.3.1 NEGATIVE NOTICES (NOTICE OF ADVERSE ACTION)

7 CFR 273.13

A notice of adverse or negative action, regarding the termination or reduction of benefits must be mailed at least 10 days before the effective date of the action. When the last of these 10 days falls on a weekend or holiday extend the notice of adverse action period to the next working day. Continue or reinstate *FS* benefits if you or OAH receive the fair hearing request the first day following the weekend or holiday.

The notice period will run from 10 to 13 days depending on the date the notice is mailed.

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6.4 FAIR HEARINGS

6.4.1 FAIR HEARINGS

If the food unit disagrees with an agency action or the amount of FoodShare benefits, they may request a fair hearing. See the Income Maintenance Manual Ch. 1.2 Fair Hearings.

- A fair hearing must be requested within 90 days from the first day that a specific agency action impacted their FoodShare benefits. See example 1 below.
- A fair hearing may be requested at any time within a certification period if a food unit disagrees with their current amount of *FS* benefits.

Example 1: On July 10 a worker makes a *CARES* entry to reduce FS benefits effective August 1. The customer has 90 days from August 1 to file a hearing request.

Note: CARES notices are programmed correctly to signify this date.

Food units appealing an agency decision by requesting a fair hearing must do so prior to the effective date of the change or termination in order to have their benefits continued at the previous level while the hearing is pending.

While the fair hearing is pending, issue the FS group the lost benefits as determined by the agency. Issue FS based on the fair hearing decision, even if the benefits are undeliverable and returned to inventory. Do not require another fair hearing (when the fair hearing decision was made within the last 12 months) or any other administrative action before you restore lost benefits.

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7 BENEFITS

7.1.1 ALLOTMENTS

7.1.1.1 Initial Allotment
7.1.1.2 Initial Allotment for Migrant and Seasonal Farm Workers
7.1.1.3 Initial Allotments for Expedited Issuance
7.1.1.4 Minimum Allotment for 1 or 2 Person Food Units
7.1.1.5 Replacement Issuance for Destroyed Food
7.1.1.6 Voluntarily Refunded Food Stamp Coupons
7.1.1.7 Deny Benefit Increases Due To Penalties In Other Programs
7.1.1.8 EBT Benefit Issuance Calendar

Determine *FS* benefit allotment amounts using the information provided in Chapters 1-6.

7.1.1.1 Initial Allotment

An initial FS allotment is pro-rated from the application filing date, unless the pro-rated initial allotment amount is less than $10. Initial allotments of less than $10 are not issued. There is an exception for food units that include a *migrant* or seasonal farmworker and have continuing FS eligibility (7.1.1.2).

Ongoing auxiliary amounts of $1, $3, and $5 will continue to be rounded up to $2, $4, and $6.

Example 1: Vera's case closed November 30. She reapplies on January 3 and is found eligible and will receive prorated benefits for January.

Do not pro-rate an allotment in the month following FS case closure if closure is due to an agency delay (2.1.1). Benefits should go back to the 1st of the month.

Example 2: Jeff receives notice of an appointment for a recertification interview in the last month of his certification period (July), but cannot attend the appointment because he is working. Jeff asks to reschedule the appointment, but the next appointment the FS worker has available is August 5th. Jeff completes the recertification interview on August 5th, and provides all verification by August 8th. Do not prorate benefits for August. Issue benefits from the first of the month. DOCUMENT in case comments the reason for the delayed recertification.

7.1.1.2 Initial Allotment for Migrant and Seasonal Farm Workers

The initial allotment is not pro-rated for food units that include a migrant or seasonal farm worker when at least one food unit member has participated in the FS program during the 30-day period before application. These food units have continuing eligibility for FS.

Example 4: A migrant household arrives in Wisconsin from Texas on April 20 and applies for FS. Their FS case closed in TX on March 31. Their first month of eligibility (April) is not their initial month. Consider it a continuation of benefits and issue a full allotment for April.

Example 5: A migrant household arrives in Wisconsin on May 5 and applies for FS. Their case closed on March 31 in Texas and they did not receive FS benefits in April or May. The initial month of eligibility is May. Since it has been more than 30 days since the last receipt of FS, pro-rate benefits from the date of application.

7.1.1.3 Initial Allotments for Expedited Issuance

FS groups that have an application filing date after the 15th of a month and are found eligible for expedited issuance must receive a combined allotment for months 1 and 2. This also applies to cases that are eligible for expedited benefits for month 1, but not month 2. As long as the filing date is after the 15th of the month, issue a combined allotment for both month 1 and 2.

