

Frequently Asked Questions on FDPIR Household Eligibility

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Application Processing

1. What is a complete application?

Response: An application is considered complete for filing purposes if it contains the applicant's name, address, and is signed by a responsible household member or an authorized representative (see sections 3120 and 3330 of FNS Handbook 501). Additional household information (such as the names of all household members and the household's income and resources) is necessary to certify a household, and must be obtained at the certification interview.

2. What action should be taken on an incomplete application received by mail if the household cannot be reached?

Response: All applicant households, or their authorized representatives, must have an interview with a certification worker prior to certification (see section 3600 of FNS Handbook 501). If an application is incomplete and the household cannot be reached for an interview to complete the application, no further action can be taken on the application (see section 3330 of FNS Handbook 501).

3. How do you handle an application when you can't determine a household's eligibility within seven working days of the date of application due to lack of verification?

Response: If the necessary verifications cannot be completed within the seven day application processing standard, you must certify the household for one month's benefits **if** the application is complete **and** it appears that the household is eligible. No further FDPIR food distribution can be made without completing the required verification (see sections 3320 and 5101 of FNS Handbook 501).

Household Composition

- 1. If children leave the household to visit their grandparents during school break, can the parents still claim the children as part of the household while they are away?**

Response: Household members can still be considered part of the household during temporary absences, e.g., vacations and visits with relatives (see section 3401 of FNS Handbook 501). FNS does not define "temporary," so the ITO/State agency may apply its own reasonable definition.

- 2. Three children (under age 10) have been placed in their aunt's home by county social services. The aunt receives benefits under the Supplemental Nutrition Assistance Program (SNAP) (formerly known as the Food Stamp Program). Can the children be considered a separate household for FDPIR?**

Response: No. The children must participate with the aunt as one household (see section 3400 of the FNS Handbook 501). The aunt must either add the children to her SNAP case, or close her SNAP case and apply for FDPIR with the children.

- 3. If the only adult in a three-person household is disqualified from FDPIR, can the children still participate?**

Response: Yes. If the only adult in the household is disqualified from FDPIR, the children can participate with an authorized representative acting as the head of household (see section 3430 of FNS Handbook 501). If no adult is available who can act as the authorized representative, the disqualified adult can act as the authorized representative for the household (sections 3431 and 3432 of FNS Handbook 501). However, the disqualified adult is not considered a household member for the purpose of determining benefits.

- 4. What are the procedures for handling a ward of the court that is placed with a family?**

Response: A ward of the court that is placed with a family would be treated the same as a foster child (see section 3415 of FNS Handbook 501). Payments made by the Tribe or a State agency to the family for the care of the minor would be counted as income, if the minor is counted as a FDPIR household member. The payments may be excluded if the minor is not counted as a FDPIR household member.

Indian Tribal Household Status

- 1. A mother and two children live off-reservation. The children are enrolled members of a federally-recognized Tribe, but the mother isn't. Can the mother participate with the children in FDPIR?**

Response: Yes. For households living off-reservation (or in Oklahoma) in an approved FDPIR service area, only one member of the household must be a member of a federally-recognized Tribe (see section 4212 of FNS Handbook 501).

- 2. A mother and two children live in Oklahoma and the mother is the only household member who is an enrolled member of a federally-recognized Tribe. The mother is disqualified from SNAP for her first intentional program violation. Consequently, the mother is ineligible to participate in FDPIR for one year. Can the children participate in FDPIR?**

Response: Yes. Since the mother is an enrolled member of a federally-recognized Tribe, the status of the household as an Indian Tribal Household does not change as a result of the mother's disqualification, as long as the mother continues to live with the children. The mother's income and resources shall be counted in accordance with section 4731 of FNS Handbook 501, but she is not included as a household member in determining the level of benefits the household shall receive.

