

WISCONSIN DEPARTMENT OF HEALTH SERVICES  
Division of Medicaid Services  
P-16001 (11/2020)

## **FoodShare Handbook Release 20-03**

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# 1 GENERAL PROGRAM REQUIREMENTS

## 1.1 INTRODUCTION

### 1.1.1 General program introduction

7 CFR 272.4(a)

FoodShare Wisconsin helps low-income individuals and families buy the food they need for good health.

The U.S. Department of Agriculture Food and Nutrition Service (FNS) is responsible for setting the basic program rules for the Supplemental Nutrition Assistance Program (SNAP) so that the program is operated similarly throughout the country. The Wisconsin Department of Health Services (DHS) administers the state's SNAP program, called FoodShare. Government income maintenance (IM) workers at county/tribal human or social service agencies (local IM agencies) determine eligibility for FoodShare benefits and are responsible for issuing benefits. These workers are considered merit workers, and only merit workers may make eligibility determinations for FoodShare.

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### 1.1.2 FoodShare Benefits

*FNS Memo 12/18/14,  
Online waiver approval 2020*

FoodShare benefits are used to purchase food at authorized FoodShare retailers, including grocery stores, farmers markets, *direct-marketing farmers*, and select online retailers that participate in FoodShare. Benefits may be used anywhere in the United States, regardless of the origin of issuance.

**Example 1:** Joan lives in Green Bay, Wisconsin. Joan calls her agency and asks if she can purchase food while visiting a friend in Mississippi. The answer is Yes. She can purchase food anywhere SNAP-EBT is accepted nationwide.

**Example 2:** Jack reported he moved from Wisconsin to California. Jack's FoodShare case was closed. However, Jack still has FoodShare benefits in his EBT account. Jack is allowed to spend his remaining FoodShare benefits while living in California, even if he starts to receive SNAP benefits in California.

FoodShare benefits are deposited in a member'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, swipe card terminals, or online EBT payment options with participating SNAP retailers. 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.
- Seeds and plants that produce food for the household to eat.

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

- Nonfood items (pet foods, paper products, soaps, household supplies, grooming items, toothpaste, cosmetics, etc.).
- Beer, wine, liquor, cigarettes, or tobacco.
- Food that will be eaten in the store.
- Hot foods (for example, food that is purchased and cooked at the store).
- Vitamins and medicines.

Hot foods are only excluded if they are hot at the time they are sold. Occasionally grocery stores will chill hot foods; these items are then eligible for purchase with FoodShare benefits.

If a container deposit fee is required when purchasing an eligible food item, this additional fee cannot be paid by using FoodShare benefits. The container deposit fee must be paid in cash or through another form of payment.

If the member has questions about specific food items, refer the member to the Food and Nutrition Service's list of eligible food items.

If the member eats at a group meal site for the elderly or has meals delivered to the member's home, FoodShare benefits can pay for these meals if the facility or meal provider is an authorized FoodShare retailer.

FoodShare benefits can be used for group meals if the facility is authorized to accept QUEST cards and the member is staying in a drug and alcohol treatment center, a shelter for victims of domestic violence, a shelter for the *homeless* or a group home for the disabled.

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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. See 5.3.1 Disaster Supplemental Nutrition Assistance Program (DSNAP) for Victims of Natural Disasters.

FoodShare Wisconsin can replace food purchased with FoodShare benefits that were destroyed in a household misfortune or disaster. See 7.1.1.5 Replacement Issuance for Destroyed Food.

People receiving their nutrition completely through Total Parenteral Nutrition (TPN) may be eligible for FoodShare benefits even if the TPN is covered by Medicaid or another medical program.

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## 1.1.4 Eligibility Overview

### Non-Financial Eligibility

The application process begins with a person contacting a local agency to request FoodShare benefits. The local agency must determine whether the applicant is a Wisconsin resident. The local agency must determine whether the applicant is a boarder, foster person, or resident of an institution. Some applicants are not eligible for FoodShare because their food needs are already met.

### Individual Eligibility

To be eligible for FoodShare, an individual must be a U.S. citizen or qualifying immigrant. A Social Security number (SSN) is required, or the individual must apply for an SSN, for each person who is requesting FoodShare benefits. A food unit member cannot belong to more than one FoodShare assistance group with a few exceptions.

### Food Unit

The food unit can include anyone who purchases and prepares food with the primary person. There are some exceptions regarding who must be included in the food unit based on relationship rules.

### FoodShare Assistance Group

The FoodShare assistance group includes everyone who will receive FoodShare benefits.

### Work Programs

Almost everyone age 16-59 must register for work to be FoodShare eligible. Some exceptions include full-time students and parents caring for young children.

### Unearned Income

Unearned income and any unearned income that is deemed from an ineligible member may be counted. Some types of unearned income include: child support, unemployment compensation, Social Security, and *W-2* payments.

### Earned Income

The food unit's gross earned income may be counted. Some types of earned income include: wages, tips, in-kind, training, and self-employment income.

### Room and Board Income

Income the food unit receives from a boarder may be counted.

### Gross Income Computation

The 200% federal poverty level (FPL) gross income test applies to all broad-based categorically eligible food units (except for food units with an *EBD* member) as a condition of eligibility. Most food units are considered broad based categorically eligible

if their gross income is at or below 200% FPL and the language describing "Job Center" services is issued to the food unit on a *CARES*-generated notice of decision.

**Note:** The FoodShare worksheet and the CWW budget page refer to "assistance group size" for the gross income test.

Food units that include an elderly, blind, or disabled member with gross income that exceeds 200% of the FPL must be tested for FoodShare using the regular SNAP rules. Under the regular SNAP rules, these food units have no gross income limit but must have a net income that does not exceed 100% of the FPL and countable assets that do not exceed \$3,500.

### **Dependent Care**

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

### **Shelter and Utilities**

Food units that have a shelter and utility obligation may receive a shelter and utility deduction. The food group will receive a standard utility allowance based on the receipt of Wisconsin Heating Energy Assistance Program/Low Income Home Energy Assistance Program (WHEAP/LIHEAP) benefits in the current month or past 12 months. 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**

Food units that are not categorically eligible must pass the 100% FPL net income test based on FoodShare assistance group size. Categorically eligible food units do not have to pass this test; however, if net income exceeds the FoodShare net income limit, FoodShare assistance groups of three or more people may not receive FoodShare benefits. If the group's net income equals or is less than the limit, the group may be eligible for benefits.

**Note:** Assistance group size is listed on the CWW budget page for the net income test.

### **Allotment**

The allotment is the monthly amount of FoodShare benefits an eligible FoodShare assistance group receives. The allotment is calculated by looking at FoodShare assistance group size and total adjusted net income. Prorate the initial allotment if the FoodShare assistance group applies after the first of the month.

### **Renewal Date**

The local agency must review a food unit's eligibility within certain time frames. Most 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 six months. These food units are subject to a reduced reporting policy.

Food units that include only *EBD* individuals 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 the number of individuals who are eligible and monthly net income after deductions. The lower the net income, the more FoodShare benefits a FoodShare assistance group 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)*

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 allow FoodShare applicants/members at least 10 days to provide required verification.

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

#### 1.2.1.1 General Verification Rules

*7 CFR 271.2*

The general 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 in case comments as questionable.
3. Avoid over-verification (requiring excessive pieces of evidence for any one item). If you have all of the verification you need, do not continue to require additional 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 Chapter 12 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 another electronic device, or through an authorized representative.

When verification is requested and not returned by the due date, each item that the applicant or member failed to verify must be updated to indicate it was not verified. This will ensure the notice of decision lists each item that was not verified. This is required for the notice to meet the federal definition of an adequate notice.

#### 1.2.1.2 Request for Verification

*7 CFR 273.2(c)(5); 7 CFR 273.2(h)(2)(i)(A)*

*OM 14-48*



Requests for verification **MUST** be made in writing. Verbal requests are not acceptable and will not stand up in a fair hearing. IM workers are required to give the applicant/member a notice that identifies the required verification, the date the verification is due to the agency, and the consequences of not verifying timely.

Do not deny the FoodShare application when the required verification is not provided until:

1. 10th day after requesting the verification, or
2. 30th day of the application, or
3. The last day of the renewal processing period, whichever is later.

**Example:** Ed submits an application on January 1. However, the interview was not completed until January 26 and verification of income was requested. Ed has until February 5 to provide verification. Do not deny the application until February 5.

If the 10th or 30th day falls on a weekend or *postal holiday*:

- For negative actions or denials - the action should be taken the next business day.
- For positive actions or approvals - the approval must be processed no later than the due date. Waiting until the next business day or later to process verification for an eligible food unit is untimely and therefore not allowable.

**Note:** After the denial of an application for failing to provide verification within 30 days, if the food unit provides all requested verification to the local agency during the period on or after the 31st day but no later than the 60th day from the filing date, allow FoodShare to open without requiring a new application or interview. See 2.1.2.1 Application Processing 30-Day Time Frame for more information on time frames for processing late verifications.

**Note:** After a renewal termination for failing to provide verification, the food unit may provide verification in the month following closure without needing to submit a new application. See 2.2.1.4 Renewal Processing Time Frame.

Allow FoodShare to reopen at Six Month Report Form (SMRF) or renewal 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. The SMRF must be returned no later than the last day of the seventh month of the certification period and the renewal interview completed no later than the last day of the renewal month.

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

In the above situations, benefits are prorated for the FoodShare assistance group from the day the food unit completes all the required actions needed to determine eligibility.

**1.2.1.3 Responsibility for Verification**

*7 CFR 273.2(f)(5)*

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

IM workers are responsible for verifying information such as:

- Out-of-state participation
- Fleeing felon or probation and parole violator status
- Out-of-state intentional program violations
- Social Security Income and Medicare
- Immigration status
- WHEAP (State database verified upon receipt)

If all attempts to verify the information have been unsuccessful because the person or organization providing the information has failed to cooperate with the applicant or member 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 an oral or written statement.

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## 1.2.2 Sources For Verification

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/member or other source. Whenever documentary evidence cannot be obtained or is insufficient to make a firm determination of eligibility or benefit level, the IM worker may require collateral contacts or home visits. See 1.2.6 for the Suggested Verification Sources Chart 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 fax, or other electronic device, or through an authorized representative. Applicants must not be required to present verification in person at the local agency. 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.

**Note:** Authorized representatives completing an application or renewal cannot serve as collateral contacts.

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

When the collateral contact designated by the applicant/member is unacceptable, the local agency must designate another collateral contact, ask the applicant/member to designate another collateral contact, 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 sought-after information. IM workers should avoid disclosing that an individual has applied for FoodShare, disclosing any information supplied by the applicant/member, or suggesting that the applicant/member 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 cannot be obtained or is insufficient to make a firm determination of eligibility or benefit level. Home visits must be scheduled in advance with the applicant/member. Home visits are to be used on a case-by-case basis where documentation is insufficient. An error-prone profile does not constitute a lack of verification warranting a home visit.

### 1.2.2.4 Discrepancies in Verification

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

When unverified information is received by the local agency from an external source, the applicant/member 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 Income Eligibility Verification System (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 applicant/member fails to provide requested verification, the local agency must issue a notice notifying the applicant/member of the action that has been taken and provide the applicant/member 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.

**Note:** For system-generated discrepancies, the worker must take action to resolve the discrepancy. See Process Help 44.4.

### 1.2.2.5 Request for Contact

The agency may receive unclear information about changes in an applicant's or food unit member's circumstances from which the agency cannot readily determine the effect of the change on the food unit's FoodShare case. If there is not enough information reported to request specific verification, issue a request for contact (Loss of Contact) notice to the applicant/member.

When FoodShare Quality Control is attempting to complete the federally required case review and has been unable to contact the household, the worker may be asked to send a request for contact. This request is to be sent as an attempt to get the member to comply with the Quality Control review.

The agency may also receive information from *CWW* that the case meets an automated Error Prone Profile (EPP) that the IM worker needs to resolve. In this case, a request for contact notice may also be appropriate.

**Note:** IM workers should add a case comment stating the reason for loss of contact.

#### 1.2.2.6 Case Documentation

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 Non-Financial Verification

### 1.2.3.1 Identity Verification

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

At the time of application, verify the identity of the primary person (if not already verified). If an authorized representative applies on behalf of the food unit, then verify the identities of both the authorized representative and the primary person.

**Note:** A complete Appoint, Change or Remove Authorized Representative form (F-10126) must be on file for an authorized representative designation to be valid. The completed Authorized Representative form meets the ID verification requirement, so no additional verification is required.

Identity is the only verification required to process expedited benefits.

Identity may be verified when the SSA data exchange returns a verified SSN code, through readily available documentary evidence, or through a collateral contact (1.2.6 for suggested sources of verification). See section 1.2.2.2 for definition of collateral contact. Any documents, which reasonably establish the primary person's and/or authorized--- representative'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.

**Note:** If the primary person's identity was verified for another program of assistance, do not re-verify the applicant's identity. Identity is to be verified only once.

### 1.2.3.2 Social Security Numbers Verification

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

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

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

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

Exception for newborns: See 3.13.1.2 SSN Application for Newborns.

### 1.2.3.3 Immigrant Eligibility Verification

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

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

Verify citizenship only when the statement about an individual's citizenship is 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, or
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 immigrant is applying for benefits on behalf of another person you may, under federal law, only verify the status of the person who will be receiving the benefits.

### 1.2.3.4 Disability Verification

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

Verify the disability status of all food unit members applying for FoodShare who are claiming to be disabled (see 3.8.1 Elderly, Blind, or Disabled Individuals).

### 1.2.3.5 Wisconsin Residency Verification

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

*Address*, Wisconsin *residency*, and household composition are separate and distinct eligibility factors with different verification requirements (see 3.2.1 Residence).

Verification of the primary person's residency is required at application and if questionable at renewal for FoodShare eligibility, with an exception for homeless and migrant workers.

Wisconsin "residency" refers to residing or living in Wisconsin, but is not limited to any specific type of housing, place of residence, living arrangement, or address.

- State residency (living in Wisconsin) is a condition of eligibility that can be verified through a number of acceptable documents from the applicant, a collateral contact, or another source, and must not be limited to a single type of document.
- 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 applicant resides in Wisconsin, the IM worker should attempt to obtain verification of state residency.
- Applicants already receiving other programs of assistance, such as BadgerCare, have already been determined to be living in Wisconsin. No further action is required to determine if the applicant is living in Wisconsin.

**Note:** Persons on vacation in Wisconsin are not residents of Wisconsin.

**Example 1:** Mary is applying for FoodShare. She refuses to provide any information regarding where she is living. Mary claims she is not homeless, not a migrant, and she is not participating in the Safe at Home program. Mary only provides a PO Box for her mail. No other information on Mary's application establishes her Wisconsin residency. Mary's application should be pended and a request for verification sent.

**Example 2:** Trent is currently open for health care. On November 13, Trent completes a program add for FoodShare. When the worker starts to process the new FoodShare request, all of the information collected from the health care application is in the case. Wisconsin residency is verified, and not questionable due to receiving health care. Receiving another program of assistance is a valid verification source for Wisconsin residency.

**Example 3:** Joe was homeless at the time of his application. When Joe is completing his renewal (month 6), he reports he is no longer homeless and now living at 1212 N. Union Street, Berlin, Wisconsin. There is no need to request verification of WI Residency since he is stating he is living in Wisconsin and there is no other indicator that this would be questionable.

### Exception

An exception exists for verifying the residency of homeless persons (3.2.1.3 Homelessness) and migrant farm workers (2.1.4.3 Eligibility for Migrant Workers). Do not require residence verification for homeless persons or migrant applicants newly arrived in Wisconsin.

### Questionable at renewal



An IM worker may become aware of information that makes Wisconsin residency questionable at the time of renewal. For example a new hire match is received showing the current employer is out of state and the member address listed with the employer is out of state. Clarify the information received through the data exchange with the member, and pend for verification if necessary.

**Example 4:** Susan reports a change of address and new employment at her renewal. Her new employer is located in Illinois, but the address on her pay stub matches the address she provided. State residency is not questionable.

### 1.2.3.6 Address Verification

**Verification of address is not required for FoodShare eligibility.**

Address refers to the actual place where the household is living or receiving mail. Verification of address is not required.

- An address is required to be provided at the time of application unless a household is homeless, a migrant, or newly arrived in Wisconsin.
- A household does not have to live in a permanent dwelling.
- A household may use a general mailing address.

An address must be provided in order to set a FoodShare filing date.

An applicant 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, migrant, or has recently moved to Wisconsin and does not yet have a fixed mailing address. If the applicant is homeless or migrant, the application must include a name, date, and signature to set the filing date.

### 1.2.3.7 Household Composition Verification

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

**Note:** FoodShare applicants and members are required to report changes in household composition at application, renewal, and upon submission of a six-month report form (SMRF), or when a change in household composition would result in additional income that would cause the food unit's total income to exceed 130% of the *FPL* for their reported food unit size [6.1.1 Change Reporting for All Food Units (Reduced Reporting)]. 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 IM worker must:

- Enter a "Q?" in the Household Composition Verification field on the General Case Information page to pend FoodShare.
- Initiate a Front End Verification if appropriate.

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

- Enter a "Q?" in the Household Composition Verification field on the General Case Information page to pend FoodShare, and add text to the verification checklist to explain to the member the information that needs to be clarified.
- When the information is provided by the member, make the appropriate updates to the case.
- If there is no response from the member by the verification due date, change the Household Composition Verification field to a "QV".

### 1.2.3.8 Student Eligibility in a Two-Year Program

If a student fails to meet one of the existing exemption reasons (3.15.1 Student Eligibility), verification of enrollment in a program that can be completed in two years or less is required. This may include documents such as an enrollment letter, course schedule, financial aid papers, etc. (1.2.6.2 Verify if Questionable)

Verification that course completion has a direct link to employment that is in demand is required only if demand is not common knowledge to the IM worker. For example, many occupations in the health field are in demand and therefore do not need to be verified.

If the direct link to employment is unknown, several sources may be used as verification including: literature from the school such as a brochure or online program information, collateral contact with Job Center of Wisconsin, *FSET* or an employment agency, publications in newspapers or online, etc.

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## **1.2.4 Financial Verification**

### **1.2.4.1 Gross Countable Income Verification**

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

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

Documentary evidence is written confirmation of a food unit member'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 member or other sources. Other sources may include collateral contacts (1.2.2.2 Collateral Contacts) which are oral confirmations of a member's circumstances by a person outside of the food unit.

If all attempts to verify the income have been unsuccessful because the person or organization providing the income has failed to cooperate with the applicant/member 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.

### **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 food unit 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 Employment Verification of Earnings (EVF-E) Form to verify prospective income. However, this form is not mandatory for FoodShare. An EVF-E is considered a valid source of earned income verification only if the form is returned as complete, and contains the employer's 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 applicant/member 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 food units 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's IM 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, the IM worker must not also require Joan to submit check stubs.

The opposite also holds true. If Joan 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 IM worker must not also require Joan 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 applicant/member 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. An oral or written statement from applicant/member.

As in all cases, instruct the applicant/member 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 FoodShare eligibility determination for broad-based categorically eligible FoodShare applicants and members 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 Expedited Service at Application), the reported assets are not required to be verified.

**EBD** food units that have gross income that exceeds 200% of the **FPL** are therefore not categorically eligible and are subject to the \$3,500 asset limit. These food units must verify assets (4.4.1 Assets).

#### 1.2.4.5 Expense Verification

7 CFR 273.2(f)(3)

Verify expenses that are required to be verified, expenses that are deemed questionable at application, or when a change in expenses is reported. At application/reported change/or renewal ensure that there is up-to-date documentation in the file to support current *CWW* entries.

#### 1.2.4.6 Dependent Care Expense Verification

7 CFR 273.9(d)(4)

Dependent care expenses required for food unit members to keep or obtain employment, receive 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, **or**
- Applicant or member receives *child* care subsidy and reported the full amount rather than his or her share of the cost.

**Example 2:** Vinny is a 10-year old child who attends Prestigious Prep Childcare four days a week during the summer while his parents are working. His parents indicate that this care costs \$1,000 per week. The cost of care seems unreasonably high compared to the cost of other care in the area. The IM worker should request verification of this dependent care expense.

**Reminder:** Only the amount of dependent care expenses that the food unit is responsible to pay can be used as a deduction. When a member has been approved for and receiving the dependent care through the child care subsidy program, Wisconsin Shares, the amount paid for through the subsidy would not be considered an allowable dependent care expense.

#### 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 utility expenses exceed monthly income,
- Applicant or member receives housing subsidy but reported the market rent amount, **or**
- Reported amount seems unreasonably high compared to market rates.

#### 1.2.4.8 Medical Expense Verification

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

##### Verification at Application

The amount of medical expenses claimed by an **EBD** individual must be verified at application in order for the expense to be used in the FoodShare benefit calculation.

*7 CFR 273.2(f)(8)(ii) and 273.12(c)*

##### Verification during the Certification Period

Verify changes in medical expenses reported by the food unit during the certification period if they are from a new source, if the total amount of previously verified medical expenses has changed by more than \$25, or when the information is questionable. Do not act on changes reported by a source other than the food unit, which require you to contact the food unit for verification. Only act on changes in medical expenses that are reported by a source other than the food unit if those changes are verified upon receipt and do not require contact with the food unit.

**Example 3:** Edith, a disabled FoodShare member, provided proof of her \$200 monthly prescription costs from her pharmacy at application. In the third month of her FoodShare certification period, she reports that she was hospitalized last month and now has a \$1,300 obligation for a hospital bill. Edith and her IM worker agree that this bill will be averaged over the remaining months in Edith's FoodShare certification. Edith's IM worker explains that in order to receive the deduction for this new medical expense, verification is required. If verification is not provided, only the \$200 deduction is allowed.

**Example 4:** Mario, an elderly FoodShare member, reported and provided proof of his \$90 monthly prescription costs at his most recent FoodShare renewal in December. In March, he reports that his prescription costs have increased to \$114 per month. The IM worker updates his case and does not require verification of the increased medical expense because the total medical expenses did not change by more than \$25.

**Example 5:** Violet, a disabled FoodShare member, is eligible for home and community-based waivers as a Group B participant. At application, Violet reports and provides proof of a recurring monthly medical expense for FoodShare. In the fifth month of her certification period, Violet's IM worker receives notice from the Aging and Disability Resource Center of a medical/remedial cost to be used in her Group B

Waiver cost share calculation. For FoodShare purposes, this change is not considered verified upon receipt. Violet's IM worker updates her case by creating a new sequence, and uses the 'OP – Out of Pocket Med/Remedial' code on the Medical Expenses page. This will allow *CWW* to budget the expense correctly for long-term care purposes and not impact her FoodShare determination. If the care manager had provided verification of the medical/remedial expense, the verification could be used as a FoodShare expense at the time the change was reported. The new FoodShare expense amount would be entered using the appropriate code on the Medical Expense page and used in the benefit calculation.

**Note:** The 'CM-Case Management' and 'OP-Out of Pocket Med/Remedial' codes are NOT applicable for FoodShare. To see what Expense Type codes will work in *CWW* for FoodShare vs. EBD Medicaid, click on the Reference Table Pop Up.

7 CFR 273.2(f)(8)(i)(A)

### Verification at Renewal

Previously unreported medical expenses and changes in total recurring medical expenses which have changed by more than \$25, or when information is questionable, must be verified at renewal.

**Example 6:** Sally reports and provides proof of a \$150 recurring monthly prescription medical expense at her FoodShare application. At her renewal, she states that this monthly expense continues but that it has increased by \$10. Sally's IM worker updates her case and does not require verification.

If Sally had reported at renewal that she also had a new recurring medical expense of \$90 for monthly chiropractic visits, verification of this new expense would be required.

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 he or she had coverage, or
- 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 *EBD* food unit members to verify recurring 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 food unit member's medical

## 1 General Program Requirements

condition, public or private medical insurance coverage, and the current verified medical expenses incurred by the food unit 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 and actual payments made by a food unit member claiming to pay child support to non-food unit members must be verified.

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## 1.2.5 Questionable Items

*7 CFR 273.2(f)(2) and  
USDA SNAP Policy Guidance, November 13, 2008*

IM agencies may request verification of other factors if information provided at application, renewal, or reported change is questionable, unclear, or incomplete and would have an effect on FoodShare 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 applicant/member's name,
6. Medical expenses that are unusually high or exceed monthly income, or
7. Resolving any identified *EPPs* (Process Help 70.1).

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

There may be instances where the applicant/member has reported 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/member's name, the purpose of the documentation is not to verify identity. The applicant/member can attest to the accuracy of those earnings and provide a reasonable explanation for the discrepancy with the name contained on the pay stub. IM workers should document this explanation in case comments. 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

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

7 CRF 273.2(f)

Verification Item	Suggested Verification Sources
<b>Immigration Status</b>	<ul style="list-style-type: none"> <li>• SAVE</li> <li>• <i>INS</i> or <i>USCIS</i> Alien Registration Card (Permanent Residence Card, Green Card, Form I-551)</li> <li>• Naturalization certificate</li> <li>• <i>SSA</i> query to verify work quarters</li> <li>• Military services papers</li> <li>• Military Affidavit (F-02431) CWW manual letter: Imm ROP: Military</li> <li>• Other Immigration letters and certification of status documents (trafficking victims, battered immigrant)</li> </ul>
<b>Wisconsin Residency</b>	<ul style="list-style-type: none"> <li>• Current rent receipt that must show address</li> <li>• Current mortgage receipt</li> <li>• Current lease agreement</li> <li>• Landlord inquiry</li> <li>• Current utility bill with address and responsible person's name</li> <li>• Check stub with current address</li> <li>• Driver's license</li> <li>• Home visit</li> <li>• Subsidized housing authority approval</li> <li>• Post office statement or collateral contact</li> <li>• Library card</li> <li>• Voter registration</li> <li>• Piece of mail received at claimed residence</li> <li>• Real estate tax statement or receipt</li> <li>• Weatherization program approval or denial</li> <li>• Renter or homeowner's insurance documents</li> <li>• School registration record</li> <li>• Letter from employer offering job</li> <li>• Telephone book</li> <li>• Motor vehicle registration</li> <li>• List of residents from a treatment center official, group home, etc.</li> </ul>

	<ul style="list-style-type: none"> <li>• Written statement from non-relative</li> <li>• Legal or government issued document with name and address</li> <li>• Bank Statement with name and address</li> <li>• Mobile phone bill with name and address</li> <li>• DMV Data Exchange</li> <li>• Data Exchange for individuals receiving State SSI benefits</li> <li>• Verified through another program</li> <li>• Collateral contact</li> </ul>
<p><b>Monthly Gross Income</b></p>	<p>Earned Income:</p> <ul style="list-style-type: none"> <li>• Dated check stubs from the previous 30 days with the employee's name or ID number</li> <li>• Earnings report or statement from employer</li> <li>• IEVS report or computer match from another state - <b>to be used only if no other form of verification exists. IEVS matches are not verification of the income an employee has earned. IEVS is an indicator that income was earned from that employer sometime during the three months of the work quarter identified.</b> For change reporting requirements see 6.1.1 Change Reporting for All Food Units (Simplified Reporting).</li> </ul> <p>Unearned Income:</p> <ul style="list-style-type: none"> <li>• Department of Workforce Development unemployment query</li> <li>• Pension statement</li> <li>• <b>SSA's</b> WTPY report</li> <li>• Current award letter</li> <li>• Current <b>SSA</b> or SSI check</li> <li>• Collateral contact with the employer, <b>SSA</b>, insurance company</li> <li>• IEVS report or computer match from another state - to be used only if no other form of verification exists. IEVS matches are not verification of the unearned income. IEVS is an indicator that unearned income was received sometime during the three months of the quarter identified.</li> </ul> <p>For self-employment or farm income and expenses:</p> <ul style="list-style-type: none"> <li>• Income tax return from the previous tax year</li> <li>• Self-Employment Income Report Form(s) (SEIRF)</li> <li>• Bookkeeping records</li> </ul>

<p><b>Primary Person's ID**</b></p>	<ul style="list-style-type: none"> <li>• Birth record query</li> <li>• Birth certificate</li> <li>• IEVS match</li> <li>• <b>SSA</b> (SOLQ/SOLQ-I matches)</li> <li>• Baptismal certificate</li> <li>• Military service papers</li> <li>• Immigration or naturalization papers</li> <li>• Hospital birth record</li> <li>• Adoption record</li> <li>• Passport or US citizen ID card</li> <li>• Family bible</li> <li>• Paycheck</li> <li>• Driver's license</li> <li>• Completed SS-5</li> <li>• Confirmation or church membership papers</li> <li>• Voter registration card</li> <li>• Family records (birthday books, genealogy, newspaper birth announcement, marriage license, support or divorce papers)</li> <li>• Employee ID card</li> <li>• Life insurance policy</li> <li>• School records (ID, report cards, diploma)</li> <li>• State/federal or Indian census records</li> <li>• Medical records (vaccination certificate, doctor's or clinic's records, bills)</li> <li>• Other social service program ID (when another program of assistance has already verified ID, ID for FoodShare requirements is complete)</li> <li>• Labor union or fraternal organization records</li> <li>• Court order of name change, marriage certificate, or divorce certificate</li> <li>• Wage stubs</li> <li>• Voter's registration card</li> <li>• If verified for another program of assistance, no additional verification required</li> </ul>
<p><b>Disability/Blindness</b></p>	<ul style="list-style-type: none"> <li>• Statement or collateral contact from VA disability benefits</li> <li>• Statement, check, or collateral contact from Social Security Administration</li> <li>• Statement or collateral contact that proves a person receives a Railroad Retirement disability annuity and also qualifies for Medicaid</li> <li>• Statement or collateral contact</li> <li>• Statement that a person receives <i>Interim Assistance</i> benefits pending the receipt of SSI and SSDI</li> </ul>

	<ul style="list-style-type: none"> <li>• Statement or collateral contact that proves that an individual receives general assistance and meets the SSA guidelines for a disability</li> <li>• Data exchange with SSA/SSI</li> </ul>
<b>ABAWD Work Requirement Exemptions*</b>	<ul style="list-style-type: none"> <li>• Agency form, such as form F-01598 Medical Exemption from Work Requirement for ABAWDs</li> <li>• Statement from health care provider, social worker, or AODA service provider</li> <li>• Employer form/paystub/tax document/EVF-E</li> <li>• Data exchanges</li> <li>• By using information made known to the agency including in-person agency verification of a visibly obvious ABAWD status or exemption, such as pregnancy or inability to work due to a temporary or permanent health condition</li> <li>• IM worker determination that the member is unfit for employment without requiring a statement or additional verification</li> <li>• Information known to the agency</li> <li>• Collateral contact</li> <li>• Other acceptable written statement</li> </ul>

\*If an ABAWD exemption is not verified, the exemption will not be applied and the member will be treated as an ABAWD with a TLB referral type.

\*\*Information may only be verified once; additional request for verification is prohibited.

### 1.2.6.2 Verify Only If Questionable

<b>Verification Item</b>	<b>Suggested Verification Sources</b>
<b>Dependent Care*</b>	<ul style="list-style-type: none"> <li>• Written statement from provider</li> <li>• Cancelled check</li> <li>• Collateral contact with provider</li> <li>• Paid receipt or bill</li> <li>• Collateral contact with child care worker (Wisconsin Shares)</li> <li>• Receipts or bills for costs associated with care such as additional fees, field trips, camps, supplies, transportation</li> </ul>
<b>Shelter / Utility Expense*</b>	<ul style="list-style-type: none"> <li>• Mortgage payment records</li> <li>• Rent receipt</li> <li>• Statement from landlord</li> <li>• Lease</li> <li>• <i>HUD</i> subsidized housing approval</li> <li>• Property tax statement</li> <li>• Real estate agreement</li> <li>• Canceled check for rent or utility payment</li> </ul>

## 1 General Program Requirements

	<ul style="list-style-type: none"> <li>• Statement from person(s) with whom the food unit shares shelter costs</li> <li>• Utility bill</li> <li>• Utility budget amounts</li> <li>• Statement from utility company</li> <li>• Landlord inquiry</li> <li>• Deferred payment agreement</li> <li>• Firewood receipt</li> <li>• Telephone bill</li> <li>• Documented collateral contact with landlord or utility company</li> <li>• Statement or receipt from landlord for utilities paid by landlord</li> <li>• Homeowner's insurance policy or billing statement</li> <li>• Statements from collateral contact</li> <li>• WHEAP/LIHEAP or other energy assistance</li> </ul>
<b>SSN**</b>	<ul style="list-style-type: none"> <li>• Social Security Card</li> <li>• Form 1610 (I-D)</li> <li>• Form SS-5 – Application for a Social Security Card</li> <li>• Form 2583</li> <li>• Tax documentation (W-2, tax return form, refund check)</li> <li>• SSA documents such as award/denial letter or SSA/SSI benefit check</li> <li>• SOLQ-I search</li> </ul>
<b>Age</b>	<ul style="list-style-type: none"> <li>• Birth certificate</li> <li>• IEVS match</li> <li>• Baptismal certificate</li> <li>• Military service papers</li> <li>• Immigration or naturalization papers</li> <li>• Hospital birth record</li> <li>• Adoption record</li> <li>• Passport or U.S. citizen ID card</li> <li>• Driver's license</li> <li>• Family records (birthday books, genealogy, newspaper birth announcement, marriage license, support or divorce papers)</li> <li>• Life insurance policy</li> <li>• School records (ID, report cards, diploma)</li> <li>• State/federal or Indian census records</li> <li>• Wisconsin birth query</li> </ul>
<b>Relationship</b>	<ul style="list-style-type: none"> <li>• Birth record query</li> <li>• Birth certificate</li> <li>• Baptismal certificate</li> <li>• Military service papers</li> <li>• Immigration or naturalization papers</li> <li>• Hospital birth record</li> </ul>

	<ul style="list-style-type: none"> <li>• Adoption record</li> <li>• Family Bible</li> <li>• Confirmation or church membership papers</li> <li>• Family records (birthday books, genealogy, newspaper birth announcement, marriage license, support or divorce papers)</li> <li>• Life insurance policy</li> </ul>
<b>Household Composition</b>	<ul style="list-style-type: none"> <li>• Written or oral statement from a third party</li> <li>• FoodShare Buy and Make Food Separately (F-02491) signed by applicant indicating food is purchased and prepared separately from other household members</li> </ul>
<b>School Enrollment Status</b>	<ul style="list-style-type: none"> <li>• Report card</li> <li>• Collateral contact with school authorities</li> <li>• Current school schedule</li> <li>• Enrollment letters</li> <li>• Financial aid papers</li> <li>• Literature from the school (brochure or online program information)</li> <li>• Collateral contact with Job Center of Wisconsin, FSET, or an employment agency</li> </ul>
<b>Huber Status</b>	<ul style="list-style-type: none"> <li>• Agency Form</li> <li>• Collateral Contact</li> <li>• Court Order</li> <li>• City or County Records</li> <li>• Lawyer Statement or Record</li> <li>• OW Other Acceptable Written Statement</li> </ul>

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

\*\*Information may only be verified once; additional request for verification is prohibited.

### Household Misfortune Replacement Benefits

<b>Lost or destroyed food</b>	<ul style="list-style-type: none"> <li>• Power outage map</li> <li>• Statement from utility company</li> <li>• Statement from insurance company</li> <li>• Report from fire department</li> <li>• Disconnection notice</li> <li>• Receipt from purchase of replacement freezer or refrigerator</li> <li>• Landlord statement</li> <li>• Non-household member collateral statement</li> <li>• Statement from community organization</li> </ul>
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#### 1.2.6.3 Verify for a Household to Receive a Deduction (not required for eligibility)

Verification Item	Suggested Verification Sources
<b>Child support paid out</b>	<ul style="list-style-type: none"> <li>• <i>KIDS</i>/CARES Interface</li> <li>• Court documentation</li> </ul>
<b>Legal Obligation to pay child support</b>	<ul style="list-style-type: none"> <li>• KIDS /CARES Interface</li> <li>• Court documentation</li> </ul>
<b>Medical Expenses</b>	<ul style="list-style-type: none"> <li>• Billing statement</li> <li>• Itemized receipts</li> <li>• Medicare card showing Part B coverage</li> <li>• Health insurance policy showing premium, coinsurance, co-payment, or deductible.</li> <li>• Medicine or pill bottle with price on label</li> <li>• Statement from pharmacy</li> <li>• Repayment agreement with provider</li> <li>• Written statement or collateral contact from doctor verifying over-the-counter drug was prescribed</li> <li>• Bill for services of a visiting nurse, home-maker, or home health aide</li> <li>• Lodging or transportation receipts, or both, for obtaining medical treatment or services</li> <li>• Bill or receipts for animal food, training, or veterinarian services for a specially trained <i>service animal</i></li> <li>• Bill or receipt for purchase or rental of prescribed equipment or medical supplies, or both</li> <li>• IM case record for a Medicaid deductible</li> </ul>

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## 2 APPLICATIONS AND RENEWALS

### 2.1 APPLICATIONS

#### 2.1.1 Initial Certifications (Applications)

7 CFR 273.2(d)

Local agencies must encourage individuals to file an application or set a filing date for FoodShare on the same day they express an interest in FoodShare or concerns about food insecurity. Local agencies must not discourage individuals from applying for FoodShare if their application or benefits for another program have been denied or terminated. In this situation, the local agency shall encourage the individuals to continue with the FoodShare application process.

##### 2.1.1.1 Application Forms

Wisconsin provides an online application for FoodShare through ACCESS Apply for Benefits. The ACCESS application can be found at [access.wi.gov](http://access.wi.gov).

The paper application for FoodShare has been developed for use when the CARES system is unavailable. It can also be given to applicants who request a paper application form and for SSA staff when they accept applications from individuals where all household members are applying for or receiving SSI. The form can be found on the Eligibility Management webpage at [www.dhs.wisconsin.gov/em/forms-foodshare.htm](http://www.dhs.wisconsin.gov/em/forms-foodshare.htm) and is available in the following formats:

- FoodShare Wisconsin Registration Form - F-16019A includes the Registration Form and Important Information.
- FoodShare Wisconsin Application Form - F-16019B includes the Registration Form, Important Information (Part 1) and the Application Form (Part 2).

**Registration Form:** This section will be completed by the applicant and must include the minimum information (name, address, and signature). This section of the form is designed to be separated from the other sections so that it can be mailed, faxed, or hand-delivered to the agency to set the FoodShare application filing date. This form can also be used to determine eligibility for expedited services if completed beyond the minimum information (name, address, and signature).

**Important Information Form:** This section describes the applicant/member's rights and responsibilities. It is designed to be separated from the Registration and/or the Application Form so that the applicant/member can keep this information for his or her records.

**Application Form:** This section gathers the information necessary to determine FoodShare benefit eligibility. It is designed to be separated from the other sections so that it can be submitted to the agency.

### 2.1.1.2 Application Process

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 current or past month, or
2. They have received FoodShare benefits, but benefits have been denied/terminated beyond the calendar month following the month of closure.

The FoodShare application process includes:

1. Submitting an application in one of the following ways:
  - a. Submitting a signed **RFA** following the client registration process,
  - b. Submitting a FoodShare request with at least the minimum information required (name, address, and signature) using the FoodShare Registration or Application forms (F-16019A or F-16019B),
  - c. Completing an ACCESS application with an electronic signature, or
  - d. Completing a request over the phone using a telephonic signature (2.1.4.4.1 Telephonic Signatures).
2. Completing an interview. (2.1.3.5 Telephone Interviews),
3. Verifying certain information (1.2.1 Verification Introduction),
4. Resolving any identified **EPPs** (Process Help 70.1), and
5. Confirming the FoodShare eligibility determination in CARES (2.1.7 Confirming the FoodShare Eligibility Determination in CARES).

Assistance completing the application process, such as providing an interpreter, meeting disability needs, etc., must be provided at no cost to the applicant.

**Important Note:** The agency should not create an **RFA** and also have the applicant apply online or by phone. The agency may only require one signature for an application regardless of how the application was submitted. The application should be submitted one way or the other, but not both. Submitting duplicate applications only delays application processing and benefit issuance.

### 2.1.1.3 Break in Service

A break in service means that the FoodShare assistance group has closed for at least one day. Failure to provide timely verification is a common cause for FoodShare closure.

The FoodShare assistance group closes effective the last day of the month following adverse action if a requested action is not taken by the assistance group. To open the case without a new application, the reason for closure must be fully resolved during the

calendar month following the closure. The date the closure is fully resolved by the member is the date used to re-establish eligibility and issue prorated benefits.

**Example 1:** Verification of income was due November 26. FoodShare closed for lack of verification on December 31. Verification is submitted on January 7. FoodShare benefits are prorated from the date all required verifications are received by the agency (January 7). A new application is not needed.

If the reason for closure is not fully resolved **the month following the month of closure**, a new application must be completed.

**Example 2:** Verification of income was due November 26. FoodShare closed for lack of verification on December 31. Verification is submitted on February 7. A new application is required.

Allow FoodShare to reopen at renewal if the requested action is completed in the month following the end of the current certification period, **as long as the interview was completed before the end of the renewal month.**

- An interview must be completed within the renewal month of the current certification period to be considered timely. If the food unit fails to complete a timely interview, FoodShare will close effective the last day of the renewal month, and a notice of closure will be sent at adverse action of the renewal month. A new FoodShare application is required in the month following the renewal due month.
- If FoodShare closes for lack of verification or other reasons after a timely renewal interview and the food unit takes the required action within the calendar month following the certification period, the agency shall reopen FoodShare and prorate benefits from the date the food unit took the required action. The certification period will begin with the month after the renewal was due.
- If FoodShare closes due to agency delay in scheduling the interview or the food unit is not available to complete the interview offered by the agency until the month following the renewal month, benefits shall be restored and a supplemental benefit will need to be issued back to the first of the month to ensure ongoing benefits, as long as verification is timely.
- If the food unit contains a member who is a migrant and received FoodShare in the previous calendar month, benefits will not be prorated from the day the food unit provides necessary information but will be restored back to the beginning of the month (7.1.1.2 Initial Allotment for Migrant and Seasonal Farm Workers). Benefits should not be issued as expedited when applying a break in service.

**Example 3:** Sam requests an appointment to renew his FoodShare benefits on September 25. His benefits end on September 30. The first available appointment is

October 3. Sam meets with his IM worker on October 3. The IM worker documents in case comments the reason for the late certification. Benefits begin the first of the month.

#### 2.1.1.4 Setting the Filing Date

An applicant must provide the minimum information necessary in order to set a FoodShare filing date. This includes name, address, and signature. Local agencies must encourage applicants to file an application or set a filing date for FoodShare on the same day they express an interest in FoodShare or indicate food insecurity. If an applicant chooses not to set a filing date the same day that they contact the agency, the FoodShare application (F-16019A) must be provided if they request it.

The filing date is set the same day, or the next business day if received after the regularly scheduled business hours, when the agency receives one of the following:

- A signed signature page printed from CARES during the registration process
- A signed one-page application registration form (F-16019A)
- A signed FoodShare Wisconsin application form (F-16019B)
- A signed faxed registration and/or application form
- A request is made and a telephonic signature (2.1.1.4.1 Telephonic Signature) is provided
- An ACCESS application containing an electronic signature
- A late FoodShare ACCESS renewal – a renewal with a submission date in the renewal month, but received by the agency in the month following renewal due
- A signed PPRF received in the month following renewal due month
- A signed CWW generated application or case summary

**Note:** ACCESS uses the CARES holiday schedule on the CARES Mainframe table TDHY when setting the filing date for holidays. Agencies may be closed on some days that are not CARES holidays such as the day after Thanksgiving, Veteran's Day, and Christmas Eve. ACCESS submissions will have filing dates set on these days even though the agency may be closed. When processing these requests, IM workers should update the filing date to the next business day for their agency and document in case comments that the agency was closed on that date.