Example 6: Laurie applies for FS on May 16. She has no income and meets expedited eligibility requirements. Laurie will be starting a job in June that will result in either less FS or loss of FS eligibility. Laurie's worker issues benefits for May and June. Verifications, other than identity are waived.

7.1.1.4 Minimum Allotment for 1 or 2 Person Food Units

Categorically eligible food units that include 1 or 2 persons are eligible for a minimum $16 allotment, except for the initial pro-rated benefit.

7.1.1.5 Replacement Issuance for Destroyed Food

Replace food purchased with FoodShare benefits and destroyed in a household misfortune up to the actual amount destroyed but not more than the monthly allotment actually issued to the household that month, whichever is less.

A replacement issuance shall be provided only if a household:

1. Reports the loss orally or in writing to the agency within 10 days of the date the loss occurred.
2. Completes a "Request for Replacement FoodShare Benefits" (F-00330). This can be completed and dropped off at the agency, mailed, or faxed to

the agency, but must be received by the agency within 10 days of when the household reports the loss.

A replacement issuance must be provided to the household within 10 days after report of the loss. Verify the household misfortune through the fire department, police department, a community organization such as the Red Cross, a collateral contact or home visit, etc.

Deny or delay a replacement issuance if available documentation indicates that the household's request for replacement appears to be fraudulent.

Inform the household of its right to a fair hearing to contest the denial or delay of a replacement issuance. Replacements shall not be made while the denial or delay is being appealed.

A household may experience such a loss more than once. There is no limit to the number of replacement issuances.

Note: Ensure you use the "905" replacement auxiliary code when issuing replacement benefits for destroyed food. This is essential for tracking purposes.

Example 1: Joyce received the maximum allotment for July, the month of the disaster. The food that Joyce stored in her basement freezer that was purchased with June benefits was also destroyed. Joyce is requesting a replacement for the food purchased in June and July. Joyce is eligible for replacement benefits up to the max allotment for July, but not for the food purchased with the June benefit.

Example 2: Kevin is a single individual receiving FoodShare monthly in the amount of $200. Kevin completes the Affidavit of destroyed food stating his food spoiled due to a power outage on July 16 and he lost $100 worth of food purchased his July FS benefits. The worker would verify the power outage with the Power Company and his replacement benefit amount would be $100. The worker would look at the CWW EBT Transaction Detail screen to ensure he has spent $100 prior to the power outage date in July.

Example 3: Mary and her daughter receive the maximum FS benefit for a family of 2 of $367. They have a fire on July 17th and she states all her food was destroyed. She had just gone to the grocery store the day before and used all her benefits. They complete the affidavit and are eligible to have their July allotment replaced for the amount of $367.

Example 4: Steve and his *child* receive $367 a month in FS. There is a power outage on the 10th of the month and the food in his refrigerator that he purchased with current months FS has spoiled and he requests full replacement. However the worker checks CWW, the EBT Transaction Detail

screen and sees he only spent $200 worth of his current months benefits on food, his replacement will be for $200. He still has a monthly benefit of $167 in his account that he could still use after the power outage was fixed.

For policy related to replacing an issuance as the result of a disaster see 5.3.1.

7.1.1.6 Voluntarily Refunded Food Stamp Coupons

Return to *DHS* any food stamp coupons refunded to you by an FS group at your earliest opportunity. Void the stamps and send them to Tim Burnett at P.O. Box 2057, Madison, WI 53701-2057. List the household, case number, benefit number or month of benefit, amount returned and reason for return.

Food stamp coupons may be returned because the FS group refunds them or the coupons were found. Document the case record appropriately.

7.1.1.7 Deny Benefit Increases Due To Penalties In Other Programs

Do not increase a FS group's allotment when an individual's cash benefits under any other federal, state or local means-tested public assistance program are reduced for failure to perform an act required by the other program. Specifically:

1. Failure to comply with work programs, or
2. Failure to comply with school attendance requirements (Learnfare), or
3. An act of fraud under that program.

Example 7: A *W-2* participant intentionally fails to comply with a W-2 requirement and is sanctioned $70.00 for non-participation. The W-2 group will only receive a check for $603.00; however, the full amount of $673 must be budgeted for FS.

Means-tested public assistance programs include, but are not limited to, W-2 or the Refugee Assistance Program. *SSI* is not considered a means-tested program for these requirements.

Do not apply this policy if the FS group, or a new individual in the FS group, are determined ineligible for the means-tested program at application. The household must already be receiving benefits, and the failure to comply must result in a reduction, suspension, or termination of those benefits.

No increase in the FS allotment should be made for the duration of the penalty period. If other reductions or changes to the other program's benefits occur during the penalty period, which are unrelated to the failure to comply, the FS allotment must be adjusted accordingly.

If the person or FS group is subject to a penalty period in both the FS program and another program, apply the FS penalty period first. If the other program's penalty period is longer, that penalty will continue after the FS period is completed. The prohibition on increasing benefits follows a person who moves from one household to another.

7.1.1.8 EBT Benefit Issuance Calendar

Benefit distribution is based on 8th digit of your Social Security number: See http://dhs.wisconsin.gov/FoodShare/ebt/general/questfaq.htm for the calendar.

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7.2.1 ELECTRONIC BENEFITS TRANSFER (EBT)

The EBT Guide was made obsolete in October 2007. See the CWW Process Help Ch. 80 EBT for information on Electronic Benefits Transfer.

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7.3.1 BENEFIT OVERISSUANCE

7.3.1.1 Overissuance Claims Against Food Units
7.3.1.2 Liability
7.3.1.3 Offsetting an Established Claim Amount
7.3.1.4 Exception
7.3.1.5 Moves
7.3.1.6 15% Local Agency Retention
7.3.1.7 Overissuances Due to Receipt of Tribal Food Distribution and FS in the Same Month
7.3.1.8 Notice of Overissuance
7.3.1.9 Overissuances Due to Client & Non-Client Error

7.3.1.1 Overissuance Claims Against Food Units

Establish a claim against any *FS* group that has received more FS than it was entitled to receive.

There are three types of overpayment claims: client error, nonclient error, and Intentional Program Violation (*IPV*). Collect claims for all types of errors, regardless of the date of origin. Only collect the amount of the claim.

In claim calculations, *disregard* income that was not previously reported and was not required to be reported.

7.3.1.2 Liability

7 CFR 273.11(e)(6)

All *adult* or *emancipated minor* food unit members at the time the overpayment occurred are liable for repayment of any overissued FoodShare benefits. If a liable individual moves to another household, the claim follows him/her to the new household. Also apply the claim to any remaining adult or emancipated minor food unit members. An individual living in the household, but not included in the food unit would not be responsible or liable for the overissuance to the food unit.

An authorized representative applying on behalf of a resident of a drug or alcohol treatment center, or a group living arrangement (GLA) (3.2.1.5), is responsible and liable for any FS overissuances to the recipient due to misrepresentation or Intentional Program Violation which the authorized representative knowingly commits in the certification of center or GLA residents.

7.3.1.3 Offsetting an Established Claim Amount

Offset an existing FS overissuance (claim) with the calculated FS underissuance (restoration) amount when both situations exist. Offset the claim against any amount that has not been restored to the FS group. You may offset a suspended or terminated claim amount against an underissuance amount.

7.3.1.4 Exception

An initial allotment must not be reduced to offset a claim. This includes retroactive initial allotments. Person Adds are not initial allotments. Therefore, you can offset claims against person add auxiliaries. Offset the entire auxiliary, if the claim balance is more than the auxiliary. If the claim balance is less than the auxiliary, *CARES* will correctly apply the amount of auxiliary that will zero out the claim and issue the remainder of the auxiliary as a benefit to the recipient.

7.3.1.5 Moves

Pursue collection of FS claims even if the FS group moves out of a county/tribal area or out of Wisconsin.

The agency that overissued benefits to the group has the first opportunity to collect an over-issuance. If the agency does not act promptly to collect, and the group moves, the new agency can begin collection action. The new agency must contact the agency that overissued the benefits to see if they intend to pursue collection.

7.3.1.6 15% Local Agency Retention

When the cause of overissuance is client error, the local agency that establishes the claim may keep 15% of any collection that is made against that claim.

When the cause of overpayment is an IPV, the local agency may, in some circumstances, keep 15% of any collection against the claim.