An applicant may verbally request FoodShare, but must also provide a signature through one of the formats listed above in order to set a filing date.

**Note:** The agency may not certify a FoodShare assistance group for benefits without a signed application on file, and a signed application may be any of the above listed.

**Example 4:** A FoodShare case has been open since March. The 12-month renewal was due by February 28. The member did not complete an interview in the renewal month. It is now March 3 and the member is calling to complete the interview and renewal. In this scenario, the member would need to reapply for FoodShare, and benefits would be prorated from the date the member provided a signature setting the new filing date (2.1.1.4.1 Telephonic Signature). This case would also require an evaluation for expedited services (2.1.4 Expedited Service at Application).

The FoodShare Application Registration Form can be used when:

- An applicant comes into the agency, requests FoodShare, but cannot stay to complete the Client Registration process in *CWW*,
- The agency does not have sufficient time or personnel to complete client registration process before the office closes to the public, or
- An applicant calls to request FoodShare and there is insufficient time to complete the telephonic signature before the office closes to the public, or the applicant does not want to complete a telephonic signature and requests a form to be mailed to them.

This procedure was established to ensure applicants have the opportunity to set a filing date the first day they contact the agency. In some instances, the applicant may request to take this form or a FoodShare Application with them. These materials should be made available for the applicant to take. However, it is important for the agency representative to explain the importance of setting the filing date, how it is set, expedited benefits, and verification policies.

The agency should always attempt to set the filing date the same day of contact with the applicant.

In order for the application to set the filing date, the signature must be valid. Signatures can be collected in writing, telephonically, or via ACCESS. To be considered valid, the signature must be completed by an adult household member, an authorized representative, emancipated minor, or by a minor that does not have someone exercising parental authority over them. If an application is signed by a minor and it turns out that someone has parental authority over them, a new signature would be required and the date upon which the new signature is collected would establish a new application filing date. Be sure to ask about all individuals living in the home during the interview. Do not approve eligibility if there is a parental authority living with the minor, until a valid signature is obtained.

#### *2.1.1.4.1 Telephonic Signatures*

*7 CFR 273.2(c)(2)*

An applicant may verbally request FoodShare and sign an *RFA* or application by providing a telephonic signature. A telephonic signature is the same as a written or electronic signature and it sets the filing date for FoodShare.

Applicants must attest that the information they provided is complete and accurate when providing their telephonic signature. A case summary must be sent to the applicant following the interview, but does not require a signature unless changes are made to the summary. The applicant will have 10 days to notify the agency if corrections are needed.

The agency must have Call Center Anywhere (CCA) or Genesys in order to record a telephonic signature. A copy of the case summary showing that a telephonic signature was collected is stored in the electronic case file. The IM worker must record the signature in CCA or Genesys.

Only one signature is needed for an application request. If a telephonic signature is completed through the CWW client registration process (or a signature is collected through an ACCESS or paper application), a second signature should not be collected when processing through the Generate Summary page in CWW.

### *2.1.1.4.2 Faxed Application Registrations*

*7 CFR 273.2(c)(1)*

IM agencies should accept faxed application registrations to initiate the application process and set the filing date. No benefits should be issued, nor should any final determination of an applicant's eligibility be made until an interview is completed. 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 Consortia*

*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 FoodShare will be set wherever an application is submitted, regardless of whether the applicant submits the application in the county in which he or she resides. In January of 2012, IM program administration was taken over by Milwaukee Enrollment Services (MILES), tribal agencies, and 10 consortia groups made up of local county agencies. Each consortium has a call/change center that is responsible for processing and updating cases for all agencies within the consortium.

When an ACCESS application or *RFA* is submitted to the wrong consortia, the consortia that received the application or *RFA* should transfer it to the correct consortia inbox the same day that it is submitted to allow the consortia time to review for potential expedited service. The filing date will not be reset when the application or *RFA* is transferred.

Mailed or faxed applications received by the wrong consortia should be entered into CARES and then transferred to the correct consortia for processing.

### **2.1.1.5 SSA Participation in FoodShare Applications**

7 CFR 273.2(k)

Currently, SSA does not participate in a joint FoodShare application process.

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## 2.1.2 Application Processing Time frame

### 2.1.2.1 Application Processing 30 Day Time Frame

7 CFR 273.2(c); 7 CFR 273.2(g); 7 CFR 273.2(h)(2)(i)(A)

OM 14-48

The application process must be completed 30 days from the initial filing date, unless the applicant is eligible for expedited services (2.1.4 Expedited Service at Application). Day one of the application processing period is the day after the filing date. The time frame for processing an application is the filing date plus 30 days.

If the 30th day falls on a weekend or *postal holiday*:

- For denials - the action to deny should be taken the next business day.
- For approvals - the approval must be processed no later than the 30th day. Waiting until the next business day or later to process an application for an eligible FoodShare assistance group is untimely and, therefore, not allowable.

**Note:** If the application is being processed after adverse action, CARES will test eligibility for the application month and the next two months. If the food unit is ineligible for the application month and the second month, eligibility for the third month will also fail and the applicant would have to reapply even if there are changes in the third month that may make the food unit eligible for that month.

Applicants are required to cooperate with the completion of this process. Agencies are required to assist the applicant in the completion of the application process if the applicant requests such assistance.

When the application process has not been completed by the end of the 30th day, a notice of pending will be sent explaining the necessary steps to resolve the delay. If there is outstanding verification, the notice of pending will list those outstanding items.

#### Late Verifications

When an applicant fails to submit required verification by the 30th day following the filing date, or 10 days from the date verifications were requested, whichever is later, the application should be denied. The applicant has an additional 30 days from the date of a timely denial (denied on day 30), or 60 days from the filing date, to submit the required verification without requiring a new application or interview (i.e. required verifications are received during the period on or after the 31st day but no later than the 60th day from the filing date). If the applicant is found eligible, benefits should be prorated from the date all required verifications were submitted. The initial month of application should be denied.



**Example 1:** Jane applies and completes her interview on January 5, and her application is considered a regular 30 day application. Her verification checklist is mailed on January 6 with a due date of February 5. Jane fails to submit the required verifications by February 5. Her case is denied for lack of verification on the 30th day. The notice will inform Jane that she will have until March 9 (60 days from the filing date including extensions for weekends) to submit the required verification without needing to reapply. If verifications are not submitted by this date, Jane will need to reapply and complete a new interview in order to have her eligibility determined.

**Note:** If verifications are submitted any time after February 5 but on or before March 9, issue prorated benefits from the date all verifications were submitted.

See 1.2.1.2 Request for Verification for details on verification time frames.

### 2.1.2.2 Late Expedited Determinations

*7 CFR 273.2(i)(3)(iv)*

A late determination of expedited benefits happens when an application is submitted as a non-Priority Service application, but found to be eligible for expedited benefits at any time during the eligibility determination process. Once the agency is aware that the applicant is eligible for expedited benefits, benefits must be made available to the FoodShare assistance group within seven calendar days from the date of discovery, or by the 30th day following the filing date, whichever is sooner. The application is no longer considered a 30 day application, but an expedited application, and must be processed as such.

**Example 2:** An ACCESS application is submitted on January 18 and the information provided on the application indicates that applicant does not qualify for priority service. The interview is scheduled and held on January 28. During the interview the IM worker determines that the applicant is eligible for expedited issuance. There could have been a change in the applicant's circumstances or the Priority Service Determination screen could have been filled out incorrectly. The FoodShare benefits must now be confirmed on or before February 4 to be considered timely. If the FoodShare benefits are confirmed any later than February 4 they will be untimely. In this situation the IM worker does not have until February 18 to make a final determination as he or she originally had when this was a 30 day application.

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## 2.1.3 Interviews

### 2.1.3.1 Scheduling the Interview

*7 CFR 273.2(e)(3)*

Agencies must make every attempt to schedule interviews to ensure that an initial FoodShare eligibility determination can be completed within the 30-day processing time frame. Priority Service interviews must be completed (2.1.4 Expedited Service at Application).

FoodShare applicants have the right to complete a face-to-face or phone interview (2.1.3.5 Telephone Interviews). If an applicant requests a face-to-face interview, the interview is typically held at the local office but may be held at a mutually acceptable location such as the applicant's residence.

If a home-based certification interview is scheduled with the applicant or member, a hardship must exist (including but not limited to) and must be case commented:

- Illness
- Transportation difficulties
- Care of a household member
- Hardships due to residency in a rural area
- Prolonged severe weather
- Work or training hours that prevents the household from participating in an in-office interview

Agencies are required to schedule and provide written notice of an interview for an initial FoodShare application. Notice of the interview must be in writing and mailed to the applicant unless the notice cannot be received by the applicant prior to the date of the interview. Verbal notification of the interview is only allowable if an interview letter cannot be received prior to the interview and only if the agency provides this information directly to a responsible adult household member. If verbal notice is provided the agency must document in case comments that a verbal notice was provided, the name of the person who received the verbal notice, the date and time of the interview, and whether the interview will be conducted by telephone or face-to-face.

If the applicant is physically present when the appointment is scheduled, the agency must provide the applicant a print out of the written notice.

The IM worker must make two attempts to contact the applicant or an adult member of the food unit at the time of the scheduled interview. If the first attempt to contact the food unit is unsuccessful, make a second attempt 15 minutes after the first call. If the

second attempt is unsuccessful, the IM worker must document in case comments that he or she was unable to contact the food unit at the appointment time, that the follow-up call was made, and the length of time between calls. Send the Notice of Missed Interview (NOMI), directing the food unit to contact the agency to reschedule.

NOMI requirements must be met if the applicant or member misses the interview.

The agency must notify each applicant or member who misses the application or renewal interview that they missed the scheduled interview and that the applicant or member is responsible for rescheduling a missed interview. The use of Client Scheduling in *CWW* will ensure that the NOMI is generated by CWW and sent to the applicant or member, see Process Help 1.8.9.7 for details on the automated NOMI process. If Client Scheduling is not used, a NOMI must be manually issued by the local agency. A copy of the agency notice must be scanned to the electronic case file. Agencies may not deny an application prior to the 30th day after the application filing date if the applicant fails to appear for the first interview.

For applicants who miss a scheduled appointment and contact the agency to reschedule within the 30-day application processing period (2.1.2 Application Processing Time Frame), the agency must schedule another interview.

An application must not be denied prior to the 30th day, unless the interview has been completed, even if other information has been reported on the application that would make the FoodShare assistance group ineligible.

### **On-Demand Interviews**

Wisconsin received federal approval for a waiver that allows IM consortia to implement an on-demand, or unscheduled, interview model. Under the on-demand interview model, FoodShare applicants and renewing members may call their IM agency to complete the required FoodShare interview during the agency-designated FoodShare on-demand hours.

A consortium must apply this model across all agencies within the consortium. An on-demand interview must be offered at both application and renewal. A consortium implementing the on-demand interview model must continue to provide scheduled face-to-face or telephone interviews upon request.

All FoodShare applications must be screened for expedited service. A consortium must meet the following application and renewal processing standards:

- Expedited applications: IM workers must make at least two attempts to contact an applicant to complete the interview on the same business day the application is received or by the end of the next business day. IM workers must continue to meet all expedited service processing standards.

- Standard 30-day applications: IM workers must make at least two attempts to contact an applicant to complete the interview on the same business day the application is received or by the end of the second business day following the day it was received.
- Renewals: On-demand interviews must be offered for all renewals when received. IM workers must make at least two attempts to contact a member to complete the interview on the same business day the renewal is received or by the end of the fifth business day following the day it was received.

A worker should make two contact attempts, at least 15 minutes apart, to complete the interview. If the worker is unable to connect with the applicant or member during these attempts, pend for interview.

### **Exception**

Sometimes two contact attempts are not possible such as when there is a disconnected phone, or if the applicant is unavailable and specifically tells the worker not to call them back if they connect on the first attempt. See below for alternative processing.

When an applicant member is contacted during the first attempt:

- If the first contact is made and the worker connects with the applicant and the applicant cannot complete the interview at that time, schedule the interview at an agreed upon date and time and send the scheduled interview notice. No other contact attempt is required as this contact meets the On-Demand requirement.
- If the first contact is made and the worker connects with the applicant but the applicant cannot complete the interview at that time, and an interview cannot be scheduled at an agreed upon date and time (because they do not want to schedule an appointment at that time or because they state they will call back at another time), the worker should pend for an interview. This meets the On-Demand requirement and no additional contact attempt is needed.
- For priority service scenarios, to avoid timeliness issues, the worker will need to take the additional step of indicating priority service was declined by the applicant, when the interview is scheduled beyond the 7 days or when the member refuses to both schedule and complete the interview.

### **Notice of Interview for On-Demand Interviews**

If an IM worker is unable to complete the interview at the time he or she contacts a household as described above, the IM worker must send a Notice of Interview. For on-demand interviews, the Notice of Interview language will be generated on the verification checklist (VCL). The household has nine calendar days from the VCL mailing date to call and complete the FoodShare interview. The Notice of Interview

provides instructions to complete the interview. If the last day of the on-demand interview time frame falls on a weekend or CARES holiday, the due date will be the next business day. The on-demand interview timeframe of “10 days to call to complete” will not be adjustable in *CWW*. Verification due dates for other types pended after the interview will continue to be based on policy requirements and IM worker action.

#### *2.1.3.1.1 Notice of Missed Interview (NOMI) Requirements*

### **Application:**

#### **Not expedited**

The agency must send a separate NOMI letter to each applicant who does not meet the criteria for expedited issuance and misses the scheduled interview appointment. The NOMI letter must inform the applicant that he or she missed the scheduled appointment and is responsible for rescheduling the interview. If the applicant contacts the agency within the 30-day application processing period, the agency must schedule a second interview. The application may not be denied due to an incomplete interview prior to the 30th day after the application filing date.

#### **Expedited regular**

A NOMI must be sent when: the household misses the interview that was scheduled and a second interview cannot be scheduled within the seven day expedited processing period due to household delay.

#### **Expedited with postponed interview**

Effective 06/01/2020, the FoodShare interview may no longer be postponed. The interview must be completed prior to initial benefit issuance for all applications.

#### **On-demand interview**

If an applicant does not complete the required FoodShare interview by the last day of the on-demand interview time frame specified on the VCL, a NOMI will automatically be generated from *CWW*. The NOMI will include the date by which the interview must be completed and will indicate that the household will not get FoodShare benefits if the interview is not completed.

If an interview is scheduled using Client Scheduling, the NOMI will be automatically generated when a scheduled interview appointment is missed.

### **Renewal:**

Language contained in the CARES generated Renewal Notice and closure notice meets NOMI requirements, therefore an additional NOMI letter does not have to be sent if the member misses the scheduled interview appointment.

#### **On-demand interview**

If a member does not complete the required FoodShare interview or verification requirements before adverse action of the renewal month, a Notice of Termination with NOMI language will automatically be generated from *CWW*. The notice will

include the date when the member's FoodShare benefits will end due to not completing the required interview and will indicate that the member should call the agency to complete the interview.

### 2.1.3.2 Completing the Interview

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

The interview needs to be completed by a responsible adult applicant, member of the food unit, or an authorized representative. If the applicant is an individual under age 18, the youth must be the primary person, emancipated or homeless and not under the care and control of another adult in order to complete the interview.

During an interview, the agency 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 applicants of their rights and responsibilities during the interview.

Although *CWW* provides a means for an individual to apply for several programs of assistance, FoodShare eligibility must be based solely on the requirements and regulations governing the FoodShare program. Applications for FoodShare may not be denied solely on the basis that an application to participate in another program has been denied. Similarly, ongoing FoodShare benefits may not be terminated solely because benefits from another program have been terminated. During an interview, the interviewer must advise applicants for joint W-2/FoodShare that W-2 requirements do not apply to FoodShare and households that lose or decline W-2 benefits may still qualify for FoodShare.

The agency must ask the applicant/member/authorized representative to identify all household members and their relationship to each other, and if they share food.

Providing Social Security numbers (SSNs) [3.13.1 Social Security Number (SSN) Requirements] for each household member is voluntary. However failure to provide an SSN will result in the denial of FoodShare benefits to each applicant or member failing to provide an SSN. Although SSN and immigrant status information is not required for household members not applying for benefits, the agency must determine if the non-applicant household member has income or assets that affect the applying applicants' eligibility. If so, that information must be provided and verified in order to determine FoodShare eligibility for the applicant(s).

The agency must ask applicants and members to provide ethnicity and race information for all food unit members. Applicants and members are not required to provide a response for ethnicity or race in order to complete an application or receive a decision about their program eligibility or benefits; individuals may provide information on ethnicity, race, both, or neither.

Agencies must inform individuals that responses may be used to help improve the State of Wisconsin's public assistance programs and ensure the program will not discriminate based on ethnicity or race. This may include reporting ethnicity and race data to federal agencies or sharing ethnicity and race information with managed care organizations to support monitoring of health disparities.

### **Required Interview Topics**

All FoodShare interviews must include a discussion of these items in addition to standard financial and non-financial criteria:

- Use of SSNs [3.13.1 Social Security Number (SSN) Requirements].
  - SSN is required for each individual requesting benefits
  - Data matching
- FoodShare rights and responsibilities. See Your Rights and Responsibilities for FoodShare (F-10150B).
- Appropriate application processing standard time frames for non-expedited (2.1.2 Application Processing Timeframes) and expedited benefits (2.1.4 Expedited Service at Application).
- Applicable change and simplified reporting requirements (6.1.1 Change Reporting) at the time of the interview.
  - How changes can be reported
  - What changes must be reported
  - When changes must be reported
- Six-month reporting (6.1.2 Six Month Reporting Requirement) and/or renewal (2.2 Renewals) reporting.
  - How to obtain assistance in completing the six month report form
  - When six month report form will be sent
  - When the report form is due
  - Changes that must be reported on the six month report form
    - Address and shelter utility costs associated with the move
    - Household composition
    - Income
    - Court ordered child support payments for a non-household member
  - Consequences for failing to file a report
- QUEST card information. See Your Wisconsin QUEST Card (P-16088).
- Explain work registration rights and responsibilities, work requirements, and exemptions (3.16.1.2 FoodShare Work Requirements).
- Explain ABAWD work requirements and exemptions. [3.17.1 Able-Bodied Adults Without Dependents (ABAWDS)].
- Discuss the FSET program and offer voluntary referrals to FSET to eligible FoodShare members (P-16092).
- At the end of the call the "Reporting Requirements Call Script" must be read.

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

### 2.1.3.3 Use of an Authorized Representative

7 CFR 273.2(n)

The local agency must inform applicants and prospective applicants, who 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. If an authorized representative applies on behalf of a household, the identity of both the authorized representative and the primary person must be verified. An authorized representative must be designated by the primary person in writing before he or she is authorized to take action on a case. When an authorized representative completes an application or renewal for the food unit, they also register the food unit for work (3.16.1.4 Registering for Work).

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 adult member of the food unit. The authorized representative designation may be made in ACCESS or by completing the form F-10126.

The following groups may not serve as authorized representatives:

- 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.
- Homeless meal providers may not act as an authorized representative for a homeless food unit.
- Agency employees who are involved in the certification process or issuance process may not act as an authorized representative. Special written approval may be granted by the State of Wisconsin in extenuating circumstances.
- Retailers who are authorized to accept FoodShare benefits may not act as an authorized representative.

Residents of drug addiction or alcoholic treatment and rehabilitation programs that are certified as authorized retailers by FNS or authorized to receive funding under part B of title XIX of the Public Health Service Act (42 U.S.C 300x et seq), which supports block grants for substance abuse prevention and treatment, must apply and be certified for FoodShare eligibility through the use of an authorized representative. The drug addiction or alcoholic treatment and rehabilitation program must employ an individual for the purpose of being the authorized representative.



Residents of group living arrangements have the option to apply and be certified through the use of an authorized representative independent of the facility or who is an employee of the facility. A residential group living facility must employ an individual to be the authorized representative.

See 3.2.1.5 Group Living Arrangement for additional information regarding these housing situations.

If the state agency has determined that an authorized representative has knowingly provided false information about a food unit's circumstances or has made improper use of FoodShare benefits, it may disqualify that person from being an authorized representative for up to one year. Any drug and alcohol treatment centers and the heads of group living arrangements that act as authorized representatives for their residents and intentionally misrepresent food unit circumstances, may be prosecuted under applicable federal and state statutes.

**Note:** Applicants/members that have a court-appointed guardian due to incompetency do not need to designate an Authorized Representative. The court-appointed guardian is the authorized representative. The guardian must submit a Letter(s) of Guardianship.

#### **2.1.3.4 Signature**

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

A signature is required indicating that all the information provided is true and complete and that the food unit understands their rights and responsibilities. Only one signature is needed for a FoodShare application or request. The applicant, or authorized representative, or a responsible adult member of the food unit can provide a signature in written, verbal, or electronic format via:

- An electronic signature on an ACCESS *RFA* or application,
- On the completed *CWW* generated Application Summary,
- On the FoodShare Wisconsin Application (F-16019A or F-16019B), or
- A telephonic signature.

In order for a signature to be valid from an individual under age 18, the youth must be the primary person, emancipated or homeless and not under the care and control of another adult.

A signature is required when a six-month report form is submitted. A telephonic signature is not allowable for six-month report forms.

It is not necessary for an applicant's written signature to be witnessed by an agency representative for a FoodShare application or renewal to be considered complete. However, the signature of a witness is required when the application is signed with a mark. A copy of the FoodShare applicant or member's case summary showing that a telephonic signature was collected will be stored in the electronic case file.

Any responsible adult food unit member or a food unit's authorized representative may sign the FoodShare application, renewal, or six month report form.

**Example 1:** Eve applies and sets the filing date for FoodShare. Jule, Eve's roommate, who is also an adult, completes the intake interview and signs the case summary signature page. The FoodShare application is valid because Jule is a responsible FoodShare assistance group member.

### 2.1.3.5 Telephone Interviews

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

Applicants/members who request a face-to-face interview must be granted one.

IM agencies should be conducting most interviews by telephone unless an applicant/member requests a face-to-face interview.

Telephone interviews do not exempt the applicant/member from verification requirements (1.2.1 Verification Introduction).

### 2.1.3.6 Completing Telephone Interviews

A filing date must be set for all new FoodShare requests (2.1.1.4 Setting the Filing Date).

At the start of the telephone interview, explain that if a written or electronic signature is not on file, a signature will need to be collected in order to set the filing date for an application or to establish a request for continued benefits in the case of a renewal. If the member is not willing to provide a telephonic signature, a written signature will be accepted but the worker needs to inform the member this may cause a loss and delay of benefits until the signature is received by the agency. Document the agreement and understanding in case comments [2.2.1 Certification Periods (Renewals)].

A signature is needed before the agency can certify the food unit for benefits. The date the signature is received for an application sets the filing date. A signature is needed to recertify a food unit for continuation of benefits at the time of renewal.

See 2.1.3.2 Completing the Interview for required interview topics.

### 2.1.3.7 Post Interview Process

If verification is needed after the interview, mail out a verification checklist and send it to the applicant/member with instructions to provide the listed documents to the local agency within 10 calendar days or by the end of the application or renewal processing

period, whichever is later. The agency must always provide the applicant with a copy of the case summary after the interview is complete.

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 (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.

### **Applications**

At the end of the telephone interview, the agency must record the telephonic signature if they do not already have a written, telephonic, or electronic signature, and then generate a copy of the case summary to be mailed to the applicant. The applicant must review the case summary and notify the agency within 10 calendar days if corrections are needed.

If a telephonic signature is not provided at the time of application, inform the applicant during the interview he or she must sign the case summary and return it or an application document to set the filing date for FoodShare. The application is not complete and a filing date is not set until a signature is on file. The application should pend for the signature.

### **Renewals**

At the end of the renewal interview, collect a telephonic signature if a written, telephonic, or electronic signature has not already been collected. If the member refuses to provide a telephonic signature, instruct the member that you will be mailing the printed case summary to him or her for his or her signature. In this situation, the case summary needs to be signed and returned to the agency within 10 calendar days or by the end of the renewal processing period, whichever is later. The renewal is not complete until the signed case summary signature page is returned to the agency.

If the signed case summary is not returned within the 10-day period or by the end of the renewal processing period, whichever is later, the case needs to be closed for failure to return the FoodShare renewal signature.

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### 2.1.4 Expedited Service at Application

7 CFR 273.2(i)

Expedited services are designed to ensure that expedited services are issued to eligible FoodShare assistance groups by the seventh day after the date of the application. The applicant must be allowed to complete the interview quickly and benefits must be issued timely. The two phases of expedited services are described below.

- **Priority Service:** Screens all applications for potential eligibility for expedited issuance and faster service from the agency (2.1.4.1 Eligibility for Expedited Service at Application).
- **Expedited Issuance:** Benefits must be issued by the seventh day after the application is filed. Benefits will be available on the member's QUEST card the same day the application is confirmed in *CWW*. An interview is still required prior to issuance unless postponed (2.1.4.4). Postponing the Interview for Expedited Benefits). 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 by the seventh day after the application filing date.

Agencies must provide expedited benefits to applicants who qualify for them after they are screened through the priority service process.

When contact is made by phone, every effort should be made to complete the FoodShare interview on the same day whenever possible. If an interview cannot be completed that day, an interview appointment must be scheduled within the seven-day time frame at the time of contact with the agency. If an applicant cannot make the scheduled appointment, the applicant will lose their right to expedited benefits.

#### 2.1.4.1 Eligibility for Priority Service and Expedited Issuance at Application

7 CFR 273.2(i), 273.10(e)(3)

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

1. Their total monthly gross income (actual income received in that calendar month) and available assets are less than the monthly allowable Standard Utility Allowance (SUA) (8.1.3 Deductions) and monthly shelter expenses; or
2. Their gross monthly income is less than \$150 and they have \$100 or less in available liquid assets; or
3. Their food unit 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. They don't expect to receive more than \$25 from a new source ten days after the date of application, and

- c. Income prior to the day of application was from a terminated source, defined as:
  - i. 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, or
  - ii. 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.

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 if income of more than \$25 from the new source will not be received by the 10th day after the date of application [7 CFR 273.10(e)(3)(ii)].
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 or her state of *residency* is an exempt asset.

There is no eligibility for expedited services at renewal [2.2.1 Certification Periods (Renewals)].

#### **2.1.4.2 Verification Requirements for Expedited Services**

7 CFR 273.2(i)(4)

A food unit eligible for expedited benefit issuance is only required to provide verification of identity of the primary applicant and the authorized representative if applicable, before the expedited benefits can be issued. Any documents, that 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. Collateral contact is also 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 FoodShare assistance group 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 FoodShare benefit months, including the second or third month "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 FoodShare assistance group can be certified under expedited procedures as long as the FoodShare assistance group:

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 Wis. Stat. § 103.90(5)(a), "A 'migrant worker' is any person who temporarily leaves a principal place of *residence* outside of this 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. Gross income is less than \$150, and
2. Available assets are \$100 or less, or
3. They meet the definition of "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 food unit 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 or her state of residency is an exempt asset.

#### **2.1.4.4 Postponing the Interview for Expedited Issuance**

Effective 06/01/2020, the FoodShare interview may no longer be postponed. The interview must be completed prior to initial benefit issuance for all applications.

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[View History](#)

### **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 FoodShare 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 IM 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 FoodShare Eligibility Determination in CARES

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

1. Are verifications complete?
2. Are correct household members included in the food unit/FoodShare assistance group?
3. Is the assistance group established correctly as EBD no earnings or Regular FoodShare for reporting rules?
4. Is correct income used?
5. Are correct expenses and deductions allowed?
6. Have the correct individuals been identified as work registrants?
7. Have the correct individuals been identified as ABAWDs?
8. Has the interview been completed? The application cannot be denied before the end of the 30-day processing period unless the interview is complete.
9. If benefits are denied, is the denial reason correct?

If so, confirm the FoodShare eligibility, document case comments in CWW, and process a referral to the FSET program, if applicable (3.16.1 Work Requirements).

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## 2.2 RENEWALS

### 2.2.1 Certification Periods (Renewals)

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

The certification period for FoodShare eligibility for most food units is 12 months. A certification period should never exceed 12 months. Food units where all members are *homeless* and food units that include a *migrant* or seasonal farm worker have a six-month certification period. Members must complete an interview (2.1.3 Interviews) and verify current household information in the last month of the certification period in order to be recertified and continue receiving FoodShare benefits. This is called a renewal.

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

**Example 1:** Barry applied for FoodShare in August after he lost his job. In the FoodShare 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.

**Example 2:** Barry's VQT sanction ends August 8. He reapplies and re-requests FoodShare on August 25. He is ineligible in August and eligible for \$141 in September. Barry's 12-month certification period begins September 1.

#### 2.2.1.1 Six Month Reviews

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

1. Food units that include a migrant or seasonal farm worker, or
2. Food units where all members are homeless (not including EBD no earnings food units), or
3. Food units for which action is taken in *CARES* to indicate homelessness or a migrant food unit member prior to adverse action in month four of the certification period.

**Note:** Once a six-month certification period has been established the renewal may remain due in month six even if the homeless food unit secures housing or the migrant worker leaves the food unit prior to the renewal month, depending on when the change is reported (6.1.3.7 Change Impact Matrix).

### 2.2.1.2 Shortening a Certification Period

*7 CFR 273.10(f)(4) Waiver approval*

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 W-2 or a change in employment is not sufficient in and of itself to meet the criteria necessary for shortening certification periods.

A certification period may be shortened only in the circumstances described below:

- There is a new request for health care or child care (Wisconsin Shares), or
- A health care or child care renewal is due prior to the FoodShare renewal, and
- The food unit has stated they want to complete a FoodShare renewal at the same time they are applying for or recertifying health care or child care.

### 2.2.1.3 Completing a Renewal

*7 CFR 273.14(b)*

There are several steps to completing a renewal for FoodShare cases:

1. Notification must be sent to the member informing him or her that the certification period is ending and an interview (2.1.3 Interviews) must be conducted if benefits are to continue.
2. An interview must be conducted and the member must be notified of verifications required to determine continued eligibility for the program.
3. A new electronic, telephonic, or written signature must be collected.
4. Certain information gathered at the interview must be verified (1.2.1 Verification Introduction).
5. Resolve any identified *EPPs* (Process Help 70.1).
6. Benefit eligibility must be confirmed in *CWW* (2.1.7 Confirming the FoodShare Eligibility Determination in CARES) in order for the review or renewal to be considered complete.

### 2.2.1.4 Renewal Processing Time Frame

The 30-day processing time frame for a renewal is not the same as it is for applications. The 30-day renewal processing time frame refers to the renewal month. In other words, a renewal must be processed and confirmed by the last day of the renewal month, with two exceptions:

1. The IM agency is unable to complete the interview by the last day of the renewal month and delays the interview once, or
2. There is an agency-caused delay, for example allowing 10 days for verification.

When there is an agency-caused delay, the IM worker should document in CARES the reason for the late renewal and set the FoodShare program request date for the first of the month so that benefits are not prorated.

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

FoodShare that closes at renewal may reopen without requiring a new application under specific conditions. Allow FoodShare to reopen at renewal 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 renewal month of the current certification period to be considered timely. If the food unit fails to complete a timely interview, FoodShare will close effective the last day of the renewal month at adverse action and a new FoodShare application is required.
- If FoodShare closes for lack of verification after a timely renewal and the food unit takes the required action within the calendar month following the certification period, the agency shall reopen FoodShare and prorate benefits from the date the food unit took the required action. The new certification period will begin the month after the month the renewal was due.

**Note:** The food unit must be allowed 10 days to provide verifications. If the verification due date is in the month following the renewal month, IM workers should identify whether the closed FoodShare case may be reopened or a new application is needed (Process Help 3.13.4).

- If FoodShare closes for lack of signature after a timely renewal and the food unit returns the signature page within the calendar month following the certification period, the agency shall reopen FoodShare and prorate benefits from the date the food unit returns the signature page. The new certification period will begin the month after the month the renewal was due.
- If FoodShare closes due to agency delay in scheduling the interview or the food unit is not available to complete the interview until the end of the renewal 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 FoodShare renewal on July 12, but does not have verification of her wages from Marigold's. Holly's IM worker, Jeff, issues a request for verification of earned income. Holly fails to provide verification and her case closes effective July 31. On August 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 FoodShare certification period ended on July 31. Her new certification period runs from August 5 to July 31.

If Holly had 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 FoodShare renewal is due by June 30. He completes his interview on June 27 and has verification due July 7. Tom provides the requested verification on July 5. Although Tom's case closed effective June 30 due to lack of completed renew/verification, his FoodShare 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 IM worker on August 21 to schedule a FoodShare renewal but the only appointment available is not until September 4. Ruby completes her renewal but does not have verification of her wages from Sunny's Craft House. Ruby's IM 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 FoodShare assistance group has a FoodShare certification period ending June 30. Tricia completed a telephone interview on June 17. The signature page is not returned timely and FoodShare close June 30. Tricia returns the signature page on July 14. FoodShare reopens without requiring a new FoodShare application. Benefits are prorated from July 14, with a new certification period from July 14 to June 30.

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

Renewals completed for other assistance programs do not automatically count as a renewal for FoodShare and will not change the FoodShare certification period. A FoodShare certification period may be changed to align with that of another program only if the member has stated his or her consent to complete a FoodShare renewal in order to align its FoodShare certification period with the certification period of another program.

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## **3 NON-FINANCIAL REQUIREMENTS**

### **3.1.1 GENERAL NON-FINANCIAL ELIGIBILITY**

Non-financial eligibility for FoodShare is determined by gathering certain information about food unit members. Some of these non-financial factors impact FoodShare eligibility for an entire FoodShare assistance group. Other factors only impact FoodShare eligibility for an individual applicant.

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### 3.2.1 RESIDENCE

7 CFR 273.3

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

Guidelines for determining *residency* (1.2.3.5 Wisconsin Residency Verification):

1. Residency is the act of living in the state or other geographical area. A residence is a home or physical dwelling (temporary or permanent) where an individual is living (homeless individuals may not have a place of residence).
2. Living in Wisconsin makes the individual a “resident”. A person who is in Wisconsin solely for vacation purposes is not a Wisconsin resident.
3. Do not require someone to live in Wisconsin for any minimum length of time.

**Note:** Applicants already receiving other programs of assistance, such as BadgerCare, have already been determined to be living in Wisconsin. No further action is required to determine the applicant is living in Wisconsin.

#### 3.2.1.1 Joint or Shared Physical Custody of Children

7 CFR 273.1(b)(1)(iii)

Children are included in the food unit of their primary caretaker, with whom they live.

There may be situations when the living arrangement of a child is not easily determined. There are many methods that can be used to determine where the child is living.

If the living arrangement of a child is questionable, court documents can be used to determine if there is a primary caretaker designated. If the living arrangement is a 50-50 joint placement, and one parent is not designated as the primary caretaker, the parents can be asked to decide.

**Note:** A person can be in more than one food unit, but may only receive benefits in one FoodShare **assistance group** at a time. A person cannot be a member of more than one FoodShare assistance group in the same month. (3.3.1 Food Unit/Assistance group/Relationships) (3.4.1 Dual Membership and Duplicate Benefits).

If the parents cannot 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 live 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?
15. In which household do the children receive the majority of their meals?

Only one parent can receive FoodShare for a child. If you still cannot determine which assistance group the child should be in, the child should be included in the assistance group of the parent who first applied. Use the best information available to make your decision, and document in case comments the basis of your determination.

“Nesting” or “bird's nest” custody is a joint custody arrangement where the children remain in the family home and the parents take turns moving in and out of the family home. In other words, the parents are “visiting” the children instead of the children visiting the parents. The parents share financial responsibility for the home and the children. As long as the nesting agreement is in place and being followed, both parents and children will remain as one food unit and assistance group.

**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. Her mother is the primary caregiver. Her father states Holly only visits him on the weekends. Her father is receiving FoodShare. Holly is considered as "living" with her mother and would be included in her mother's food unit if she applied. Her father cannot include her in his food unit.

**Example 2:** Fran (mother) has legal custody of Clarence. However, Clarence lives with his grandmother and occasionally visits his mother. Clarence is considered to be living with his grandmother and would be included in grandmother's food unit if she applied. Clarence would not be included in his mother's food unit since he is living with his grandmother.

**Example 3:** Mary and Rich have joint/shared custody of Ryan. Ryan spends days with Rich because Mary works days. Ryan spends nights with Mary because Rich works nights. However, Mary maintains a home for Ryan, he attends school in his

mother's district, and she provides for most of his needs. Ryan is considered to be living with Mary and can receive FoodShare with her. Ryan would not be included in Rich's food unit since Ryan is living 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 three and one 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 FoodShare first. Emily would be included in Paul's food unit.

**Example 5:** Trudy and John have a nesting agreement in place. Trudy is staying in the family home with the children Monday, Tuesday, and every other Wednesday, Saturday, and Sunday. John is staying in the family home with the children Thursday, Friday, and every other Wednesday, Saturday, and Sunday. The household bills such as mortgage, utilities, and child care expenses are shared between Trudy and John. As long as this agreement is in place and being followed (even when the divorce is final), Trudy, John, and their children are all considered one food unit and assistance group.

### 3.2.1.2 Temporary Absence

Include in the food unit an individual temporarily absent from the food unit when the expected absence is less than two 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 lived 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 or 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 due to attending school are no longer 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 two consecutive months.

**Nesting agreement** - Parents temporarily absent due to a nesting agreement should be included in the food unit.

**Example 6:** Karley resides with and receives FoodShare with her mother. On June 6, it is reported that on June 1st Karley went to stay with her father in Madison for the summer. She will be returning to her mother's home on August 15.

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

**Example 7:** Karley's mother reports Karley will be leaving on May 24 to spend the summer with her father. Karley is expected to return to her mother's residence on August 1.

Because Karley will be absent from her mother's home for two full consecutive calendar months (June and July), she would be considered absent from the home. Karley should be removed from her mother's food unit the next possible benefit month July 1, and added back to the food unit when she returns. Karley will be eligible for benefits the first full benefit month after she has been reported back in the home.

#### **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 FoodShare assistance group. Income from this individual may be included in the FoodShare assistance group.

If military income is direct-deposited into an account jointly owned by the person in the military and a member of the FoodShare assistance group, 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 FoodShare assistance group. This includes cash sent directly from the person in the military to a FoodShare assistance group member.

Please see 4.3.4.3 disregarded 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 food 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 or her family if he or she 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 or her family and to purchase or prepare meals with his or her family.

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

For FoodShare, if an individual's Huber status is questionable, request verification (1.2.6.2 Verify if Questionable).

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

**Note:** Under simplified reporting rules, a change in household composition is not required to be reported until SMRF or renewal.

**Example 8:** 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 FoodShare benefits.

**Example 9:** A father applies for FoodShare 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 FoodShare household and is eligible for FoodShare benefits.

**Example 10:** A father is on a bracelet monitoring program under the Huber program, 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 this case as a FoodShare assistance group of three and budget the gross amount of his wages.

### 3.2.1.3 Homelessness

7 CFR 271.2

A *homeless* individual is someone 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, congregate shelter, or transitional housing),
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)."

**Note:** A homeless youth is someone, other than a foster child who is under 18 years of age, is temporarily seeking accommodation in the residence of another individual other than his or her parent. A homeless youth under "parental control" must apply as part of the same food unit as the adult. A homeless youth under parental control is defined as someone who is financially or otherwise dependent on a member of the household, unless state law defines such a person as an adult.

While some homeless youth may fall under the parental control of a non-parent household member, other homeless youth may not. Anyone who, under FoodShare policy, is considered an individual living alone, should be afforded the opportunity to apply as a one-person household.

**Example 11:** Jack is a 16 year old homeless youth who is working part-time and is not financially dependent on the adult with whom he is temporarily residing with. In this case, Jack can apply for FoodShare as a one-person household.

#### 3.2.1.3.1 Shelters for the Homeless

Determine eligibility for a *homeless* shelter resident as if he or she is living independently (not residing in an institution or facility). Homeless shelters include transitional and temporary housing. An individual residing at a shelter for the homeless is homeless.

#### 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.

A shelter authorized to accept FoodShare benefits 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 the majority of his or her meals as part of the institution's normal operations (greater than 50 percent of three meals daily).

Residents of institutions are ineligible for FoodShare.

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

1. Shelters for the homeless,
2. Group living arrangements,
3. Drug and alcohol addiction treatment centers,
4. Shelters for victims of domestic violence,
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**

*7 CFR 273.11(f)*

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.

Any blind or disabled [3.8.1 Elderly, Blind, or Disabled (EBD) Individuals] resident of a group living arrangement may be eligible for FoodShare.

The resident may purchase meals from the group living arrangement when **FNS** authorizes the facility to accept and redeem FoodShare (2.1.3.3 Use of an Authorized Representative).

Determine the resident's eligibility as a one-person food unit (3.3.1 Food Unit/FoodShare Assistance Group/Relationships) when the facility applies as an authorized representative. If the resident applies on his or her own behalf, determine the group size according to food unit rules.

Residents of a group living arrangement who 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 five 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, 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 non-financially eligible for FoodShare.

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 FoodShare 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 DHS' Residential Care Apartment Complex Directory.

The IM worker must determine and verify the meal situation for each RCAC resident who requests FoodShare.

**Example 12:** 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 FoodShare. The CWW Current Demographics page would be coded as 01.

**Example 13:** 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 FoodShare. The CWW Current Demographics page would be coded as 01.

**Example 14:** 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 in the monthly cost of care. She does not meet the non-financial eligibility criteria for FoodShare 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 home by the care provider. This would be the primary home of the care giver where the adult is also living and receiving care. The home may have three or four adults, or more adults if all of the adults are siblings, each of whom has a developmental disability. A home that meets this criteria can be considered an AFH regardless if they are licensed to be an AFH or not.

The individual in an AFH who is receiving foster care or paying board may be in their own FoodShare assistance group. This is true regardless if the care provider prepares the individual's meals as part of the care that is received in the AFH.

The individual providing care for an individual(s) in an AFH can choose to include an individual(s) to their group or they can be separate. However, the care provider would be required to include his or her spouse and/or any children under the age of 22 in their group.

#### 3.2.1.5.3 Drug and Alcohol Treatment Centers

*7 CFR 273.11(e) and (f)(6)*

Private, nonprofit centers providing treatment for 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. Department of Health Services, Division of Quality Assurance, Bureau of Health Services 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 FoodShare eligibility.

For residents of a drug and alcohol treatment center to be certified to receive FoodShare the center must be:

1. Tax exempt and 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 Title XIX, see the list of facilities for substance abuse and for mental health.

An authorized representative must apply for these residents (see 2.1.3.3 Use of an Authorized Representative). The center employs and appoints the authorized representative. The center may choose a representative to be the FoodShare payee or an authorized buyer. He or she 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 FoodShare assistance 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 FoodShare program.

#### **3.2.1.5.4 Shelters for Victims of Domestic Violence**

*7 CFR 273.11(g)*

A shelter for victims of domestic violence is a public or private nonprofit residential facility serving this population.

Shelters for victims of domestic violence may act as the authorized representative for FoodShare applicants and members. Document the basis that the facility is eligible to participate. Any shelter for victims of domestic violence authorized by *FNS* to redeem FoodShare benefits at wholesale stores is eligible.