7.3.1.7 Overissuances Due to Receipt of Tribal Food Distribution and FS in the Same Month

A FS group cannot receive commodities from a Tribal Food Distribution program (3.11.1) and FS at the same time. Make a claim against any group that receives

FS in the same month it also participates in a Tribal Food Distribution Program. If the FS group receives:

1. FS and then receives Food Distribution Program commodities in the same month, the Food Distribution agency must process the claim.
2. Food Distribution Program commodities and then receives FS in the same month, the FS agency must process the claim

7.3.1.8 Notice of Overissuance

A Notice of FS Overissuance, a completed FS Overissuance Worksheet, and a FS Repayment Agreement must be sent to the client for all types of claims.

Attempt a personal contact with the FS group in your initial collection efforts. The local agency may request the repayment be brought before the court or addressed in an agreement reached between the prosecutor and accused person.

All Repayment Agreements are due on the 25th of the month. In all cases, if the FS group is receiving FS benefits, recoupment will take place. If the client signs and returns the repayment agreement, they are expected to make a monthly repayment in addition to the recoupment from the FS benefit allotment.

If FS benefits are not being issued and the client does not sign and return the FS Repayment Agreement, dunning notices will be issued through CARES . The local agency may also pursue other collection action. The State of Wisconsin Public Assistance Collection Unit may also pursue collection action.

If the group fails to make a scheduled payment or underpays, send a dunning notice stating that the group must contact the local agency to renegotiate the payment schedule.

The group must either:
1. Negotiate a new schedule, or
2. Pay the overdue amount and continue to pay based on the previous schedule.

7.3.1.9 Overissuances Due to Client & Non-Client Error

A client error occurs when the overissuance was caused by an unintended error:
1. On the part of the FS group.
2. Due to continuation of benefits pending a fair hearing decision.

A nonclient error occurs when the State or local agency:
1. Takes an incorrect action on a FS case,
2. Fails to correct an action.

Do not establish a claim if an overissuance occurs because the agency did not ensure that a household did any of the following:

1. Signed the application form.
2. Completed a current work registration form.
3. Applied in the correct project area.

Do not establish a claim if Social Security or *SSI* updates from data exchange are incorrect. These updates cannot be recovered or found in error because the information comes from a trusted 3rd party source.

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7.3.2 CALCULATING OVERISSUANCE CLAIM AMOUNTS

7.3.2.1 Client Error
7.3.2.2 Collecting Client and Nonclient Error Claims Against Participating Households
7.3.2.3 Collecting Claims for Client & Non Client Errors Against Non-Participating Household
7.3.2.4 IPV
7.3.2.5 Calculate IPV Claims
7.3.2.6 Allotment Reduction
7.3.2.7 Writing-Off Claims Against Non-Participating Households
7.3.2.8 Overpaid Claims
7.3.2.9 Timely Negative Notice
7.3.2.10 Tax Intercept
7.3.2.11 Notice & Review
7.3.2.12 Repayments

7.3.2.1 Client and Non-client Error

Consider the *FS* group's reporting requirements when calculating the overissuance. Do not use income or expenses, or changes in income and expenses that were not reported and were not required to be reported.

Client Error
Establish a claim for a client error that occurred when the FS group unintentionally:

1. Failed to provide correct or complete information.
2. Failed to report a change that was required to be reported.
3. Received FS for which it was not entitled pending a fair hearing decision.

When overissuance is because the group did not timely report a change, begin with the month the overissuance was discovered and extend backward:

1. Six years, or
2. To the month the change would have been effective had the group timely reported it, whichever is most recent.

The month the change would have been effective cannot be more than 2 months after the change in circumstance actually occurred.

Do not apply the 20% earned income deduction to earned income which was required to be reported, and was not reported timely. If expenses were reported correctly at the time of the overissuance, use the same expenses when calculating the overissuance. If not, then do not use the expenses in the calculation. In claim calculations, *disregard* income that was not previously reported and was not required to be reported.

Non-client Error
Establish a claim for a nonclient error that occurred when the agency:

1. Did not take prompt action on a change the FS group reported, or
2. Incorrectly computed the group's income or a deduction, or
3. Continued to give the group FS after its eligibility ended, or
4. Did not reduce the group's FS to correspond with a *W-2*, *SSI*, or *GR* grant increase.

The overpayment period for nonclient errors begins with the month the error is discovered and extends back 12 months or when the error was effective, whichever is most recent.

When determining if an overissuance occurred due to an unreported increase in total gross monthly income, compare the total actual unconverted income amount to the income reporting limit for the household size to determine if the income should have been reported. Enter the converted income amount to determine ongoing benefit eligibility. Use the income and expenses reported or required to be reported for each month of the adjustment period. In claim

calculations, disregard income that was not previously reported and was not required to be reported.