A shelter resident may be a member of an eligible FoodShare assistance group before entering the shelter. Although in most cases an individual may not be a member of two FoodShare assistance groups in the same month, a resident of a shelter for victims of domestic violence may be eligible for dual benefits as a separate FoodShare assistance 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 if that food unit contains the person who allegedly abused him or her.

Residents of shelters for victims of domestic violence should have financial eligibility determined solely on the basis of the income and expenses of the individuals in the food unit now residing in the shelter, and they may count shelter room payments as shelter expenses.

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

### **3.2.1.5.5 Section 202 and 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 cannot 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 at 608-266-7884 to verify.

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### 3.3.1 FOOD UNIT/FOODSHARE ASSISTANCE GROUP/RELATIONSHIPS

7 CFR 273.1(a)

#### 3.3.1.1 HUG (Households, Units, Groups)

To determine who is non-financially 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 *CWW* to ensure that the correct eligibility determination is made in *CARES*.

**Note:** Federal regulation cited in this handbook section, 7 CFR 273.1(a), and other portions of federal law also use the term “household.” Federal law and the Wisconsin FoodShare handbook do not apply the same definition to this term. The federal use of “household” is more comparable to the Wisconsin FoodShare term “food unit.”

##### **U - Food Units**

One or more persons who live in the same household and purchase and prepare food together for home consumption, or individuals who must be included in the same food unit because of relationship rules (3.3.1.3). This group is tested for eligibility together. There are some exceptions for boarders, foster persons, and certain elderly and disabled individuals.

Examples of a food unit include:

- A person living alone.
- A group of unrelated persons living together who purchase and prepare meals together for home consumption.
- An individual younger than 22 years of age living with his or her parents, regardless of whether he or she purchases and prepares food for home consumption separately from his or her parents.

Purchase and prepare:

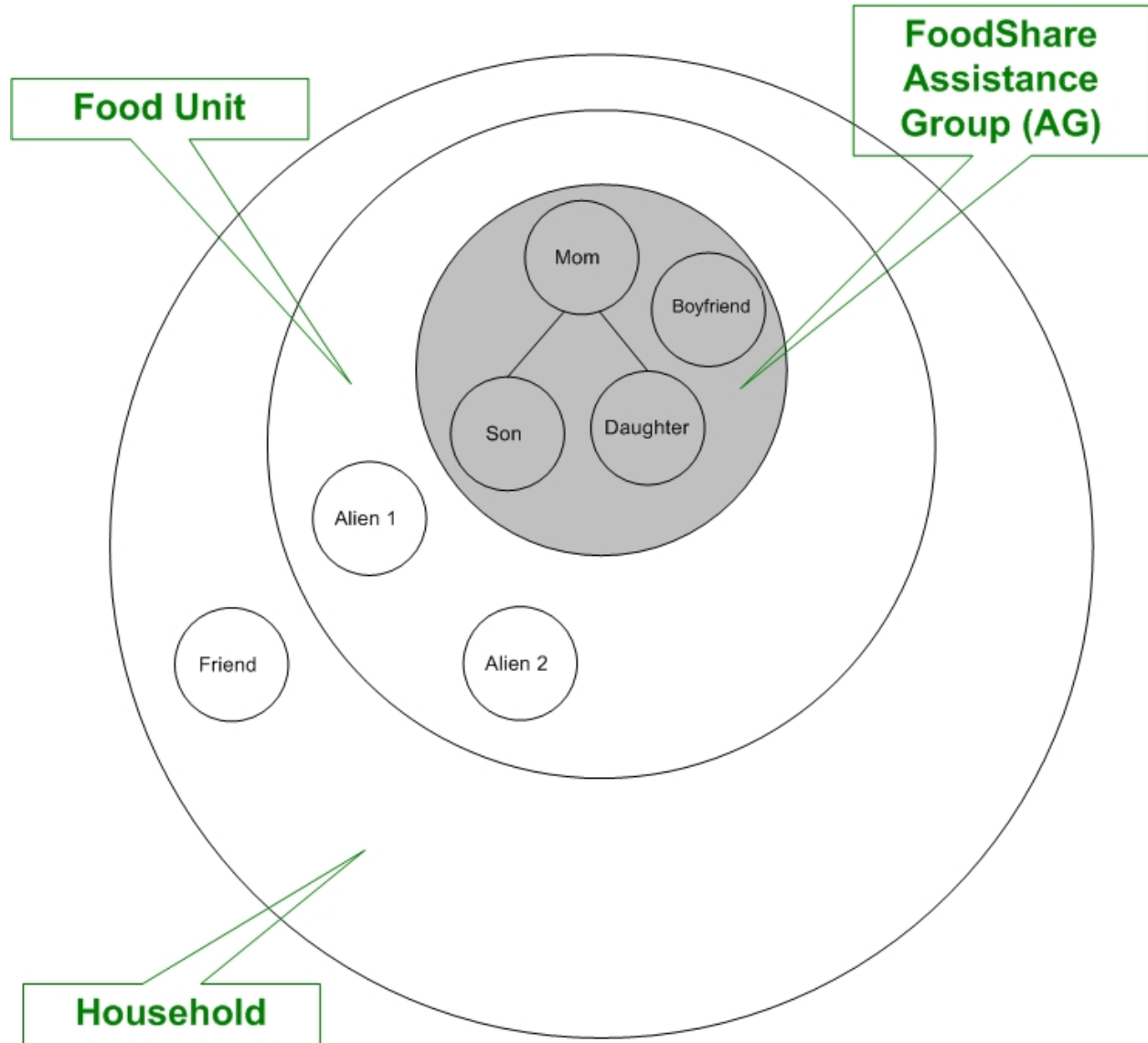
People living together who:

- Share in the cost of purchasing food.
- Share in the preparation of food.
- 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 food unit.

**G - FoodShare Assistance Groups**

The FoodShare assistance group is formed by persons who are in the same food unit and pass all the individual non-financial criteria. The FoodShare assistance group receives the benefit.



**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 the person's age. Parenthood does not 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:** A brother, sister, half-brother, half-sister, stepbrother, stepsister, or other sibling related through adoption.

**Spouse:** A person recognized by Wisconsin law as another person's legal husband, wife, or same sex partner through marriage. Wisconsin does not recognize common law marriage.

**Stepparent:** The spouse of a person who is the parent of a child. A stepparent who is divorced from a 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,
2. Biological (unless no longer a parent because of adoption), adoptive, or stepparents 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's 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 FoodShare-E eligibility.

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

**Example 3:** Stella, who is over 60 years old and 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 unit 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:** A 17-year old is living with an aunt. The 17-year old has a one-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 AND DUPLICATE BENEFITS

7 CFR 273.3(a)

FNS Memo 12/18/14

A person can be in more than one food unit, but may only receive benefits in one FoodShare assistance group at a time. A person cannot be a member of more than one FoodShare assistance group in the same month, except residents of shelters for victims of domestic violence if the criteria in 3.2.1.5.4 Shelters for Victims of Domestic Violence are met.

Persons moving to Wisconsin from another state are not eligible to receive duplicate FoodShare benefits. States typically issue benefits on either a calendar- or fiscal month-cycle. A fiscal month cycle provides benefits from a date in one month to a corresponding date in the next month. Some states, such as 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.

IM workers should contact the other state to verify the SNAP (FoodShare in Wisconsin) benefit end date.

Duplicate participation checks at application and renewal must not delay processing of the application or renewal beyond regular timeliness processing standards.

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

**Note:** When a person from Puerto Rico establishes Wisconsin residence and applies for FoodShare, treat his or her Nutrition Assistance Program (NAP) as follows:

- The NAP benefit is not income, and
- FoodShare can be issued in Wisconsin even if NAP was issued during the same month as the FoodShare application. NAP benefits cannot be used in the United States, so there is no duplication of benefits if FoodShare is issued for the same month as NAP.

*This page last updated in Release Number: 18-04  
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## 3.5.1 BOARDERS

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 he or she purchases his or her meals, and
3. The food unit's primary person asks that the boarder be included.

A boarder food unit 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 make the payment on their behalf. Include spouses and *minor* children of a boarder in the same boarder food unit, 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 a paying board to the other.

A *spouse* who lives with a spouse and pays board to his or 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 food unit who pays for more than two meals a day pays reasonable compensation when they pay an amount that equals or exceeds the allotment maximum (8.1.2). The allotment maximum is based on the size of the boarder group.

A boarder food unit who pays for two meals or less a day pays reasonable compensation when they pay an amount that equals or exceeds two thirds 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 he or she is a food unit member.

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*Release Date: 07/10/07*  
*Effective Date: 07/10/07*

### **3.6.1 FOSTER CARE RECIPIENTS**

7 CFR 273.1(b)(4)

#### **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 he or she receives the foster care and meals from.

A foster person cannot participate in FoodShare independently of the provider of the foster care services.

#### **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.

A subsidized guardianship payment is equivalent to a foster care payment and is to be counted the same.

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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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Effective Date: 10/15/04*

### 3.8.1 ELDERLY, BLIND, OR DISABLED (EBD) INDIVIDUALS

#### 3.8.1.1 EBD Introduction

7 CFR 271.2

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

A disabled individual is a food unit member who meets one or more of the following criteria:

- Receives disability or blindness benefits from any of these programs: **SSA**, **MA**, **SSI** or SSI related MA, Railroad Retirement Board (RRB).
- Receives a **VA** payment and meets one of the criteria listed in 3.8.1.2.
- Receives a disability retirement benefit from a governmental agency because of a disability considered permanent under section 221(i) of the Social Security Act (Social Security Act requirements of disabled).
  - This includes the disability payment paid out from governmental employee trust fund (ETF) accounts for instance; Wisconsin ETF Disability Payments. However, it does not include income continuation payments which may be paid by the same ETF accounts. This level of disability is usually short term and not permanent.

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

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

Under certain specific circumstances an individual and his or her spouse who are both elderly and/or disabled may be a separate food unit even if they are living and eating with others. See 5.2.1 for rules related to FoodShare-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**.

*This page last updated in Release Number: 18-01  
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### 3.9.1 ATTENDANT/HOUSEKEEPER

7 CFR 273.1(b)(6)

A live-in attendant/housekeeper may participate as a separate food unit from other household members if the live-in attendant/housekeeper meets both of the following conditions:

1. Live-in attendant/housekeeper lives in the home of the person for whom the live-in attendant/housekeeper provides care or similar services, and
2. Live-in attendant/housekeeper is not:
  - the parent, of a child under age 22 years,
  - a spouse of the person for whom he or she provides care or any other member of the care recipient's food unit
  - is not a foster child under age of 18

**Note:** mandatory inclusion rules apply (3.3.1.2).

**Example:** Mom, dad, daughters Mandy (age 28) and daughter Bree (age 18), and sons Doug (age 26) and Jeff (22) all live in the same home. Doug, Jeff, and Bree are all disabled and unable to care for themselves. Mom, dad, and Mandy provide their care, and are considered live-in attendants for Doug and Jeff. Mandy, Doug, and Jeff can be their own separate food units. However, because Bree is 18, she cannot be a separate food unit. Bree must be included in mom and dad's FoodShare case.

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## 3.10.1 STRIKERS

7 CFR 273.1(e)

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

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

A person is a striker whether or not he or she personally voted for the strike. Strikers are not exempt from work registration 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 FoodShare work requirements on the day before the strike except those exempt solely because they are employed. For example, a caretaker is not considered a striker if they are the primary caretaker for a *child* under six years old (3.16.1 Work Requirements)
3. Any employee of the federal government, the state, or any political subdivision engaged in a work-related strike. He or she has voluntarily quit his or her job without good cause.
4. Persons such as truck drivers who cannot do their jobs because the strike has left them with nothing to deliver.
5. Employees who are not part of the bargaining unit and do not want to cross the picket line for fear of personal injury or death.

### 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 cannot 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 food unit with a striker must have been eligible on the day before the strike began.



If the case was open for FoodShare 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 food unit 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 (F-16023). Deny an application if a member of the food unit would have been ineligible the day before the strike.

#### **3.10.1.4 Pre-Strike Income**

Determine the food unit's eligibility and allotment. Add the greatest of the two following incomes to the income of the other food unit 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 he or she would normally expect to have received that month, and
2. All earned income he or she would have received in a month using the wage rate he or she 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 253.7(e)(1)*

The Great Lakes Inter-Tribal Council and the Menominee Tribe administer the Food Distribution program, known federally as the Food Distribution Program on Indian Reservations (FDPIR). Eleven tribes distribute commodities.

A person may receive commodities from one of these tribes if he or she 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 he or she is a Native American.

#### **3.11.1.1 Choice of Programs**

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

Deny FoodShare to any food 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 he or she 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 he or she received commodities in one of those months:

1. Determine the month(s) he or she 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 FoodShare request, the likely disposition of the application, and first FoodShare issuance date.
5. Remind the FoodShare applicant that it is illegal to receive both FoodShare and Food Distribution benefits in the same month.
6. Document your performance of these five 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 FoodShare 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 FoodShare application.

#### **3.11.1.4 FoodShare Discontinuance Date**

When a FoodShare member wishes to begin participating in the Food Distribution Program:

1. Before adverse action, close the FoodShare assistance group's eligibility at the end of the month.
2. After adverse action, close the FoodShare assistance group's eligibility at the end of the next month.

#### **3.11.1.5 Denial due to FoodShare Intentional Program Violations (IPV)**

Deny Food Distribution benefits to persons ineligible for FoodShare 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

The following individuals are eligible for FoodShare as U.S. citizens, nationals, and a select group of non-citizens. Individuals listed below do not have to meet any other non-citizen requirements to be eligible for FoodShare.

- U.S. citizens,
- Non-citizen nationals (people born in American Samoa or Swain's Island),
- American Indians born in Canada,
- Members (born outside the U.S.) of Indian tribes under Section 450b(e) of the Indian Self-Determination and Education Assistance Act, and
- Members of Hmong or Highland Laotian tribes that helped the U.S. military during the Vietnam era from August 5, 1964, to May 7, 1975, and who are legally living in the U.S., and their spouses or surviving spouses and dependent children, including full-time students under the age of 22.

To meet the citizenship or qualifying immigrant requirement for FoodShare, a person must be one of the following:

1. A citizen of the U.S. which is defined as a person:
  - a. Who was born in the U.S. The U.S. includes: the continental U.S., Alaska, Hawaii, Puerto Rico, U.S. Virgin Islands, and Northern Mariana Islands, including Guam, or
  - b. Who is a naturalized citizen of the U.S.
2. A person born outside of the U.S. to, or adopted by, at least one U.S. citizen, which is 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 members 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 on or after 07/1/10.

#### 3.12.1.1 Qualified Immigrant or Immigration Status

1. Use Chart 1 to determine if a non-citizen is eligible for FoodShare.
2. Use Chart 2 for decoding the admission or adjustment codes from *USCIS*. Refer also to Process Help 82.8.

**Note:** If there is more than one admission or status code for the immigrant/non-citizen, always use the least restrictive code per 8 CFR 212.5(h). A best practice is

to ask each year about immigrant/citizenship status changes since the code(s) may change over time.

**CHART 1**

<b>Federal Supplemental Nutrition Assistance Program (SNAP)</b>	
Eligible as a U.S. Citizen/National/Non-Citizen	
<ul style="list-style-type: none"> <li>• U.S. citizens,</li> <li>• Non-citizen nationals (People born in American Samoa or Swain’s Island),</li> <li>• American Indians born in Canada,</li> <li>• Members (born outside the U.S.) of Indian tribes under Section 450b(e) of the Indian Self-Determination and Education Assistance Act,</li> <li>• Members of Hmong or Highland Laotian tribes that helped the U.S. military during the Vietnam era from August 5, 1964, to May 7, 1975, and who are legally living in the U.S., and their spouses or surviving spouses and dependent children, including a full-time students under the age of 22.</li> </ul>	
<b>Immigrant Status Code</b>	<b>Eligible if:</b>
01-Lawfully admitted for permanent residence (LPR)	<ul style="list-style-type: none"> <li>• Meets work quarters, or</li> <li>• Meets military requirement, or</li> <li>• Receives disability benefit, or</li> <li>• Under age 18, or</li> <li>• Has lived in the U.S. as a qualified immigrant for five years from the date of entry, or</li> <li>• A legal resident on August 22, 1996, and born on or before August 22, 1931.</li> </ul>
02-Permanent resident under color of law (PRUCOL)	Ineligible
03-Conditional entrant or lawfully present under Section 203(a)(7)	<ul style="list-style-type: none"> <li>• Meets work quarters, or</li> <li>• Meets military requirement, or</li> <li>• Receives disability benefit, or</li> <li>• Under age 18, or</li> <li>• Born before August 22, 1931, or</li> <li>• Has lived in the U.S. as a qualified immigrant for five years from the date of entry, or</li> <li>• A legal resident on August 22, 1996, and born on or before August 22, 1931.</li> </ul>
04-Refugee lawfully present under Section 207	Eligible

05-Asylee lawfully present under Section 208	Eligible
06-Parolee lawfully present under Section 212(d)(5)	<ul style="list-style-type: none"> <li>• Meets work quarters, or</li> <li>• Meets military requirement, or</li> <li>• Receives disability benefit, or</li> <li>• Under age 18, or</li> <li>• Born before August 22, 1931, or</li> <li>• Has lived in the U.S. as a qualified immigrant for five years from the date of entry, or</li> <li>• A legal resident on August 22, 1996, and born on or before August 22, 1931.</li> </ul>
07-IRCA – No longer valid status	Ineligible
08-Work Authorization: Temp.	Ineligible
09-Undocumented Immigrant	Ineligible
10-Illegal Immigrant	Ineligible
11-Cuban/Haitian entrant as defined in Section 501(e) of the Refugee Education Act of 1980	Eligible
12-Considered a permanent resident by <i>USCIS</i>	Ineligible
13-Special agriculture worker under Section 210(A)	Ineligible
14-Additional Special agriculture worker under Section 210A	Ineligible
15-An immigrant whose deportation is being withheld under Section 243(h) or 241(b)(3)	Eligible
16-Battered Immigrant  Code the battered immigrant adult or child or parent with the broadest immigrant eligibility category that applies to that person (e.g., code a battered refugee immigrant, as a refugee). Document in case comments that the person is a battered immigrant and therefore exempt from sponsor deeming. Do not list the sponsor in <i>CWW</i> . Do not list any of the sponsor's income and assets.	Ineligible unless: <ul style="list-style-type: none"> <li>• Meets work quarter requirement, or</li> <li>• Meets military requirement, or</li> <li>• Receives disability benefit, or</li> <li>• Has lived in the U.S. as a qualified immigrant for five years from the date of entry, or</li> <li>• Under age 18, or</li> <li>• Was a legal resident on August 22, 1996, and born on or before August 22, 1931.</li> </ul>
17- Amerasians	Eligible
18 - Native Americans born abroad	Eligible

### 3 Non-Financial Requirements

19 - Trafficking victims, including the minor children, spouses, and, in some cases, the parents and siblings of victims of severe trafficking (treat as refugee under section 207 of the INA), the spouse, child, parent or unmarried minor sibling of a victim of a severe form of trafficking in persons under 21 years of age, or the spouse or child older than 21 who has received a derivative T visa, to the same extent as an immigrant who is admitted to the U.S. as a refugee under Section 207 of the INA.	Eligible
20 – Lawfully Residing	Ineligible

**CHART 2**

<b>Immigration Status</b>	<b>CARES Code</b>	<b>I-94 Codes</b>	<b>I-551 Codes</b>	<b>Other</b>
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 I-551 stamp in foreign passport
Deportation Withheld	15	106 or 243(h) or 241(b)(3)	NA	<i>USCIS</i> Form I-688B annotated 274a.12(a)(10); <i>USCIS</i> Form I-766, annotated A10; order from an immigration judge showing deportation withheld under 243(h) or removal withheld under 241(b)(3)
Battered Immigrant	16	AR1, AR6, C20 through C29, CF1, CF2, CR1, CR6, CR7, CX1, CX2, CX3, CX6, CX7, CX8,	AR1, AR6, C20 through C29, CF1, CF2, CR1, CR6, CR7, CX1, CX2, CX3, CX6, CX7, CX8,	I-551 stamp in foreign passport with one of the preceding codes; or

		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	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	IMPORTANT: Applicant has filed an I-130 or I-360 petition as a battered immigrant. <b>USCIS</b> 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		Health and Human Service Office of Refugee Resettlement Certification Letter



		to notify ORR of the benefits for which the individual has applied.		
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This is not an all-inclusive list of government issued codes. Additional codes may be found at this website.

See also Process Help 82.8 for explanations of the types of *USCIS* authorization documents.

### 3.12.1.2 Eligibility Pending Documentation of Immigration Status

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

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

1. The IM agency has submitted a document provided by a household to *USCIS* for verification. Pending such verification, the IM 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 IM 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 IM agency must certify the individual pending the results for up to six months from the date of the original determination of insufficient quarters, or
3. The applicant or IM agency has requested verification from a federal agency for verification of the immigrant's status. The IM agency must certify the individual pending the results up to six months from the date of the original determination of insufficient quarters.

An immigrant who has a pending application for a qualifying status is not potentially eligible until the status has been granted.

### 3.12.1.3 Work Quarter Eligibility

Legal permanent resident non-citizens 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 a non-citizen before the immigrant reached his or her eighteenth birthday, including those quarters worked before the non-citizen was born;
2. One worked by a spouse of a non-citizen during their marriage if the non-citizen remains married to the spouse or the spouse is deceased.

Each person in the applying food unit 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. An individual can only earn four quarters per year. If both spouses worked in the same quarter, this would count as one quarter – an individual cannot earn two quarters in the same quarter.

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 immigrant 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, parent, and/or spouse).

The SSA is authorized to release work quarter information on non-citizens, a non-citizen'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 a non-citizen's work quarters information, you can request it in CARES mainframe on Tran: DXQR. It will be available on Tran: DXQC 48 hours later.

#### **3.12.1.4 Military Connection Eligibility**

Qualified non-citizens 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 dependent child, or a surviving spouse of such a veteran or active duty personnel who has not remarried 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.
4. Has not remarried since the marriage to the deceased veteran.

### **3.12.1.5 Battered Immigrant Eligibility**

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

1. Immigrants (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. Immigrants whose child or children have been battered or subjected to extreme cruelty in the U.S. by a spouse or parent of the immigrant, or a member of the immigrant's household, and the other parent failed to intervene in the battery or extreme cruelty, and the immigrant 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. Immigrant 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 household 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 food unit as the person subjected to the battery or cruelty.

### **3.12.1.6 State Option FoodShare Program (SOFSP)**

With the passage of the 2011-13 Wisconsin state budget the state funded SOFSP ended effective July 1, 2011. Federally eligible members who live with a previously eligible SOFSP member will remain eligible for federal benefits. There is no change to the federal eligibility.

### **3.12.1.7 Ineligible and Illegal Immigrants**

Ineligible immigrants include:

- Visitors and tourists.

- Diplomats and others in foreign service.
- Persons illegally in the U.S.
- Students with student visas.
- Immigrants who refuse to provide the documentation required to verify their qualifying immigration status.
- Immigrants with a pending immigration status – the individual is ineligible until the agency receives proof a qualifying immigration status has been granted.

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

### **3.12.1.8 Encouraging Application**

*7 CFR 273.4(b)*

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

Local agencies are prohibited from contacting **USCIS** regarding the immigrant status of a food unit member who is not requesting eligibility unless the IM worker "knows" that the immigrant is in violation of **USCIS** law. "Knowing" is defined as having a determination of the **USCIS** 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" immigrants, it may be unusual for a local agency to actually "know" that an immigrant is not lawfully present in the U.S.

### **3.12.1.9 Gaining Citizenship**

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

### **3.12.1.10 Derivative Citizenship**

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

1. At least one parent of the child is a citizen of the U.S., 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 U.S. in the legal AND physical custody of the citizen parent pursuant to a lawful admission for permanent residence.

A child who was 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 are to be treated like they are refugees when determining their eligibility for FoodShare, Medicaid, or BadgerCare Plus as long as they have this special immigration status. This policy applies to these immigrants regardless of when they received this status.

<b>Class of Admission Code</b>	<b>Description</b>	<b>CARES Immigrant Registration Status Code</b>
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
SQ1	Special Immigrant Iraqi Employee (Principal)	Code 04
SQ2	Spouse of SQ1	Code 04
SQ3	Children of SQ1	Code 04
SQ6	Special Immigrant Iraqi Employee (Principal Adjusting Status in the United States)	Code 04
SQ7	Spouse of SQ6	Code 04
SQ8	Children of an SQ6	Code 04

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### 3.13.1 SOCIAL SECURITY NUMBER (SSN) REQUIREMENTS

7 CFR 273.6

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

Explain that failure to provide an 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. He or she must provide the SSN or proof of application within 30 days of the FoodShare application.

In cases where an application for SSN has been filed with the Social Security Administration, an SSN must be provided by the time of the next FoodShare renewal or FoodShare eligibility will be terminated for that individual. In addition, if eligibility for another program pends for an SSN and the SSN application date on file is six months or older, eligibility for FoodShare will also pend. Members must be given a minimum of 10 days to provide an SSN, but if they do not, FoodShare eligibility must be terminated for the individual.

Agencies must assist any household that requests help with applying for an SSN. "Assisting the applicant" may include helping with filing the SS-5 SSN Application form and obtaining a birth certificate or other document needed to apply for the SSN.

An applicant does not need to provide a document or Social Security card. He or she only needs to provide a number, which is verified through data exchanges.

If the caretaker is unwilling to provide or apply for the SSN of a minor or 18-year-old, then the person with no SSN is ineligible.

Verify the SSN only once.

If the SSN validation process returns a mismatch record, the worker must first attempt to correct the mismatched information. If the worker is unable to correct the information, the worker must contact the member to correct the information.

The member should be informed if the SSN validation process indicates another individual is using the same SSN. The member should contact the Social Security Administration and request they conduct an investigation. The IM worker cannot provide the member with any information that would identify the individual who is using the member's SSN.

If the Social Security Administration finds that the SSN has been used fraudulently it may:

1. Recommend further action be taken, **and/or**;
2. Provide the member with the information on the fraudulent action so that the member may pursue action through the legal system.

A parent of a newborn may begin an SSN application on the newborn's behalf while still in the hospital. If the SSN has not been applied for, the worker will either need to assist in completing form SS-5 or require the parent to complete the application. A completed SS-5 is verification of application for an SSN for a newborn food unit member.

### **3.13.1.1 Failure to Comply**

Providing an SSN is voluntary, but if an individual applying for FoodShare 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 an 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 SS-5 is proof of application for an SSN for a newborn food unit member.

If the applicant/member is unable to provide proof of application for an SSN for a newborn, the member must provide the SSN or proof of application at the next renewal. If the member is unable to provide an SSN or proof of application for an SSN at the next renewal, review good cause exceptions. Deny FoodShare benefits for the baby if the food unit refuses to provide an SSN for the baby without good cause.

### **3.13.1.3 Good Cause**

Use information from the food unit member, the SSA, your agency, and any other sources to determine good cause. If the member has applied for an SSN, he or she satisfies the requirement.

Apply good cause if the applicant/member makes every effort to supply the information timely.

If he or she can show good cause, allow participation on a month by month basis.

#### **3.13.1.4 Religious Exception**

If a FoodShare 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 food unit to receive FoodShare.

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

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### 3.14.1 INTENTIONAL PROGRAM VIOLATION (IPV) DISQUALIFICATION

7 CFR 273.16

An applicant or member commits an Intentional Program Violation (IPV) when he or she intentionally:

- Makes a false or misleading statement or misrepresents, conceals, or withholds facts, including but not limited to their identity, who he or she is living with, or which state they live in, to become eligible or to remain eligible for benefits; or
- Commits any act that constitutes a violation of the Food and Nutrition Act of 2008, the Supplemental Nutrition Assistance Program Regulations, or any Wisconsin statute for the purpose of using, presenting, transferring, acquiring, receiving, possessing, or trafficking of FoodShare benefits or QUEST cards.

Trafficking includes the following:

- Using FoodShare benefits to purchase food for the sole purpose of returning the food for a cash refund,
- Reselling food purchased with FoodShare benefits for cash or other consideration,
- Purchasing, for cash or other consideration, food that was previously purchased from a supplier using FoodShare benefits,
- Directly or indirectly buying, selling, or stealing EBT cards, card numbers, or personal identification numbers (PINs) for cash or other consideration,
- The exchanging of firearms, ammunition, explosives, or controlled substances, as defined in section 802 of Title 21 of the United States Code, for SNAP benefits, or
- Unauthorized person(s) knowingly obtaining, possessing, transferring, or using FoodShare program benefits.

An IPV may be determined by the following means:

- Federal, state, or local court order,
- Administrative Disqualification Hearing (ADH) decision,
- Pre-charge or pretrial diversion agreement initiated by a local district attorney and signed by the FoodShare member in accordance with federal requirements, or
- A signed and completed “Waiver of Administrative Disqualification Hearing” form (F-16039):
  - The only acceptable ADH waiver is a completed DHS forms library version (F-16039). No other actions taken by or on behalf of the household should be interpreted as the individual waiving their ADH.

- The “Waiver of Administrative Disqualification Hearing” form should always be mailed to the individual. When the form is sent, it should be documented in the case comments.

**eDRS:** If a worker receives a notification on the FoodShare IPV Sanction Page in the Individual Information – eDRS Details section that an IPV was received in another state, he or she must verify this information as either true or false with the other state or the member.

Documentation may be in any form deemed appropriate and legally sufficient. Such documentation may include, but shall not be limited to, electronic or hard copies of court decisions, administrative disqualification hearing determinations, signed disqualification consent agreements or administrative disqualification hearing waivers.

You may accept a verbal or written statement from another State agency attesting to the existence of the documentation listed above.

You may accept a verbal or written statement from the household affirming the accuracy of the disqualification information if such a statement is properly documented and included in the case record. If the statement from the household contradicts the disqualification data, additional documentation will be required to verify that the individual should not be disqualified.

IM workers should document any collateral contacts or other information regarding the IPV disqualification in Case Comments.

### **3.14.1.1 Period of Ineligibility**

The following sanction periods are for IPV's committed after December 1, 1996. Anyone determined to have committed an IPV is ineligible for:

1. One year for the first IPV.
2. Two years for:
  - a. The second IPV 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 of less than \$500.
3. Permanently for:
  - a. A third IPV, **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, **or**
  - 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.

Once an IPV is imposed, all violations occurring before the first IPV cannot be used to pursue a second IPV. A second IPV can only be pursued if the violation occurred after the first IPV is imposed and a 10 day notice is given.

If a second IPV is granted during the sanction period of the first IPV, it must be entered for the disqualification period to begin immediately. There may be instances in which IPV's are running simultaneously; therefore, the sanction time period may not be as long as it would have been had the IPV's been separate. Only a court or administrative law judge can set the start date of an IPV.

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

The individual must be notified in writing once it is determined that he or she is to be disqualified. If the person who committed the IPV is not the primary person, then the FoodShare Notice of Disqualification, F-16024 must be sent. 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 food unit.

If a court finds an individual guilty of an IPV, 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 member or remains in the food unit. Do not pend the disqualification period until the disqualified individual reapplies.

If a non-participating person with an IPV disqualification does reapply for FoodShare, apply any remaining periods of ineligibility. If the ineligibility period has expired when the person reapplies, he or she 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 FoodShare for the first nine months of his period of ineligibility. If John reapplies for FoodShare 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 FoodShare.

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 food unit member only to the extent that the disqualification period has not elapsed.

**Example 2:** An IM worker determines in December that a person should have been disqualified in June for one year based on an administrative disqualification hearing decision. The agency failed to enter the IPV in CWW timely. Therefore, the IM worker should now disqualify the person for only the remaining five months.

All IPV's determined for an individual prior to April 3, 1983 shall be counted as one IPV for determining a current disqualification period.

### **3.14.1.2 IPV Disqualification for Receipt of SNAP Benefits from Multiple States**

A person who makes a false or misleading statement, or misrepresents, conceals or withholds facts with respect to their identity or place of *residence* in order to simultaneously receive Wisconsin FoodShare benefits and SNAP benefits from any other state shall be ineligible for a period of 10 years.

Before imposing the 10-year disqualification period:

- A finding of fraud must be made by a state agency, or
- A conviction of fraud must be entered by a state or federal court.

The administrative disqualification hearing process, including the offer to sign the Waiver of Administrative Disqualification Hearing (F-16039), may be used for imposing this penalty.

### **3.14.1.3 IPV Disqualification and Transitional FoodShare**

When an individual is found by a court or administrative judge to have committed an IPV, that person is ineligible to participate in Transitional FoodShare (TFS). The exception is when that person is part of an already open TFS group. Once the TFS group is open and established, the only reason an individual will be removed is when that individual begins participating in another FoodShare assistance group or when the TFS group moves out of Wisconsin.

When an IPV is found to be valid by a court or administrative judge prior to TFS beginning, the IPV should be entered and the individual will be excluded from the TFS assistance group at the TFS eligibility determination.

### 3 Non-Financial Requirements

When TFS has already started, workers should continue following the instructions in the court order or fair hearing decision to begin the IPV disqualification period in the month directed by the court or administrative law judge. Even though the TFS amount will not decrease, the IPV will be enforced at the point that the TFS certification period ends and the food unit completes a new application or recertification for FoodShare eligibility.

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### 3.15.1 STUDENT ELIGIBILITY

7 CFR 273.5

Anyone (age 18-49) enrolled half-time or more in an institution of higher education is ineligible for FoodShare unless he or she meets one of the following exemptions below.

An institution of higher education may be defined as:

- A business, technical, trade, or vocational school that normally requires a high school diploma or equivalency certificate for enrollment in the curriculum; or
- A regular curriculum at a college or university that offers degree programs regardless of whether a high school diploma is required.

Student Eligibility Exemptions:

1. An 18 year-old (or older) student attending high school or adult basic education courses (HSED/GED).
2. Employed at least an average of 20 hours a week with earnings.
  - a. Compliance can be determined by calculating whether the student worked an average of 20 hours per week over the period of a month, a quarter (calendar), a trimester (Fall, Winter, Spring), or a semester (Fall semester (1st) and Spring semester (2nd)). This is in line with the different ways contractual and fluctuating employment is budgeted. See 4.3.2 Earned Income for budgeting policy.
  - b. The payment can be received with regular frequency (weekly, biweekly, semi-monthly) or as a one-time payment at the beginning or end of the employment period. There is no minimum compensation that must be received so long as income is received.
3. Self-employed at least an average of 20 hours a week with self-employment earnings (after self-employment expenses are subtracted) equivalent to at least the federal minimum wage.
  - a. Weekly earnings must be at least  $\$7.25 \times 20 \text{ hours} = \$145$  per week.
  - b. Use student monthly hours to calculate a weekly average. Students whose employment hours fluctuate from week to week may be determined eligible for FoodShare, provided they maintain an average of 20 hours per week at minimum wage.
4. Participating in a State or federally financed work study program during the regular school year:
  - a. The student must be approved for work study at the time of application, the work study must be approved for the school term, and the student must anticipate actually working during that time.
  - b. The exemption shall begin with the month in which the school term begins or the month work study is approved, whichever is later. Once begun, the exemption shall continue until the end of the month in which the school term ends, or it becomes known that the student has refused an assignment.

- c. The exemption shall not continue between terms when there is a break of a full month or longer unless the student is participating in work study during the break.
5. Responsible for the care of a dependent household member under age six. If two people exercising *parental control* are in the food unit, allow student status to only one person per *child*.
6. Responsible for the care of a dependent household member who has reached age six but is under age 12 if the agency determines adequate child care is unavailable to enable the student to attend class or work activities. If two people exercising parental control are in the food unit, allow student status to only one 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 Workforce Innovation and Opportunity Act (WIOA) .
9. Enrolled in a W-2 employment position or other TANF-funded program under Title IV of the Social Security Act.
10. Physically or mentally unfit for gainful employment. Verify the claim if it's questionable, such as through receipt of temporary or permanent disability benefits, or a statement from a physician, or certified psychologist.
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, a program under the Job Training Partnership Act of 1974, or a program under section 236 of the trade Act of 1974.
13. Is enrolled in an educational program that is designed to be completed in two years or less and obtaining certification or a diploma from the program is expected to lead to employment.

**Example 1:** During an interview for FoodShare, Jack, reports that he is a full-time student at Northern Technical College for phlebotomy and plans to graduate in the next year. Jack is enrolled in a two-year degree program that is expected to lead to employment.

**Example 2:** When Carla applies for FoodShare, she reports that she is enrolled half-time at Madison Area Technical College and is taking cooking with herbs, pottery and jewelry making. No other student exemptions are met. Carla would not be an

eligible student, because she is not enrolled in a program that will lead to employment.

**Example 3:** When Bill applies for FoodShare, he reports that he is enrolled in a four-year nursing program, but only has two years left in the program. Bill would not be an eligible student because the program was designed by the college to be completed in four years.

**Example 4:** Bella participates in an internship for a semester (5 months). Bella works a total of 400 hours over the semester. At the end of the internship, Bella will be paid a stipend of \$1,000. The hours would be averaged over the 5 months  $400/5$  totaling 80 per month or 20 per week. The stipend of \$1,000 will be averaged and budgeted over the 5 month semester and \$200 of earned income to will budgeted per month. Bella is an eligible student.

**Note:** A student who lives in campus housing and purchases a meal plan that provides more than half of their meals is not eligible for FoodShare, even if the student does not eat meals from the meal plan. If the meal plan is available, but the student does not purchase it, then they may be eligible for FoodShare.

**Note:** IRS tax dependency status does not impact FoodShare eligibility determinations. A student may be claimed as a tax dependent by his or her parents and still qualify for FoodShare if he or she meets all other non-financial and financial eligibility criteria.

A student is enrolled as of the first day of the school term through normal scheduled class periods, vacation, and recess unless he or she:

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

### **FoodShare Employment and Training**

Students enrolled in higher education at the time of the FoodShare application and then found eligible for FoodShare 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.

### **Work Registration**

A FoodShare-eligible student who meets the criteria in this section is exempt from the FoodShare work registration requirements.

### **ABAWDs**



### 3 Non-Financial Requirements

If an applicant or member is determined to be a FoodShare-eligible student based on the criteria in this section, the applicant or member is a non-ABAWD.

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## **3.16.1 WORK REQUIREMENTS**

7 CFR 273.7

### **3.16.1.1 Background**

Federal regulations require FoodShare applicants and members to comply with FoodShare work registration requirements and ABAWD work requirements as a condition of FoodShare eligibility. ABAWD policy related to FoodShare eligibility is located in section 3.17 Able-Bodied Adults without Dependents (ABAWDs).

As of March 1, 2008, FoodShare Employment and Training (FSET) became a voluntary program for all FoodShare applicants and members. The FSET program serves people who wish to voluntarily enroll, but benefits cannot be sanctioned for non-participation. All FSET policy and some additional ABAWD policy pertaining to the ABAWD work requirement is in the FSET Handbook.

### **3.16.1.2 FoodShare Work Requirements**

All FoodShare applicants or members ages 16 through 59 must comply with the work registration requirements as a condition of FoodShare eligibility, unless they meet an exemption. Applicants or members who do not comply with the work registration requirements are sanctioned from receiving FoodShare benefits. The work registration requirements are different from the work requirement for certain able-bodied adults without dependents (ABAWDs) that was implemented statewide on April 1, 2015. For information on the ABAWD work requirement, see section 3.17.1.

Compliance with the work registration requirements includes registering for work at the time of application and every 12 months thereafter. An applicant or member must provide the IM agency with sufficient information regarding employment status or availability for work.

To maintain compliance after registering for work:

1. A person who is working a job of 30 or more hours per week (or a job with earnings equivalent to 30 or more hours per week at the federal minimum wage) must not voluntarily and without good cause quit that job. The converted monthly amount (i.e., the amount of monthly earnings calculated based on average weekly earnings) should be used. A person who is working 30 or more hours per week must not voluntarily and without good cause reduce work hours to less than 30 per week. If a person reduces hours to less than 30 per week, but continues to earn weekly wages greater than 30 hours at the federal minimum wage, a sanction should not be applied. The converted monthly amount should be used;
2. A person must not turn down suitable employment without good cause. The following must all be true for a job to be considered suitable employment:
  - Pay is equivalent to minimum wage or higher.

- The employee is not required to join, quit, or refrain from joining a union or trade organization.
  - The job is not obtained due to strike or lockout.
  - The job does not pose health risks.
  - The job matches a person's physical and mental ability to perform the job.
  - If employment is offered on a piece work basis, the expected average hourly pay (piece work\* average hourly output) is at least minimum wage.
  - The daily round-trip commuting time is less than 2 hours, excluding time transporting a child to or from child care.
  - The distance to the job allows for walking, or public, or private transportation is available.
  - The hours of work or nature of work does not interfere with the person's religious observations, convictions, or beliefs.
  - Within the first 30 days of work registration, the employment must be in the person's field of experience;
3. A person who has applied for or is receiving unemployment compensation must continue to comply with the unemployment compensation program work requirements;
  4. A person participating in a Wisconsin Works (W-2) placement must continue to comply with the W-2 program work requirement.

**Note:** If the person is open for W-2 in CWW, he or she is in compliance with the W-2 program work requirement. If W-2 is showing as closed (after having been open) in CWW, the worker will need to review the closure reason and correspondence history to evaluate if there was a failure to comply with W-2. The worker must then evaluate if the member had good cause for the failure to comply with W-2. See Operations Memo 18-40.

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

#### **3.16.1.3 Exemptions from the FoodShare Work Registration Requirements**

Some FoodShare applicants and members are exempt from the work registration requirements in 3.16.1.2. The following applicants and members are exempt from the work registration requirements:

1. A person 16-17 years of age who is not the primary person in a food unit.
2. A person 16-17 years of age who is the primary person in a food unit but who is enrolled in school or in an employment and training program at least half-time.
3. A person determined unfit for employment, which includes a person who is one of the following:
  - a. Receiving temporary or permanent disability benefits from the government or a private source.
  - b. Mentally or physically unable to work, as determined by the income maintenance (IM) agency.

- c. Verified as unable to work by a statement from a health care professional or a social worker.
- 4. A person participating in and complying with the Wisconsin Works (W-2) work requirement.
  - Note:** If a person is open for W-2 in CWW, he or she is in compliance with the W-2 program work requirement.
- 5. A parent or other food unit member who is the primary caregiver for a dependent child younger than 6 years old (whether the child lives in the home or out of the home). If two people are exercising parental control of a child, only one of those people can be exempt from work registration as the primary caretaker of that child.
- 6. A parent or other food unit member who is the primary caregiver for a person who cannot care for himself or herself (whether the person lives in the home or out of the home).
- 7. A person who has applied for or is receiving unemployment compensation.
- 8. A person regularly participating in an alcohol or other drug abuse (AODA) treatment or rehabilitation program.
- 9. An employed or self-employed person working 30 or more hours per week or earning wages equivalent to 30 or more hours per week at the federal minimum wage.
- 10. A person who is enrolled at least half-time in any recognized school, training program, or institution of higher education.

An individual who jointly applies for SSI and FoodShare would be exempt from work requirements until a disability determination is made. If they are determined ineligible for SSI, the requirement to register for work should be re-evaluated.

Currently in Wisconsin, SSA does not participate in a joint FoodShare application process.

Verification for an exemption from the work registration requirements is not required unless the exemption is questionable.

**Note:** There are some differences between exemptions from the general FoodShare work registration requirements and exemptions from the ABAWD work requirement. For more information on exemptions from the ABAWD work requirement, see section 3.17.1.5.

#### **3.16.1.4 Registering for Work**

As a condition of FoodShare eligibility, each food unit member not exempt from the FoodShare work requirements in 3.16.1.2 must register for work at the time of application and renewal, and every 12 months after initial enrollment in FoodShare. An applicant or member must provide the IM agency with sufficient information regarding employment status or availability for work.

Registering for work is completed when the agency receives one of the following:

- A signed Request for Assistance (RFA) after the Client Registration page is completed in CARES Worker Web (CWW)
- A signed page 1 of the FoodShare Wisconsin Application/Registration and Important Information form (F-16019A),
- A completed and signed FoodShare Wisconsin Application/Registration form (F-16019B),
- An ACCESS application containing an electronic signature, or
- A signed signature page from the **CARES** case summary.
- A completed telephonic signature (2.1.1.4).

An applicant or member who signs the FoodShare application or renewal registers all food unit members subject to the work registration requirements for work.

### **3.16.1.4.1 Work Registration Interview Requirements**

During each FoodShare interview, IM workers must do the following:

- Ask relevant questions and gather necessary information to identify the correct work registration status and ABAWD determination in CWW.
- Ask relevant questions to assist in discovering potential exemptions.
- Provide applicants or members with information on exemptions so that they may recognize any current or future exemptions for themselves or a household member.
- Review prior and potential sanctions documented on the Loss of Employment pages for accuracy and possible good cause.

During the FoodShare interview, IM workers must explain the FoodShare work registration requirements, the rights and responsibilities of work-registered food unit members, and the consequences of failure to comply with the work registration requirements. IM workers must differentiate between the FoodShare work registration requirements and the ABAWD work requirement.

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

### **3.16.1.5 Sanctions for Noncompliance**

An applicant or member without an exemption (3.16.1.3 Exemptions from the FoodShare Work Registration Requirements) is considered to be noncompliant if he or she does not meet the work registration requirements in 3.16.1.2 FoodShare Work Requirements. An applicant or member who does not comply with the work registration requirements and does not have good cause will be sanctioned from receiving FoodShare benefits. An event that results in a sanction has historically been referred to

as a voluntary quit or a reduced work effort (VQT). These events are now referred to as sanction events.

Acts of noncompliance that may result in a sanction and that are reported by the applicant or member are generally not questionable; the IM worker should not pend the application or renewal for verification of the sanction event unless there is conflicting or questionable information. The IM worker should document the steps taken to explore good cause in case comments.

The following are sanction events:

- Turning down suitable employment. The following must all be true for a job to be considered suitable employment:
  - Pay is equivalent to minimum wage or higher.
  - The employee is not required to either join or quit a union or trade organization.
  - The job is not obtained due to strike or lockout.
  - The job does not pose health risks.
  - The job matches a person's physical and mental ability to perform the job.
  - If employment is offered on a piece-rate basis, the expected average hourly pay (piece-rate\* average hourly output) is at least minimum wage.
  - The daily round-trip commuting time is less than 2 hours, excluding time transporting a child to or from child care.
  - The distance to the job allows for walking, or public or private transportation is available.
  - The hours of work or nature of work does not interfere with the person's religious observations, convictions, or beliefs.
  - Within the first 30 days of work registration, the employment must be in the person's field of experience.
- Quitting a job of 30 or more hours per week (or a job with earnings equivalent to 30 or more hours per week at federal minimum wage). The converted monthly amount should be used.
  - Note:** Quitting a job of 29 or fewer hours per week should not result in a sanction, unless the weekly earnings prior to quitting were greater than 30 times the federal minimum wage.
- Voluntarily reducing hours worked to less than 30 per week. Reducing hours to less than 30 per week, but continuing to earn weekly wages greater than 30 hours at the federal minimum wage, would not result in a sanction. The converted monthly amount should be used.
- Previously participating in a W-2 placement that has closed for failing to meet the W-2 work requirement.
  - Note:** The reason for closure needs to be explored with the applicant or member.
- Applying for or receiving unemployment and failing to meet the unemployment work requirement.

It is possible that a FoodShare applicant or member who is exempt from the work registration requirements could be sanctioned for noncompliance. FoodShare applicants or members who are initially exempt from meeting the work registration requirements solely due to working, applying for or receiving unemployment compensation, or participating in W-2, but who commit an act of noncompliance resulting in the loss of the exemption without good cause will be sanctioned. If there are any additional exemptions for this applicant or member, a sanction will not be applied.

**Note:** FoodShare applications must be processed within the normal processing time frame. If verification of a sanction event or good cause is required and has not been verified by day 30, the IM worker must determine FoodShare eligibility as if this person has not failed to meet the FoodShare work registration requirement. Once eligibility has been determined, the sanction event/good cause reason should pend for the appropriate time. If a sanction event occurred without good cause, the IM worker would sanction that person in the next possible benefit month.

If an application is eligible for expedited FoodShare and it is unknown whether the applicant failed to meet the work registration requirement or if there is good cause for a sanction event, the expedited issuance must not be delayed and the expedited issuance must occur by the seventh day after the date of application.

**3.16.1.6 Sanction Period**

Sanctions will be systematically applied for the time periods indicated below. During a sanction period, if the applicant or member remains part of a food unit, he or she will be a gross deemer for the purpose of income and deduction budgeting (i.e., his or her income and expenses will be used in the FoodShare benefit determination for the rest of the food group).

<b>Sanction Occurrence</b>	<b>Time Period for Sanctions Applied at the Time of Application (days)</b>	<b>Time Period for Sanctions Applied to Ongoing Cases (benefit months)*</b>
1st	30 days	1 month
2nd	90 days	3 months
3rd and subsequent	180 days	6 months

\*In instances where a break in service occurs, the sanction applies from the first date that eligibility is regained and runs for the remainder of that benefit month.

**3.16.1.6.1 At Application**

If a sanction event occurs within 30 days of the application filing date, without good cause, the applicant or member will be sanctioned from receiving FoodShare benefits as of the application filing date.

An application is not eligible for expedited FoodShare issuance if there is a sanction event. An interview is required to determine if there is a sanction event. The worker is required to determine sanction events and good cause in the interview. The IM worker should document exploration of sanction events and good cause in case comments.

If an applicant's or member's FoodShare eligibility is failing for another reason (e.g., the applicant or member did not verify information), a sanction will not be applied at the time of application.

**Example 1:** Joe completes an application on December 6 and the agency is unable to reach him for the interview. Joe reports no income or assets and he is otherwise eligible, so the agency pends for his interview. Joe comes into the agency on December 20 and completes his interview. Joe reports he quit his job on November 26 and has no exemption or good cause. Joe is otherwise eligible so the worker confirms the application denied, and CWW applies his first sanction beginning December 6.

**Example 2:** Jack applies for FoodShare on August 8. Jack completes his interview on August 21 and reports that he refused suitable employment on July 20 without good cause. Jack is not otherwise exempt. Jack's application pends for verification of his identity. Jack fails to verify his identity by his verification due date of September 7. Since Jack is being denied for failure to verify information, a sanction will not be applied.

### 3.16.1.6.2 Ongoing

If a sanction event occurs within the 6- or 12-month certification period, without good cause, the work registrant will be sanctioned. Sanctions for ongoing cases are applied following adverse action. In instances where a break in service occurs, the sanction applies from the first date that eligibility is regained and runs for the remainder of that benefit month.

**Note:** Other than during six-month reporting and renewal, the only change food units are required to report is if their total monthly gross income increases above 130 percent 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 percent of the FPL. As long as a food unit's total income is less than 130 percent of the FPL, the food unit does not need to report changes in income, assets, address, household composition, etc. [6.1.1 Change Reporting for All Food Units (Reduced Reporting)].



**Example 3:** John completes his renewal interview on December 3, and FoodShare pends for verification. John doesn't provide verification timely, so his FoodShare case closes at adverse action, effective December 31. John provides his verification on January 15 and also reports that he refused employment without good cause. Break-in-service requirements were met on January 15. This is John's first sanction event and the sanction is applied January 15 through January 31. Since John did not receive benefits from January 1 through January 31, this is a one-month sanction.

**Example 4:** Jeff applied for FoodShare in February and his case is currently open. On August 21, Jeff reports that he quit his job without good cause; he is not otherwise exempt. Verification is not necessary, so the worker determines Jeff's FoodShare eligibility and he receives his first sanction. Since FoodShare issuance already occurred for September, Jeff will be assigned a one-month sanction, beginning October 1.

When, during six-month reporting or renewal, a member reports that a sanction event took place during the certification period and FoodShare eligibility is closing for any reason, a sanction will be applied. This occurs because the member was subject to the work registration requirements at the time of the sanction event.

**Example 5:** Jill has a renewal due by December 31. Jill submits an ACCESS renewal and completes her interview on December 21. During the interview, she reports that she quit her job without good cause and is not otherwise exempt. The agency needs to verify Jill's unearned income. Jill fails to verify the income by December 31. The worker confirms that Jill's eligibility for ongoing FoodShare was closed on December 31 for failure to verify the unearned income, and a one-month sanction is applied for the month of January for her first sanction occurrence.

### 3.16.1.7 Good Cause

When considering whether a potential sanction event has taken place, IM workers are required to consider the reasons leading to the event in order to determine if there was good cause. The IM worker should document steps taken to explore good cause in case comments. When good cause exists, a sanction should not be applied.

Reasons for good cause include, but are not limited to, the following:

1. The job did not meet the suitable employment criteria (3.16.1.2).
2. The applicant or member was fired or resigned at the employer's demand.
3. The employer discriminated based on the applicant or member's age, race, sex, color, handicap, religious belief, national origin, or political belief.

4. Work demands or conditions made continued employment unreasonable (e.g., working without being paid timely).
5. The applicant or member accepted other employment at a wage equivalent to working 30 or more hours per week at federal minimum wage.
6. The applicant's or member's work hours were reduced to less than 30 hours per week, but wages earned are equivalent to working 30 or more hours per week at the federal minimum wage.
7. The applicant or member enrolled at least half-time in any recognized school, training program, or institution of higher education that requires him or her to leave employment.
8. There were changes in the food unit residence that impacted access to current employment (e.g., members of the food unit moved to another 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. The applicant or member has personal health problems, or others in the food unit have health problems requiring the presence of the applicant or member.
10. The applicant or member is under age 60 and resigned from a job, which the employer recognized as retirement.
11. The applicant or member quit in the context of the natural pattern of employment, such as a migrant worker or construction laborer.
12. Hours of employment were reduced by the employer without consent from the applicant or member, but the employer remained the same.
13. The applicant or member quit unsubsidized employment to join a volunteer program, such as Volunteers In Service To America (VISTA), AmeriCorps, etc.
14. Transportation was not available.
15. The applicant or member was unable to obtain adequate child care for a child or children younger than age 12.
16. The applicant's or member's self-employment ended.
17. There were other circumstances beyond the applicant's or member's control that the agency feels constitute good cause.

**Example 6** (sanction event resulting in a sanction): John reports that he quit his job because he doesn't like his boss. No good cause exists. determine if his job ended due to good cause. Scott does not have good cause for quitting his job. Because the worker is processing the sanction event after adverse action in December, his sanction begin date will be February 1.

**Example 7** (sanction event not resulting in a sanction due to good cause): John reports that he quit his job because his boss was creating a hostile work environment by harassing him for his religious beliefs. Good cause exists. The worker should not create a sanction.

Verification of good cause is not required unless the reason for good cause is questionable. If an IM worker receives conflicting or unclear information about the good cause reason, verification must be requested to clarify the circumstances. If verification of good cause is requested, the reason for requesting verification should be documented in case comments.

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 with the exception of ABAWDs who are meeting the ABAWD work requirement because they are working at least 80 hours per month (see 6.1.1 Change Reporting). IM 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 first of the month after the month proper notice of the sanction is provided.

**Example 8:** While processing Scott's SMRF on December 20, Mary notices that Scott's last day of work was October 1. 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 sanction after adverse action in December, his sanction begin date will be February 1.

**Example 9:** John has medical restrictions that limit him to lifting no more than 25 pounds. Pepsi offered John a job at which he would be required to lift 75 pounds regularly. This job does not meet the definition of suitable employment for John because it does not match his physical and mental ability to perform the job (3.16.1.2). John refused the employment and the IM worker should grant him good cause because he could not reasonably perform the duties of the job.

### 3.16.1.8 Ending a Sanction Event

A sanction will end if:

- The applicant or member becomes exempt from the work registration requirements.
- The sanction period ends.

FoodShare benefits are not automatically re-instated at the end of a sanction period. An applicant or member who was sanctioned must re-apply or re-request FoodShare benefits. If an application for FoodShare is filed in the final month of the sanction period, the worker will use that application to deny benefits for the remaining sanction month and to issue benefits for any subsequent month if all other eligibility criteria are met.

**Case Currently Open for FoodShare:**

If the applicant or member who had a sanction would like to be added to an open food unit, he or she must re-request FoodShare. The applicant or member will be added to the food unit the first of the month following the month of the re-request.

**Closed Food Unit or One-Person Case:**

If the applicant or member who had a sanction is re-requesting FoodShare, and the ongoing food unit has been closed for more than a calendar month, the applicant or member must complete a new application. If the sanction event occurred on an ongoing FoodShare case that has been closed for less than a calendar month, the case can re-open under break-in-service rules, with benefits pro-rated from the date in which the re-request is made and all eligibility criteria are met.

If the sanction event was determined through a one-person FoodShare application, and it is the first sanction event, the original application can be used so long as the applicant is re-requesting FoodShare no more than 60 days from the original filing date. Steps that follow an application submission must be completed (interview and any required verification). The applicant or member is required to re-request FoodShare.

After the applicant or member re-requests FoodShare, a worker must run eligibility and confirm the case closed, and then set an expected change for the day after the sanction has ended. The expected change should indicate that the worker needs to take the following actions. The worker must end date the Loss of Employment page, then update the FoodShare request to the day after the sanction end date and run eligibility to issue the pro-rated FoodShare benefits starting with the first day after the sanction.

For one-person FoodShare applications in which the applicant or member has incurred more than one sanction event, the applicant or member is required to re-apply during or after the final month of the sanction period.

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

**3.16.1.9 Sanctions and Fair Hearings**

If the food unit requests a fair hearing to contest a sanction, and the food unit members request to continue receiving benefits during the hearing process, benefits should continue until after the fair hearing decision. If the sanction is upheld, the sanction period will begin the first of the month following the month of decision, allowing for an adverse action notice. In order for FoodShare benefits to continue, the worker should

### 3 Non-Financial Requirements

enter good cause as “other” and document in case comments until a hearing decision is made.

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## 3.17.1 ABLE-BODIED ADULTS WITHOUT DEPENDENTS (ABAWDS)

### 3.17.1.1 Able-Bodied Adults Without Dependents (ABAWDs)

*ABAWDs* must either meet the ABAWD work requirement or an exemption from the ABAWD work requirement in order to continue to receive FoodShare benefits. ABAWDs who do not meet the work requirement will receive up to three full months of time-limited benefits (*TLB*) in a 36-month time period.

**Note:** TLB months do not need to be verified for individuals who received benefits in Puerto Rico or American Samoa. Puerto Rico and American Samoa do not operate a SNAP program. Instead, they operate a block grant for their programs, so they are not subject to the same rules and regulations as SNAP.

### 3.17.1.2 Application of ABAWD Rules

**Note:** This section previously contained information related to the pilot implementation of the ABAWD work requirement and the implementation of the new regional structure. The pilot period concluded on March 31, 2015 due to the statewide implementation on April 1, 2015.

### 3.17.1.3 ABAWD Status

**Non-ABAWD:** A member who is not an ABAWD, or has a verified ABAWD exemption, is not subject to TLBs, and does not need to meet the ABAWD work requirement.

**ABAWD:** An ABAWD who is subject to TLBs and who must meet the ABAWD work requirement in order to maintain FoodShare eligibility after receiving three months of TLBs in a 36-month period.

**Note:** An individual may request a fair hearing if he or she disagrees with the IM agency's determination of ABAWD status. (see 6.4.1 Fair Hearings)

### 3.17.1.4 Determining ABAWD Status

**Non-ABAWD:** A FoodShare applicant or member is determined a non-ABAWD if he or she meets any one of the following criteria, as determined by the IM agency:

- Under age 18\* or age 50\*\* and older
- Residing in a food unit with a child under age 18\*\*\*
- Pregnant
- Determined unfit for employment, which includes someone considered any of the following:
  - Receiving temporary or permanent disability benefits from the government or a private source

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- Mentally or physically unable to work as determined by the IM agency
- Displaying mental instability, combativeness, or other mental health issues. (Per direction from *FNS*, the IM worker should consider the member unfit for work and document an exemption without requiring verification from a health care professional)
- Verified as unable to work by a statement from a health care professional or a social worker (may use form F-01598 Medical Exemption from Work Requirement for ABAWD to verify)
- Experiencing chronic homelessness
  - i (A person is chronically homeless if he or she currently lacks a fixed, regular nighttime residence and does not expect to have a regular nighttime residence in the next 30 days. This includes people who are in a temporary housing situation, such as transitional living arrangements)
- Receives Unemployment Compensation (UC), or has applied for UC, and is complying with UC work requirements

**Note:** If UC is denied or has ended, the member is no longer exempt regardless of the reason.

- Residing in an unemployment exemption area or are a tribal member living on tribal land that has an unemployment exemption. For a list of the unemployment exemption areas and tribal lands or reservations, go to [www.dhs.wisconsin.gov/fset/exemptions.htm](http://www.dhs.wisconsin.gov/fset/exemptions.htm).
- Regularly participates in an alcohol or other drug abuse (AODA) treatment or rehabilitation program
- A high school student 18 years of age or older attending high school or adult basic education courses at least half time
- A student of higher education who is otherwise eligible for FoodShare (see 3.15.1)
- Primary caretaker of a dependent child under age six or an incapacitated person (may be part of the food unit or in a separate household)
- Is not a work registrant due to working 30 or more hours per week or earning wages equivalent to 30 or more hours per week at the federal minimum wage
- Complying with Wisconsin Works (W-2) program requirements

\*Age 18: ABAWD status applies the month following the month the FoodShare member or applicant turns age 18.

\*\*Age 50: ABAWD status no longer applies the first day of the month an ABAWD turns age 50.

\*\*\* Individuals who reside with and are included in the same food unit as a child under age 18 are non-ABAWDs, even if that child is ineligible for FoodShare. See section 3.3.1.1 for food unit requirements.

As a best practice, workers should document exemptions in case comments.

Non-ABAWDs are not subject to *TLBs*.

**Note:** Individuals who are coded as out of the home, including children placed in foster care and out of home tax dependents and co-filers, do not make an individual a non-ABAWD.

**Example 1:** An IM worker conducts a FoodShare renewal interview over the telephone with Jolene. Jolene explains that she is homeless and currently sleeping at a temporary shelter at night and does not know when she will find permanent housing. The worker determines Jolene is chronically homeless and a non-ABAWD.

**Example 2:** An IM worker conducts a FoodShare application interview over the telephone with Andrea. Andrea explains that she is homeless and currently sleeping on the couches of three different friends. She does not know when she will find permanent housing. The worker determines Andrea is chronically homeless and a non-ABAWD.

**Example 3:** An IM worker conducts a renewal FoodShare interview over the telephone with Ronald. Ronald explains that he is living at his friend's house, but he is not on the lease and cannot use it as a mailing address. Ronald plans to continue living with his friend. The worker determines that Ronald is not chronically homeless.

Non-ABAWDs are not subject to TLBs during months in which they have a verified exemption. Workers must apply an exemption on the first of the month in which the exemption began, regardless of when the exemption is reported or whether it is verified timely. Correct determination of ABAWD exemptions impacts whether or not members are subject to TLBs. ABAWDs may cycle on and off FoodShare benefits and may gain or lose exemptions for a variety of reasons.

FoodShare members who have a pending exemption receive a referral to the *FSET* program as ABAWDs. Once an exemption is verified, a referral update is sent to notify the FSET agency of the status change.

**Note:** For situations where more than one individual shares care giving responsibilities for a child under age six or an incapacitated person, the agency should work with the member to determine which individual has primary responsibility for care of the child or incapacitated person. The other individual's care giving responsibilities can be seen as work and the hours can count towards meeting the ABAWD work requirement, see 3.17.1.8 ABAWD Definition of Working. In most situations, only one individual may claim exemption under this provision for the care of an incapacitated individual. However, there may be an exception with medical documentation which specifies that more than one person is needed to provide the required care.



**ABAWD:** A FoodShare member is an ABAWD if he or she does not have an exemption from the ABAWD work requirement, as determined by the IM agency. ABAWDs are subject to TLBs and need to meet the ABAWD work requirement to maintain ongoing eligibility for FoodShare. One of the ways these members can meet the ABAWD work requirement is through FSET participation.

All ABAWDs who are not currently meeting the ABAWD work requirement outside of FSET receive a systematic/automatic TLB referral to the FSET program. ABAWDs who are meeting the ABAWD work requirement outside of FSET may choose to be referred to the FSET program manually. ABAWDs are not required to participate in FSET as a condition of FoodShare eligibility. However they may lose eligibility for FoodShare due to failing to meet the ABAWD work requirement after exhausting three months of TLBs in a 36-month period.

### **3.17.1.5 Reserved**

### **3.17.1.6 Verification of ABAWD Status and Exemptions From Time-Limited FoodShare**

Exemptions from the ABAWD work requirement may be verified in any of the following ways:

- Agency form;
- Statement from health care, social worker, or AODA professional;
- Employer form/paystub/taxes/EVF-E;
- Upon receipt by using data exchanges;
- By using information known to the IM agency;
- Collateral contact; or
- Other acceptable written statement.

As long as an exemption exists for part of a month, the member is exempt for the entire month. Upon receipt of the exemption verification, workers must determine when the individual initially became exempt and remove TLBs that were incurred while the individual was exempt. An exemption will not be applied until it is verified, so an ABAWD with a pending exemption will receive TLBs until the verification is received.

IM agency staff may use the FSET provider as a collateral contact or to provide an acceptable written statement to assist in the determination of ABAWD exemptions. The IM worker makes the final determination whether to apply an exemption to the member's case.

Another option to verify if a member is physically or mentally unable to work is the Medical Exemption from Work Requirement for ABAWD form (F-01598). The form is not required, and IM workers must accept other forms of verification for this exemption.

The effective date of an exemption is the first of the month the exemption situation exists as long as verification is provided. The FoodShare Clock Page may need to be adjusted once verification of an exemption is provided. (3.17.1.14)

Once workers receive verification they must determine when the individual became exempt and adjust the individual's current FoodShare Clock by removing TLBs that were incurred while the individual was exempt. Workers should adjust TLB month statuses but not supplement past benefit months. See 3.17.1.14 Adjusting or Deleting the FoodShare Clock Page (36-Month Period).

**Example 4:** Angela is an ABAWD who is not meeting the ABAWD work requirement and does not claim an exemption during her application interview on July 7, so a referral is sent to FSET. Angela receives the FSET referral letter, which lists the ABAWD exemptions and types of proof that can be submitted. On August 25, Angela reports to her IM worker that she started regularly participating in an AODA treatment program on August 10 and is sent a verification request with a due date of September 5. If Angela submits verification, she will be treated as a non-ABAWD as of August 1. At that time, an update is sent to the FSET agency, notifying them of the ABAWD exemption.

**Example 5:** Olive received three TLBs in May, June, and July 2015. As a result, she became ineligible for FoodShare benefits in August 2015. In November 2017, Olive reapplied for FoodShare benefits. Her food unit now includes her daughter who was born in September 2015. During her in-person application, Olive mentioned her 2-year-old daughter and her date of birth. The worker discovered Olive could claim an exemption for the three TLBs incurred in 2015 because she was pregnant at that time. Upon request, Olive provides a copy of her daughter's birth certificate. Because Olive never actually incurred a TLB, the worker deletes Olive's FoodShare Clock and documents that Olive's daughter's birth certificate was used to verify an exemption for May, June, and July 2015 in Case Comments.

**Example 6:** Chip is an ABAWD who needs to meet the work requirement. He was referred to FSET in June 2017 and earned TLBs in June, July, and August 2017. He started work and met the ABAWD work requirement in September 2017.

On December 1, 2017, Chip reports that his 14-year-old daughter had moved into his apartment in July 2017. The worker adds Chip's daughter to his food unit and overrides the status of the FoodShare Clock to "EX-Exempt" for the months of July and August 2017. The worker notes the removal of the July and August TLBs in Case Comments.

### 3.17.1.7 ABAWD Work Requirement

In addition to FoodShare work requirements (3.16.1) ABAWDs are required to meet an additional ABAWD work requirement as a condition of FoodShare eligibility.

An ABAWD is considered to be meeting the ABAWD work requirement if one of the following applies:

1. Working a minimum of 80 hours per month. Use converted work hours if paid weekly or bi-weekly;
2. Participating and complying with an allowable work program at least 80 hours per month;\*
3. Both working and participating in an allowable work program for a combined total of at least 80 hours per month; or
4. Participating and complying with the requirements of a workfare program.

\*Allowable work programs include FSET, Refugee Employment and Training, *W-2*, Trial Employment Match Program (TEMP), Children First, *WIOA* programs, Refugee Cash Assistance programs, and programs under section 236 of the Trade Act.

### 3.17.1.8 ABAWD Definition of Working

For ABAWDs, working is defined as one of the following:

1. Work in exchange for money;
2. Work in exchange for goods or services (“in kind”);
3. Unpaid work (i.e. volunteer work, community service);
4. Self-employed at any wage; or
5. Any combination of the above.

### 3.17.1.9 Three Countable Months of Time-Limited FoodShare Benefits

ABAWD eligibility for FoodShare is limited to three months of TLBs in a 36-month period if an ABAWD is not meeting the ABAWD work requirement and does not have a qualifying exemption. The three TLB months do not have to be consecutive.

CWW will count any month as a TLB month in which an ABAWD received a full month of FoodShare benefits and he or she:

1. Is not meeting the ABAWD work requirement; and
2. Does not meet an exemption from the ABAWD work requirement; or
3. Does not verify an exemption from the ABAWD work requirement.

**Note:** Pro-rated FoodShare benefits are not counted as TLB months.

**Example 7:** Linda, an ABAWD who is not meeting the work requirement, applied for FoodShare and was found eligible with a certification period of July 2 through August 30. Linda's first TLB month is August because July benefits were prorated.

**Example 8:** Libby is an ABAWD who earned two TLBs in November and December. On January 5, Libby reports and verifies that her roommate's child moved into her home on December 21. Libby, her roommate, and her roommate's child are in the same food unit. Libby's status changes to non-ABAWD effective December 1, the month the exemption existed.

### 3.17.1.10 The 36-Month Period (Clock)

During a 36-month period, an ABAWD may continue receiving FoodShare benefits or regain eligibility after exhausting the three months of *TLBs* as long as the ABAWD is meeting the work requirement or is determined to be a non-ABAWD.

#### Counting the 36-Month Period

The 36-month period begins for individuals who are:

- Eligible for FoodShare;
- Determined to be an ABAWD; and
- Not meeting the work requirement.

Once started, the period continues uninterrupted for 36 months, regardless of FoodShare eligibility status, ABAWD status, or whether the work requirement or an ABAWD exemption is met. The exceptions to this are if the FoodShare clock was created in error or if an exemption is verified for past months so the individual did not earn a TLB. See section 3.17.1.14 *Adjusting or Deleting the FoodShare Clock Page*. The period ends after 36 months have elapsed.

**Example 9:** Audrey, an ABAWD, applies and is determined eligible for FoodShare effective July 2, 2015. July is a partial month. Audrey does not meet the ABAWD work requirement in August. Audrey's 36-month period begins August 1, 2015 and runs continuously through July 31, 2018, regardless of changes in ABAWD status or FoodShare eligibility.

#### Subsequent 36-Month Periods

A new 36-month period will start with the first full benefit month after a 36-month period expires and when all of the following are met:

### 3 Non-Financial Requirements

- Is eligible for FoodShare;
- Is determined to be an ABAWD; and
- Is not meeting the work requirement.

A new 36-month period will not begin if the individual meets one of the following:

- Ineligible for FoodShare;
- Determined to be a non-ABAWD; or
- Meeting the work requirement.

**Example 10:** Jeff's 36-month period began February 1, 2015. Jeff was meeting the work requirement when his 36-month period ended on January 31, 2018. A new 36-month period will not begin until Jeff stops meeting the work requirement as an ABAWD.

**Example 11:** Jeff's 36-month period began February 1, 2015. Jeff was not meeting the work requirement and was an ABAWD when his 36-month period ended January 31, 2018. A new 36-month period will begin February 1, 2018.

#### Example 12: 36-month Period

The table below provides an example of potential changes in ABAWD status and exemptions that may occur during one 36-month period. The **TLB** months are not consecutive due to several factors including: FSET participation, gaining and losing employment, FoodShare ineligibility, and an exemption (receipt of unemployment compensation). Three consecutive additional months (3.17.1.12) are granted after FoodShare eligibility is regained due to meeting the work requirement.

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1	Applied Eligible FS <b>TLB 1</b>	FSET	FSET	FSET	Work	Work	Work	Work	Over Income	Over Income	Over Income	Over Income
2	Applied Eligible FS	UC	UC	UC ends	<b>TLB 2</b>	Work	Work	Work	Work ends	<b>TLB 3</b>	Work	Work
3	Work ends	Additional month 1	Additional month 2	Additional month 3	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible	Ineligible

**Year 1:**

January 1	Eligibility for FoodShare begins for an ABAWD. A TLB is issued.
February through April	The FSET participation requirement is met.
May through August	ABAWD work requirement met by working 80 hours or more.
September through December	Ineligible for FoodShare due to being over the income limit.
<b>Year 2:</b>	
January through April	Receives <i>UC</i> .
January 15	Reapplies and is eligible for FoodShare.
April 5	Reports that UC benefits ended.
May	No longer exempt and a second TLB is issued.
June through September	ABAWD work requirement is met by working 80 hours or more.
October	Employment ended and no exemption exists.
November through December	ABAWD work requirement met by working 80 hours or more.
<b>Year 3:</b>	
January	Employment ends.
February through March	Three consecutive additional months of FoodShare.

May through December	Ineligible for FoodShare because the ABAWD work requirements exist.
December 31	The 36-month period ends.

### 3.17.1.11 Regaining Eligibility After Exhausting Three Months of Time-Limited Benefits

There is no limit on how many times an ABAWD may regain eligibility after exhausting three months of TLBs. A new application is required if the ABAWD re-requests FoodShare as a food unit of one unless the case has been closed less than 30 days and can reopen under break in service (2.1.1.3). If an ABAWD is requesting FoodShare on an on-going case, follow the person add policy to re-establish FoodShare eligibility (6.1.3.3).

ABAWDs who have exhausted three months of TLBs during a 36-month period may regain eligibility by:

- Meeting the ABAWD work requirement for at least 30 consecutive days prior to the new FoodShare filing date and currently meeting the ABAWD work requirement, OR verifying that the ABAWD work requirement will be met within 30 days of the new filing date. The ABAWD work requirement can be met by:
  - Working (3.17.1.8) a minimum of 80 hours in the 30-day period;
  - Participating in and complying with requirements of an allowable work program (3.17.1.8) for at least 80 hours in the 30-day period (3.17.1.7); or
    - FoodShare eligibility is a required prerequisite to FSET enrollment, so an ABAWD cannot regain eligibility through FSET participation after FoodShare closes.
    - If an ABAWD is FoodShare eligible at the time of the FSET referral and enrollment, the ABAWD can participate in FSET and be expected to meet the ABAWD work requirement. The ABAWD can continue to participate in FSET until they stop meeting the ABAWD work requirement and do not qualify for another exemption.
  - A combination of work and participation in an allowable work program for a minimum of 80 hours in the 30-day period;
- Providing verification of a current non-ABAWD exemption at the time of the application;
- Providing verification of an exemption that removes one or more TLBs; or
- The ABAWD's 36-month period expires.

An ABAWD who has exhausted three months of TLBs and is not meeting one of the above requirements at the time of re-application is ineligible for FoodShare. If the ineligible ABAWD is a member of an open food unit, the ABAWD will be counted as a pro-rated deemer. See 4.7.5 Prorated Deeming.

**Note:** If an individual has exhausted his or her three TLBs, is reapplying or re-requesting FoodShare, and has a pending exemption or non-ABAWD status, the manual CARES Worker Web letter, FSET PROOF OF EXMPT – NFST, must be sent to request verification. To send this letter in Spanish, use the manual NFSS letter.

**Example 13:** Stella's FoodShare closed on October 31 after three TLBs were issued for August, September, and October. Stella reapplies for FoodShare on January 2. During the FoodShare interview Stella reports that she had gained seasonal employment of 20 hours per week from November 8 through December 28. Stella's application is denied. Although she worked 30 consecutive days, she was not meeting the ABAWD work requirement at the time of application. Had Stella's job not ended, FoodShare eligibility would be effective from her filing date.

**Example 14:** Gracie received three TLBs for November, December, and January. Her FoodShare closed January 31. Gracie claims an exemption when she re-applies for FoodShare on February 10. Verification of the exemption is requested by the IM worker. Gracie failed to submit verification until after the 30 day application processing period. Gracie's FoodShare application is denied.

**Example 15:** Toby is open for FoodShare on a case with his girlfriend and cousin. Toby received three TLBs for January, February, and March. FoodShare remains open for Toby's girlfriend and cousin. Toby becomes a pro-rated deemer effective April 1. On May 12, Toby requests to be added back into the food unit. He has been working at Target since May 5. He works 10 hours a week, and provides paystubs for verification. When eligibility is run, Toby is found ineligible for FoodShare because he is not fully meeting the ABAWD work requirement. He will continue to be a pro-rated deemer.

### **3.17.1.12 Three Additional Months of FoodShare Benefits**

In certain cases, an ABAWD who has exhausted three months of TLBs, regains eligibility by meeting the ABAWD work requirement, and then stops meeting the ABAWD work requirement, may receive up to three additional consecutive months of FoodShare eligibility, during which he or she is not required to meet the ABAWD work requirement.

The three additional months of FoodShare eligibility will be determined by CWW and:



1. Apply only to ABAWDs who have exhausted three months of TLBs, regained FoodShare eligibility by meeting the ABAWD work requirement (3.17.1.11) , and then stopped fulfilling that ABAWD work requirement while receiving FoodShare; and
2. May only be received one time during a 36-month time period; and
3. Must be applied consecutively, regardless of changes in FoodShare eligibility or ABAWD status.

### 3.17.1.13 FSET Participation and FoodShare Eligibility for ABAWDs

Participation in the FSET program is voluntary. All FoodShare members over the age of 16 who do not need to meet the ABAWD work requirement can be referred to FSET for services at their request. There are two types of referrals, TLB referrals and Non-TLB referrals.

**TLB referrals:** ABAWDs who are not meeting the work requirement must be referred to the FSET program, and they may choose to meet the ABAWD work requirement by participating in FSET. An ABAWD with a TLB referral who enrolls in FSET must participate in qualifying activities in order to meet the ABAWD work requirement and maintain ongoing FoodShare eligibility. See the FSET Handbook for more information on qualifying activities.

**Non-TLB referrals:** ABAWDs who are meeting the ABAWD work requirement outside of FSET and non-ABAWDs have the option of being referred to FSET. ABAWDs with a non-TLB referral will still earn TLBs if they discontinue meeting the ABAWD work requirement.

FSET agencies must enter participation information for all FSET participants in the FSET tool in CWW. This information will be sent to CWW to determine FoodShare eligibility. IM workers can check the FoodShare Clock page to see ABAWD status if FoodShare eligibility is affected by FSET compliance. See 3.17.1.16 FoodShare Clock System Updates and Statuses.

#### **Anticipated to Meet the ABAWD Work Requirement Through FSET Participation**

Although FoodShare benefits are issued prospectively at adverse action, knowledge of actual FSET participation is retrospective. When an ABAWD is in their third TLB or third additional month\* and is actively participating in FSET, the 'Anticipated to Meet the ABAWD Work Requirement' option should be used by the FSET worker if it is reasonably anticipated that the participant will meet the current month's ABAWD work requirement through FSET participation. This is necessary in order for CARES to determine FoodShare eligibility prospectively for the next month. See 3.17.1.16 FoodShare Clock System Updates and Statuses for Active in FSET and Extended Benefit definitions.

\* ABAWDs in the third additional month must also have met the FSET participation requirement during the second additional month in order to be eligible

for on-going FoodShare benefits by participating in FSET beyond the three additional months.

FoodShare benefits issued based on reasonable anticipation of FSET participation are recoverable if the ABAWD fails to meet the ABAWD work requirement through FSET participation without good cause. The existing benefit recovery process should be followed if the IM agency becomes aware that the member did not fulfill their participation requirements when this policy was applied (7.3.1 Benefit Overpayment).

If the FSET agency assumed in the third month that the participant will not meet the ABAWD work requirement and at the end of the month the participant met the ABAWD work requirement. The IM worker must process the case to make sure the individual's benefits continue. The FSET agency will notify the IM agency if this circumstance occurred. The IM worker must ensure that the FoodShare Clock System Status is accurate and may need to adjust the status to reflect the FSET participation.

#### **3.17.1.14 Adjusting or Deleting the FoodShare Clock Page (36-Month Period)**

Deleting or adjusting the FoodShare Clock page may be required to accurately reflect ABAWD status and FoodShare eligibility. The timing of the receipt and processing of verification may result in the 36-month clock beginning incorrectly or a month being counted as a TLB, even though the ABAWD is later determined to be a non-ABAWD during that month. The 36-month clock starts when an ABAWD is issued their first TLB. The 36-month clock should be deleted if proof of the exemption is submitted and no other TLBs exist.

**Example 16:** Al applies and is determined eligible for FoodShare beginning September 1. During the application interview, Al reported that he met an exemption. Al provides verification 25 days after his filing date. The exemption is effective September 1. Since FoodShare was not prorated for the month of application and Al's clock had begun, the FoodShare clock page should be deleted.

**Example 17:** Julie applies for FoodShare and is found eligible as an ABAWD as of August 10. Her 36-month clock begins September 1. She reported during her phone interview on August 15 that she is pregnant and has been since before her FoodShare application. The worker sends her the verification checklist with a due date of September 11. She provides proof of pregnancy on September 1. The worker updates the Pregnancy page, then runs and confirms eligibility. She is considered a non-ABAWD and her 36-month clock is deleted.

If an individual is removed from all Wisconsin assistance programs, the clock will continue to tick. If that individual later reapplies or is added to a food unit within the 36-month period, the existing clock will be systematically updated and become viewable on the current case.

**Example 18:** Gus and Lucy are receiving FoodShare together and both are ABAWDs. They each have their own 36-month clock that begins on September 1, 2015. Gus moves out of the home and is removed from the food unit on December 10, 2015; he does not apply for FoodShare on another case. He moves back in with Lucy on June 10, 2016 and is added back to her food unit. He will have the same clock with the September 1, 2015 begin date and his clock will show his monthly status as 'Ineligible' from January 1, 2016 through June 30, 2016.

### **Adjusting the FoodShare Clock Due to Verification Receipt**

The FoodShare Clock may need to be adjusted or deleted when a worker receives verification of an exemption which caused:

- The 36-month clock to begin in error, or
- A month being counted as a TLB month when an exemption existed.

IM workers may make adjustments to the FoodShare Clock by overriding a System Status. They should identify the cause of the incorrect clock status and override the FoodShare Clock System Status to the correct status. More than three "Time-Limited Benefit" statuses cannot be entered on a FoodShare Clock. Workers should document changes to the clock in the case record.

Workers must document the steps they took to apply an exemption:

- If the exemption only applies to past months, workers must note in Case Comments how they verified the exemption and the months in which the exemption was effective. Workers should not update the corresponding pages in CWW.
- If the exemption applies to the current month and past months, workers must note in Case Comments how they verified the exemption and the months in which the exemption was effective. Workers must also update the appropriate pages in CWW, using the current month as the Begin Month, and then run and confirm eligibility on the case (so that the exemption will apply to future months as well).

### **Adjusting the FoodShare Clock Due to a Fair Hearing Decision**

Fair hearing decisions may also require an adjustment to the 'System Status' displayed on one or more months of the FoodShare Clock Page. The IM worker can make the adjustment to the appropriate clock status.

### **Clock Adjustments**

The clock is updated several times each month and because these updates are triggered based on the system statuses, it is critical that IM workers thoroughly review the clock to determine correct system statuses before making any adjustments. System statuses that are incorrectly updated may result in a case not being scheduled for the

correct batch run(s) and may also affect an individual's FoodShare eligibility. Any time that a manual adjustment to a clock is needed, IM workers must enter case comments to explain the action taken.

### 3.17.1.15 Additional ABAWD Reporting Requirement

ABAWDs are required to report if their work hours drop below 80 hours per month by the 10th of the month following when the change occurred. ABAWDs are not required to report other changes in ABAWD status or a change in exemption (6.1.1).

An overpayment claim should not be established if benefits were issued for a month that the ABAWD was not exempt or meeting the ABAWD work requirement due to a change in exemption or ABAWD status that was not required to be reported.

Adverse action rules continue to apply.

**Example 19:** Carol was issued a second TLB for the month of August. In September, Carol's ABAWD status changes to 'Non-ABAWD' after she reports and provides verification of participation in an AODA treatment program which started on September 7. During her March FoodShare renewal, Carol reports that AODA treatment ended in October. An overpayment is not established for FoodShare benefits issued from October through March because she was not required to report the change in exemption status due to reduced reporting.

### 3.17.1.16 FoodShare Clock System Updates and Statuses

FoodShare Clock 'System Status' updates to the FoodShare clock may occur when:

- Eligibility is run and confirmed for the recurring or current month;
- The new batch job runs on the second Saturday of the month to collect prior month's information from the "Work Requirement Met?" field on the FSET Tool's Track Participation and Good Cause page,
- The new batch job runs on adverse action to collect current month information from the "Anticipated to Meet Work Requirement?" field on the FSET Tool's Track Participation and Good Cause page, or
- Eligibility is run and confirmed in the adverse action batch run.

### FoodShare Clock System Statuses

<b>Active in FSET</b>	Individual is participating in FSET for the current month, and is expected to meet the ABAWD work requirement by the end of the month. This is only set if the individual is in their third TLB month, third additional month, or extended benefit month.
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<b>Additional Month</b>	Individual has exhausted all TLB months and has been granted three consecutive months of additional benefits due to meeting the ABAWD work requirement.
<b>Exempt</b>	Criteria which results in a non-ABAWD status. Non-ABAWDs are not required to meet the ABAWD work requirement for the month.
<b>Extended Benefit Month</b>	Individual has used three TLB and three additional months, has participated in FSET in the second and third additional month, and is expected to participate in FSET the month this status is applied.
<b>Incarcerated</b>	Individual was incarcerated for 30 days or less.
<b>Ineligible</b>	Individual is ineligible for FoodShare.
<b>Met FSET Requirement</b>	Individual met the ABAWD work requirement by participating in FSET.
<b>Met Work Requirement</b>	Individual met the ABAWD work requirement by working and/or participating in a work program.
<b>Partial Month FoodShare Issued</b>	Individual received a partial month of FoodShare benefits. This is not a countable month.
<b>Time-Limited Benefit</b>	Individual received a full month of FoodShare as an ABAWD and did not meet the ABAWD work requirement.