Example 1: At Jeff's review on June 5, his worker Marcia miscalculated Jeff's income and budgeted $400/month instead of the $800/month that Jeff reported. When Jeff submits his SMRF on December 5, Marcia discovers her error and begins to calculate overissuance for benefits issued from July to December. While reviewing Jeff's income, Marcia discovers that Jeff started a second job on August 1, from which he earns $600/month.

To calculate the overissuance for the benefits issued from July through December, Marcia budgets the correct income amount of $800 from the job Jeff was required to report.

Marcia does not use the income from the second job, because the income did not cause Jeff's food unit to exceed their reduced reporting income limit. Jeff was not required to report the change until his next SMRF, which he did.

Example 2: Mike submitted a complete SMRF on February 4. On May 12, Mike's worker, John discovers that he budgeted the full heating allowance even though Mike's heat is included in his rent. While determining if Mike has an overpayment, John learns that Mike began a second job, from which he earns $120/month. The additional income does not push Mike's income over 130% of the FPL, so he is not required to report the change until his next review, due in August.

John calculates the overissuance using the correct utility allowance and compares that amount of benefits issued to the amount that should have been issued for the months of February through May.

John does not use the income from Mike's second job because it was not required to be reported.

7.3.2.2 Collecting Client and Nonclient Error Claims Against Participating Households

Establish collection of overissuance claims against participating households unless:

1. The claim is collected through an offset, or
2. Claims are protected by the Federal Bankruptcy Code

Do not charge any interest on the claim.

If the client wishes to pay the whole claim at once, s/he may do so.

A *participating household* is defined as a food unit or AG that is still open and receiving FS benefits.

7.3.2.3 Collecting Claims for Client & Non Client Errors Against Non-Participating Households

Establish overissuance claims for non-participating food units only if the amount of the claim is $125.00 or more.

A non-participating household is defined as a food unit or AG that is closed and not receiving FS benefits.

7.3.2.4 IPV

Establish a claim due to an Intentional Program Violation (*IPV*) only when one of these conditions exists. The food unit member:

1. Signs a waiver of the disqualification hearing, or
2. Signs a disqualification consent agreement after being referred for prosecution, or
3. Is convicted of a FS felony or found guilty of IPV in an Administrative Disqualification Hearing or judicial proceeding.

Conduct which may lead to an IPV determination for an individual include:

1. Making false or misleading statements or misrepresenting, concealing or withholding facts to become eligible or to remain eligible for benefits, or
2. Committing any act that constitutes a violation of FoodShare regulations or state statutes relating to the use, presentation, transfer, acquisition, receipt or possession of FS, i.e., trafficking FS.

If you have a pending IPV hearing, establish the claim as a nonclient error. If the case has been referred to the DA for prosecution, discuss the claim establishment with the DA or your legal counsel.

If the DA or your legal counsel advises that processing a claim as a client error may create bias against an IPV judgment, do not process the claim until the IPV determination is made.

7.3.2.5 Calculate IPV Claims

For eligibility-related IPV claims, do not apply the 20% earned income deduction to earned income which was required to be reported, and was not reported timely. If expenses were reported correctly at the time of the overissuance, use the same expenses when calculating the overissuance. If not, then do not use the expenses in the calculation.

In claim calculations, disregard income that was not previously reported and was not required to be reported.

For trafficking-related claims, establish the claim as determined by:
1. the individual's admission, or
2. the amount ordered through adjudication, or
3. the documentation that forms the basis for the trafficking charge.

Offset the IPV claim against any restoration amount owed to the group. Start collection action for the remaining balance.

You must collect an IPV claim previously handled as a client error claim. Start the IPV procedure for collection whenever a client error is later determined to be an IPV.

1. Enter the IPV information in *CARES* to recalculate the claim amount as an IPV type, and
2. Send the FS group a new Notice of FS Overissuance showing IPV as the reason, and
3. Send a new Notice of Repayment Agreement.

Do not charge any interest on the claim.

IPV information is entered in CARES as soon as possible after the date of decision either by a worker or through the Data Exchange (DX) process for IPVs that have occurred in other states. Workers enter the type of offense on AIIP as indicated in the legal IPV documents. When the sanction number and type of offense code are entered, CARES will automatically calculate the sanction duration period.

If the document does not contain the offense type, obtain more information from the party who issued the IPV. The Sanction Duration field should not be updated by workers unless it is necessary to override a sanction duration based on legal documents that indicate a different sanction duration period.

Sanction duration is the number of months a recipient is disqualified from receiving FS. Code 999 is permanent disqualification. No sanction end date will appear if the sanction duration is 999.

7.3.2.6 Allotment Reduction

An overissuance due to any type of error will be recovered from a FS group participating in the program by reducing their allotment.

The type of error determines the amount that will be recovered each month.
1. Client/Nonclient error. CARES will reduce the allotment by the greater of 10% of the group's monthly allotment or $10 each month. The $10

minimum benefit level for 1 or 2 person groups applies before CARES reduces the allotment.

2. IPV. CARES will reduce the allotment by the greater of 20% of the group' monthly entitlement or $20 each month. The entitlement is the amount of benefits the group would have received if not for the disqualification of a FS group member. The $10 minimum benefit level for 1 or 2 person groups applies before CARES reduces the allotment.

CARES will not allow you to reduce the minimum deduction to less than $10 for Client/Nonclient and less than $20 for an IPV.

7.3.2.7 Writing-Off Claims Against Non-Participating Households

Claims against non-participating households may be written off if reasonable collection efforts have been made and the debt is determined to be uncollectable. Recommendation to write-off can be made if proper documentation is submitted to demonstrate that the claim meets any of the following criteria:

1. It is found to be invalid in a fair hearing, administrative or judicial decision.
2. It is against a household in which all *adult* members are deceased and the State does not plan to pursue collection against the estate.
3. It has been discharged through bankruptcy or a bankruptcy stay is in effect.
4. It cannot be substantiated from case records.
5. The state agency has determined, after exhausting collection efforts, that it is not cost-effective to collect the claim. If the request to write off the claim is made on this basis the following criteria should be used:

a. The claim has an outstanding balance of $24 or less and has been past due for 90 days or more.

b. The claim is from $25 to $499 and:

i. Three past due notices have been sent,

ii. It was referred for tax intercept, if the tax intercept was successful the account

iii. should remain open for 3 years or until paid in full, and

iv. It has been past due for 3 years.

c. The claim is from $500 to $4999 and:

i. Three past due notices have been sent,

ii. It was referred for tax intercept (if the tax intercept was successful the account should remain open for 5 years or until paid in full),

iii. It has been considered for referral to a collection agency or credit bureau, and

iv. It has been past due for 5 years.

. The claim is over $5000 and:

i. Three past due notices have been sent,

ii. It was referred for tax intercept (if the tax intercept was successful the account should remain open for 10 years or until paid in full),
iii. It has been considered for referral to a collection agency or credit bureau, and
iv. It has been past due for 10 years.

Documentation of the following information is required:

1. The age of the claims,
2. Actions taken to collect,
3. Documents relevant to the specific claim, e.g., death certificates, bankruptcy discharge orders, administrative or judicial decisions.

Recommendations for the writing-off of claims must be submitted to the Public Assistance Collection Unit P.O. Box 8938, Madison, WI 53708-8938.

7.3.2.8 Overpaid Claims

If a group has overpaid a claim, refund the amount overpaid as soon as you discover it. Request reimbursement from DES. Follow the instructions in the Accounting Reports Manual, IV.

7.3.2.9 Timely Negative Notice

FS benefits issued solely because the 10-day negative notice requirement cannot be met, are not an overissuance. Do not establish a claim or recover this type of issuance.

7.3.2.10 Tax Intercept

The State of Wisconsin Public Assistance Collections Unit uses tax intercept from both state and federal tax refunds to recover overpayments from anyone who has become delinquent in repayment of an overissuance.

To use tax intercept, the person must have received three or more dunning notices and the debt must be:

1. Valid and legally enforceable.
2. State: All error types.
   Federal: All error types.
3. State: At least $20.
   Federal: At least $25.
4. State: At least 30 days from notification of overissuance.
   Federal: Not more than 10 years past due from notification date except in fraud cases. There is no delinquency period for fraud.
5. Free from any current appeals.
6. Incurred by someone who has not filed bankruptcy, nor has their *spouse*.

7.3.2.11 Notice & Review

State tax intercept notices include a 30 day fair hearing right. The Division of Hearings and Appeals conducts the fair hearing. Federal intercept notices have a 60 day administrative review process. The Public Assistance Collections Unit conducts the administrative desk review. The client must provide evidence showing the claim is not past due, or is not legally enforceable. If the client can not provide that evidence, the case will be sent for intercept.