### 3.17.1.17 Countable Months From Another State

Time-limited months and additional months received in another state are countable months if the ABAWD already had a 36-month clock established in Wisconsin prior to moving to the other state. In this case, the IM agency must verify the number of countable months the individual received in the other state. If the individual did not establish a 36-month clock prior to moving to another state, the IM agency would not need to verify countable months received in the other state. Use the link below to view the list of states that currently have an ABAWD waiver.

<https://www.fns.usda.gov/snap/abawd-waivers>

**Note:** States that have an ABAWD waiver do not currently apply ABAWD policies, those that have a partial waiver may implement ABAWD policies in portions of their state, and those that do not have an ABAWD waiver apply ABAWD policies statewide.

If the individual did not establish a 36-month clock prior to moving to another state, the IM agency would not need to verify countable months received in the other state.

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### **3.18.1 CHILD SUPPORT COOPERATION**

Child support cooperation is no longer a requirement for FoodShare for custodial or non-custodial parents. Sanctioned individuals who now meet financial and nonfinancial requirements can be added back to on-going food units 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 FoodShare person add policy (6.1.3.3 Changes that Cause an Increase in Benefits, Including Person Adds).

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### **3.19.1 FLEEING FELONS AND PROBATION AND PAROLE VIOLATORS**

*7 CFR 273.11(n)*

A person is ineligible to receive FoodShare benefits if he or she is a fleeing felon or probation/parole violator.

The FoodShare application allows an applicant, member or anyone in the food unit to self-declare whether he or she is a fleeing felon or in violation of probation/parole. If the applicant or member responds affirmatively, the IM agency must verify fleeing felon or probation/parole violation status with law enforcement. The IM agency may also become aware of a felony warrant or probation/parole violation through a data base, media or other sources.

#### **Fleeing Felon**

A fleeing felon is a person who is intentionally fleeing to avoid prosecution or custody/confinement for a crime, or an attempt to commit a crime, that would be classified as a felony.

The IM agency must take action to deny or terminate FoodShare benefits when the following conditions are met and verified:

- There is an outstanding felony warrant for the individual;
- The individual is aware of or can reasonably expect a felony warrant has or would be issued;
- The individual has taken some action to avoid being arrested or jailed; and
- A law enforcement agency is actively seeking the individual.

#### **Probation or Parole Violator**

To be considered a probation or parole violator, an impartial party as designated by the state agency must determine that the individual violated a condition of his or her probation or parole imposed under federal or state law and that federal, state, or local law enforcement authorities are actively seeking the individual to enforce the conditions of the probation or parole. An impartial party can include, but is not limited to, the individual's parole officer or a judge/court of law.

#### **Verification of Status**

IM agencies are responsible for obtaining the verification of the applicant or member's status with law enforcement when the individual self-declares on a FoodShare application or renewal, or is found through other sources, to be a fleeing felon or probation or parole violator. It is not the applicant or member's responsibility to verify his or her status for purposes of this policy.

#### **Definition of Actively Seeking**

Actively seeking is defined as any of the following:



- A federal, state, or local law enforcement agency stating that it intends to enforce an outstanding felony warrant or arrest an individual for a probation or parole violation within 20 days of the date of an IM agency requested information about a specific felony warrant or violation associated with an individual.
- A law enforcement agency stating that it intends to enforce an outstanding felony warrant or arrest an individual for a probation or parole violation within 20 days of the law enforcement agency submitting a written request to an IM agency for information about a specific individual.
- A law enforcement agency presents to an IM agency a felony arrest warrant and informs the IM agency of its intent to apprehend the individual. A felony warrant may include any of the following National Crime Information Center Uniform Offense Classification Codes:
  - Escape (4901)
  - Flight to Avoid (prosecution, confinement, etc.) (4902)
  - Flight-Escape (4999)

Upon the written request of a local, state, or federal law enforcement officer when a food unit applicant or 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, the worker must provide an address. 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.

#### **Application Processing**

The agency should continue to process the application while awaiting verification of fleeing felon, probation, or parole violation verification status. If the verification is not returned within the 30 day processing timeframe, process the application without consideration of the individual's fleeing felon probation, or parole violator status. The worker must code the person as not a fleeing felon or probation or parole violator and then determine eligibility.

If it is determined that an individual meets the conditions for being considered a fleeing felon or violator of probation or parole, the worker must code the individual accordingly to issue the correct denial/termination notice for that individual.

If an ineligible individual (because he or she is a fleeing felon or in violation of probation or parole conditions) is still in the home, count his or her income and expenses as if he or she were still a FoodShare group member. The ineligible individual is a Gross Deemer (4.7.6 Gross Deeming) if there are other eligible household members on the case.

IM agencies must not require that a photo ID be required as a condition of eligibility for FoodShare. The IM worker is only to provide a photograph to law enforcement in the above circumstances if the food unit member happened to use a photo ID to verify their identity.

**Note:** Disclosure of an applicant or household member being a fleeing felon will not automatically disqualify the assistance group from child care. The Department of Children and Families will investigate the circumstances in more detail and determine the disclosure's effects on eligibility.

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### 3.20.1 DRUG FELONS

7 CFR 273.11(m)

For FoodShare 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 five years. An individual with a court finding of “Guilty but not guilty due to mental disease/defect,” or a similar ruling that results in the individual having been found to be mentally incompetent, is not to be considered a drug felony conviction. Convicted drug felons must have a negative drug test result (pass) to become eligible for FoodShare. The drug test should include the drug for which the applicant or member received the felony conviction. Drug felons who test positive (fail) for controlled substances will be sanctioned.

The cost of drug testing must be paid for by the local agency and the drug test must be state certified. If the drug felon passes the drug test, do not test again at each renewal. The local agency may use the results of a drug test conducted by another state certified entity if the test was taken within the last 30 days. Examples of other state certified entities include, but are not limited to, probation officers, employers, FEPs, etc. If a previous drug test result is offered but is older than 30 days, require a new drug test.

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

See Process Help 2.6 for information on requesting drug test verification.

#### 3.20.1.1 Applications

During the FoodShare interview, IM workers must notify applicants and food unit members of the drug testing policy if anyone in the household has been convicted of a drug felony in the past five years, the consequences of a positive (failed) drug test or refusal to submit a drug test, and the applicant's right to decline aid.

Applicants and food unit members who meet the definition of a drug felon must agree to and pass a drug test within 30 days from either the filing date or the date that the member is notified of the drug testing requirement to be found eligible. Upon agreement to take the test, find the applicant eligible. If an applicant passes the test, he or she would remain eligible for ongoing benefits. If a currently eligible food unit member passes the test, he or she would continue to be eligible. If the applicant or food unit member refuses to take a drug test, he or she will be ineligible (gross deemer without a sanction) for FoodShare until he or she agrees to take a drug test.

If the drug test result is positive, the applicants food unit member is ineligible for 12 months from the next possible benefit month. If the drug test result is negative, the

individual remains eligible. Do not retest the individual at renewal. If applicants decline to submit to a drug test or fail to complete the test within 30 days, he or she is **not** subject to the 12-month sanction period. The applicant may reapply for FoodShare and complete the test at any time.

In the pre-drug test information gathering process, the FoodShare applicant or member should identify any prescription or non-prescription drugs they are taking that may cause a positive test. However, if the applicant/member tests positive for a drug legally prescribed, he or she should not be sanctioned if he or she provides a statement from a physician or pharmacy explaining the positive test within 30 days from date of a positive test. For example, taking a legally prescribed opiate derivative could potentially cause a positive test but should not result in a sanction if the applicant or member verifies a valid prescription for this medication. IM workers must also inform applicant members who have agreed to a drug test that some non-prescription medications (e.g. cold medicine) and some foods (e.g. poppy seeds) may cause a positive result.

If a physician/pharmacist statement is not received by the IM agency within 30 days from testing positive, the applicant will be sanctioned for a year. For information on regaining eligibility see 3.20.1.3.

Applicants who miss a scheduled drug test should lose eligibility for the next possible month and no sanction will be applied. If the applicant later agrees to take a test within the application period, another drug test can be scheduled. If he or she takes and passes this test, eligibility should be reinstated for the next possible benefit month. If the applicant misses a drug test and requests another test after the initial application period, the test should be scheduled. If he or she passes this test, approve benefits for the next possible benefit month.

**Note:** A member of a food unit found ineligible for FoodShare due to failing to take a drug test will become a gross deemer.

For a one person food unit, a missed drug test appointment would result in a denial of the FoodShare application. 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 FoodShare for herself and her two children on June 19. She admits she is a convicted drug felon and agrees to take a drug test. The IM worker schedules the drug test for June 25. No other verification is needed by June 21, so the IM worker processes the application and Jane is found eligible for June, July, and August FoodShare benefits. Results from the drug test are received by the IM worker on July 2. Jane failed the drug test. Jane will be sanctioned effective August 1 for 12 months. Her two children remain eligible for FoodShare .

### 3.20.1.2 Ongoing cases

If a felony drug conviction is reported for an eligible FoodShare member at renewal 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 FoodShare assistance group until the individual agrees to take the test. If a felon tests positive on a drug test, deny FoodShare for the individual for 12 months starting in the next possible benefit month.

If the agency later finds the member is subject to drug felon policy, require a drug test for the continuation of benefits. The agency should also pursue an IPV for falsifying information at the time of application and recover the benefits received from the application date until a negative drug test result is received. The member will only be eligible once the agency receives a negative drug test result.

**Example 2:** Bob is receiving FoodShare with his girlfriend and her daughter. He was convicted of a drug felony on June 29 and reported this at his July renewal on July 12. 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.

An IM worker may discover an unreported drug felony or incomplete Drug Felon page in an open or ongoing case. If it is within the five-year look back period, the IM worker must complete Form F-01542 Notification of Required Drug Testing and mail it to the member. The IM worker must also either request that the member call to schedule a drug test or schedule a drug test and notify the member of the time and date.

**Example 3:** In August, Mark requests to be added to Cindy's FoodShare case. Mark has declared he is not a convicted drug felon. However, when the IM worker gets to the Individual Non-Financial gatepost page, there is an indication that someone in the household is a convicted drug felon. Cindy is listed as a convicted drug felon who agreed to complete a drug test. There is no drug test date and no drug test results recorded in *CWW* for Cindy. The IM worker will need to notify Cindy by using form F-01542 that she must submit to and pass a drug test in order to maintain FoodShare eligibility.

**Note:** Members are not required to report a drug felony as part of the change reporting process. [6.1.1 Change Reporting for All Food Units (Reduced Reporting)].

#### 3.20.1.3 Regaining Eligibility

To regain eligibility after 12 months, the drug felon must reapply and submit to another drug test, unless the five-year look back period has expired at the time of reapplication. If the individual does not submit to a test, continue to deny the individual until a test is agreed to. Note the individual will continue to be gross deemer, he or she is not

however in “sanction” status. 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 FoodShare 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 FoodShare program for an additional 12 months. As with other sanctions that end, the individual must re-request FoodShare. The individual will not automatically be eligible when the sanction period ends.

If the ineligible drug felon is in the food unit, *deem* that person's income and expenses to the FoodShare assistance group.

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### 3.21.1 QC SANCTIONS

*7 CFR 273.2(d)(2)*

FoodShare members who refuse to participate in a Quality Control (QC) review are sanctioned from FoodShare Wisconsin. The entire food unit is sanctioned if any member refuses to participate in a QC review.

There are two types of QC sanctions, state QC review sanctions and 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 125 days or until the food 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 nine months or until the food unit member(s) cooperate.

**Example:** Susan's FoodShare case is sampled for a QC review of October 2012 FoodShare benefits. State QC reports to the agency that Susan refuses to cooperate with the State QC review. Susan's food unit is ineligible until January 2, 2014, 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 FoodShare are based on prospectively budgeted monthly income using estimated amounts. If the most recent 30 days or month's income doesn't accurately represent what is usually received, a longer period can be used to obtain an average that more accurately represents the income that is anticipated to be received prospectively. 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 food unit. Do not budget income until the first month in which it is received. The IM worker must use the best-verified information available when determining the best estimate of income.

If the most recent 30 days or month's income doesn't accurately represent what is usually received, a longer period can be used to obtain an average that more accurately represents the income that is anticipated to be received prospectively. Income is typically budgeted in the same manner it is received (weekly/biweekly/monthly/quarterly/annually/etc.) There may be scenarios where income is budgeted differently than the frequency with which it is received. For example the income is intended to cover months when no income is received.

*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 food unit. Examples of these in-kind benefits are meals, clothing, housing, and garden produce.

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

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## 4.2 CATEGORICAL ELIGIBILITY

### 4.2.1 Categorical Eligibility

7 CFR 273.2(j)(2)

#### 4.2.1.1 Categorical and Broad-Based Categorical Eligibility Introduction

In its traditional form, categorical eligibility conveys FoodShare eligibility based on a food unit's receipt of cash assistance from Supplemental Security Income (SSI), the Temporary Assistance for Needy Families (TANF) block grant, or state-run General Assistance (GA) programs. Since the 1996 welfare reform law, states have been able to expand categorical eligibility beyond its traditional bounds. This is known as broad-based categorical eligibility (BBCE).

#### Broad-Based Categorical Eligibility

Most food units are considered broad-based categorically eligible if their gross income is at or below 200% FPL and the language describing "Job Center of Wisconsin" services, a partially *TANF*-funded service that all food unit members are authorized to receive, is issued to the food unit on a *CARES* generated notice of decision. The following text will appear on FoodShare approval and change notices.

"Job Center of Wisconsin" (formerly known as JobNet) is available to you. Job Center of Wisconsin is the single largest source of job openings in Wisconsin, you can access Job Center of Wisconsin via the internet at <http://www.wisconsinjobcenter.org/> or on touch screen monitors at your local job center. To locate a Job Center of Wisconsin nearest you call 1-888-258-9966."

Broad-based categorically eligible food units have no asset test.

#### Loss of Broad-Based Categorical Eligibility

The food unit is not considered to be broad-based categorically eligible if:

- Total gross income is above 200%
- Any member of the food unit loses FoodShare eligibility because he or she was disqualified for an IPV (3.14.1 Intentional Program Violation (IPV) Disqualification)
- Any member of the food unit loses FoodShare eligibility because he or she was disqualified due to a drug felony sanction (3.20.1 Drug Felons), or
- The primary person is disqualified for failure to comply with the work registration requirements (3.16.1.2 FoodShare Work Requirements).

Food units that contain a member who is sanctioned for an IPV or drug felony continue to be eligible to receive TANF Job Center of Wisconsin services so assets are excluded

and not deemed. The sanctioned food unit member's income continues to be deemed. The food unit is no longer considered categorically eligible so it must be tested using the regular **SNAP** program gross and net income limits. See 8.1.1 for those income limits.

If the food unit'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.

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

#### **4.2.1.2 Case Processing**

CARES will deny or close the FoodShare benefits automatically when the FoodShare assistance 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."

Except during an initial month, all eligible one- and two-person food units shall receive the minimum \$15 allotment, when the gross income is below 200% FPL and the net adjusted income exceeds the net income limit.

A denied or closed FoodShare assistance group can file a new application and complete an intake interview if they wish to be reconsidered for FoodShare eligibility.

#### **4.2.1.3 Special Circumstances**

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

**Example 1:** Barry applied for FoodShare in August after he lost his job. Barry received zero for August (due to excess income) and was found eligible for \$98 in September. His certification period starts in August.

#### **4.2.1.4 Transitional FoodShare Benefits**

If the FoodShare benefit is reduced to zero for the month between the benefit determination month and the month transitional FoodShare benefits (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 impacted her August allotment. The August allotment was reduced to zero. However, the TFS benefit amount is based on the July budget minus the *W-2* payment amount. The case remains open during the month of August and her TFS benefits start in September using the July information.

#### **4.2.1.5 Elderly, Blind, or Disabled Food Units**

Food units that include an elderly, blind or disabled member with gross income over 200% of the FPL must be tested for FoodShare using the regular SNAP rules. Under the regular SNAP rules, these food units have no gross income limit, but must have net income that does not exceed 100% FPL and countable assets that do not exceed the asset limit of \$3,500. See 8.1.1.2 Regular SNAP Program Income Limits.

#### **4.2.1.6 Elderly, Blind, or Disabled Food Unit Case Processing**

If the food unit passes both the asset and the net income tests, the income must be adjusted in the CARES system for the FoodShare calculation to allow the food unit to pass the 200% gross test and issue the correct benefit to the FoodShare assistance group. Use the FoodShare Worksheet (F-16033) to determine the adjusted income amount. Scan the worksheet into the ECF and document in case comments the food unit's actual income. Suppress the CARES generated notices and send a manual positive notice along with a copy of the worksheet. See Process Help 17.1 for CWW entries.

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## 4.3 INCOME

### 4.3.1 Income (General)

7 CFR 273.9(a)

Participation in FoodShare 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 unit.

**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

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 increases 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.

Food units receiving income on a recurring monthly or semi-monthly 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 business day. This may result in Jim receiving three paychecks in one month. In this situation, only two 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 Farming and Other Self-Employment Income).
3. Recurring profit sharing payments or bonuses. Bonus income from employment should be counted as earned income if receipt is regular and predictable. Budget the bonus based on the frequency of receipt. A bonus would be considered a lump sum payment (4.5.5) if the income is received infrequently or irregularly to be reasonably anticipated.

**Example 3:** Joan received a \$10,000 bonus in September. Her SWICA wage match history shows that she has received this bonus annually. The bonus would be budgeted as earned income received monthly ( $\$10,000/12 = \$833.33$ ).

4. Wages withheld at the request of the employee should be counted 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 food unit's home. If a self-employed child care provider also provides meals, they may be entitled to income deductions (8.1.3 Deductions). If the care is not provided in the food unit's home, count the payments as regular earned income.
8. 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 or her own pocket, such child care payments are not counted as earned income because the money is moving between food unit members.
9. Attendant care payments provided by an outside source are treated as earned income for the attendant if the care is for a disabled individual.
10. IRIS payments.
11. Money received from the sale of a person's blood or plasma.
12. 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 4.3.2.2 Disregarded Earned Income.
13. Earnings from **WIOA** On The Job Training when the earner is either:
  - a. At least 19 years old, or
  - b. Less than 19 years old but not under the parental control of a member of the same food unit.

**Note:** See # 9 in 4.3.2.2 Disregarded Earned Income for **WIOA** work experience.
14. 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 Family Subsistence Supplemental Allowance (FSSA) payment if they meet the FoodShare gross income limits. The FSSA 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.
15. Contractual pay that is the food unit's 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 unit's annual income (intended to provide support for the food unit for only a portion of the year), and is not paid on an hourly or piece work basis, should be prorated over the period the income is intended to cover.

**Example 4:** Joe works for public school as a teacher's aide. Joe has worked there for the last three years and receives a 9 ½ month contract every August. He earns \$13,480.50 annually. He lives off his salary as a teacher's aide for the full year and

does not supplement his income during the summer. Average his income over 12 months ( $\$13480.50/12 = \$1,123.37/\text{month}$ ).

**Example 5:** 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 Scouts campgrounds in the first aid tent. Average Nancy's school income over 9 ½ months because her contract income is not her annual income.

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

#### 16. *Migrant* Farm Worker 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, and/or
- c. Ask the migrant how many hours he or she and members of his or 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 are from employment other than agricultural income, it will be budgeted in the normal procedure on the CWW Employment screens. Normal procedures are also used for all unearned income and assets.

17. All W-2 Wisconsin Works subsidized employment income including Transitional Jobs, Transform Milwaukee Jobs, and the Trial Employment Match Program (TEMP).

18. All Subsidized Private Sector Employment (SPSE) income.

19. All Transitional Jobs Demonstration Project (TJDP) income.

20. Temporary and permanent census employment income.

- a. Per federal waiver approval, census income is to be disregarded for 2020. Work hours must be counted for student and ABAWD eligibility.

#### 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:

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 or her volunteer activities.
6. Income from Title I of the Domestic Volunteers Service Act of 1973 only when the volunteer received FoodShare at the time he or she joined the Title I program. Interruptions in FoodShare 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 and Nutrition Act of 2008. Continue the disregard for the same time frame for which they said they would volunteer 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 Domestic Volunteer Service Act of 1973 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. **WIOA** work experience: Any allowances, earnings (except On The Job Training), or payments to food unit members participating in WIOA programs, including Jobs Corps and YouthBuild. Only count earnings from WIOA 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 Counted Earned Income for WIOA OJT.

- 10. On The Job Training payments from the JTPA Summer Youth Employment and Training Program.
- 11. Allowances, earnings, educational awards, and payments to participants in the **National and Community Service Trust Act of 1993 (NCTSA)**. Income from participation in Americorps programs.
- 12. Work study by a student enrolled in an institution of higher learning.
- 13. Repayments (4.5.6.7 Earned Income Repayments).
- 14. Funds from a crowdfunding accounts (such as GoFundMe, Kickstarter, and Indiegogo) when a member or applicant does not have access to the funds.
- 15. In-kind income: a non-monetary benefit granted on behalf of the food unit for things such as meals, housing, clothing, or other goods in exchange for services.

**Example 6:** Tom works at J's BBQ 20 hours a week in exchange for free rent. Tom's work hours count toward his ABAWD work participation requirement. Tom receives no money for the hours he works. Since he receives free rent in exchange for his work, no shelter expense is allowed.

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### 4.3.3 Farming and Other Self Employment 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 IM worker must determine if it is self-employment income. All self-employment income is earned income, except royalty income and some rental income.

#### 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 4.3.3.6 for part year income. A business isn't operating when it can't function in its specific purpose.

**Example 1:** A mechanic cannot work for four months because of an illness. He or she 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 one of three ways:

- a. A sole proprietorship is an unincorporated business owned by one person.
- b. A partnership exists when two 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. An S corporation is a business that elects to pass corporate income, losses, and deductions through its shareholders. Shareholders report income and losses on their personal tax returns and are taxed at individual income tax rates.

##### 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 or her own business, and:

- . Does not have federal income tax and FICA payments withheld from a paycheck.
- a. Does not complete a W-4 for an employer.
- b. Is not covered by employer liability insurance or worker's compensation.
- c. Is responsible for his or her own work schedule.

Examples of self-employment are:

- Businesses that receive income regularly (daily, weekly, or monthly). These may include but are not limited to merchants; small businesses; commercial boarding house owners or operators; and owners of rental property.
- Service businesses that receive income frequently and possibly sporadically. These may include but are not limited to craft persons; repair persons; franchise holders; commission sales persons (door-to-door sales, delivery, etc.); subcontractors; and sellers of blood and blood plasma.
- Businesses that receive income seasonally. These may include but are not limited to summer or tourist oriented businesses; seasonal farmers; custom farm machine operators; migrant farm work crew leaders; trappers; hunters; or roofers.
- Farming, including income from cultivating the soil or raising or harvesting agricultural commodities, earned by full-time, part-time or hobby farming.
- Fishing with gross annual proceeds or expected income of \$1,000 or more.

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

**Example 2:** Linda provides childcare services in her own home for three neighborhood children. This is considered self-employment because Linda is her own employer.

#### 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 an average of 20 or more hours per week. See 4.3.4.1 Unearned Income if the person manages the property less than 20 hours per week.

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

- 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.
- When income is received from a multi-unit property and the owner lives in one of the units, compute "net rent" as follows:
  1. 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.
  2. Multiply the number of rental units by the total in Step 1.
  3. Divide the result in Step 2 by the total number of units, to get the proportionate share.
  4. Add the proportionate share in Step 3 to any operating costs paid that are unique to the rental unit. This equals total expenses.
  5. Subtract total expenses in Step 4 from gross rent payments to get net rent.

**Example 3:** Jena owns an apartment building with 10 units. She lives in one of them and charges \$700 in rent per month for the other 9 units.

1. The total mortgage and operational expenses are \$50,000 per year.
2. Multiply \$50,000 (in Step 1) x 9 units = \$450,000
3. Divide \$450,000 (in Step 2) by 10 units = \$45,000 proportionate share
4. One of the rental units needed a new dishwasher at a cost of \$400, add to proportionate share in Step 3  
 $\$45,000 + \$400 = \$45,400$  in total expenses
5. Calculate gross rent by multiplying the number of units by the monthly rent by 12.  
 $9 \times \$700 \times 12 = \$75,600$  in gross rent  
Subtract total expenses in Step 4 from gross rent  
 $\$75,600 - \$45,400 = \$30,200$  net rent

#### 4.3.3.4.1 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 or she manages the property for at least 20 hours per week.

- 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.
- When income is received from a multi-unit property and the owner lives in one of the units, compute "net rent" by following Example 3 above:
  1. 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.
  2. Multiply the number of rental units by the total in Step 1.
  3. Divide the result in Step 2 by the total number of units, to get the proportionate share.
  4. Add the proportionate share in Step 3 to any operating costs paid that are unique to the rental unit. This equals total expenses.
  5. Subtract total expenses in Step 4 from gross rent payments to get net rent.

#### 4.3.3.5 Averaging Income

Average self-employment income 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 those 12 months.

**Example 4:** 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.

#### 4.3.3.6 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 5:** 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 four-month period rather than a 12-month period.

#### 4.3.3.7 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; or

3. Past circumstances do not represent the present.

Examples of a significant change in circumstances include, but are not limited to:

1. The start of a business.
2. The owner sold a part or all of his or her 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 the IM worker agrees a significant change occurred. The IM worker 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 significant change in circumstance occurs and the past circumstances no longer represent the present, recalculate self-employment income:

1. When **six or more months** 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 **two or more full months** of actual self-employment income information is available, use all of the actual income available to establish a monthly net income amount. See example 6.
3. When **at least one full month but less than two full months** 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 7.
4. When there is **less than one full month of actual income** information available, calculate a monthly average net self-employment income using the actual net income received in the partial month (since the significant change in circumstance occurred) and estimated income and expenses for the next two months. See example 8.

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

**Example 6:** Bonnie applies for FoodShare on April 5, 2016. She reports that she started self-employment in January 2016. The agency uses a SEIRF for January, February, and March to determine the prospective self-employment income estimate for Bonnie's FoodShare certification period (April 2016- March 2017).

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

**Example 7:** Ricardo is applying for FoodShare and Medicaid eligibility on February 5, 2016. He started his self-employment on December 15, 2015. 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 IM 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 renewal.

**Example 8:** Jenny is a FoodShare member who has been self-employed as a hair dresser since 2012. Jenny's FoodShare certification period is December 2015 to November 2016. The IM worker previously used Jenny's 2014 tax return to establish a monthly income amount.

In April 2016 Jenny reports that she has been unable to work since breaking her arm on March 17. She is not sure when she'll be able to return to work, but it will not be until at least June. This qualifies as a significant change in circumstances. The worker has Jenny complete a SEIRF for March 17-March 31 (actual income since the change in circumstance occurred) and for April and May 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.

#### 4.3.3.8 Self-employment Expenses

##### Expenses Exceeding Income

When a food unit has more than one 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.

## Shelter Expense

When a self-employed food unit claims the total shelter costs as a business expense, do not allow any shelter deduction. If the food unit claims a percentage of the shelter costs as a business expense, the remaining percentage is a shelter deduction.

If the percentage used for the business expense was not self-declared, use IRS form 8829 or the “Expenses for business use of your home” line from IRS form 1040 Schedule C to determine the amount of the home that was claimed as a business expense. Any remaining amount that was not counted as a business expense should be allowed as a shelter expense.

**Example 9:** Fred, a self-employed farmer, uses 50% of his homeowners insurance and property taxes as a business deduction. His yearly homeowners insurance and property taxes are \$1,200. Use the remaining \$600 as a shelter deduction. Prorate the \$600 over 12 months.

## Farm and Self-Employment Expenses - Utilities

A self-employed food unit is allowed the standard utility allowance (SUA), if eligible for it, regardless of the percentage of utility expense claimed on the taxes for business use of the home.

## 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 food units with income at or below 185% of the FPL income guidelines. Tier 2 applies to all other households.

Rates effective from July 1, 2020 - June 30, 2021:

Federal Standard Deductions		
Meals	Tier 1	Tier 2
Breakfast	\$1.39	\$0.50
Lunch or Supper	\$2.61	\$1.58
Supplement (snacks)	\$0.78	\$0.21

### 4.3.3.8.1 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), known as net operating loss (NOL) on IRS tax forms



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

#### **4.3.3.9 IRS Tax Forms**

Use IRS tax forms to average income only if:

1. The business was in operation at least one full month during the previous tax year,
2. The business has been in operation six 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 three conditions are met, and the tax forms are not complete, ask the applicant/member to either complete the appropriate tax form(s) or have the applicant/member complete one self-employment income report form (*SEIRF*) for the previous year's circumstances. Completing the form(s) is solely the applicant/member's responsibility.

#### **4.3.3.10 Self-Employment Worksheets**

Use self-employment income worksheets to calculate self-employment income for Partnerships and S corporations. Following the worksheet instructions will ensure that income, expenses, and other disallowed expenses, gained from IRS tax forms, will be correctly budgeted for FoodShare. Worksheets contain built in formulas and should be completed electronically. This practice will ensure accurate information is entered into CARES Worker Web. Completed worksheets must be scanned into the electronic case file (ECF).

The worksheets are:

- Partnership (F-16036)
  - IRS Form 1065: Partnership Income
  - IRS Schedule K-1, Form 1065: Partner's Share of Income
- Subchapter S Corporation (F-16035)
  - IRS Form 1120S: Small Business Corporation Income
  - IRS Schedule K-1, Form 1120S: Shareholder's Share of Income

Personal capital gains are not counted income for FoodShare (4.3.4.3 Disregarded Unearned Income). When personal capital gains are reported, and a Schedule D is submitted, follow the instructions on Self-Employment Income Worksheet Personal Capital Gains or Losses (Schedule D) (F-01985). This will ensure that any unearned income that is budgeted on the case is excluded from the FoodShare budget.

#### **4.3.3.11 Self-employment Income Report Form (SEIRF)**

The SEIRF simplifies reporting income and expenses when earnings must be anticipated. The applicant/member 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 applicant or member to complete it. The IM worker should not fill out the SEIRF.

**Note:** IM workers should request a SEIRF if the applicant or member does not file taxes or does not have the most recent tax forms available.

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

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### 4.3.4 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 which it is received.

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

1. It is not available to the food unit;
2. Specific instructions in this handbook state otherwise; or
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, dividends, and royalty payments if available to a food unit member. Dividends that the food unit has the option of either receiving as income or reinvesting in a trust or other investment are to be considered income in the month they become available to the food unit, 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. Individual Retirement Account (IRA) payments. Budget IRA withdrawal payments based on frequency received (annually, quarterly, or monthly).
5. Net SSI payments.
6. 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.
7. Unemployment Insurance (Unemployment Compensation) payments.
8. Worker's Compensation benefits.
9. **VA** disability and pension benefits, COLA and other adjustments made to the payments. "Aid and Attendant Allowances" referenced in 4.3.4.3 Disregarded Unearned Income are excluded.

10. Private disability payments.
11. Caretaker Supplement (CTS) payments.
12. Child Support and maintenance payments made directly to the food unit, or passed through to the food unit by a child support agency, whether court-ordered or voluntary.
  - Child support paid to a custodial *parent* who resides with the non-custodial parent and the *child*(ren) for whom the child support is paid is not counted as income.
  - Disregard child support payments received directly from an absent parent by a food unit if the money is turned over to the child support agency.
  - Disregard child support payments retained by a child support agency.
  - Child support arrears paid through the child support agency on behalf of an adult child are counted as income to the individual it is sent or paid to. If the payment is sent directly to the parent, it is the parent's income. If the payment is sent directly to the adult child from the child support agency, it is the adult child's counted income.
13. 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.
14. **W-2** payments received under W-2T, CSJ full and prorated placements, CMF+, ARP, or as the custodial parent of an infant (CMC). See 8.1.6 System Generated Payments.

**Note:** CMF+ is an incentive payment for job retention services and is not considered a paid placement for TFS eligibility.

**Note:** See 7.1.1.7 Deny Benefit Increases Due to Penalties in Other Programs.

15. Kinship Care payments are unearned income for the child receiving the payment.
16. Subsidized guardianship payments.
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 FoodShare assistance group becomes ineligible and then reapplies before receiving their next installment, continue to use the same prorated amount as before.

**Example 1:** Dawn receives \$500 quarterly from the Potawatomi 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 received or could be received from an otherwise exempt trust fund.
22. Monetary gifts over \$30 a calendar quarter. Calendar quarters refer to three consecutive month periods beginning with January, April, July, or October.
23. Income from a land contract. Count any portion of monthly payments received that are considered interest from a land contract as unearned income. Do not count the principal as income, because it is the conversion of one asset form to another. If received less often than monthly, prorate it over the period between payments. Do not count this income until a member actually receives it.
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 food unit must choose one of the above methods. Document the choice in the case record.
22. If someone receives rental income and the property is managed more than 20 hours per week, see Self-Employment 4.3.3.4. However, if someone manages the property for less than 20 hours a week, treat the income as unearned and budget it as listed below.
  - Include gross receipts minus allowable business expenses as earned income.
  - Tax Forms 1040 Schedule C or 1040 Schedule E are used to determine rental income.
  - If using tax form Schedule E, use recorded rental income plus the principal paid to estimate future income.
  - If the applicant or member has not completed a Schedule C or Schedule E tax form, use the following method to calculate earned income.

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:
  - Step 1:** 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.
  - Step 2:** Multiply the number of rental units by the total in Step 1.
  - Step 3:** Divide the result in Step 2 by the total number of units, to get the proportionate share.
  - Step 4:** Add the proportionate share in Step 3 to any operating costs paid that are unique to the rental unit. This equals total expenses.
  - Step 5:** Subtract total expenses in Step 4 from gross rent payments to get net rent.

- 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 Self-Employment Income Report Forms (SEIRF) for unearned income.

### **COVID-19 Pandemic Assistance**

Refer to Process Help COVID-19 Main Page for specific policies and process related to COVID-19 pandemic income.

#### **4.3.4.3 Disregarded Unearned Income**

*Disregard* means do not count. When you are calculating the total amount of unearned income a person has received, you should exempt or exclude any of the following kinds of unearned 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. Only include as a rent expense what the food unit owes to the landlord after the HUD or FMHA payments.
2. Disregard rent paid by HUD to residents in the experimental housing program in Green Bay.
3. Disregard HUD or FMHA utility reimbursement payments made directly to a food unit 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 food unit.
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. Disregard as income services provided to these residents. 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
  - f. Other similar services
6. Disregard free rent, no income is counted and no rent deduction is allowed.
7. A tenant may be billed utility expenses for common electrical devices, for the benefit of any number of tenants, but wired through his or her meter. A notice from the landlord identifies that cost and the tenant's reimbursement. Disregard the reimbursement.
8. Income received as a result of participation in the Fresh Start Program.

**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.
4. Disregard W-2 TSP (stipends for non-custodial parents) received for W-2 education and training activities.

**Loans:**

Disregard as income any loan to the food unit. This includes loans from private individuals and commercial institutions. A legally executed document is not required to verify that income is a loan. A statement signed by both parties is enough to verify the income is a loan, if it contains: the amount of the loan, that the payment is a loan, and that repayment is required.

**Medical and Dependent Care:**

1. Disregard reimbursements for medical or dependent care. Some examples of medical or dependent care reimbursements that should be disregarded are:
  - a. Reimbursements from the Medical Assistance (MA), also known as Medicaid or Title 19 Community Integration Program (CIP).
  - b. Reimbursements from the Alzheimer's Family Caregiver Support Program (AFCSP) and National Family Caregiver Support Program (NFCSP).
2. Disregard dependent care payments as income for a food unit member's care when a county agency:
  - a. Pays a dependent care provider directly,
  - b. Reimburses the food unit after the food unit has incurred or paid a dependent care expense.

2. Disregard payments from the Wisconsin Family Support Program, which assists families by covering medical, dependent and other allowable expenses for in-home support for children with severe disabilities. Payments may be issued in several ways, including by voucher or direct payment to the vendor, or direct payment to the family as a reimbursement for allowable expenses. 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.
  - a. Retroactive SSI benefits which total 12 months or more of the Federal Benefit Rate (monthly SSI amount) will be paid in three or fewer installments at six month intervals. Each installment payment 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:
    - i. A person who has a medical impairment which is expected to cause death within 12 months.
    - ii. A person who is ineligible for benefits and is likely to remain ineligible for the next 12 months.
3. Disregard income of an SSI recipient necessary to fulfill a Plan to Achieve 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 member's responsibility to report and verify that such income is necessary to fulfill its PASS in order for the income to be disregarded.
4. 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.

### **SSI-E**

Disregard SSI-E income for FoodShare. It is not necessary to determine if a SSI-E payment is being used for its intended purpose in order to disregard the income.

### **Energy Assistance Program**

Disregard all payments provided by the Low Income Home Energy Assistance Program (LIHEAP) or Wisconsin Home Energy Assistance Program (WHEAP).

### **Community Options Program**

Disregard Community Options Program (COP) reimbursement for long-term care services. If a food unit member is receiving COP payments for providing services, count the money as earned income.



### **Tribal / Native American Payments**

Disregard payments to individual tribal members of the following tribes and/or from the following federal settlements:

1. Seminole Indians of Florida (PL 84-736).
2. Pueblos of Zia and Jemez of New Mexico (PL 84-926).
3. Red Lake Band of Chippewa Indians (PL 85-794).
4. Alaska Native Claims Settlement Act (PL 92-203).
5. Stockbridge Munsee Indian Community of Wisconsin (PL 92-480).
6. Burns Indian Community of Oregon (PL 92-488).
7. Pueblo of Santa Ana (PL 95-498).
8. Pueblo of Zia of New Mexico (PL 95-499).
9. Bois Forte Band of the Chippewa Tribe or the Grand Portage Band of Lake Superior Chippewa Indians under 25 USC 1407 (PL 93-134, 97-458, 106-568, 113-290).
10. Navajo and Hopi Tribe relocation payments (PL 93-531).
11. Cherokee Nation of Oklahoma (PL 94-114).
12. Cheyenne River Sioux, Crow Creek Sioux, Lower Brule Sioux, Oglala Sioux, and Rosebud Sioux Tribes of South Dakota (PL 94-114).
13. Devils Lake Sioux and Standing Rock Sioux Tribes of North Dakota (PL 94-114).
14. Shoshone-Bannock Tribes of Idaho (PL 94-114).
15. Sac and Fox Indian claims agreement (PL 94-189).
16. Grand River Band of Ottawa Indians (PL 94-540).
17. Confederated Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation (PL 95-433).
18. Indian Child Welfare Act of 1978 (PL 95-608).
19. Delaware Tribe of Indians and the Delaware Tribe of Western Oklahoma (PL 96-318).
20. Passamaquoddy Tribe, Penobscot Nation, and Houlton Band of Maliseet Indians under the Maine Indian Claims Settlement Act of 1980 (PL 96-420).
21. Wyandot Tribe of Indians of Oklahoma (97-371).
22. Absentee Shawnee Tribe of Oklahoma, Eastern Shawnee Tribe of Oklahoma, and Cherokee Band of Shawnee descendants (PL 97-372).
23. Miami Tribe of Oklahoma and Miami Indians of Indiana (PL 97-376).
24. Clallam Tribe of Indians, including Port Gamble Indian Community, Lower Elwha Tribal Community, and Jamestown Band of Clallam Indians, of Washington (PL 97-402).
25. Turtle Mountain Band of Chippewas of Arizona (PL 97-403).
26. Blackfeet, Gros Ventre Tribes, and Assiniboine Tribes of Montana (PL 97-408).
27. Papago Tribe of Arizona (PL 97-408).
28. Red Lake Band of Chippewas (PL 98-123).
29. Assiniboine Tribes of Fort Belknap Indian Community and Fort Peck Indian Reservation of Montana (PL 98-124).
30. Chippewas of Lake Superior including the Bad River Band, Lac du Flambeau Reservation, Lac Courte Oreilles Band, Sokaogon Chippewa Community, Red

- Cliff Reservation, and St. Croix Reservation of Wisconsin; disregard any per capita payment issued under this judgement in its entirety (PL 99-146).
31. Keweenaw Bay Indian Community of Michigan (PL 99-146).
  32. Fond du Lac, Grand Portage, Nett Lake, and White Earth Reservations of Minnesota (PL 99-146).
  33. White Earth Band of Chippewas in Minnesota (PL 99-264).
  34. Saginaw Chippewa Indian Tribe of Michigan (PL 99-346).
  35. Chippewas of the Mississippi including Mille Lac, White Earth, and Leech Lake of Minnesota (PL 99-377).
  36. Band of Potawatomi, including Hannahville Indian Community and Forest County Potawatomi, of Wisconsin; if issued as a per capita payment, disregard the first \$2,000 of each payment made from this judgement (PL 100-581).
  37. Puyallup Tribes under the Puyallup Tribe of Indians Settlement Act of 1989 (PL 101-41).
  38. Seneca Nation of New York under the Seneca Nation Settlement Act of 1990 (PL 101-503).
  39. Catawba Indian Tribe of South Carolina (PL 103-116).
  40. Confederated Tribes of the Colville Reservation (PL 103-436).

Exclude as income any lump sum or periodic payments received under the Cobell v. Salazar Class Action Trust Case during the one-year period beginning on the date of receipt (PL 111-291).

Disregard up to \$2,000 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 (PL 103-66, 92-203, and 100-241).

Disregard the first \$2,000 of individual shares for the following:

1. Confederated Tribes of the Warm Springs Reservation (PL 97-436).
2. Old Age Assistance Claims Settlement Act (PL 98-500).
3. Seminole Nation of Oklahoma (PL 101-277).
4. Seminole Tribe, Miccosukee Tribe of Indians, and the independent Seminole Indians of Florida (PL 101-277).
5. Rincon Band of Mission Indians (Docket 80-A).
6. Walker Paiute Tribe (Docket 87-A).
7. Ak-Chin, Salt River Pima-Maricopa, and Gila River Pima-Maricopa Indian Communities (Docket 228).
8. Maricopa Ak-Chin Indian Community (Docket 235).
9. Peoria Tribe of Oklahoma (Dockets 313, 314-A, and 314-B).
10. Yankton Sioux Tribe (Dockets 342-70 and 343-70).
11. Wichita and Affiliated Tribe (Keechi, Waco & Tawakonie) of Oklahoma (Dockets 371 and 372).

### **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 Supplemental Food 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 or emergency General Assistance when either is given to a *migrant* or seasonal farm worker food unit if:
  - a. The payment is provided to a third party (vendored) on behalf of the migrant or seasonal farm worker; and,
  - b. The food unit was in the job stream when (for example, working) it was provided.
2. Disregard disaster unemployment benefits to any individual who 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.

### **COVID-19 Pandemic Assistance**

Refer to Process Help COVID-19 Main Page for specific policies and process related to COVID-19 pandemic income.

### **Veterans Benefits**

Exclude VA aid and attendance 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 when counting income.

**Example 2:** During Joe's first year of military service, his gross pay is \$1,000 per month. One hundred dollars is deducted from his paycheck each month for the GI Bill. The IM worker disregards the \$100 deduction and budgets his pay as \$900 per month.

### **Combat Pay**

IM workers are required to determine if a military allotment made available to a food unit 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 food unit 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 food unit was receiving prior to deployment, all of the allotment would be counted as income to the food unit. Any portion of the military pay that exceeds the amount the food unit was receiving prior to deployment to a designated combat zone should be excluded when determining the food unit's income for FoodShare 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 food unit 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 food 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 FoodShare 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 FoodShare .

**Example 4:** Dori is in the military and receives \$1,000 per month in wages. Dori's husband Louie and their son Joe have an open FoodShare 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 FoodShare 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 FoodShare determination.

### **Dottie Moore**

Disregard as income any penalty payment paid as a result of the Dottie Moore lawsuit by *DHS* (formerly DHSS) to any Aid to Families with Dependent Children (AFDC) applicant or member. These \$50 to \$200 penalty payments have been ordered by the U.S. District Court for the Eastern District of Wisconsin in Civil Action No. 80-C-118.

### **Income Tax Refunds, Credits, and Rebates**

Disregard income tax refunds, credits, and rebates as income.

### **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 M.D.L. No. 381 (E.D.N.Y.)." Continue to disregard the payments for as long as they are identified separately. Apply this disregard retroactively to 1-1-89.

### **Wartime Relocation of Civilians**

Disregard payments under PL 100-383 to U.S. citizens of Japanese ancestry and permanent resident Japanese immigrants or their survivors and Aleut residents of the Pribilof Islands and the Aleutian Islands West of Unimak Island.

### **Radiation Exposure Act**

Disregard payments from any program under the Radiation Exposure Compensation 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 10-15-1990. 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.

### **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 of 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 91-646, 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 borrower's home and are considered an asset these payments are not considered income.

### **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

## 4 Financial Requirements

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.

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## 4.4 ASSETS

### 4.4.1 Assets

7 CFR 273.8

#### 4.4.1.1 Introduction

##### Non **EBD** Households

Assets are not included as part of the FoodShare eligibility determination and are not required to be verified since all FoodShare applicants and members are authorized to receive a **TANF**-funded service. Most FoodShare applicants and members are categorically eligible for FoodShare (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**

Elderly, Blind, or Disabled (EBD) Food Units (all food unit members are elderly, blind, or disabled) with total gross income over 200% of the FPL must be tested for FoodShare using the regular Supplemental Nutrition Assistance Program (SNAP) rules. Under the regular SNAP rules, these food units have no gross income limit, but must have net income that does not exceed 100% FPL and countable assets that do not exceed the asset limit of \$3,500.

**The remainder of this section applies only to EBD food units whose gross income exceeds 200% FPL.**

##### **Equity value**

Count the equity value of countable assets. Equity value is the fair market value (FMV) minus any encumbrances against the asset. *Disregard* the equity value of exempt assets.

##### **Separate and 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 one of these periods:

1. For six 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 income and 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 food unit.

**Example 1:** An asset worth \$600 is owned by three persons in the same household. Two are in the same food unit and the third is in another unit. Deem the asset's full value of \$600 to each food unit. In the food unit with two owners, deem \$300 to each owner.

If a food unit jointly owns an asset. Do not count the asset's full value if the asset is not available to the food unit. Count only the portion of the asset's value that is available to the food unit.

A jointly owned asset is unavailable to a food unit when:

- It cannot practically be subdivided; and,
- The food unit'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 \$1,800 (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 two food unit members are FoodShare assistance group members, each contributes \$200 to the group's assets. This is a total contribution of \$400 from group members. Determine why the other food unit member is not in the FoodShare assistance group. This will determine if the \$200, or a portion of it, is deemed to the group.

#### 4.4.1.4 Disregarded Assets

*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. Countable 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 cost of selling the food unit's interest would be relatively great.
4. Funds received through crowdfunding accounts (such as GoFundMe, Kickstarter, and Indiegogo) that are not accessible to the food unit at the time of interview.

Significant return means any return, after estimating costs of sale or disposition and taking into account the ownership interest of the food unit, the local agency determines are more than \$1,500. 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 \$4,500 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 \$3,150. The asset is not counted at application because it is not immediately available. However, after the 30 days required to close the account, \$3,150 is an available asset. 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 fair market value (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 food unit 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 one burial plot for each food unit member.

## **Pre-Paid Funeral Agreements**

Disregard the value of one bona fide pre-paid funeral agreement per food unit member.

## **Retirement Accounts**

Exclude the following:

- 401 (Traditional Defined-Benefit Plan).
- 401(a) plans: Employer sponsored retirement plans, including Cash Balance Plans, Employee Stock Ownership Plans, Money Purchase Pension Plans, Keogh Plans, and Profit Sharing 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).
- 408A: Roth IRAs and myRA.
- 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 or 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, or
  - 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 and Other Work Related Equipment**

Disregard the value of tools or other equipment essential to the employment or self-employment of a food unit 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 include:

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 Supplemental Food Program (CSFP)
7. Child and *Adult* Care Food Program

### **Energy Assistance Program**

Disregard all payments provided by the Low Income Home Energy Assistance Program (LIHEAP) or Wisconsin Home Energy Assistance Program (WHEAP).

### ***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 immigrants 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).

### **Tribal/ Native American Payments**

Disregard payments to individual tribal members of the following tribes and/or from the following federal settlements:

1. Seminole Indians of Florida (PL 84-736).
2. Pueblos of Zia and Jemez of New Mexico (PL 84-926).
3. Red Lake Band of Chippewa Indians (PL 85-794).
4. Alaska Native Claims Settlement Act (PL 92-203).
5. Stockbridge Munsee Indian Community of Wisconsin (PL 92-480).
6. Burns Indian Community of Oregon (PL 92-488).
7. Pueblo of Santa Ana (PL 95-498).
8. Pueblo of Zia of New Mexico (PL 95-499).
9. Bois Forte Band of the Chippewa Tribe or the Grand Portage Band of Lake Superior Chippewa Indians under 25 USC 1407 (PL 93-134, 97-458, 106-568, 113-290).
10. Navajo and Hopi Tribe relocation payments (PL 93-531).
11. Cherokee Nation of Oklahoma (PL 94-114).
12. Cheyenne River Sioux, Crow Creek Sioux, Lower Brule Sioux, Oglala Sioux, and Rosebud Sioux Tribes of South Dakota (PL 94-114).
13. Devils Lake Sioux and Standing Rock Sioux Tribes of North Dakota (PL 94-114).
14. Shoshone-Bannock Tribes of Idaho (PL 94-114).
15. Sac and Fox Indian claims agreement (PL 94-189).
16. Grand River Band of Ottawa Indians (PL 94-540).
17. Confederated Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation (PL 95-433).
18. Indian Child Welfare Act of 1978 (PL 95-608).
19. Delaware Tribe of Indians and the Delaware Tribe of Western Oklahoma (PL 96-318).
20. Passamaquoddy Tribe, Penobscot Nation, and Houlton Band of Maliseet Indians under the Maine Indian Claims Settlement Act of 1980 (PL 96-420).
21. Wyandot Tribe of Indians of Oklahoma (97-371).
22. Absentee Shawnee Tribe of Oklahoma, Eastern Shawnee Tribe of Oklahoma, and Cherokee Band of Shawnee descendants (PL 97-372).
23. Miami Tribe of Oklahoma and Miami Indians of Indiana (PL 97-376).
24. Clallam Tribe of Indians, including Port Gamble Indian Community, Lower Elwha Tribal Community, and Jamestown Band of Clallam Indians, of Washington (PL 97-402).
25. Turtle Mountain Band of Chippewas of Arizona (PL 97-403).
26. Blackfeet, Gros Ventre Tribes, and Assiniboine Tribes of Montana (PL 97-408).
27. Papago Tribe of Arizona (PL 97-408).
28. Red Lake Band of Chippewas (PL 98-123).
29. Assiniboine Tribes of Fort Belknap Indian Community and Fort Peck Indian Reservation of Montana (PL 98-124).

30. Chippewas of Lake Superior including the Bad River Band, Lac du Flambeau Reservation, Lac Courte Oreilles Band, Sokaogon Chippewa Community, Red Cliff Reservation, and St. Croix Reservation of Wisconsin (PL 99-146).
31. Keweenaw Bay Indian Community of Michigan (PL 99-146).
32. Fond du Lac, Grand Portage, Nett Lake, and White Earth Reservations of Minnesota (PL 99-146).
33. White Earth Band of Chippewas in Minnesota (PL 99-264).
34. Saginaw Chippewa Indian Tribe of Michigan (PL 99-346).
35. Chippewas of the Mississippi including Mille Lac, White Earth, and Leech Lake of Minnesota (PL 99-377).
36. Band of Potawatomi, including Hannahville Indian Community and Forest County Potawatomi, of Wisconsin (PL 100-581).
37. Puyallup Tribes under the Puyallup Tribe of Indians Settlement Act of 1989 (PL 101-41).
38. Seneca Nation of New York under the Seneca Nation Settlement Act of 1990 (PL 101-503).
39. Catawba Indian Tribe of South Carolina (PL 103-116).
40. Confederated Tribes of the Colville Reservation (PL 103-436).

Disregard as assets any lump sum or periodic payments received under the Cobell v. Salazar Class Action Trust Case during the one-year period beginning on the date of receipt (PL 111-291).

Disregard up to \$2,000 per calendar year held by an individual Native American that is derived from restricted land or land held in trust by the Department of Interior, Bureau of Indian Affairs (PL 103-66, 92-203, and 100-241).

Disregard the first \$2,000 of individual shares for the following:

1. Confederated Tribes of the Warm Springs Reservation (PL 97-436).
2. Old Age Assistance Claims Settlement Act (PL 98-500).
3. Seminole Nation of Oklahoma (PL 101-277).
4. Seminole Tribe, Miccosukee Tribe of Indians, and the independent Seminole Indians of Florida (PL 101-277).
5. Rincon Band of Mission Indians (Docket 80-A).
6. Walker Paiute Tribe (Docket 87-A).
7. Ak-Chin, Salt River Pima-Maricopa, and Gila River Pima-Maricopa Indian Communities (Docket 228).
8. Maricopa Ak-Chin Indian Community (Docket 235).
9. Peoria Tribe of Oklahoma (Dockets 313, 314-A, and 314-B).
10. Yankton Sioux Tribe (Dockets 342-70 and 343-70).
11. Wichita and Affiliated Tribe (Keechi, Waco & Tawakonie) of Oklahoma (Dockets 371 and 372).

### **Native American Trust Funds**

Disregard up to \$2,000 per calendar year held by an individual Native American that is derived from restricted land or land held in trust by the Department of Interior, Bureau of Indian Affairs.

### **Earned Income Tax Credit (EITC)**

Disregard any Earned Income Tax Credit (EITC) payments received by participating food unit 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 5:** John, a FoodShare member, 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 renewal. On April 3, he reapplies for FoodShare and is found eligible. 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 Wisconsin sales taxes in January 2000 should be counted as an asset in the month of receipt.

### **Wisconsin Higher Education Bonds**

Wisconsin Higher Education Bonds were 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. Net value = market value - broker's fees. Verify the amounts through a broker.

### **529 (a) and Coverdell 530 Education Accounts**

Per section 5(g)(8)(A) of the Food and Nutrition Act of 2008, disregard the value of any funds in a qualified tuition program described in Section 529 of the Internal Revenue Service Code of 1986 or the Coverdell Education Savings Account under Section 530 of that code.



### **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 Compensation 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). 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 food unit 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 to Achieve 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 individual's PASS in writing, identifying the amount of income that shall be set aside each month to fulfill the PASS.

### **Victims of Nazi Persecution**

Disregard as an asset payments under PL 103-286 to victims of Nazi persecution.

### **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 dis-enrolls from school, count any remaining available student financial aid as an asset.

### **Shelters for Victims of Domestic Violence**

When determining eligibility for a food unit living in a shelter for victims of domestic violence, disregard assets that are jointly owned 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.

### **Achieving a Better Life Experience (ABLE) Account**

Per section 103(a) of the Tax Increase Prevention Act of 2014, consistent with Section 5(d)(10) of the Food and Nutrition Act of 2008, ABLE accounts are considered disregarded assets. An ABLE account is a tax-favored saving account established to provide secure funding for disability-related expenses on behalf of designated beneficiaries.

### **Income Tax, Refund, Rebate, or Credit**

For food units that include an Elderly, Blind, or Disabled member that is over 200% FPL and subject to regular FoodShare rules, disregard any remaining portion of a federal income tax refund, rebate, or credit for 12 months following the month the refund is received.

#### **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, or mutual funds. 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 food unit member as an asset, even if the food unit 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 (un-cleared) checks.

##### **Cash**

Count any cash on hand as an asset.

##### **U.S. Savings Bonds**

Count the cash value of a U.S. Savings Bond unless it is unavailable. A bond is unavailable only if the food unit 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 6:** Mary has a certificate of deposit (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**

*7 CFR 273.8(h)*

The FoodShare applicant or food unit is not eligible if a member has given away or transferred assets in excess of the asset limit that would have been counted in the eligibility determination:

1. Within three months before the date of application or while receiving FoodShare, and
2. The reason for transfer was to become or remain eligible for FoodShare.

The following asset transfers are not divestments:

1. Assets that would have been disregarded.
2. Assets sold or traded at or near their fair market value.
3. Assets transferred between members of the same food unit.
4. Assets given away for reasons other than to qualify for or keep FoodShare eligibility. It is the food unit's responsibility to prove the reason for the transfer was other than to create or continue eligibility.
5. 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 asset values. Determine how much this total exceeds the FoodShare assistance group's asset limit. Use the chart in 8.1.4 Disqualification for Divestment to determine the ineligibility period.

**Example 7:** An EBD food unit of one with \$1,250 in savings transferred the ownership of non-homestead property worth \$5,650 to a person not in the same FoodShare food unit. As calculated:  
 \$5,650 = value of property = countable divested value

+1,250 = food unit's existing assets

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\$6,900 = total of food unit's assets and divested value

- 3,500 = food unit's asset limit

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\$ 3,400 = divested value in excess of food unit's asset limit is used to calculate the FoodShare disqualification period. Disqualify the food unit for nine 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 FoodShare 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

CFR 273.9(c)(12)

In a calendar quarter, *disregard* the first \$300 received by a food unit from any private, non-profit charitable agency. If the application is after the first 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:** three consecutive months beginning with January, April, July, or October.

**Example 1:** In April a food unit receives \$100 cash from Agency X. In May the food unit gets another \$100 in cash from Agency X. In June the food unit 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 food unit received \$80 from a private, non-profit charitable agency in January, \$250 in February, and \$210 in March. Include the entire January payment in the calculation, even though it was received before the food unit's application date of January 23, 1991. The total \$540 for January, February, and 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 food unit member from a non-food unit group member as a liquid asset. Count the interest of a loan repayment to a food unit member from a non-food unit 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, that is 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 he or she 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 his or her own food unit'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 Recurring and Nonrecurring Lump Sum Payment

7 CFR 273.9(c)(8)

#### 4.5.5.1 Recurring Lump Sum Payment

A recurring payment, received in two or more installments, is income. Exceptions are Earned Income Tax Credit (EITC) and SSI Retroactive Installment Payments.

**Example 1:** A food unit member receives an insurance settlement payment as a lump sum every three years. The agency receives documentation showing that the same amount is set to be paid every three years over the next 30 years. The lump sum should be budgeted as a monthly amount over the period it is meant to cover. The lump sum amount should be divided by 36 with the resulting amount budgeted as monthly unearned income.

#### 4.5.5.2 Nonrecurring Lump Sum Payment

7 CFR 273.9(c)(8)

*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 but are not limited to:

1. Retroactive lump sum insurance settlements.
2. Retroactive *UC* payments.
3. Utility or rental security deposit refunds.
4. Retroactive social security or public assistance payments.
5. Retroactive Caretaker Supplement for Children (CTS).
6. *TANF* payments made to divert a family from becoming dependent on welfare, such as Emergency Assistance.
7. Funds received through crowdfunding accounts (such as GoFundMe, Kickstarter, and Indiegogo). Only those funds accessible to the food unit at the time of interview are to be counted as a liquid asset.
8. A bonus if the income is received infrequently or irregularly to be reasonably anticipated.

For Elderly, Blind, or Disabled food units that are over 200% FPL and subject to regular FoodShare rules, disregard an income tax refund as an asset or resource for 12 continuous months from the month of receipt.

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 2:** A food unit member receives social security benefits. In June, he or 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.

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### 4.5.6 Repayments

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 FoodShare *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 FoodShare.

#### 4.5.6.3 Repayments for means-tested sources that are paid out of pocket

Disregard repayments (not due to a FoodShare IPV) from out of pocket or from non-means-tested benefits (for example, SSDI) to repay an overpayment for a means-tested program (for example, SSI). Budget the net non-means-tested program benefits.

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 FoodShare for June.

#### 4.5.6.4 Repayments for non-means-tested sources that are withheld

Disregard repayments (not due to a FoodShare 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 FoodShare and Unemployment Compensation (UC). UC is not a means-tested program. Pao had an overpayment in his UC and \$25 is being recouped from his current checks. His gross is \$500 and his net is \$475. Budget the net \$475 as income for FoodShare.

#### 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 FoodShare 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. Social Security 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 FoodShare . 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 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 third party for an expense of the food unit. Vendor payments may be counted or disregarded as income. Ask, "Is the vendor payment something legally obligated to the food unit?" If yes, count the vendor payment or benefit as income.

Examples of vendor payments counted as income are:

1. Garnished wages paid to a third party for a food unit's debts or expenses such as rent.
2. W-2 and GR payments that are not paid directly to the member. 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 food unit living in transitional or temporary housing
4. Money deducted or diverted from a binding written support or alimony payment to a third party for a food unit'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 third party on behalf of the food unit for living expenses such as rent or mortgage, clothing or food eaten at home.
6. Unemployment compensation benefits intercepted by Child Support agencies.

Some examples of disregarded vendor payments are:

1. Payments on behalf of the food unit made by a relative who is not a member of the food unit 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 food unit member
4. Payment of a food unit's medical bills made directly to the medical provider by any third 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 third party instead of the food unit are excluded because they are not otherwise payable to the food unit.
6. Support payments not required by a court order or other legally binding agreement paid to a third party rather than the food unit. This included payment over the amount specified in a court order or written agreement.
7. Educational aid that is paid to a third party rather than the food unit 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, SLMB+, or QDWI 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 food unit 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

7 CFR 273.9(d)

A food unit may be eligible for six deductions from gross income in the monthly budget that determines their benefit allotment.

These deductions are:

- Standard
- Earned income
- Medical expenses
- Child support payment
- Dependent care expenses
- Shelter and utility expenses

Some food units 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 food unit's shelter expenses rent that is due each month, even if the food unit has not yet paid the expense.

#### 4.6.1.2 Fluctuating and 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 a one-time deduction or average it over the certification period. If the food unit chooses averaging, average the expense 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 two times per month)
- 2.15 for bi-weekly expenses (billed every two 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 FoodShare eligibility determination. The standard deduction varies depending on the FoodShare assistance group size (only eligible FoodShare assistance group members are included in determining standard deduction amount) 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 equal to 20% of the gross monthly countable earned income of the FoodShare assistance 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

The medical expense deduction is determined using verified allowable monthly medical expenses incurred by elderly, blind, or disabled food unit members exceeding \$35 per month. See 1.2.4.8 for verification requirements.

### 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 any time before or during the certification period, as long as the individual is still obligated to pay the expense and the incurred expense has not been previously allowed as a FoodShare deduction.

Past unpaid medical bills can be used to prospectively budget recurring medical expenses at application or renewal.

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 FoodShare in April. At the time of application, Jack has not made any payments toward the medical bill. The IM worker 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 FoodShare in April. The IM worker cannot use the \$50 March payment when calculating the medical expense deduction. The IM 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 food unit for a person who was a food unit 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 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 food unit 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 service animal specially trained to perform some function that the EBD food unit member cannot readily perform on his or her own, including the cost of securing and maintaining a service animal including food and veterinarian care. This includes companion animals specifically trained to assist the EBD food unit member with the medical issue for which a licensed practitioner prescribed the animal. 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 EBD person 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 food unit 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 when the expense has not or will not be reimbursed by a third party, allow:

- a. The actual cost of the public carrier (taxi, bus, etc.); or,
  - b. If a private vehicle, the lesser of the mileage rate paid by the county (to employees) or by the state for unrepresented state employees. See F-80190 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 one person allotment if the food unit 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 renewal but may do so earlier.
  12. Any cost-sharing, co-payment, or Medicaid deductible expense incurred by a Medicaid member, including Medicaid 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 Plus 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.
  17. Medical expenses billed on a charge card are allowable. The interest cannot be included as a deduction.

#### **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 SSA, Medicaid, and Medicare.
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.
7. Special diets whether or not the diet is related to a medical condition.
8. Prescribed medical marijuana.
9. Expenses paid by or to be paid by a transportation vendor or other third party.

#### **4.6.4.3 Budgeting Medical Expenses including Medicaid Deductible Expenses**

Medical expenses for elderly, blind, or disabled members may be entered through one of the following budgeting methods:

- Budgeted as a recurring monthly expense,
- Budgeted as a one-time lump sum expense for one month,

- Budgeted for the remainder of a FoodShare certification period,
- Budgeted based on the terms of a payment plan, or
- Averaged over the time period a one-time medical expense was intended to cover (such as a prepaid or met medical deductible).

Under all of the budgeting options, the obligation amount (amount incurred) is counted rather than the amount paid. The member may or may not pay the bill so it is important to make sure that the expense is not counted more than once.

A monthly medical expense obligation budgeted based on the terms of a payment plan can be claimed for as long as the original payment plan is in place. Amounts still due after they were budgeted during a previous FoodShare certification period may not be included as part of the monthly expense.

The averaging of the one-time medical expense cannot extend past the certification period in which the expense was originally counted.

Except when an expense is averaged during a certification period, the expense should be budgeted starting with the month it is billed or otherwise becomes due, regardless of when the member intends to pay the expense. Allow the expense in the next possible benefit month.

For instructions on how to enter allowable medical expenses into CWW, see Process Help 18.2.4.

### *4.6.4.3.1 Deductible Expenses*

Deductible expenses actually incurred or anticipated to be incurred on a monthly basis may be used to determine the amount of the FoodShare medical expense deduction. The Medicaid deductible amount itself does not necessarily determine the amount of the FoodShare medical expense deduction, and should not automatically be averaged over the FoodShare certification period to arrive at an excess medical expense deduction.

However, if an individual makes a pre-payment or incurs a one-time medical expense that may be used to meet the Medicaid deductible, he or she may choose to have the expense budgeted as a lump sum one month deduction, averaged over the remainder of the FoodShare certification period, averaged over the period it was intended to cover (the deductible period), or budgeted based on the terms of a payment plan (if a payment agreement exists).

### *4.6.4.3.2 Examples*

**Example 3:** IM worker Mollie is processing a FoodShare application for Ernie. Ernie is disabled. He has provided verification of an outstanding payment agreement for dental care he received. The terms of the payment agreement include a repayment obligation of \$40 per month for 24 months. Ernie has been making his monthly

payments and has 17 months remaining in his payment plan (total remaining responsibility of \$680). The remaining obligation of \$680 is an allowable deduction. The \$280 that Ernie has already paid is not an allowable deduction.

**Example 4:** IM worker Cory is processing an application for Alena, a disabled FoodShare member in October. Alena has an outstanding hospital bill from September with a remaining patient responsibility of \$230 and November due date. Alena may choose to have the expense budgeted as a lump sum for one month or budgeted over the FoodShare certification period. After discussing the budgeting options for FoodShare with Alena, Cory determines that budgeting the expense for one month (the month of November) will result in the best outcome for Alena.

**Example 5:** A food unit member has a Medicaid deductible of \$400 for a six month Medicaid certification period. Based on the verified medical expenses in the previous six months, the person anticipates he will incur \$100 per month in medical expenses. Enter \$100 in expenses on the Medical Expenses page and CWW will allow \$65 in excess medical expenses for each month ( $\$100 - \$35 = \$65$ ). When the FoodShare/Medicaid assistance group member meets the Medicaid deductible and Medicaid opens, the IM worker should remove the monthly excess medical deduction. Remember to check the medical expense screens whenever Medicaid opens and adjust the expenses accordingly.

**Example 6:** A food unit member who is disabled has a Medicaid 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 IM worker averages the non-reimbursable portion of the expense, \$600, over the remaining months of the Medicaid deductible period.

**Example 7:** A member is certified for 12 months for FoodShare and six months for Medicaid with an \$800 deductible. During month two the member incurs a one-time medical expense of \$4,000. The Medicaid deductible is met and the person becomes eligible for Medicaid for the rest of the Medicaid certification period. The non-reimbursable amount is \$800 since Medicaid pays the remainder of the bill after the deductible is met. For purposes of FoodShare eligibility, he or she can do one 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 FoodShare 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 member 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 FoodShare 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 four months.

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## 4.6.5 Support Payment Deductions

### 4.6.5.1 Child Support Payment Introduction

The FoodShare child support expense deduction may include only legally obligated or court-ordered child support payments including court-ordered arrearages actually made and/or reasonably anticipated to be made to a non-household member. This information is obtainable through court records and/or the *KIDS* system. (Process Help Section 62.3, How to Find the Child Support Court Ordered Amount) The average amount an individual is paying on a current obligation is allowed as the expense.

To determine a monthly average when the payment amounts fluctuate, IM workers should follow the same process used to determine prospective income. The average should be the best estimate of amounts paid, but also amounts expected to be paid in the future. The number of months used to calculate the average may vary depending on the amount of fluctuation in the payments. IM workers should document in case comments the number of months used to calculate the deduction and the reason those months were used (1.2.4.2).

If the member is behind on his or her court-ordered obligation and making arrearage payments, allow the total amount paid even if it exceeds the court-ordered obligation amount.

**Example 1:** Mike has a court-ordered child support obligation with Terri for their child in common to pay \$250 a month in child support. Mike has been paying \$250 per month for the past three months. Since this payment amount does not fluctuate, the \$250 per month is budgeted as the child support expense as long as there is a reasonable expectation that Mike will continue to make payments.

**Example 2:** Ben has a new court-ordered child support obligation with Carrie for their child in common to pay \$265 a month in child support. Because this is a new order and there is no history of payments, determine whether Ben can reasonably anticipate making payments in the future by considering his income and intent to pay. Ben currently receives unemployment compensation that could cover his child support obligation and has stated his intent to pay child support. In this case, the court obligated amount should be budgeted.

**Example 3:** Alex is a non-custodial parent with a court-ordered child support obligation of \$178 per month. For some time, Alex had been unable to pay child support, but he just started a new job. In this case, there are no payments to average, but since Alex is now working and there is a court order to make deductions from his check to the custodial parent, the court-obligated amount is allowed as a deduction. The IM worker should review the payment amounts at the next renewal.

**Example 4:** Jane has a court-ordered child support obligation of \$400 per month. Jane is self-employed. She did not make a payment in the previous month. Looking back for the last six months, payments have been sporadic and the amounts vary from month to month. To determine the best estimate for the deduction, the IM worker should average payments from the past six months as long as there is reasonable expectation that Jane will continue to make payments, even though the amount and payment dates may continue to fluctuate.

**Note:** Use the KIDS system to verify court-ordered obligations and payment history. If the information is not available in *KIDS*, ask the applicant or member to provide a legal document, such as a divorce decree or other type of court-issued document, which specifies the amount of legally-obligated child support. Out-of-state child support orders and payments must be verified through the out-of-state child support agency or through other official court documentation in order for the deduction to be allowed.

If a child support obligation is reported but not verified or is found to be non-court-ordered, the FoodShare eligibility should be determined without the expense in the budget.

Update ongoing cases at renewal or reported change. At the time of SMRF, due to simplified reporting requirements, members are required to report if there has been a change in his or her legal obligation to pay support. Changes in the court-ordered obligation must be re-verified and the intent to pay evaluated if the member reports such a change.

**BEST PRACTICE:** Create a sequence whenever a member has a current child support obligation, even if there is no payment history or payments are not currently being made. If there are no payments being made and/or no expense to budget, enter \$0.00. Creating a sequence for current legal obligations will remind any IM worker updating the case to check for payment history or changes to the obligation at SMRF or renewal.

A parent may be legally obligated to pay child support for a child living in his or her residence when the child does not reside in that parent's home full-time. In these cases, the legally obligated child support and arrearage payments are allowable for the deduction as long as the payments are being made to a non-household member and none of the payments will return to the household.

If the custodial and non-custodial parents reunite in one food unit that includes the child, the food unit can deduct arrearage payments made to a non-household member as long as the payments being made will not be returned to the household.

If a child support obligation exists for a non-custodial parent (*NCP*) for a child who currently resides with the NCP, allow the deduction for the NCP only in cases where the payment is made to an individual or agency outside the household.

#### **4.6.5.2 Allowable Child Support Expenses**

Additional allowable child support expenses include the following:

- Court-ordered arrearages
- Legal obligations for a non-food unit member to pay for things such as rent or mortgage payments
- Legal obligations for health insurance payments
- A prorated share of child support paid by ineligible members
- Court-ordered blood test expenses for the child included in the court-ordered obligation

#### **4.6.5.3 Child Support Expenses Not Allowed**

*7 CFR 273.9(d)(5)}*

Do not allow:

- Maintenance
- Payments made in accord with a property settlement
- Lying in costs for the birth of a child
- The annual child support receipt and disbursement (R&D) fee
- An employer's check withholding fee

#### **4.6.5.4 Foster Care and Guardianship Payments**

Court ordered Foster Care and court ordered Guardianship payments are allowable expense deductions.

#### **4.6.5.5 Family Support**

If the IM worker is unable to determine which part of a family support payment is child support, prorate the payment among the food unit members it is intended for and exclude the spouse's share as a deduction.

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#### 4.6.6 Dependent Care Deduction

7 CFR 273.9(d)(4)

The dependent care deduction may be claimed for all dependent care-related costs of a child under 18 or an incapacitated person of any age. There is no cap to the total monthly dependent care costs that may be deducted.

The following expenses may be deducted under the dependent care deduction:

- Dependent care-related transportation costs, including transportation costs to and from the care provider. Examples include, but are not limited to, the cost of taxi cab fees and bus fees.
- Costs associated with an activity or other fee associated with the care provided to the dependent that is necessary for him or her to participate in the care. Examples include, but are not limited to, the cost of day camp or a field trip.

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 unit 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 renewal or if they report a change in income that exceeds reduced reporting limits.

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 3:** A food unit member is a dependent care provider. He or she 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 food unit actually incurs or pays above the vendored, vouchered, or reimbursed payment.

See the Wisconsin Shares Child Care Subsidy Policy Manual Chapter 2, 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

The shelter deduction is determined by the food unit's reported monthly expense obligation for the current place they are living.

The **Shelter and Utility deduction** is determined by adding the shelter expense to the utility standard (such as the HSUA or EUA), the total of these is the Shelter Utility deduction (CWW budget page shows this as shelter/utility cost). If the total shelter and utility deduction is more than 50% of the adjusted income the assistance group will receive a deduction.

The shelter and utility deduction cannot exceed the shelter maximum, this is a capped amount (8.1.3 Deductions) unless the assistance group includes an elderly, blind, or disabled individual. Assistance groups 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 IM 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. (4.3.4.3)

### 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). Homestead property may consist of multiple sections of land for tax purposes. Since the food unit is responsible for all taxes owed on the homestead property, the taxes owed on all sections of the property are allowed as a deduction.
3. Mobile home lot rent and loan payments.
4. Insurance on the structure (if not included in the mortgage). If a food unit 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.

5. Second mortgage or home equity line of credit (regardless of what the mortgage is used for)
6. Special assessments. This could include a property tax or value assessment, or for the assessment cost of utility installations.

7. Condominium fees or condo association fees.
8. Mortgage obligation if still owed when a reverse mortgage is in place.
9. Shelter costs paid by a homeless food unit.

See 1.2.6.2 Verify Only If Questionable for a list of verification sources that can verify shelter and utility expenses if the expense is found questionable.

Do not count surcharges such as pet expenses or extra garage rentals as shelter or utility expenses. The monthly amount of rent the individual is obligated to pay 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* and *FMHA* payments paid directly to the landlord or mortgage holder as an expense. Only include the amount the food unit 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* 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 food unit'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 food unit, create a separate shelter sequence for each contributor using the correct obligation amount for which each contributor is responsible.

When a self-employed food unit claims the total shelter costs as a business expense, do not allow any shelter deduction. If the food unit claims a percentage of the shelter costs as a business expense, the remaining percentage is a shelter deduction.

If the percentage used for the business expense was not self-declared, use IRS form 8829 or the "Expenses for business use of your home" line from IRS form 1040 Schedule C to determine the amount of the home that was claimed as a business expense. Any remaining amount that was not counted as a business expense should be allowed as a shelter expense.

#### **4.6.7.3 Standard Utility Allowances**

Food units that have received a *WHEAP* or *LIHEAP* payment greater than \$20 in the current month or within the past 12 months will receive the HSUA. WHEAP, LIHEAP, or



other energy assistance payments may be received at any address (in or out of state) in the current month or the past 12 months.

Food units that have not received WHEAP or LIHEAP will receive the appropriate utility standard based on the utility obligation(s) incurred by the food unit as described below.

### Utility Standards

1. The **Heating Standard Utility Allowance (HSUA)** if obligated to pay, or actually paying for any heating source, including but not limited to gas, electric, wood, propane, etc.
2. The **Limited Utility Allowance (LUA)** if obligated to pay, or actually paying for two or more different types of non-heat qualifying utility expenses. The qualifying utility expenses are phone, water, sewer, electric, cooking fuel, or trash.
3. The **Electric Utility Allowance (EUA)** if obligated to pay, or actually paying for only a non-heat electric bill including air conditioning.
4. The **Cooking Fuel Utility Allowance (FUA)** if obligated to pay, or actually paying for, a fuel used only for cooking that is not also used for a heating source.
5. The **Water Utility Allowance (WUA)** if obligated to pay, or actually paying for only a water bill, a sewer bill, septic tank installation or maintenance, or wastewater treatment bill.
6. The **Phone Utility Allowance (PUA)** if obligated to pay, or actually paying for only a telephone, including cellular phones.
7. The **Trash Utility Allowance (TUA)** if obligated to pay, or actually paying for only a trash or garbage bill.

A heating expense is only allowed if the food unit is responsible for the obligation separate from his or her rent regardless whether the resident lives in subsidized housing, unless an individual in the food unit has received a LIHEAP/WHEAP payment in the current month or past 12 months.

If anyone in the household shares the utility cost with the food unit, create a separate utility cost sequence for each contributor, using the correct obligation amount for which each contributor is responsible.

Ongoing expenses paid less often than monthly, such as seasonal expenses, should be budgeted monthly over the entire certification period. For example, a food unit that pays a gas bill for heat only in the winter months is allowed the HSUA for the entire certification period.

If the food unit pays an air conditioning surcharge separate from his or her rent, the expense is allowed as a non-heat electric utility expense. If the air conditioning expense is the only allowable utility expense, or the only other allowable utility expense is a separate, non-heat electric bill, the food unit would receive the EUA. If the food unit with the air conditioning expense has an additional allowable utility expense of a different type, the food unit would receive the LUA.

See 8.1.3 Deductions for the current amount.

When individuals in a food unit have received a WHEAP payment greater than \$20, they will always qualify for the HSUA. In rare instances, a non-heat WHEAP (also known as an energy assistance payment) is granted to some low income housing individuals. Individuals that receive this type of energy assistance payment are eligible for the full HSUA. Verification of the energy assistance payment is needed. Enter a case comment to state the receipt of energy assistance and that the WHEAP response was marked as “Yes” to apply the HSUA.

IM workers will need to determine the payment amount from out-of-state LIHEAP or other energy assistance programs because other states’ LIHEAP payments may be less than the \$20 amount necessary to qualify for the HSUA.

**Example 1:** Bob and Mary live together but are in separate food units. Bob received a WHEAP payment in the current month. He is entitled to the full HSUA. If Mary pays any portion of the heat expense, she is also entitled to the full HSUA. If she does not pay any portion of the heat expense, she is not entitled to the HSUA.

**Example 2:** A food unit claims to have received an energy assistance payment for non-heat expenses. The food unit provides a letter from the local energy assistance office showing a grant amount of \$100.00. The food unit is entitled to the full HSUA; enter a “Yes” for the question, “Has your household received WHEAP in the current month or past 12 months?”

**Example 3:** A food unit reports paying an air conditioning surcharge (in addition to their rent) as well as a non-heat electric bill. Because both utilities are counted as an electric expense and the food unit does not have any other type of allowable utility expense, the food unit is entitled to receive the EUA.

### Special Situations

If a food unit reports a change in address, they are not required to report a change in utilities; the food unit may keep the utility standard applied to their food unit until their renewal. If, however, the food unit does report a change in utilities, enter the appropriate new shelter and utility expenses. If WHEAP was received in the current or past 12 months; the food unit is entitled to the full HSUA regardless of current utility obligations.

When utility bills are not in a food unit member’s name, but the food unit claims responsibility for the bill and the address for the utility bill is the same as the food unit’s address, allow the appropriate utility standard. If separate food units share utility expenses and a residence, each food unit should be granted the full utility standard, regardless of which food unit receives the bill.

If a homeless food unit claims to have both temporary shelter and utility costs, the appropriate shelter and utility standards should be granted. If this is determined questionable, follow the verification policy below.

Self-employed food units who claim 100% of utility expenses as a business deduction on their tax forms are not entitled to a utility allowance. If less than 100% is claimed as a business deduction, the food unit is entitled to the appropriate utility allowance.

### Verification

If a food unit claims to have received WHEAP, verification will be required. IM workers have access to this verification via the WHEAP information data exchange. A WHEAP and/or LIHEAP payment must be received in order to qualify for the HSUA. In some instances, a WHEAP payment might not display on the WHEAP Information data exchange. If the individual is stating that they did receive a WHEAP payment and the information does not display, a worker should request verification from the food unit.

**Note:** If a household receives WHEAP, there will be no WHEAP Information data exchange match if the payee is not a food unit member. The food unit is entitled to the HSUA if the heating expense is shared among the household and the food unit.

Regardless of whether an applicant or member received a WHEAP payment in the current or prior 12 months, workers should still enter the expenses declared by the applicant or member on the Utility Costs page. For food units that have not received a WHEAP payment, verification of the food unit's utility obligation(s) will be required only if determined questionable. If verification is requested and not submitted, the utility expense would not be considered when determining which utility allowance is appropriate for the food unit.

**Example 3:** A food unit owns their home. If the applicant or member claims responsibility for all household utilities, including heat, verification should not be required as this is not questionable.

**Example 4:** A food unit claims to be responsible for paying heat in their apartment. The lease indicates heat is included in the rent. Because there is conflicting information, the utility expense claimed would be considered questionable.

### 4.6.7.4 Shelter Deduction during a Temporary Absence

*7 CFR 273.9(d)(6)(ii)(D)*

Allow shelter and utility expenses for a dwelling. The food unit is considered temporarily absent when the absence is caused by:

- Employment or training away from home,
- Illness, **or**

- Abandonment due to a natural disaster or casualty loss.

Include costs of a home in a food unit's shelter or utility expenses if all of the following are true:

- The food unit must intend to return to the home; and
- Any current occupants of the home do not receive the shelter and/or utility expense deductions for FoodShare purposes; and
- The food unit does not rent or lease 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 FoodShare assistance 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 5:** Bev pays the community-based residential facility (CBRF) \$500 and receives shelter, meals, and medical care. Separate costs cannot be identified. Do not allow a deduction.

**Example 6:** 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 \$192 (effective October 1, 2017).  $\$600 - \$192 = \$408$ . The shelter expense is \$408.

#### 4.6.7.6 Shelter Deduction for Homeless Food Units

7 CFR 273.9(d)(6)

<https://www.fns.usda.gov/snap/section-809-deductions-income>

*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 are responsible for utility expenses separate from shelter expenses or have received a LIHEAP or WHEAP payment in the previous 12 months.

## 4 Financial Requirements

Determine eligibility for shelter residents using only their income. 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 7:** A third party 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 third party. 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 FoodShare assistance group from an individual not in the group. Deeming occurs regardless of whether the allocated amounts change hands.

Deeming may occur for sponsored immigrants, or for members of the food unit, who are not included in the FoodShare assistance group due to non-financial ineligibility.

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## 4.7.2 Deeming from a Sponsor

### 4.7.2.1 Introduction

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 U.S. promising to provide enough support to maintain the immigrant at or above the 125 percent of the FPL.

There are two affidavits of support that address 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 immigrant's first three years in the United States. *Deem* the income of the sponsor and the sponsor's *spouse* (if living together), to determine the immigrant's eligibility.

PRWORA is the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

#### I-864

No time limit on deeming unless exemption criteria exist (4.7.2.1) or sponsor liability ends (4.7.2.3).

### 4.7.2.2 Exemptions from Sponsor Deeming

7 CFR 273.4(c)(3)

The following groups are exempt 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 immigrant exception.
4. Sponsor in the same household. When the sponsor lives in the same household as the immigrant they are considered as one food unit. 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 food unit.
5. Sponsored immigrant or immigrant children.
6. A sponsored immigrant who has received an indigence exemption.

### 4.7.2.3 Indigence Exemption

7 CFR 273.4(c)(3)(iv)

A sponsored immigrant may ask for an indigence exemption from deeming by stating that they are unable to obtain food and shelter. A sponsored immigrant is considered indigent if the sum of the immigrant's own income plus any cash, food, housing, in-kind assistance, or other assistance provided by other individuals, including their sponsor does not exceed 130 percent of the FPL for the FoodShare assistance group's size.

Inform the sponsored immigrant that when the agency makes an indigence determination the agency must notify the Attorney General of the names of the sponsor and the sponsored immigrant. The sponsor signed an agreement to support the sponsored immigrant financially in order for the immigrant to enter the U.S.

If the sponsored immigrant does not want this disclosure to occur they have the option to refuse the indigence determination but also inform them by refusing, the sponsored immigrant is ineligible for FoodShare. Eligibility is determined for the remaining FoodShare assistance group members using the sponsored immigrants' income and resources and the sponsor's income and resources (if known) are deemed to the sponsored immigrant's group in the FoodShare determination.

An immigrant who satisfies the indigence exemption criteria is exempt from deeming for 12 months and may be renewed for additional 12-month periods.

#### **4.7.2.4 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.

#### **4.7.2.5 Verification of Sponsor's Income**

*7 CFR 273.4(c)(4) and (5)*

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, **USCIS** can provide the sponsor's name, **address**, and **SSN** through the SAVE program.

The immigrant or immigrant's spouse must provide:

1. The income of the immigrant's sponsor at the time the immigrant applies for FoodShare. 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 *USCIS*.
5. The immigrant's date, place of birth, and immigrant registration number.
6. The number of dependents claimed for federal income tax purposes by the sponsor and the sponsor's spouse (if living with the sponsor).

The sponsored immigrant is ineligible if verification is not received timely. He or she 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.

### 4.7.2.6 Self-Declare Non-Support from Sponsor

However, the sponsored immigrant may self-declare that they are not being supported by the sponsor. If the sponsored immigrant self-declares non-support from the sponsor, all that can be estimated when determining indigence is the sponsored immigrant food unit's income and any other income received from others. The agency does not need verification from the sponsor of non-support. Requiring such verification would create a barrier to program access, particularly in cases where the sponsor cannot be located.

Once determined indigent, the sponsored immigrant is exempt from sponsor deeming. However, if the immigrant receives cash contributions from the sponsor, then the amount of cash given must be verified following normal verification procedures.