The case is not subject to the tax intercept while under review or appeal.

7.3.2.12 Repayments

A client who makes a repayment agreement may not be subject to tax intercept as long as s/he is meeting the conditions of the agreement. If a client has received three dunning notices, s/he is subject to both tax intercept and monthly repayment.

The policies for monthly repayments are listed on the repayment agreements:

1. Overpayments less than $500 should be paid by at least $50 monthly installments
2. Overpayments $500 and above should be paid within a three-year period either by equal monthly installments, or by monthly installments of not less than $20.

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7.4.1 BENEFIT UNDERISSUANCE

7.4.1.1 Restoring Benefits Due to Underissuance
7.4.1.2 Calculating the Amount of the Underissuance
7.4.1.3 Notice of Underissuance

7.4.1.4 Method of Restoring

7.4.1.1 Restoring Benefits Due to Underissuance

Restore *FS* benefits when you discover a FS group received fewer benefits than it was entitled to receive. Only restore benefits if the group did not cause the underissuance. Do not restore benefits if the underissuance occurred more than 12 months before the month the underissuance is discovered.

Restore benefits even if the FS group is currently ineligible. The FS group does not need to request the restoration. Restore benefits as soon the underissuance is discovered.

The local agency servicing the FS case handles the correction if the case is receiving FS. If the case is closed, the county that last serviced the case corrects the error.

Restore benefits for an individual disqualified due to an *IPV* only if the disqualification is reversed. Compare the allotment the FS group received with what it would have received if the disqualified member had participated. Restore the difference.

A request for a hearing is sufficient notification of FS group's request for restored benefits.

7.4.1.2 Calculating the Amount of the Underissuance

Restore the difference between the issued allotment and the correct allotment. Issue the restored benefits in addition to the group's regular allotment. Consider the FS group's reporting requirements when calculating the underissuance. Do not use income or expenses, or changes in income and expenses that were not reported and were not required to be reported.

As part of application and review processing, determine if the FS group has any outstanding claims.

If there is a claim against the FS group, offset the claim against the amount to be restored. Complete this calculation or determine this amount before restoring any benefits to the FS group.

Example 1: Vera received $200 in monthly FS. She should have received $220. She owes the agency $10 from an overpayment ($20 underissuance less $10 overissuance = $10) Issue a supplement of $10.

If the FS group was eligible, but received an incorrect allotment, calculate the underissuance amount only for those months the FS group was participating in the program.

If the FS group was found ineligible erroneously, the date the loss first occurred is:

1. Incorrect denial or delayed application - use the application month.
2. Erroneously terminated - use the month the loss first occurred.
3. Incorrect denial of recertification - use the month following the expiration of the certification period.

Calculate the underissuance amount for each month the group was, or should have been, eligible. Use the food unit's income and expenses reported or required to be reported for each month of the adjustment period. Benefits cannot be restored beyond 12 months from the month the underissuance is discovered.

Example 2: On May 22, 2007 a worker discovers that benefits had been underissued since February 2006. The worker counts back 12 months from May 2007 and restores benefits from June 1, 2006 to May 31, 2007.

To calculate an underissuance:

- Review the income/expenses in error. Do not review income/expenses that were not the cause of the error.
- Use the income that was reported or was required to be reported.
- Do not use the income in the calculation if the income was not reported and was not required to be reported.
- The above policy also applies to expenses.

Request any verification necessary to determine correct eligibility and benefit amounts. Do not reverify income/expenses that were not found in error. If requested verification is not provided in 10 days, a restoration is not made for the months the requested verification would have impacted eligibility or benefit amounts.

Example 3: On June 10, Brian's worker, Julie, discovers that she did not allow Brian the full dependent care deduction that he was eligible to receive since February 1. Julie uses the full dependent care deduction of $200/month to determine the difference between what Brian received in FS and what he should have received from February to June. Julie does not request verification of Brian's income and other expenses because they were not found in error.

7.4.1.3 Notice of Underissuance

Notify the FS group of the restoration in writing. Include:

1. The entitlement to lost benefits.
2. The amount to be restored.

3. Any offsetting claims and the method of restoration.
4. Right to appeal.

If the documents to support entitlement to lost benefits are not obtained, the group may provide an affidavit explaining its entitlement. The affidavit is signed under penalty of perjury. The local agency, a group member, or the group member's designee may draft the affidavit.