### 4.7.2.7 Exempt Immigrants

7 CFR 273.4(c)(2)(v)(3)

Do not apply any *deeming* rules to any immigrant who has been:

1. Admitted to the U.S. through Deportation Withheld under section 241(b)(3) or 243(h) of the Immigration and Nationality Act (INA).
2. Admitted to the U.S. as a refugee as a result of an application after March 31, 1980, under section 207 of the INA.
3. Paroled into the U.S. 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. Considered 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 an immigrant (adult or child) or the *parent* of an immigrant child who is a victim of domestic abuse, or the child of a victim of domestic abuse as defined in Eligibility for Immigrants who are Domestic

Violence Victims 3.12.1.5, who is no longer living with the abuser, and who has demonstrated a substantial connection between the need for FoodShare and the abuse. This exemption lasts for a period of 12 months from the date of application. After 12 months, the victims of domestic abuse continue to be exempt from deeming with regard to the resources and income of the abuser only.

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### 4.7.3 Deeming from Ineligible Food Unit Members

7 CFR 273.9(b)(3)

7 CFR 273.11(c)

If an individual food unit member has been kept out or removed from the FoodShare assistance group, it may be necessary to deem his or her income and/or expenses to the remaining FoodShare assistance 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 FoodShare assistance 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 FoodShare assistance group is considered.

Actually contributing means the person provides a portion of his or her income to the FoodShare assistance group. To be actually contributing to shelter costs, for example, the person must pay toward the FoodShare assistance group's shelter costs.

A prorated 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 FoodShare assistance group.

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## 4.7.4 Deeming and Ineligible Students

### 4.7.4.1 Student Income

Do not *deem* any of the ineligible student's income to the FoodShare assistance group. Cash payments from the ineligible student to any of the eligible FoodShare assistance members will be counted as income to the group if those payments are regular and predictable.

**Example 1:** A food unit of four includes a FoodShare assistance group of three children and one parent who is an ineligible student. The parent is the only person in the food unit who has income and does not give a cash payment to the three children. None of the parent's income would be counted for the group.

**Example 2:** A food unit of three includes a FoodShare assistance group of two and one ineligible student. The ineligible student has an income of \$800 per month. The ineligible student pays one of the FoodShare assistance group members \$50 every month for the use of the member's car. The \$50 per month is counted as unearned income for the member who receives this money. The remaining \$750 per month of the ineligible student's income is not counted as income for the FoodShare assistance group.

### 4.7.4.2 Student Medical Expenses

Do not deem any of the student's medical expenses to the FoodShare assistance group.

### 4.7.4.3 Student Dependent Care Expense

Reduce the FoodShare assistance 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 FoodShare assistance group's shelter expenses in a known dollar amount, or percentage, reduce the FoodShare assistance group's expenses by the amount contributed. Do not include utilities in this computation.

If the ineligible student contributes an unknown amount, compute the FoodShare assistance 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 3:** A food unit of nine includes a FoodShare assistance group of six and three ineligible students. Three FoodShare assistance group members and two 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 FoodShare assistance group members is \$297 (three FoodShare assistance group members \*  $\$99 = \$297$ ).

#### 4.7.4.5 Student Utility Expenses

*7 CFR 273.9(d)(6)(iii)(F)*

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 4:** A food unit of seven persons includes a FoodShare assistance group of five and two ineligible students. They are billed for heat, electricity, and a phone and therefore receive the HSUA. One of the students pays some of the utility expense and one of the assistance group members pays the rest. Do not prorate the HSUA. Budget the full HSUA as the utility expense for the FoodShare assistance group.

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## 4.7.5 Prorated Deeming

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, or
3. ABAWDs who:
  - a. Have used their three time-limited benefit months, and
  - b. Are not meeting the ABAWD work requirement or an exemption, and
  - c. Are no longer eligible for FoodShare benefits, and
  - d. Have not been determined ineligible within a food unit of other eligible members.

**Note:** When performing a manual calculation, do not include pro-rated deemers in the FoodShare assistance group when:

- Determining the amount of the FoodShare benefit allotment,
- Assigning a standard deduction to the FoodShare assistance group, or
- Comparing the FoodShare assistance group's monthly income with the income eligibility standards.

**Example 1:** Toby received three time-limited benefit months for January, February, and March. FoodShare remains open for Toby's girlfriend and cousin. Toby becomes a pro-rated deemer effective April 1. On May 12, Toby requests to be added back into the FoodShare assistance group. He has been working at Target since May 5. He works 10 hours per week, and provides pay stubs for verification. When eligibility is run, Toby is found ineligible because he is not fully meeting the ABAWD work requirement and he will continue to be a pro-rated deemer.

Prorate the ineligible person's income and expenses between those in and out of the FoodShare assistance group. Calculate the amount of pro-rated income and expenses to *deem* to the FoodShare assistance group separately.

### 4.7.5.1 Pro-rated Income

CARES deems earned and unearned income correctly. Enter the gross income on the appropriate page. Review the eligibility determination on the budget page before confirming.

To manually calculate deemed income:

If the ineligible individual has unearned income:

1. Determine his or her total countable unearned income.
2. Add the number of members in the FoodShare assistance 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 FoodShare assistance group members. Deem the result to the FoodShare assistance group.

**Example 2:** A food unit of five includes a FoodShare assistance group of three and two persons who are ineligible immigrants. One ineligible immigrant has countable unearned income of \$128 per month. The figures using the formula above are:

1. \$128;
2.  $3+2=5$ ;
3.  $128/5=25.60$ ;

$25.60 \times 3 = \$76.80$ . \$76.80 is the FoodShare assistance group's share of the unearned income.

If the ineligible individual has earned income:

1. Determine his or her total countable earned income.
2. Allow the 20% earned income deduction.
3. Subtract the earned income deduction amount from the total countable earned income.
4. Add the number of members in the FoodShare assistance group to the number of pro-rated deemers in the food unit.
5. Divide the amount of income in step 3 by the total in step 4. This will be the amount of income allotted to each person in the food unit.
6. Multiply the result from step 5 by the number of eligible FoodShare assistance group members.
7. Deem the appropriate income to the eligible FoodShare assistance group members as unearned income.

**Example 3:** A food unit of four includes one ineligible immigrant, one ineligible student, and two eligible members. The ineligible immigrant has a gross earned income of \$734.98 per month.

- Step 1: Total countable income is \$734.98 per month.
- Step 2:  $\$734.98$  (countable earned income)  $\times$  .20 (earned income deduction) = \$146.99
- Step 3:  $\$734.98$  (non-exempt earned income)  $-$  \$146.99 = \$587.99
- Step 4: Add the number of eligible members to number of pro-rated deemers (ineligible immigrant)  $2 + 1 = 3$
- Step 5:  $\$587.99/3 = \$195.99$
- Step 6:  $\$195.99 \times 2$  (number of eligible individuals) = \$391.98
- Step 7: Deem \$391.98 to the FoodShare assistance group as unearned income

#### 4.7.5.2 Pro-rated Medical Expenses

Do not deem any of the ineligible person's payments for medical costs for his or her own care as expenses of the FoodShare assistance group. Deem to the group a pro-rated amount of medical expenses for a FoodShare assistance group member's care billed to or paid by the ineligible person. Prorate using a ratio of group members to food unit members.

**Example 4:** The FoodShare assistance group includes a person who is disabled and incurs \$84 a month in medical expenses. An *SSN* ineligible food unit member pays the full \$84.

The food unit numbers four persons: one ineligible member and three FoodShare assistance group members. The ratio of FoodShare assistance group members to food unit members is 3:4.

The FoodShare assistance group's share is  $\frac{3}{4}$  of the expense.

$\$84 / 4$  (food unit members) = \$21.

$\$21 \times 3 = \$63$  (FoodShare assistance 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 two *SSN* ineligible persons in the food unit, the ratio would be 2:4. Deem to the FoodShare assistance group  $\frac{1}{2}$  of the medical expense in calculating its medical deduction. This is true even if only one of the ineligible food unit members was billed for or paid any of the eligible member's medical costs.

#### 4.7.5.3 Pro-rated Child Support Payments

Deem to the FoodShare assistance 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 5:** A food unit of four includes three FoodShare assistance group members and one ineligible immigrant. The ineligible immigrant pays \$100 legally obligated child support. The pro-rated share is \$25 a person ( $\$100 / 4$ ). The FoodShare assistance group's pro-rated child support deduction is \$75 ( $\$25 \times 3$ ), or  $\frac{3}{4}$  of the total payment.

#### 4.7.5.4 Pro-rated Dependent Care Expenses



Deem to the FoodShare assistance 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 6:** A food unit of five includes three FoodShare assistance group members and two ineligible immigrants. The food unit's monthly dependent care costs total \$275. An ineligible food unit member is billed for a portion of that total. One share is \$55 ( $\$275 / 5$ ). The FoodShare assistance group's pro-rated expense is \$165 ( $\$55 \times 3$ ), 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) food 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 7:** A household of seven includes a food unit of six and a FoodShare assistance group of four. The household contains two ineligible immigrants who are in the food unit because they purchase and prepare together, a mother, her two children, her boyfriend, and a friend who doesn't purchase or prepare with the unit. Immigrant 1 and mother 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 FoodShare assistance group members.  $\$600 / 6 = \$100$ .  $(\$100) \times 4 = \$400$ . Budget \$400 as the rent amount. Show your calculation in case comments.

**Example 8:** Using the same household, assume the rent of \$600 is divided between the friend, the mother, and Immigrant 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 FoodShare assistance group members.  $\$400 / 6 = \$66.66$ .  $(\$66.66) \times (4) = \$266.66$ . Budget \$266.66 as the rent amount. Enter the calculation in case comments.

**Example 9:** Using the same household, assume that the rent and utilities are supposed to be shared between the mother and Immigrant 1. However, Immigrant 1 is refusing to pay and the mother is paying the entire rent and utilities. In this case, budget the entire expenses for the FoodShare assistance group.

**Example 10:** Using a different household than those mentioned above, assume a family of six has applied for FoodShare. The mother, father and two older siblings are ineligible immigrants. The two youngest siblings are citizens and are the only FoodShare assistance group members. The shelter expense of \$575 per month is in the parents' names. The food unit = 6 and the FoodShare assistance group = 2. Even though the children are not specifically obligated to pay the expenses, prorate a share of the expenses to the FoodShare assistance group.  $\$575 / 6 = \$95.83$ .  $95.83 \times 2$  FoodShare assistance group members = \$191.67. Budget \$191.67 as the FoodShare assistance group'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:

- *IPV* disqualification (3.14.1),
- Fleeing felons (3.19.1),
- Probation or parole violators (3.19.1),
- Drug felony sanctions (3.20.1),
- Work registration sanctions (3.16.1.4), or
- A failure to take a drug test (3.20.1.1)

Count these ineligible individuals' income and expenses as if he or she was a member of the FoodShare assistance group. Do not include them in the group to determine the amount of the FoodShare benefit allotment, assigning a standard deduction to the group, or when comparing the group's monthly income with the income eligibility standards. The FoodShare assistance 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)

7 CFR 273.26 - 7 CFR 273.32

#### 5.1.1.1 TFS Introduction

7 CFR 273.26

Transitional FoodShare (TFS) benefits automatically extend FoodShare benefit eligibility for five months to FoodShare assistance groups whose Wisconsin Works (*W-2*) or Tribal *TANF* (TT) cash assistance ends as long as:

1. The member was part of an active FoodShare 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 CMF+, *W-2* Trial Job Placements, or Transitional Jobs cases managed by a *W-2* agency.

FoodShare assistance groups are not eligible for TFS after Wisconsin Works (*W-2*) or Tribal TANF (TT) cash assistance ends when:

1. The *W-2* or TT payment is sanctioned to zero for nonparticipation, or
2. All FoodShare assistance groups members lose FoodShare eligibility due to:
  - a. An intentional program violation
  - b. Failure to comply with a work requirement (see 3.16 Work Requirements)
  - c. Ineligible student status
  - d. Ineligible immigrant status
  - e. Failure to provide information necessary for determining eligibility or failure to complete a renewal
  - f. Assets of an *EBD* non-categorically eligible FoodShare member were divested for the purpose of qualifying or attempting to qualify for the program
  - g. Dual FoodShare participation
  - h. Status as a fleeing felon

**Note:** There is no limit to the number of times someone can be eligible for TFS; however the member must be receiving regular FoodShare prior to starting TFS.

**Example 1:** Linda is eligible for TFS from February through June. She is injured in a fall in May and is unable to work. In May, she re-applies for *W-2* and is placed in a *W-2T*. The TFS benefit period will continue through June. Because the five-month TFS benefit period ends in June, Linda completes a recertification review for regular FS benefits in June, and starts receiving them in July. Linda returns to her full time job in August. Her household will receive another five months of TFS benefits once her *W-2* payment ends.

### 5.1.1.2 TFS Benefit Calculation

7 CFR 273.26

7 CFR 273.27

The TFS allotment is calculated using the income (less the W-2 payment), expenses, and FoodShare assistance group size from the month prior to the last W-2 cash payment (benefit determination month). This amount is frozen for the next five consecutive months, regardless of the number of months remaining in the most recent certification period for regular FoodShare. A new 12 month certification period will begin when the FoodShare assistance group reapplies and is eligible for FoodShare at the end of the TFS benefit period.

If a change is reported or becomes known to the agency, the change will be acted upon at time of reapplication at the end of the TFS benefit period.

If the initial W-2 placement is valid the participant is eligible to receive TFS benefits when the W-2 payment ends. This includes cases where some of the W-2 payments may be recouped because the member failed to report a change or the placement was not ended 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 FoodShare benefit based on non-TFS criteria for the months the household was incorrectly open for TFS to determine if there is an over/under payment.

### 5.1.1.3 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 renewal is not required to continue TFS.

#### Exceptions

If it is reported that the primary person moves out of the TFS FoodShare assistance group, the TFS benefit will end and the case will close.

If the agency becomes aware that a TFS FoodShare assistance group moves out of state, the FoodShare assistance group's TFS benefits should end.

### 5.1.1.4 Sanctions and TFS

CARES will systematically determine the establishment of TFS. TFS will not be established in the following scenarios:

- A FoodShare assistance group member's W-2 eligibility is terminated for failing or refusing to cooperate with W-2.

- The W-2 or TT benefits are sanctioned to zero dollars but the paid placement remains open in the benefit determination month.

#### 5.1.1.5 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 group member moves out and becomes eligible to receive FoodShare in another case. The TFS group's benefit amount will be reduced due to the change in group size. The allotment amount will be adjusted to the new assistance group 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 group. 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 group, 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 FoodShare member in the initial TFS notice and an additional notice will be sent if the allotment is reduced.

**Example 2:** Sally, her son, and her two roommates share the same apartment and receive FoodShare 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 FoodShare assistance group consisting of Sally, her son and her two roommates receive TFS for five months. The FoodShare assistance group 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 FoodShare in another case, Sally's FoodShare benefit would be reduced automatically at adverse action.

If a TFS group 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 FoodShare with the new members and end the TFS benefit;  
or
2. Add the new household members to an open TFS 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 3:** Rosa, a 20 year-old mother of two, received her second TFS benefit allotment in June. Rosa called her IM worker to report a change in address and that she and her children are now living with her parents (who also have an open FoodShare case). The IM 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' FoodShare case. The IM 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 IM worker adds Rosa's parents to her TFS case.

#### 5.1.1.6 TFS and Companion Cases

The entire assistance group, 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 4:** Simon, along with his two brothers, lives with their sister, Dana, and her two children. They are all part of Simon's assistance group. Dana has been receiving a monthly W-2 payment but recently started a new job. Dana receives her last cash payment July 1. Because Dana's W-2 payments are ending, Simon's entire FoodShare assistance group becomes eligible for TFS. Simon's TFS benefit period will begin August 1 and the TFS benefit includes himself, his two brothers, Dana, and Dana's two children.

A FoodShare assistance 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.

#### 5.1.1.7 Renewal during the TFS Benefit Period

*7 CFR 273.28*

TFS groups may request a renewal for regular FoodShare at any time during the five-month TFS benefit period. If a group requests to end their TFS benefits and be recertified for regular FoodShare benefits, the IM worker can determine a regular FoodShare allotment amount. The member has the choice of which allotment they will receive. If the member chooses to receive regular FoodShare benefits and end the TFS benefit, a renewal including an interview must be completed. The allotment change is effective the first of the month after the interview.

**Example:** Jane's TFS is certified for February through June. She calls the agency in March to request regular FS and completes the interview and renewal. The new allotment begins in April with a new renewal due in March.

#### 5.1.1.8 Renewal when the TFS Benefit Period Expires

The TFS benefit period will end after five consecutive months. To continue receiving FoodShare benefits, the group must complete a renewal, including an interview, before the end of the 5th month in the TFS benefit period. The agency is responsible for scheduling the interview or pending for the interview under the On-Demand model (2.1.3.1 Scheduling the Interview) and making a benefit determination to meet the standard 30-day renewal processing requirement. If benefits are not issued by the last day of the renewal month due to agency delay, the food unit is entitled to a continuation of TFS benefits until the determination is made. Delays caused by the food unit will result in a FoodShare denial. An interview must be completed within the renewal month of the current TFS benefit period to be considered timely. If the food unit fails to complete a timely interview, FoodShare will close effective the last day of the renewal month at adverse action and a new FoodShare application is required. Information known to the agency and any adjustments to the cost of living must be included as part of the redetermination for regular FoodShare.

Since a renewal is completed at the end of the TFS period, there is no eligibility for expedited services.

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### 5.2.1 FS-E

FS-E is a FoodShare program for elderly, blind, and disabled (EBD) individuals. EBD individuals and their co-residing spouses, if applicable, may be a separate food unit, even if they are living and eating with others, as long as all three of the following criteria are met:

1. The EBD individual is age 60 or older;
2. The EBD individual cannot purchase and prepare his or her own meals because of either:
  - a. A disability the SSA considers permanent, or
  - b. Some other permanent physical or mental non disease-related, severe, permanent disability; and
3. The gross monthly income of all other persons with whom the EBD individual (and spouse, if any) resides with does not exceed 165% of the FPL 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 EBD individual or his or her spouse.

**Example:** Carl and Betty, ages 70 and 59 respectively, are spouses who live in the same household with their daughter, Tammy, and her two children. Carl has dementia and is unable to purchase and prepare his own meals. Tammy's income is below 165% FPL. Since all of the required criteria are met, Carl and Betty can be treated as a separate food unit from their daughter Tammy's food unit.

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## **5.3.1 DISASTER SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (DSNAP) FOR VICTIMS OF NATURAL DISASTERS**

### **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 with “individual assistance” and the Food and Nutrition Service approves a state’s request to operate a DSNAP. The state will notify the appropriate county/tribal/*W-2* FoodShare agencies when this happens and work with the local agencies to provide DSNAP benefits. In Wisconsin, DSNAP is sometimes referred to as “Disaster FoodShare.”

The rules for DSNAP are significantly different from the regular FoodShare program. For example, immigrant status, student status, failure to provide an *SSN*, work requirements and disqualification status (*IPV*) from regular FoodShare are irrelevant when determining DSNAP benefits. However, committing an IPV in the DSNAP period will count towards disqualification for regular FoodShare.

Eligible applicants not receiving FoodShare benefits during the disaster month who live or work in the affected areas may receive a one-time DSNAP payment equal to the maximum allotment for their household size. To be eligible, applicants must meet a DSNAP-specific income test and have experienced one of the following requirements:

- Food damaged by the disaster or spoiled due to lack of refrigeration from a power outage of at least 4 hours;
- Damage to or destruction of home, work place, or self-employment business;
- Disaster related expenses not expected to be reimbursed; or
- Loss or reduction of income.

Current FoodShare members affected by the disaster may receive a supplement equal to the difference between their regular monthly allotment and the maximum allotment for their food unit size the month the disaster occurred.

To be eligible for the DSNAP benefit, applicants/members must apply during the state-defined application period for the disaster. FoodShare assistance groups that have received replacement benefits for food destroyed 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.

**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. Applicants for DSNAP benefits who wish to apply for ongoing FoodShare benefits may do so, but will be required to follow the regular application process in order for the IM agency to determine eligibility for ongoing benefits.

**Current Members**

FoodShare assistance groups currently receiving benefits are eligible to receive a one-time supplement equal to the difference between their regular benefit amount and the maximum allotment for their food unit size. They must complete and sign the Affidavit of Lost Income or Disaster-Related Costs (F-16106) to receive the supplement.

Note: The Disaster FoodShare Wisconsin Assistance Application (F-16060) and the Affidavit of Lost Income or Disaster-Related Costs will be available in the DHS Forms Library during a DSNAP application period.

**5.3.1.3 DSNAP Verification Requirements**

Applicant's Information	Status	Suggested ways to verify
Identity	Mandatory	<ul style="list-style-type: none"> <li>• Photo ID Two documents that verify identity.</li> <li>• SSA data exchange for health care is acceptable to verify identity.</li> <li>• A signed affidavit from a collateral contact attesting to the identity of the applicant.</li> <li>• For additional sources of verification see 1.2.6.1 Required Verification to Determine Eligibility.</li> </ul>
Address	When possible	Utility bills, tax bills, insurance policies, driver's licenses, other ID with <i>address</i> , 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. <b>Note:</b> A power outage lasting over four hours can cause food spoilage.
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## 6 ONGOING CASE MANAGEMENT

### 6.1 CHANGES

#### 6.1.1 Change Reporting for All Food Units (Simplified)

7 CFR 273.12(5)

All food units are subject to simplified reporting rules. Whether or not the unit is required to submit a six month report form (SMRF), the food unit must report when its monthly gross income received exceeds 130% FPL (8.1.1). The food unit must use the monthly gross income limit for the food unit size that existed at the time of its most recent certification or recertification, regardless of any subsequent changes in its food unit size.

Certified food units must report the change by the 10th of the month following the change.

**Example 1:** Mike's hours and rate of pay increase in the middle of January. Mike's total gross income on the paychecks he received in January did not put his food unit over 130% FPL.

Mike's pay dates for February are 2/13 and 2/27. When Mike receives his paycheck on 2/27, his food unit's total gross income received is now over 130% FPL. The change in income must be reported by 3/10.

**Example 2:** Ted starts a new job on December 30. He receives his first paycheck on January 17. His gross income received from his first paycheck puts his food unit over 130% FPL. Ted must report the change in income by February 10.

**Note:** Anticipated receipt of income and/or work hours is not required to be reported, even if the anticipated income is expected to put the food unit over the gross income 130% FPL. A reported change in income can only be used in the budget after it is received. For example, an applicant reports during the interview, they expect to start a new job next month. Because the job has not started and a paycheck has not been received, no income is to be budgeted. The applicant is required to report when the income he or she receives from the job puts the food unit's income above 130% FPL.

Once a food unit has been certified eligible with a gross income above 130% FPL, all reporting requirements have been met until the next SMRF or renewal.

Reporting exception: ABAWDs must report by the 10th of the following month when their work hours fall below 80 hours per month.

## 6 Ongoing Case Management

However, if any change is reported or becomes known to the agency, it must be acted upon. When the information is not verified upon receipt, it may be appropriate to request clarification of the change and/or pend when appropriate.

See 5.1.1 for change reporting requirements for Transitional FoodShare (TFS) members.

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## 6.1.2 Six Month Reporting Requirement

7 CFR 273.12(a)(iii)

Food units certified for 12 months and subject to simplified change reporting requirements are required to submit a six-month report form (SMRF) in the sixth month of the certification period. Elderly Blind and Disabled food units without earned income are exempt from the six-month report requirement.

The following changes in income must be reported on the SMRF for FoodShare members:

- A change of \$100 or more in unearned income based on the most recently verified amount.
- Changes in earned income (from the most recently verified information) that must be reported includes:
  - Rate of pay,
  - Number of hours worked,
  - Loss of job,
  - Change from full to part-time, and
  - New employment, but only if the first paycheck has actually been received by the time the SMRF is completed.

Income verification at SMRF is only required for employment that meets the criteria listed above. An IM worker should not request verification of previously verified earned income that has not changed.

Self-employment income that has already been averaged is not to be re-verified, unless a significant change is reported.

Other changes that must be reported on the SMRF are:

- Household composition (persons that have moved in or out, including newborns),
- New *address* and resulting changes in shelter expenses, and
- Change in legal obligation to pay *child* support (4.6.5 Child Support Payment Deduction)

The paper SMRF and the online form are available to members on ACCESS Renew My Benefits (RMB) and will have the employment, self-employment, unearned income, and child support expense fields pre-populated to reflect the most recently verified information in CWW. This is the income and expenses that are being used in the current FoodShare benefit calculation (the prepopulated information may not reflect all the income and expenses that factor into the budget).

An *adult* food unit member, authorized representative, or legal guardian must sign the SMRF. A SMRF signature can be completed and submitted using the paper form, through ACCESS, or the signature can be completed telephonically through CWW. A

“no-changes” SMRF (all information on the mailed form is current and correct) can also be signed and submitted through MyACCESS.

SMRFs must be submitted by the end of the sixth month of the certification period to avoid a break in service. When a SMRF is submitted in month six with changes requiring verification, a verification checklist will be sent giving ten days to provide the requested verification. When the due date for verification goes into the seventh month, FoodShare will reopen without a break in service so long as the required documentation is supplied on or before the verification due date.

**Example 1:** Emma is certified for FoodShare from January to December. Her SMRF is 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 IM worker must allow 10 days to provide verification. Emma provides the requested verification on July 2. Emma’s certification period for FoodShare remains the same, January to December. Benefits go back to July 1 and are not prorated. If Emma returned her income verification after the verification due date, benefits would be prorated from the date the verification was received.

If FoodShare closes for lack of SMRF, verification, or other reasons and the food unit takes the required action within month seven, the agency shall reopen FoodShare under the break in service policy and issue prorated benefits from the date the food unit took the required action. The benefit shall be prorated from the date the SMRF is returned if the action was taken prior to or by the verification due date set for month seven, or if the reason for closure is because of agency delay.

If FoodShare closes due to agency delay in processing a SMRF, benefits shall be restored back to the first of the month.

**Example 2:** Jon is required to submit a SMRF in March. Jon submits the SMRF April 17. Verification of a change of employment is due April 27. Jon submits his verification April 27. Jon’s benefits are prorated from April 17 forward because the verification was submitted by the due date.

**Example 3:** Lillie was required to submit a SMRF by the end of August. Lillie submits her SMRF September 19. Lillie must provide verification of her change in employment by September 29. Lillie provides her verification on September 30. Lillie’s benefits are prorated from September 30 forward because her verification was submitted after the due date.

If at the beginning of month eight the SMRF process is not complete (a completed form and all verifications submitted), a new application must be submitted unless the cause



for delay into month eight is agency delay. In instances, when a complete SMRF is submitted in month seven and verification is required, verification must be provided before the end of month seven which may result in the member having less than 10 days to provide the verification. The worker will need to manually adjust the due date to coincide with the end of month seven.

**Example 4:** Gwen is required to submit a SMRF in January. Gwen submits her SMRF February 26. Gwen must submit verification of her employment change by February 28. If verification is not provided, Gwen will need to reapply in March because the required verification was not submitted by the end of month seven.

**Example 5:** Joe has an open FoodShare case with a certification period of April through March. His SMRF is due in September. Joe fails to return a timely SMRF in September and FoodShare closes effective September 30.

Joe returns the SMRF with required verification on October 25, but he forgot to sign the form. The IM agency returns the SMRF to Joe and indicates that he must return a signed SMRF by October 31 to avoid needing a new FoodShare 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 CWW will continue to fail the case for lack of SMRF.

Joe returns the signed SMRF on October 31. Although Joe regains FoodShare eligibility October 31, FoodShare will fail with a \$0 benefit for October and pass with a FoodShare benefit for November and December. The FoodShare certification period for Joe's case remains the same, April through March.

Had Joe returned a timely SMRF, but the IM agency did not process the form until October, benefits would have been issued back to October 1 due to the agency's late processing.

If Joe had returned the signed SMRF on November 1, which is beyond the month following the report month, FoodShare would have closed and he would need to reapply.

### **Complete SMRF**

To be considered complete, all of the boxes must be checked and a signature must be provided on the SMRF. If a box is checked indicating a change but the details of the change have not been provided, it is still a complete SMRF. Missing details related to changes must be pended or the worker must call the member for clarification.

If the SMRF does not have all of the boxes checked or is missing a signature, it is an incomplete SMRF. Refer to Process Help 3.4 for processing instructions.

## 6 Ongoing Case Management

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### 6.1.3 Timely Action on Reported Changes During the Certification Period

Changes can be reported timely or untimely. IM workers must act promptly on all reported changes. If verification is requested, a minimum of 10 days must be allowed for the member to provide the verification.

#### 6.1.3.1 Processing Reported Changes

*7 CFR 273.12(c)(1) waiver*

Request verification from the member as soon as possible, following the report of a change (1.2.1). To prevent “failure to act” agency QC errors, IM 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 IM worker must request verification and allow Barry 10 days to provide it. If verification is requested on June 29, it will be due July 9. His IM worker will have time to process the verification and issue proper notice to Barry by adverse action in July. If the IM worker fails to act on the change by not requesting verification until July 9, 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 IM worker failure to act promptly on the reported change.

Lack of verification is a common cause of case closure. A new application for FoodShare is not always required under specific circumstances when FoodShare closes due to lack of verification during the certification period. Allow FoodShare 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 FoodShare from March through February. Julie reports on April 5 that she began a job. Julie’s IM agency requests verification of Julie’s job, due April 15. Julie fails to provide verification by the due date and FoodShare closes effective April 30. Julie provides verification of her job on May 8. Julie’s FoodShare case reopens without requiring a new FoodShare application and prorates benefits from May 8 forward. Julie’s certification period remains the same March through February.

FoodShare may also close for reasons other than verification. Allow FoodShare to reopen when a change in circumstances causes the FoodShare assistance group to regain eligibility during the month following the month of case closure, as long as the food unit takes the required action.

**Example 3:** Pam's FoodShare closes effective September 30 due to a pay increase at her job. Pam contacts her IM agency on October 8 to indicate her hours have been cut and she wants to reapply for FoodShare. The IM agency informs Pam that she has the option of reapplying for FoodShare or may provide verification of her new work hours to reopen FoodShare effective the date she provides the verification. Pam chooses to provide verification, which she submits on October 12. Pam's FoodShare reopens with prorated benefits from October 12 forward.

**Example 4:** Joan's FoodShare closes effective October 31 as a result of her new roommate's earned income. Joan contacts her IM agency on November 19 because her roommate moved out and she wants to reapply for FoodShare. The IM agency provides Joan the option of reapplying for FoodShare or reopening her FoodShare effective November 19. Joan chooses to reopen FoodShare without a new application. The IM agency removes the roommate from the case and re-determines a prospective estimate of Joan's income and expenses. FoodShare benefits are issued from November 19 forward.

#### 6.1.3.2 Changes "Verified on Receipt"

7 CFR 273.2(f)(9)

Some examples of changes considered to be "verified on receipt" are:

1. Data exchange (Process Help 44.1) information that does not require further contact with the member (Social Security, Wisconsin Child Support Enforcement (KIDS; only child support income and expenses are verified), and Unemployment),
2. Changes reported by a member that do not require further verification, and
3. Changes for which adequate verification has already been submitted.

#### 6.1.3.3 Changes That Cause an Increase in Benefits, Including Person Adds and Loss of Income

7 CFR 273.12(c)(1)

FNS Memo 12/18/14

All reported changes that cause an increase in the FoodShare 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 FoodShare 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 food unit and one FoodShare assistance group in the same month except residents of shelters for victims of domestic violence (3.4.1 Dual Membership and Duplicate Benefits). Prior to adding a person from one FoodShare case to another, remove the person from the previous FoodShare case.

**Example 5 (baby add):**

- If Mike (a baby) is born June 25, and is reported June 27, supplement FoodShare effective July 1.
- If Mike (a baby) is born June 2, and is reported June 25, supplement FoodShare effective July 1.
- If Mike (a baby) is born June 27, and is reported July 1, add Mike effective August 1.

**Example 6:** Jule has an open FoodShare 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 IM worker requests verification of Eve's eligibility information by April 4. Verification is not provided by April 4 and the FoodShare case closes effective April 30. Eve provides verification to the local agency on May 15. FoodShare reopened without a new application with benefits issued from May 15 forward. Jule's FoodShare 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 IM worker should re-determine the prospective estimate of Lisa's 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 IM worker on April 2, within 10 days. The IM worker makes the change to increase Carol's FoodShare benefit effective April 1 and issues a supplement for April.

If Carol had reported the rent increase on April 2, the FoodShare benefit increase would have been effective May 1.

#### 6.1.3.4 Sanction Request

An IM worker should act on a sanction request immediately, but has 10 days to process the request. However, the IM worker should try to enter the sanction before the next adverse action (6.3.1 Negative Notices) in **CARES**.

**Example 9:** The IM worker receives a sanction request for Jayne on June 12. The IM 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 the worker did not act on the sanction until after adverse action in July.

#### 6.1.3.5 Person Add Following a Sanction (Re-request)

If an individual is requesting to be added to the FoodShare assistance group following:

- A disqualification for an *IPV*,
- Failure to comply with other FoodShare program requirements, or
- Was an ineligible immigrant.

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 his or her request to be added back to the FoodShare assistance group, whichever is later.

**Example 10:** Margaret's husband David is sanctioned from September 1 – August 31 due to an IPV. Margaret calls on August 25 and requests that David be added back to the FoodShare assistance group on September 1. Verification is complete.

The IM worker adds David to the group effective September 1.

If Margaret's request for David to be added back to the 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 member. If verifications are not received within 10 days, and the FoodShare 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 IM 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, FoodShare 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

Use the Change Impact Matrix to determine how to respond to changes reported by food units.

Food Unit Type	Initial Certification Period	Initial SMRF Requirement	Change Reported	Date Change Acted On	Impact on Certification Period	SMRF Requirement after Change
Regular	12 months	Yes	Homelessness or Migrant in household	Prior to adverse action in the fourth month	Certification period of six months requiring a review in month six to continue eligibility	No
				After adverse action in the fourth month	No effect on the original certification period of 12 months	Yes
Homeless or Migrant	6 months	No	Reports securing housing or no longer migrant	Prior to adverse action in the fourth month	Certification period of 12 months	Yes
				After adverse	Certification period remains	No

				action in the fourth month	four months	
EBD household with earnings	12 months	Yes	Source of earnings ends	At any time	No effect	No
EBD without earnings	12 months	No	New source of earnings	Prior to adverse action in the fourth month	No effect	Yes
				After adverse action in the fourth month		No
TFS	5 months	No	Change in income, household comp, or other types of change	At any time	No effect	No
			Death of PP or when PP moves out of Wisconsin			TFS closes and member must re-apply

**6.1.3.8 Processing ABAWD Changes**

When an exemption is reported and verified timely, the exemption is effective the first of the month of report or occurrence, whichever is later. If verification is received after the due date, the exemption is applied the first of the month in which verification is received. See 3.17.1.6 Verification of ABAWD Status from Time-Limited FoodShare.



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#### **6.1.4 Changes in Expenses**

Expense policy – see 4.6

Expense verification policy – see 1.2.4

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## 6.2 TRANSFERS

### 6.2.1 Interagency Case Transfers

#### 6.2.1.1 Interagency Case Transfers Introduction

7 CFR 273.3(b)

When a FoodShare case moves from one agency to another within Wisconsin, the case should be transferred from the old county the member was living in (the "transfer-out agency") to the new county they live in (the "transfer-in agency"). When an inter-agency move is reported or discovered, the agency that is notified of 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 transfer-in agency should contact the transfer-out agency to get the required information. Do not transfer the case back to the transfer-out agency to have the previous IM worker complete outstanding items.

**Note:**

- See 5.1.1 Transitional FoodShare Benefits (TFS) for policy related to transferring TFS cases
- 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 FoodShare 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 (see 2.1.1.3 Break in Service) or by allowing the individual to complete a new application.

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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, CWW will extend the notice of adverse action period to the next working day. Continue or reinstate FoodShare benefits if an IM agency or the Division of Hearings and Appeals receives 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

7 CFR 273.15

7 CFR 273.15(g)

7 CFR 273.15(k)(1)

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 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 FoodShare benefits.

**Example 1:** On July 10 a worker makes a **CARES** entry to reduce FoodShare benefits effective August 1. The member has 90 days from August 1 to file a hearing request.

**Note:** CARES notices are programmed to accurately indicate 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 FoodShare assistance group the lost benefits as determined by the agency. Issue FoodShare based on the fair hearing decision. Do not require another fair hearing (when the fair hearing decision was made within the last 12 months) or any other administrative action before restoring lost benefits.

If the FoodShare benefit decreases due to alignment of the FoodShare certification period with another program, a food unit may file a request for a fair hearing within 10 days and elect to continue to receive their original benefit amount until the fair hearing decision is rendered. Food units who choose to file a fair hearing should be reminded that agencies are required to act on all known information. During the FoodShare certification period, newly reported information for another program is treated as a change for FoodShare.

#### 6.4.1.1 FSET Program Fair Hearings

The IM agency must notify the FSET agency when an FSET participant has requested a fair hearing. The IM agency must work with the FSET agency to gather appropriate information in preparation for the fair hearing. Both the IM agency and FSET agency are

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required to attend the FSET fair hearing and provide requested documentation in advance of the hearing. Effective coordination and communication between the FSET agency and the IM agency is important to facilitate this process.

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## 7 BENEFITS

### 7.1.1 ALLOTMENTS

Determine FoodShare benefit allotment amounts using the information provided in Chapters 1-6.

#### 7.1.1.1 Initial Allotment

*7 CFR 273.10(a)(1)*

An initial FoodShare allotment is prorated from the application filing date, unless the prorated 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 farm worker and have continuing FoodShare eligibility (7.1.1.2 Initial Allotment for Migrant and Seasonal Farm Workers).

**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 prorate an allotment in the month following FoodShare case closure if closure is due to an agency delay [2.1.1 Initial Certifications (Applications)]. Benefits should go back to the 1st of the month.

**Example 2:** Jeff receives notice of an appointment for a renewal 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 IM worker has available is August 5. Jeff completes the renewal interview on August 5, and provides all verification by August 8. Do not prorate benefits for August. Issue benefits from the first of the month. Document in case comments the reason for the delayed renewal.

#### 7.1.1.2 Initial Allotment for Migrant and Seasonal Farm Workers

*7 CFR 273.10(a)(1)*

The initial allotment is not prorated for food units that include a migrant or seasonal farm worker when at least one FoodShare assistance group member has participated in the FoodShare program during the 30-day period before application. These food units have continuing eligibility for FoodShare.

**Example 3:** A migrant food unit arrives in Wisconsin from Texas on April 20 and applies for FoodShare. Their SNAP case closed in Texas 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 4:** A migrant food unit arrives in Wisconsin on May 5 and applies for FoodShare. Their case closed on March 31 in Texas and they did not receive SNAP 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 SNAP, prorate benefits from the date of application.

### 7.1.1.3 Initial Allotments for Expedited Issuance

*7 CFR 273.2(g)(2)*

Food units 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 one and two. This also applies to cases that are eligible for expedited benefits for month one, but not month two. As long as the filing date is after the 15th of the month, issue a combined allotment for both month one and two.

**Example 5:** Laurie applies for FoodShare 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 FoodShare or loss of FoodShare eligibility. Laurie's IM worker issues benefits for May and June. Verifications other than "identity" are waived.

### 7.1.1.4 Minimum Allotment for One or Two Person Food Units

*7 CFR 273.10 (e)(2)(ii)(C)*

Categorically eligible food units that include one or two persons are eligible for a minimum \$15 allotment, except for the initial prorated benefit which cannot be less than \$10.

### 7.1.1.5 Replacement Issuance for Destroyed Food

*7 CFR 274.6*

#### **Providing replacement benefits**

Agencies will need to provide replacement benefits to a food unit when the food unit reports that food purchased with FoodShare benefits was destroyed in or as a result of a household misfortune or natural disaster.



There is no limit on the number of replacements that can be issued for the replacement of food purchased with FoodShare benefits which were destroyed in or as a result of a household misfortune or natural disaster.

**Note:** When a Federal Individual disaster declaration has been issued and the food unit is eligible for DSNAP benefits, the food unit is not eligible to receive both a disaster (DSNAP) benefit and a replacement benefit for the same misfortune. (5.3.1 )

### Replacement

Replacement benefits should be provided only if a food unit timely reports a loss orally or in writing. The report will be considered timely if it is made to the agency within 10 calendar days of the date food was destroyed in or as a result of a household misfortune or natural disaster. If the 10th day falls on a weekend or holiday, consider it to have been received timely.

**Example 1:** Lorraine's household was impacted by a power outage that occurred October 1 and lasted through October 2. On October 12, Lorraine calls the agency to report her loss of food purchased with FoodShare benefits. She states by October 3 her food had spoiled. This is considered a timely report. **Note:** To be eligible for replacement FoodShare benefits, Lorraine must complete and return the Request for Replacement FoodShare Benefits form (F-00330) and provide proof of the outage within 10 days of her verbal report (October 12). The signed form and verification must be returned by October 22 to replace Lorraine's October benefit amount.

**Note:** The benefit replacement amount is the lesser of the claimed loss, or, up to the full allotment that was issued for the month of loss. The full allotment issued to the food unit includes any restored or supplement benefits.

**Example 2:** Mary and her daughter receive FoodShare benefits of \$345 monthly. There was a fire in their home on July 1. Mary goes into the agency on July 10 and reports that all of her food, valued at \$600, was destroyed in the fire. Mary completes the Request for Replacement FoodShare Benefits, (F-00330) and provides a statement from the Red Cross. Mary is eligible to have her July allotment replaced in the amount of \$345.

**Example 3:** Kevin receives FoodShare benefits of \$170 monthly. Kevin calls July 10 to report his power had been out for more than 4 hours July 6. On July 7 he had to throw away his food due to spoilage. He submits the completed the Request for Replacement FoodShare Benefits, (F-00330) and a news article about the power outage on July 16. Kevin claims he lost \$100 worth of food. The IM worker would issue Kevin \$100 in replacement benefits for July.

### Verifying FoodShare Eligibility

Upon receiving a verbal or written request for replacement benefits for food destroyed in or as a result of a household misfortune or natural disaster, the agency will need to check to see that the food unit had received a FoodShare benefit prior to the date of the misfortune.

**Note:** Use the Benefit Issuance History page to determine if the food unit was receiving benefits prior to or at the time of the misfortune. Do not use the EBT Transaction Details page when determining replacement eligibility or amounts.

**Example 4:** Steve and his child received a monthly benefit of \$265 on July 14. Due to a change in circumstances Steve's August benefit amount increased to \$355. August 3, Steve calls and reports that his electricity was shut off on July 28. He was able to pay his bill and the power was turned back on August 2. The power outage caused all of his cold and frozen foods to spoil. Steve claims to have lost \$600. Steve is eligible for a replacement up to his full July issuance of \$265.

Prior to issuing a replacement benefit, the agency will need to determine that the loss occurred in or as a result of a household misfortune or natural disaster, such as, but not limited to, a fire, power outage, appliance failure, utility disconnection, or flood. A power outage lasting four hours or more can result in food spoilage and is therefore a qualifying household misfortune. Each replacement request should be evaluated on a case-by-case basis since the circumstances of each misfortune may be different (e.g. food will spoil quickly during periods of extreme heat conditions, flooding may take a couple of days to reach the area food is stored or to damage an appliance).

More information about food safety can be found [here](#).

**Note:** A household misfortune does not include FoodShare benefits that were stolen. Stolen benefits and food purchased with FoodShare that is stolen is a legal matter to be resolved by the FoodShare recipient with law enforcement.