7.4.1.4 Method of Restoring

Issue an allotment to correct the underissuance, regardless of current eligibility. If the FS group's composition has changed, restore benefits to the FS group containing the most FS group members when the loss occurred. If you cannot find or determine the group with the largest number , restore benefits to the primary person at the time of the loss.

Document your calculations and the reason for restoration in the case record.

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8 APPENDIX

8.1 TABLES

8.1.1 INCOME LIMITS

No change from FFY 2010

	Categorical Eligibility Income Limit	Elderly & Disabled Seeking Separate Household Status	Income Change Reporting Threshold And Gross Income Limit For Non-Cat Eligible Food Groups	Net Income Limit	Monthly Maximum *FS* Allotment
FS Group Size	**Gross Monthly Income Limit (200% FPL)**	**Gross Monthly Income Limit (165% FPL)**	**Gross Monthly Income Limit (130 % FPL)**	**Gross Monthly Income Limit (100% FPL)**	
1	$1,806	$1,490	$1,174	$903	$200
2	$2,430	$2,004	$1,579	$1,215	$367
3	$3,052	$2,518	$1,984	$1,526	$526
4	$3,676	$3,032	$2,389	$1,838	$668
5	$4,300	$3,547	$2,794	$2,150	$793
6	$4,922	$4,061	$3,200	$2,461	$952
7	$5,546	$4,575	$3,605	$2,773	$1,052
8	$6,170	$5,089	$4,010	$3,085	$1,202
9	$6,794	$5,604	$4,416	$3,397	$1,352
10	$7,418	$6,119	$4,822	$3,709	$1,502
Each Add'l Member	$624	$515	$406	+$312	$150

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8.1.2 ALLOTMENT FOR MONTHLY NET INCOME AND FS GROUP SIZE

Current Allotment Table

Allotment by Monthly Net Income and *FS* Group Size Effective 10/01/09 through 09/30/10

Prior Years' Allotment Tables

Allotment by Monthly Net Income and *FS* Group Size Effective 04/01/09 through 09/30/09

Allotment by Monthly Net Income and *FS* Group Size Effective 10/01/08 through 03/31/09

Allotment by Monthly Net Income and *FS* Group Size Effective 10/01/07 through 09/30/08

Allotment by Monthly Net Income and *FS* Group Size Effective 10/01/06 through 09/30/07

Allotment by Monthly Net Income and *FS* Group Size Effective 10/01/05 through 09/30/06

Allotment by Monthly Net Income and FS Group Size Effective 10/01/04 through 09/30/05

Allotment by Monthly Net Income and FS Group Size Effective 10/01/03 through 09/30/04

Allotment by Monthly Net Income and FS Group Size Effective 10/01/02 through 09/30/03

Allotment By Monthly Net Income and FS Group Size Effective 10/01/01 through 09/30/02

Allotment by Monthly Net Income and FS Group Size Effective 10/01/00 through 09/30/01

Allotment by Monthly Net Income and FS Group Size Effective 10/01/99 through 09/30/00

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8.1.3 DEDUCTIONS

This table is effective 10/01/10

Deduction Type	Amount

Standard For AGs with 1-3 people For AGs with 4 people For AGs with 5 people For AGs with 6 or more people	 $142 $153 $179 $205
Dependent Care	Use total monthly costs.
Shelter and Utility Allowances Shelter Maximum HSUA (Heating Standard Utility Allowance) LUA (Limited Utility Allowance) PUA (Phone Utility Allowance)	 $458 $433 $299 $33
Medical Allowance	Expenses over $35

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8.1.4 DISQUALIFICATION FOR DIVESTMENT

Use this table for divestments that occurred on or prior to 10/22/04. After 10/24/04, there is no divestment due to a change in asset policy.

Divested Assets Over the Group's Asset Limit	Number of Months Disqualified
$>0 - $249.99 $250 - $999.99	One (1) Three (3)

$1,000 - $2,999.99	Six (6)
$3,000 - $4,999.99	Nine (9)
$5,000 or more	Twelve (12)

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8.1.5 ELIGIBLE FOOD ITEMS

A list of Eligible Food Items is found on the Supplemental Nutrition Assistance Program website. This site shows what food items may be purchased using FoodShare benefits.

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8.2 WORKSHEETS AND FORMS

8.2.1 WORKSHEETS AND FORMS

All Division of Health Care Financing Eligibility Management forms including, FoodShare Wisconsin applications, forms and worksheets, are found at http://dhs.wisconsin.gov/em/forms/imforms.htm

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