#### Time limits for replacing benefits

Replacement benefits need to be issued to the food unit no later than 10 days after the report of loss or within two working days of receiving the signed form and verification, whichever date is later.

The agency should deny or delay replacement benefits in cases in which available documentation indicates that the household's request for replacement appears to be fraudulent.

A worker must send a Notice of Denial (F-16001) to explain the reason for the denial. Inform the food unit of its right to a fair hearing to contest the denial or delay of a replacement benefits. Replacements shall not be made while the denial or delay is being appealed.

**Example 5:** Ginny submits a Request for Replacement benefits form on November 20 stating her freezer broke down on November 15. Ginny is requesting replacement benefits of \$200 for the food she lost. The worker checks Ginny's FoodShare eligibility and notes that Ginny's FoodShare closed October 1. The worker must send Ginny a Notice of Denial (F-16001) and explain that she is not eligible for replacement benefits because she was not eligible for or receiving FoodShare in November. The worker must also document the denial of the request in the case. If Ginny files a fair hearing on this decision, no replacement benefits shall be issued while pending a decision.

**Statement of Loss: Request for Replacement FoodShare Benefits form (F-00330)**

Prior to issuing a replacement, the agency must obtain from an adult member of the food unit a signed form attesting to and verifying the loss of food (1.2.6.2). The required verification and form may be completed in person, mailed, faxed, or submitted by other electronic means to the agency.

If the signed form, including required verification, is not received by the agency within 10 days of the date of the member's verbal or written report of the loss, no replacement is to be made. If the 10th day falls on a weekend or holiday, and the form with verification is received the day after the weekend or holiday, consider it to have been received timely.

The form and verification need to be retained in the electronic case record. The form needs to attest to the destruction of food purchased with FoodShare benefits and the reason for the replacement. It must also state that the food unit is aware of the penalties for intentional misrepresentation of the facts, including, but not limited to, a charge of perjury for a false claim.

**Verification of loss**

The member can verify the loss through a collateral contact, documentation from a community agency including, but not limited to, the fire department, utility company, the Red Cross, or a home visit. The verification needs to support that there was a misfortune or natural disaster which resulted in the destruction of food. The member can request a worker's help in obtaining the verification (1.2.1.3).

Following a verbal or written report of loss, the agency will need to send the food unit the Request for Replacement FoodShare Benefits form (F-00330) and the DCF manual verification form (F-2303) . The request must allow 10 days for the submission of the form and verification (1.2.1.2 Request for Verification).

**Verification exception policy**

When a "State of Emergency", due to weather or natural disaster, has been declared by a government official for an area (county/zip code/city), verification of the misfortune is not required as long as the loss claimed was specifically due to the state of emergency event. The member has 10 days from the date the loss occurred to report orally or in

writing. Allow 10 days for the Request for Replacement FoodShare Benefits form to be returned following the report of the loss. In some instances the Department of Health may obtain approval to extend the timeframe for reporting and receiving a completed form. The Department of Health Services will issue additional information in these situations.

In the instances where the loss of food is found to be questionable during a "State of Emergency," the worker should request verification of the event which resulted in the loss of food. Document the reason(s) the loss was found to be questionable.

**Example 6:** A statewide "State of Emergency" was declared by the Governor due to severe weather. A number of counties sustained substantial damage from the storms including power outages lasting more than 24 hours while other counties were unaffected by the storms. Terry is a FoodShare member who lives in a county that had little to no impact from the severe weather outbreak. Terry requests replacement benefits claiming his electric was out for more than twelve hours. The county Terry lives in has had no reports of power outages. The worker finds Terry's request to be questionable. Terry will need to verify the power outage before replacement benefits can be approved.

**Example 7:** A "State of Emergency" was declared by the Governor July 20 due to extensive flooding in Grant County. The Department was granted a special waiver to allow households to report food loss by August 21. Jesse reports on July 31 that his home sustained substantial flooding resulting in the loss of his food. He claims to have lost \$300 in food on July 27. Jesse will need to complete a request form by August 21 (allowed by the extension) to be found eligible for replacement benefits. Jesse does not need to verify his misfortune.

### **Documentation and reconciliation of replacement benefit requests**

The agency must document in the food unit's case file each request for replacement, the date of the verbal or written request, the reason for the request, and whether or not the replacement was approved or denied.

When a request for replacement is made, replace the benefit for the month the loss occurred.

**Note:** The "905" replacement supplement code must be used when issuing replacement benefits for destroyed food. This is essential for tracking, reconciliation, and reporting purposes.

#### **7.1.1.6 Voluntarily Refunded Benefits Amount**

FoodShare benefits may be returned because the FoodShare assistance group voluntarily refunds them. Document in case comments appropriately when benefits are voluntarily returned.

### 7.1.1.7 Deny Benefit Increases Due to Penalties in Other Programs

7 CFR 273.11(j)

Do not increase a FoodShare assistance 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,
2. Failure to comply with school attendance requirements (Learnfare), or
3. An act of fraud under that program.

**Example 11:** A *W-2* participant intentionally fails to comply with a *W-2* requirement and is sanctioned \$70 for non-participation. The *W-2* group will only receive a check for \$603; however, the full amount of \$673 must be budgeted for FoodShare.

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 food unit, or a new member in the food unit, is determined ineligible for the means-tested program at application. The food unit 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 FoodShare 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 FoodShare allotment must be adjusted accordingly.

If the person or food unit is subject to a penalty period in both the FoodShare program and another program, apply the FoodShare penalty period first. If the other program's penalty period is longer, that penalty will continue after the FoodShare period is completed. The prohibition on increasing benefits follows a person who moves from one food unit to another.

### 7.1.1.8 EBT Benefit Issuance Calendar

7 CFR 274.2(d)

Benefit distribution is based on the eighth digit of the member's *SSN*. The schedule below is also posted on the FoodShare webpage.

<b>Eighth Digit of SSN</b>	<b>Day of Month</b>
----------------------------	---------------------

	<b>FoodShare Benefits will be available</b>
0	2nd
1	3rd
2	5th
3	6th
4	8th
5	9th
6	11th
7	12th
8	14th
9	15th

#### **7.1.1.9 Expungement**

If there has been no EBT card activity for at least 365 days, any monthly benefits that are older than 365 days will be expunged. The expungement occurs only for benefits that were issued more than 365 days in the past. Expungement may occur over multiple months if card inactivity continues (see Process Help 80.7).

When all food unit members are deceased, EBT benefits will expire.

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## **7.2.1 ELECTRONIC BENEFITS TRANSFER ( EBT )**

The EBT Guide was made obsolete in October 2007. See Process Help 80.1 for information about EBT.

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## 7.3.1 BENEFIT OVERPAYMENT

### 7.3.1.1 Overpayment Claims Against Food Units

Establish a claim against any food unit that has received more FoodShare benefits than it was entitled to receive. Since the method used to determine the food unit's income for certification purposes was converted prospective budgeting, that is the method that is to be used for calculating overpayment claim amounts, not actual income received during the overpayment period. Prospective budgeting is calculated by converting a weekly, bi-weekly or semi-monthly payment into a monthly amount. This is the income an applicant or member is expected to receive during the current and future months. Income prospectively budgeted over the claim period should use converted monthly income and expenses (weekly times 4.3, biweekly times 2.15, and semimonthly times 2) when applicable. Do not use actual income to calculate the claim, even if all information is received for the entire overpayment claim period.

There are three types of overpayment claims: client error, non-client 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.

Historically, DHS has used the terms "overpayment" and "overissuance" interchangeably. As used in this handbook, these terms refer to the same concept.

### 7.3.1.2 Liability

7 CFR 273.18(a)(4)(i)

All adults or emancipated minors who were included in the food unit or should have been included in the food unit at the time the overpayment occurred are liable for the repayment of the overpaid FoodShare benefits. If a liable member moves to another food unit, responsibility of the overpayment is maintained and follows that member to the new food unit.

Liability for a FoodShare overpayment is not split evenly among liable parties. Liable individuals are responsible for 100% of the overpayment until the debt is repaid in full.

7 CFR 273.18(a)(4)(ii)

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 Group Living Arrangement), is responsible and liable for any FoodShare overpayments to the member due to misrepresentation or IPV which the authorized representative knowingly



commits in the certification of treatment centers, GLA residents, or individual representatives.

**Example 1:** Susan is receiving FoodShare, and her 21-year-old daughter Jane lives with her. Because Jane is Susan's daughter, she must be included in the FoodShare determination with her mother (3.3.1.3 Relationship Rules), but the agency failed to include her. The overpayment must be calculated using Jane's income and information. Both Jane and Susan are liable for the overpayment.

**Example 2:** Ellen is receiving FoodShare for herself and her two children but does not report that the father of the children lives in the home. The father has earned income, which causes an overpayment of benefits. The father must be and should have been added to the case (3.3.1.3 Relationship Rules) as if the change was reported timely. He is equally liable for the overpayment of FoodShare benefits.

### 7.3.1.3 Offsetting an Established Claim Amount

*7 CFR 273.18(g)(3)*

Offset an existing FoodShare overpayment (claim) with the calculated FoodShare underpayment (supplement) amount when both situations exist. Offset the claim against any amount that has not been supplemented to the FoodShare assistance group. An IM worker may offset a suspended or terminated claim amount against an underpayment amount.

### 7.3.1.4 Exception

An initial allotment and a DSNAP benefit allotment must not be reduced to offset a claim. This includes retroactive initial allotments. Person Adds are not initial allotments. Therefore, the IM worker can offset claims against person add supplements. Offset the entire supplement, if the claim balance is more than the supplement. If the claim balance is less than the supplement, **CARES** will correctly apply the amount of supplement that will zero out the claim and issue the remainder of the supplement as a benefit to the member.

### 7.3.1.5 Moves

*7 CFR 273.18(i)*

Pursue collection of FoodShare claims even if the food unit moves out of a county/tribal area or out of Wisconsin.

The agency that overpaid benefits to the FoodShare assistance group has the first opportunity to collect an overpayment. 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 overpaid the benefits to see if they intend to pursue collection.

#### **7.3.1.6 15% Local Agency Retention**

When the cause of overpayment 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 Overpayments Due to Receipt of Tribal Food Distribution and FoodShare in the Same Month**

A FoodShare assistance group cannot receive commodities from a Tribal Food Distribution program (3.11.1) and FoodShare at the same time. Make a claim against any group that receives FoodShare in the same month it also participates in a Tribal Food Distribution Program. If the group receives:

1. FoodShare 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 FoodShare in the same month, the FoodShare agency must process the claim

#### **7.3.1.8 Notice of Overissuance (Overpayment)**

*7 CFR 273.18(d)*

A Notice of FoodShare Overissuance, F-16028, a completed FoodShare Wisconsin Under/Overissuance Worksheet or FoodShare Wisconsin Overpayment Calculator worksheet, F-16030, and a FoodShare Repayment Agreement, F-16029, must be sent to the member for all types of claims.

Mail all correspondence to the last known address reported to the agency, unless through investigation it is verified that the member no longer lives at that address. In this instance, agencies must demonstrate and document the due diligence process in obtaining the best known address for the member.

Attempt a personal contact with the food unit in the initial collection efforts. The 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 FoodShare assistance group is receiving FoodShare benefits, recoupment will take place. If the member signs and returns the repayment agreement, they are expected to make a monthly repayment in addition to the recoupment from the FoodShare benefit allotment.

If FoodShare benefits are not being issued and the member does not sign and return the FoodShare 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 FoodShare assistance 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 FoodShare assistance 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 Overpayment Due to Client and Non-Client Error**

Federal regulations require that corrective action must be taken to establish a claim for any error discovered through a Quality Control (QC) review, regardless of the size of the error. Failure to take timely corrective action may result in liquidated damages against the agency in the amount of \$250 or more.

A client error occurs when the food unit unintentionally:

- Failed to provide correct or complete information,
- Failed to report a change that was required to be reported, or
- Received FoodShare for which it was not entitled pending a fair hearing decision.

A non-client error occurs when the state or local agency:

- Takes an incorrect action on a FoodShare case,
- Does not take prompt action on a change the food unit reported,
- Fails to correct an action,
- Incorrectly enters information or fails to include information that results in expedited eligibility,
- Misapplies policy, or
- System programming error, such as failure to include W-2 or SSI benefit increase.

Do not establish a claim if:

- An overpayment occurs because the agency did not ensure that a food unit signed the application form.
- Appropriate notice of a renewal or SMRF requirement was not sent due to an incorrect certification period in CARES.

- Expedited issuance resulting from a non-client error: Expedited issuance is based on best available information at the time of the eligibility determination and the FoodShare would only pend for identity.
- Benefits are issued solely because the 10-day negative notice requirement cannot be or has not been met.

**Example 3:** Mary's W-2 payment ended and she became eligible for TFS. CARES incorrectly set a 12 month certification period instead of a five month certification period. Because Mary did not receive a timely notice that her TFS benefits were ending after the fifth month, she would not be responsible for paying back any benefits that were issued incorrectly after the fifth month.

Do not establish a claim if Social Security, **SSI**, or Wisconsin Unemployment updates from data exchange are incorrect. These updates cannot be recovered or found in error because the information comes from a trusted third party source.

### **Expedited Issuance**

In general, expedited FoodShare is issued on the best information available and not recoverable. There are certain situations where expedited benefits can be recovered. In instances where an individual would not be eligible for expedited issuance and the agency either incorrectly entered information or failed to include known information (data exchange information, for example), resulting in expedited eligibility, the agency can recover. If the agency establishes an intentional program violation (IPV), the agency can recover benefits. For client errors, do not pursue recovery of expedited benefits since the issuance is based on best available information and the application can only pend for identity prior to the expedited determination.

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## **7.3.2 CALCULATING OVERPAYMENT CLAIM AMOUNTS**

### **7.3.2.1 Client and Non-Client Error**

When calculating the overpayment, consider the food unit's reporting requirements. Do not use income or expenses, or changes in income and expenses that were not reported and were not required to be reported. Calculating an overpayment claim means determining the correct amount of benefits for each month in which a household received an overpayment. The correct amount of benefits is the amount the household would have received had the information used in the eligibility determination been accurate at the time of the determination.

Use converted prospective income to determine ongoing benefit eligibility for the overpayment calculation. Do not use actual income to calculate the claim, even if all information is received for the entire overpayment claim period. Only use the income and expenses reported or required to be reported for each month of the overpayment period. In claim calculations, disregard income that was not previously reported and was not required to be reported.

When a food unit member should have been ineligible, their income and expenses should be deemed following the appropriate deeming standard. The ineligible individual should not be counted as part of the assistance group in calculating the overpayment claim. See 4.7.5 Prorated Deeming and 4.7.6 Gross Deeming.

The "Date of Discovery" is the date you become aware of the potential overpayment. This date is used to establish the look back period. The overpayment period begins with the date of discovery and extends back up to one year (12 months) for non-client errors and up to six years (72 months) for client errors. This look back period is the period of time during which the overpayment may have occurred.

From this point forward the term "Date of Discovery" will be synonymous with the "Date of Awareness." "Date of Discovery" will be used on all future correspondence. The intent of the policy is that both terms are part of a process to define the overpayment period. The overpayment period consists of the number of months during which there were overpayments within the look back period. The overpayment period begins with the first month had the change been reported timely and acted on timely. It would have been effective up to the month prior to when the case was corrected.

The date the claim is mailed or otherwise delivered to the food unit is considered the date of establishment of the claim for tracking purposes, including establishing delinquency for the purposes of tax intercept. If the claim was not established at a fair hearing, a notice of adverse action must be provided. The notice of adverse action can be included with the claim notice or mailed separately. Overpayment claim notices must be sent to the last-known address. If a fair hearing official determines that a claim does exist against the food unit, the food unit must be re-notified of the claim.

Current verification requirements still apply. When all attempts to obtain the verification are unsuccessful the worker must use the best available information to determine the monthly income amount for purposes of the overpayment calculation. The food unit has primary responsibility for providing documentary evidence to support statements in the case record and to resolve any questionable information. The worker must assist the household in obtaining this verification provided the food unit is cooperating with the agency. When the food unit fails or refuses to provide income information needed to calculate the claim and no other information is available, the claim should be calculated as if the food unit was completely ineligible. This process is consistent with eligibility determinations at application, six month report and renewal, where if the applicant member fails to provide mandatory verifications, the food unit is ineligible to receive FoodShare benefits (See 1.2.6.1 Required Verification to Determine Eligibility). The overpayment is to be established using certification rules. If the relevant information is later provided by the food unit, the claim should be recalculated with the new information factored into calculating the monthly eligibility and benefit amount that should have been received.

The food unit must be given a reasonable opportunity to provide verification of income, and the agency may contact the employer directly for verification. It is not necessary to contact the food unit prior to contacting the employer; both contacts can be completed at the same time. Members should be provided 30 days to provide verification, unless it is determined that additional time is necessary in order to collect and submit the verification requested. If more than 30 days are allowed for provision of verification by the member, document the number of days allowed and the reason. Employers should be provided 10 days to provide verification. When no other form of verification is available, then SWICA information is considered the best available information and should be used to calculate an overpayment.

Document clearly in case comments the unsuccessful requests for verification from the household and the employer, and the reason for using a SWICA match as the best available verification of monthly income. Also clearly document how the income amount was calculated from the SWICA match.

If while calculating an overpayment claim, it is found that there was an underissuance that was a result of agency error and the underissuance is within the last 12 months, the amount of the underissuance must be offset against the total claim amount (if a claim is established) or a supplemental issuance should occur if there is no overpayment claim established.

*7 CFR 273.18(d)(1)*

In order to meet the established timeliness requirements, overpayment claims must be completed before the last day of the quarter following the quarter in which the IM discovered an overpayment. This holds true for both client and non-client errors. Overpayment claims must be established and recovered even if they are not calculated within this timeframe. Overpayment claims must be established and recovered even if

they are calculated late; failing to complete a claim within the given timeframe does not void the overpayment.

### **Client Error**

A client error occurs when the food unit unintentionally:

1. Failed to provide correct or complete information,
2. Failed to report a change that was required to be reported, or
3. Received FoodShare for which it was not entitled pending a fair hearing decision.

The look back period for client errors begins with the date of discovery (the day the IM worker discovered the potential that an overpayment may exist) and extends backward:

1. Six years, or
2. To the month the change would have been effective had the food unit timely reported it, whichever is most recent.

The overpayment period begins with the first month had the change been reported timely, and would have been effective up to the month prior to when the case was corrected.

It is essential that the date of discovery be documented in case comments. This date locks in the look back and overpayment period. This date will not change even if the overpayment is calculated untimely.

The month the change would have been effective cannot be more than two months after the change in circumstance actually occurred.

When determining if an overpayment 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 FoodShare assistance group size to determine if the income should have been reported.

In overpayment calculations, do not apply the 20% earned income disregard to earned income that was required to be reported but was not reported timely. Disregard income that was not previously reported and was not required to be reported due to reduced reporting requirements. If expenses were reported correctly at the time of the overpayment, use those same expenses when calculating the overpayment. If expenses were incorrectly reported, and subsequently verified (examples: the expense was considered questionable and the IM worker requested and received verifications, or the expense was verified through a QC review or a WHEAP data exchange, etc.) use the verified amount in the overpayment calculation. If the IM worker knows the expense is incorrect and verification was requested but was not received, do not allow the expense in the overpayment calculation.

Earned income needs to be verified when determining income to be used in an overpayment calculation.

For Earned Income:

1. Dated check stubs of income that should have been reported that caused the overpayment.
2. Earnings reports, a statement from the employer, or ECF forms, signed by the employer, with all needed information.

**Note:** IEVS may indicate that income was earned from an employer sometime during three months of the work quarter. Do not use IEVS in calculations and overpayments.

### Non-Client Error

A non-client error occurs when the state or local agency:

1. Takes an incorrect action on a FoodShare case,
2. Does not take prompt action on a change the food unit reported,
3. Fails to correct an action,
4. Incorrectly enters information or fails to include information that results in expedited eligibility,
5. Misapplies policy, or
6. System programming error, such as failure to include W-2 or SSI benefit increase.

The look back period for non-client errors begins with the date of discovery (the day the IM discovered the potential that an overpayment may exist) and extends backward:

1. Twelve months, or
2. To the month the error was effective had the change been acted on timely, whichever is most recent.

The overpayment period begins with the first month the change would have been effective up to the month prior to when the case was corrected.

It is essential that the date of discovery be documented in case comments. This date locks in the look back and overpayment period. This date will not change even if calculated untimely.

**Example 1:** At Jeff's renewal on June 5, 2019, he reported income of \$800 per month. His IM worker miscalculated Jeff's income and budgeted \$400 per month instead of the \$800 per month that Jeff reported. When Jeff submits his SMRF on December 5, 2019, the IM worker discovers her error and corrects the case effective January 1, 2020.

To calculate the overpayment, the IM worker budgets the correct income amount of \$800 from the job Jeff reported.

- The date of discovery is December 5th, 2019.
- The look back period is June 2019 through December 2019 (non-client error).



- Had the June 2019 change been acted on accurately the change would have been effective July 1, 2019, therefore the overpayment period is July 1, 2019 through December 31, 2019.

**Example 2:** Matt submitted a complete SMRF on August 4, 2019. On August 8, 2019, Matt's IM worker discovers that Matt started a job on April 5, 2019 and Matt received income in April that exceeded 130% of the FPL threshold. The new income should have been reported by the 10th of May. The IM worker corrects the case and closes it effective August 31, 2019.

- The date of discovery is August 8, 2019.
- Had the April 2019 income change been reported timely, the case would have closed as of May 31, 2019. Therefore, the overpayment period is June 1, 2019 through August 31, 2019. Section 6.1.1 Change Reporting for All Food Units (Reduced Reporting) applies, and the change must be reported by the 10th of the month following the month in which the total income exceeded 130% of the FPL.

### **7.3.2.2 Collecting Client and Non-Client Error Claims Against Participating Food Units**

*7 CFR 273.17(d)(4)*

*7 CFR 273.18(e)*

Establish collection of overpayment claims against participating food units 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 member wishes to pay the whole claim at once, he or she may do so.

A participating food unit is one that is still open and receiving FoodShare benefits.

### **7.3.2.3 Collecting Claims for Client & Non Client Errors Against Non-Participating Food Units**

*7 CFR 273.18(e)*

Establish overpayment claims for non-participating food units only if the amount of the claim is \$125 or more.

A non-participating food unit is one that is closed and not receiving FoodShare benefits.

### **7.3.2.4 IPV**

Establish a claim due to an Intentional Program Violation (*IPV* 3.14.1) only when one of these conditions exists. The food unit member:

1. Signs a waiver of the disqualification hearing,
2. Signs a disqualification consent agreement after being referred for prosecution, or
3. Is convicted of a FoodShare felony or found guilty of IPV in an Administrative Disqualification Hearing or judicial proceeding.

7 CFR 273.16 (c)

An applicant or member commits an IPV when he or she intentionally:

1. Makes a false or misleading statement or misrepresents, conceals or withholds facts, including their identity or place of residence, to become eligible or to remain eligible for benefits; or
2. Commits any act that constitutes a violation of the Food and Nutrition Act of 2008, the Supplemental Nutrition Assistance Program Regulations, or any Wisconsin statute for the purpose of using, presenting, transferring, acquiring, receiving, or possessing, or trafficking of FoodShare benefits or QUEST cards. See 3.14 for a definition of trafficking.

The cardholder is the only person that can make authorized purchases on the QUEST card, unless he or she verbally authorizes another person to make purchases on their behalf for their assistance group.

An unauthorized individual who uses a QUEST card without the cardholder's consent is committing fraud. Unauthorized individuals using the card to make purchases for themselves without the cardholder's consent are also committing fraud. If the cardholder knows the card is in the hands of an unauthorized individual, both the cardholder and unauthorized individual may be accused of fraud.

**Example 3:** Ellen is receiving FoodShare for herself, and her two children. Ellen is sick and gives her QUEST card to a friend to buy food for the FoodShare assistance group, and her friend buys food for Ellen's family. Since Ellen authorizes her friend to buy food for Ellen's family, the friend is considered an authorized buyer even though there is no written documentation of the authorization.

**Example 4:** Steve is a single FoodShare member who has been in jail for the last four months. Steve gives his QUEST card to a friend to use while he is in jail. His friend is not buying food for Steve, the person eligible for the FoodShare benefits. His friend is an unauthorized buyer, and both are guilty of committing fraud.

If a FoodShare member has a pending IPV hearing, the IM worker should establish the claim as a non-client error.

If the case has been referred to the DA for prosecution, the IM worker should discuss the claim establishment with the DA or the agency's legal counsel.

If the DA or agency's 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

*7 CFR 273.18(c)*

*7 CFR 273.16(c)(2)*

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 overpayment, use the same expenses when calculating the overpayment. 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,
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 FoodShare assistance group. Start collection action for the remaining balance.

A worker 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.

Change the error type from "client error" in CARES to "IPV" error. This will update the CARES system to take the correct IPV recoupment amount for repayment of the debt. CARES will auto-generate overpayment notices and the Notice of Repayment Agreement.

**Note:** Sending a new notice and RPA starts the claim collection process all over again, providing new hearing rights on the merits of the claim. A new notice would disrupt the entire collection process that was already occurring. In addition, these claims could already be delinquent and in process of Federal and State tax offset, a new RPA would make the client think they could again make voluntary payments on an already delinquent claim, or disrupt an existing RPA. The IPV determination is entirely separate from the collection of the claim, with its own hearing rights for that process. For example: we already could legally collect the claim as a client error, we already notified them of the amount/ dates/ calculations, etc. which is required by law. The only thing that would trigger the legal

requirement for a new notice would be increase of the balance we were trying to collect. The IPV determination process and recoupment notices notify the client of the change. The determination should have no effect on the collection that was already occurring.

Once the repayment process has started on a claim, do not send a new repayment agreement form related to the same claim unless there is an increase in the claim balance.

**Note:** The systems do not allow interest to be charged on a claim.

IPV information is entered in CARES as soon as possible after the date of decision.

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 IM 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 member is disqualified from receiving FoodShare. Code 999 is permanent disqualification. No sanction end date will appear if the sanction duration is 999.

### 7.3.2.6 Allotment Reduction

*7 CFR 273.16(g)(1)*

An overpayment due to any type of error will be recovered from a FoodShare assistance group participating in the program by reducing their allotment.

The type of error determines the amount that will be recovered each month.

1. Client/non-client error: CARES will reduce the allotment by the greater of 10% of the FoodShare assistance group's monthly allotment or \$10 each month. The \$15 minimum benefit level for one or two person groups applies before CARES reduces the allotment.
2. IPV: CARES will reduce the allotment by the greater of 20% of the group's 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 FoodShare group member. The \$15 minimum benefit level for one or two person groups applies before CARES reduces the allotment.

CARES will not allow you to reduce the recovery amount to less than \$10 for client/non-client and less than \$20 for an IPV.

CARES will not reduce the initial allotment when the food unit is first certified unless they agree to a reduction.

Food units must be allowed to voluntarily pay towards an overpayment claim(s) by reducing the issued benefits from the EBT account. Written permission must be obtained for this to occur which can be completed with Request To Reduce Quest Card Balance, F-19002. If oral permission is instead obtained for a one-time reduction, a receipt showing the reduction must be sent to the food unit within 10 days. *Local agency retention rules do not apply to this form of collection.*

### **7.3.2.7 Writing-Off Claims Against Non-Participating Food Units**

7 CFR 273.18(e)(8)

Claims against non-participating food units and FoodShare assistance groups may be written off if reasonable collection efforts have been made and the debt is determined to be uncollectable.

Claims that have been referred to and or have resulted in a successful tax intercept should not be written off but should remain open until paid in full.

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 food unit 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 outstanding balance of \$24 or less and has been past due for 90 days or more.
  - b. The outstanding claim balance is from \$26 to \$499 and:
    - i. Three past due notices have been sent, and
    - ii. It has been past due for three years, and
    - iii. There have been no successful tax intercepts.
  - c. The outstanding claim balance is from \$500 to \$4999 and:
    - i. Three past due notices have been sent, and
    - ii. It has been past due for five years, and
    - iii. There have been no successful tax intercepts, and
    - iv. It has been considered a referral to a collection agency or credit bureau.
  - d. The outstanding claim balance is \$5,000 or greater and:
    - i. Three past due notices have been sent, and
    - ii. It has been past due for 10 years, and
    - iii. There have been no successful tax intercepts, and
    - iv. It has been considered for referral to a collection agency or credit bureau.

Documentation of the following information is required:

1. The age of the claims,
2. Actions taken to collect, and
3. Documents relevant to the specific claim, e.g., death certificates, bankruptcy discharge orders, and administrative or judicial decisions.

Recommendations for the writing-off of claims must be submitted to the Public Assistance Collection Unit, via mail at: P.O. Box 8938, Madison, WI 53708-8938; or via email at [dwspacu@wisconsin.gov](mailto:dwspacu@wisconsin.gov).

### 7.3.2.8 Overpaid Claims

*7 CFR 273.18(h)*

The Department of Children and Families Bureau of Finance, Public Assistance Collections Unit (PACU) Section monitors and processes all refunds centrally at the State level. This section monitors all accounts for refunds. If a refund is due on a FoodShare overpayment and the FoodShare case is open, the PACU Collections Section will contact the appropriate agency to issue a FoodShare supplement benefit in the amount of the refund due. If an agency notices that a refund has not been processed, the agency can contact the PACU Collections Section at [dwspacu@wisconsin.gov](mailto:dwspacu@wisconsin.gov).

### 7.3.2.9 Reserved

### 7.3.2.10 Tax Intercept

*7 CFR 273.18(g)(8)*

The State of Wisconsin Public Assistance Collections Unit uses tax intercept from both state and federal tax refunds to recover overpayments claims from anyone who has become delinquent in repayment of a claim.

To use tax intercept, the overpayment must be considered delinquent. Delinquency prior to establishing a repayment agreement is defined as a failure to establish an agreement by its due date. Once the due date passes, the claim is considered delinquent. Delinquency after a repayment agreement is established is defined as failing to make the monthly payment by the due date three times over the life of the debt. The collection system sends three dunning, or past due, notices for each of the three missed payments. The debt must meet all six of the criteria below:

	<b>State Debt Criteria</b>	<b>Federal Debt Criteria</b>
1	Valid and legally enforceable	Valid and legally enforceable
2	All error types	All error types
3	\$20	\$25

4	At least 30 days after the third notification of the tax intercept.	At least 120 days from notification of overpayment.
5	Free from any current appeals.	Free from any current appeals.
6	Incurred by someone who is not currently in bankruptcy.	Incurred by someone who is not currently in bankruptcy.

### 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 federal administrative desk review. The member must provide evidence showing the claim is not past due, or is not legally enforceable. If the member cannot provide that evidence, the case will be sent for intercept.

The case is not subject to the state tax intercept while under appeal with the Division of Hearings and Appeals. A State fair hearing has no effect on a Federal Tax Intercept Action. A Federal desk review does not stay a Federal tax intercept action.

### 7.3.2.12 Repayments

*7 CFR 273.18(e) (4) and (5)*

A member who makes a repayment agreement may not be subject to tax intercept as long as he or she is meeting the conditions of the agreement. Failure to sign and return a repayment agreement may result in further delinquency collection action. If a member's repayment agreement becomes delinquent, which is defined as three missed payments over the life of the debt and has been sent three dunning, or past due, notices, he or she 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.

If more than one claim is established for a food unit, the additional claim(s) will not be considered delinquent so long as the other claim(s) are being currently paid through an installment agreement or allotment reduction and collection on the additional claim(s) are expected to begin once the prior claim is settled.

A claim is not subject to the requirements for delinquent debts if the collection failure reason is due to collection coordinated through the courts.

A claim awaiting a fair hearing decision must not be considered delinquent.

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## 7.4.1 BENEFIT UNDERPAYMENT

### 7.4.1.1 Supplement Benefits Due to Underpayment

7 CFR 273.17 (a) and (b)

7 CFR 273.17(e)

Supplement FoodShare benefits when a FoodShare food unit received fewer benefits than it was entitled to receive. Only supplement benefits if the food unit did not cause the underpayment. Do not supplement benefits if the underpayment occurred more than 12 months before the month the underpayment is discovered.

IM workers must issue the appropriate supplement benefit as soon as possible, but always by the 10th day of the month the increase in benefits is effective. Issuing supplemental benefits prior to the QC sample pull (1st Saturday of each month) may result in the case being correct for a QC review rather than in error.

**Note:** Federal regulations require that corrective action must be taken to restore lost or under-issued benefits for errors discovered through a Quality Control (QC) review, except for client caused under-issuances, which are not to be supplemented. Failure to take timely corrective action may result in liquidated damages against the agency in the amount of \$250 or more.

Supplement benefits even if the FoodShare assistance group is currently ineligible. The food unit does not need to request the supplement. Supplement benefits as soon the underpayment is discovered.

The local agency servicing the FoodShare case handles the correction if the case is receiving FoodShare. If the case is closed, the local agency that last serviced the case corrects the error.

Supplement benefits for a member disqualified due to an *IPV* only if the disqualification is reversed. Compare the allotment the FoodShare assistance group received with what it would have received if the disqualified member had participated, and supplement the difference.

IM workers must issue the appropriate supplement benefit as soon as possible, but always by the 10th day of the month the increase in benefits is effective. Issuing supplemental benefits prior to the QC sample pull (1st Saturday of each month) may result in the case being correct for a QC review rather than in error. If a member is already getting benefits and requests a hearing before the benefits change, the assistance group can keep getting the same benefits until the hearing officer makes a decision. If the hearing officer decides that the agency was right, the assistance group may need to return the extra benefits received after the benefits were supposed to change.

### 7.4.1.2 Calculating the Amount of the Underpayment

7 CFR 273.17(d)

Supplement the difference between the issued allotment and the correct allotment. Issue the supplemental benefits in addition to the FoodShare assistance group's regular allotment. Consider the food unit's reporting requirements when calculating the underpayment. Do not use income, expenses, or changes in income and expenses that were not reported and were not required to be reported.

The system will allow a worker to offset the supplement amount, as long as it is not an initial allotment.

If the FoodShare assistance group was eligible but received an incorrect allotment, calculate the underpayment amount (supplement) only for those months the group was participating in the program.

If the FoodShare assistance group was found erroneously, determine the date the ineligibility began based on the following:

<b>Incorrect Action Taken</b>	<b>Underpayment Month(s) Outcome</b>
Incorrect denial or delayed application	Use the application month
Terminated erroneously	Use the month the loss first occurred
Incorrect denial of renewal	Use the month following the expiration of the certification period

Calculate the underpayment amount for each month the FoodShare assistance 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 supplemented beyond 12 months from the month the underpayment is discovered.

**Example 1:** On May 22, 2017 an IM worker discovers that benefits had been underpaid since February 2016. The IM worker counts back 12 months from May 2017 and supplements benefits from June 1, 2016 to May 31, 2017.

To calculate an underpayment:

1. Review the income and/or expenses in error. Do not review income and/or expenses that were not the cause of the error.
2. Use only the income and/or expenses that were reported or were required to be reported.
3. Request any verification necessary to determine correct eligibility and benefit amounts. Do not re-verify income and/or expenses that were not found in error. If requested verification is not provided in 10 days, do not issue a supplement for the months the requested verification would have impacted eligibility or benefit amounts.

**Example 2:** On June 10, Brian's IM worker discovers that she did not allow Brian the full dependent care deduction that he was eligible to receive since February 1. The IM worker uses the full dependent care deduction of \$200 per month to determine the difference between what Brian received and what he should have received from February to June. The IM worker does not request verification of Brian's income and other expenses because they were not found in error.

#### **7.4.1.3 Notice of Underpayment**

CARES will issue a notice to food units at the time a supplement has been issued. The notice will include:

1. The reason for the supplemented or replaced benefits,
2. The supplemental benefit amount,
3. Any amount of the supplement that was applied to offset an overpayment claim,
4. The remaining amount of supplemental benefits the assistance group will be issued on the QUEST card after the offset has been applied,
5. Information regarding the QUEST card,
6. A list of key contacts,
7. Information regarding the food unit's right to request a fair hearing.
8. FoodShare rights and responsibilities, and
9. USDA nondiscrimination statement.

If the documents to support eligibility for supplemental benefits are not obtained, the food unit may provide an affidavit explaining why it is eligible. The affidavit is signed under penalty of perjury. The local agency, a food unit member, or the food unit member's designee may draft the affidavit.

#### **7.4.1.4 Method of Supplementing**

*7 CFR 273.17(f) and (g)*

Issue a supplemental benefit allotment to correct the underpayment, regardless of current eligibility. If the FoodShare assistance group's composition has changed, supplement benefits to the group containing the most FoodShare assistance group members when the loss occurred. If you cannot find or determine the group with the largest number, supplement benefits to the primary person at the time of the loss.

Document your calculations and the reason for issuing a supplement in the case comments.

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## 7 Benefits

*Effective Date: 08/03/2020*

## 8 APPENDIX

### 8.1 TABLES

#### 8.1.1 Income Limits

##### 8.1.1.1 Income Limits

Effective October 1, 2020

	<b>Categorical Eligibility Income Limit</b>	<b>Elderly &amp; Disabled Seeking Separate Food Unit Status</b>	<b>Income Change Reporting Threshold And Gross Income Limit For Non-Categorically Eligible Food Groups</b>	<b>Net Income Limit</b>	<b>Monthly Maximum FoodShare Allotment</b>
<b>FoodShare Group Size</b>	<b>Gross Monthly Income Limit (200% FPL)</b>	<b>Gross Monthly Income Limit (165% FPL)</b>	<b>Gross Monthly Income Limit (130 % FPL)</b>	<b>Gross Monthly Income Limit (100% FPL)</b>	
1	\$2,128	\$1,755	\$1,383	\$1,064	\$204
2	\$2,874	\$2,371	\$1,868	\$1,437	\$374
3	\$3,620	\$2,987	\$2,353	\$1,810	\$535
4	\$4,368	\$3,603	\$2,839	\$2,184	\$680
5	\$5,114	\$4,219	\$3,324	\$2,557	\$807
6	\$5,860	\$4,835	\$3,809	\$2,930	\$969
7	\$6,608	\$5,451	\$4,295	\$3,304	\$1,071
8	\$7,354	\$6,067	\$4,780	\$3,677	\$1,224
9	\$8,102	\$6,683	\$5,266	\$4,051	\$1,377
10	\$8,850	\$7,299	\$5,752	\$4,425	\$1,530
Each additional member	+\$748	+\$616	+\$486	+\$374	+\$153

##### 8.1.1.2 Regular SNAP Program Income Limits

Effective October 1, 2020

	<b>EBD</b>	<b>Regular SNAP IPV and Drug Felony</b>
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	<b>Non Categorically Eligible</b>		
<b>FoodShare Group Size</b>	<b>Net Monthly Income Limit (100% FPL)</b>	<b>Gross Monthly Income Limit (130 % FPL)</b>	<b>Net Monthly Income Limit (100% FPL)</b>
1	\$1,064	\$1,383	\$1,064
2	\$1,437	\$1,868	\$1,437
3	\$1,810	\$2,353	\$1,810
4	\$2,184	\$2,839	\$2,184
5	\$2,557	\$3,324	\$2,557
6	\$2,930	\$3,809	\$2,930
7	\$3,304	\$4,295	\$3,304
8	\$3,677	\$4,780	\$3,677
9	\$4,051	\$5,266	\$4,051
10	\$4,425	\$5,752	\$4,425
Each additional member	+\$374	+\$486	+\$374

### 8.1.1.3 Asset Limits

Effective October 1, 2019

<b>Food Unit Type</b>	<b>Asset Limit</b>
Elderly, Blind, or Disabled (EBD) Food Units are those where all food unit members are elderly, blind, or disabled	\$3,500
Regular FoodShare (SNAP) Household (Non-EBD)	\$2,250

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## 8.1.2 Allotment for Monthly Net Income and FoodShare Group Size

### Current Allotment Table

Allotment by monthly net income effective October 1, 2020 through September 30, 2021.

### Prior Years' Allotment Tables

Allotment by monthly net income and FoodShare group size effective dates:

Start Date	End Date
October 1, 2019 <ul style="list-style-type: none"><li>• 1-10 persons</li><li>• 11-20 persons</li></ul>	September 30, 2020
October 1, 2018 <ul style="list-style-type: none"><li>• 1-10 persons</li><li>• 11-20 persons</li></ul>	September 30, 2019
October 1, 2017 <ul style="list-style-type: none"><li>• 1-10 persons</li><li>• 11-20 persons</li></ul>	September 30, 2018
October 1, 2016 <ul style="list-style-type: none"><li>• 1-10 persons</li><li>• 11-20 persons</li></ul>	September 30, 2017
October 1, 2014 <ul style="list-style-type: none"><li>• 1-10 persons</li><li>• 11-20 persons</li></ul>	September 30, 2016
November 1, 2013	September 30, 2014
October 1, 2013	October 31, 2013
October 1, 2012	September 30, 2013
October 1, 2011	September 30, 2012
October 1, 2009	September 30, 2011
April 1, 2009	September 30, 2009
October 1, 2008	March 31, 2009
October 1, 2007	September 30, 2008

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**8.1.3 Deductions**

Effective October 1, 2020

<b>Deduction Type</b>	<b>Amount</b>
<b>Standard</b>	
For groups with 1-3 people	\$167
For groups with 4 people	\$181
For groups with 5 people	\$212
For groups with 6 or more people	\$243
<b>Dependent Care</b>	Use the out-of-pocket amount the food unit is obligated to pay. This is the amount not paid by a third party.
<b>Utility Allowances</b>	
HSUA (Heating Standard Utility Allowance)	\$462
Homeless Shelter Allowance	\$157
LUA (Limited Utility Allowance)	\$320
EUA (Electric Utility Allowance)	\$141
WUA (Water and Sewer Utility Allowance)	\$90
FUA (Cooking Fuel Allowance)	\$37
PUA (Phone Utility Allowance)	\$29
TUA (Garbage and Trash Utility Allowance)	\$23
<b>Shelter Maximum Deduction (non-EBD households)</b>	\$586
<b>Medical Allowance</b>	Expenses over \$35

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### 8.1.4 Disqualification For Divestment

Use this table for divestments.

<b>Divested Assets Over the Group's Asset Limit</b>	<b>Number of Months Disqualified</b>
\$>0 - \$249.99	One (1)
\$250 - \$999.99	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 website shows what food items may be purchased using FoodShare benefits.

People receiving their nutrition through Total Parenteral Nutrition (TPN) may be eligible for FoodShare benefits. TPN formulas are an eligible food item.

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## 8.1.6 System Generated Payments

### CARETAKER SUPPLEMENT

- \$250 per month for the first eligible child
- \$150 per month for each subsequent eligible child

### Wisconsin Works

First W-2 payment monthly amount needs to be manually budgeted, and count only for that month.

W-2 Placement Type	Gross Monthly Payment
CSJ	\$653
1/3 CSJ	\$218
1/2 CSJ	\$327
2/3 CSJ	\$435
W-2 T	\$608
CMC	\$673
ARP	\$673
CMF+	\$50

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## **8.2 WORKSHEETS AND FORMS**

### **8.2.1 Worksheets and Forms**

All Department of Health Services eligibility management forms (including FoodShare Wisconsin applications, forms and worksheets) are found at [dhs.wisconsin.gov/em/imforms.htm](http://dhs.wisconsin.gov/em/imforms.htm).

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