- 3. If the father in a 4-person family is deployed, and he is the only household member that is an enrolled member of a federally-recognized Tribe, does the household lose its status as an Indian Tribal Household?**

Response: The household would retain its status as an Indian Tribal Household during the father's deployment. Any income contributed to the household by the deployed father would be counted as household income, but the father would not be included as a household member in determining the level of benefits the household shall receive (i.e., the household would be a 3-person household while the father is deployed).

Determining Income

1. When converting weekly or biweekly income to a monthly amount, why are the conversion factors of 4.3 and 2.15 used?

Response: The conversion factors of 4.3 for weekly paychecks and 2.15 for bi-weekly paychecks account for the fact that all months do not have the same number of paydays. For example, if an individual is paid every Friday, there are eight months in calendar year 2008 in which the individual would receive four paychecks and four months in which the individual would receive five paychecks. The 4.3 conversion factor accounts for the fluctuation in the number of paychecks received each month. The 4.3 and 2.15 conversion factors are used in other programs, such as SNAP, where monthly household income is determined.

2. What is the best way to handle households with fluctuating income due to overtime?

Response: If the individual does not work overtime on a regular basis, you may use the "normal" amount of income that the individual receives to determine the household's monthly income (see section 4611 of FNS Handbook 501). If the household works overtime on a regular basis and his paychecks fluctuate frequently, you may average the income (see section 4622 of FNS Handbook 501).

Households that have infrequent fluctuations in income would still be considered somewhat stable, and can be assigned longer certification periods. However, households with incomes that fluctuate frequently should be assigned shorter certification periods (see section 5112 of FNS Handbook 501).

3. A truck driver receives travel per diem, which is included in his gross pay. Should the per diem amount be counted as income?

Response: No. The per diem represents a reimbursement for travel expenses. Reimbursements are excluded as income (see section 4546 of FNS Handbook 501).

4. If a household brings in a letter from Social Services saying that foster care payments are not counted as income, can FDPIR exclude the income?

Response: Foster care payments are counted as unearned income under FDPIR if the foster child is counted as a household member in determining benefits (see sections 3415 and 4530 of FNS Handbook 501). Other federal assistance programs and the Internal Revenue Service may not count foster care as income for the purposes of determining program eligibility or for computing tax liability. This may be the result of specific legislative authority under these programs to exclude the foster care payments as income. FDPIR does not have this same legislative authority.

5. If an individual's wages are garnished for child support (under a court order), do you still count the individual's monthly gross income for determining eligibility?

Response: Yes. See section 4542.1 of FNS Handbook 501. You would count the full amount of the individual's gross monthly earned income in calculating the household's net monthly income. The individual would still need to provide the court order as verification, in order to qualify for the child support deduction.

6. How do you handle stocks, bonds, and savings bonds?

Response: The value of unredeemed stocks, bonds and savings bonds and other readily negotiable and accessible certificates are counted as resources to the household (see section 4420 of FNS Handbook 501). When redeemed, the funds received by the household will be counted as income in the month received. If the funds from the redeemed certificates are not spent in the month received, any remaining funds will be counted as a resource as long as the funds remain available to the household.

7. How do you calculate student income?

Response: (See sections 4640 and 4710-4711 of FNS Handbook 501)

Step 1: Add together all the non-excluded student income (e.g., educational loans with deferred repayment, scholarships, grants, Veteran's educational benefits, work study earnings, etc.), including money provided by relatives and other individuals outside the household. (Note: Student assistance provided under Title IV of the Higher Education Act and Bureau of Indian Affairs Student Assistance Programs are excluded by law [see section 4543 of FNS Handbook 501])

Step 2: Subtract the amount used for specific educational expenses (i.e., tuition and mandatory fees, educational supplies and books, education-related transportation, and miscellaneous educational expenses). Do not subtract normal living expenses.

Step 3: Divide the result of Step 2 above by the number of months the student assistance is intended to cover (often a semester) to determine the net monthly educational income.

8. How do you determine net monthly self-employment income?

Response: (See sections 4640 and 4720-4727 of FNS Handbook 501)

A. If last year's Internal Revenue Service (IRS) tax return is available:

Step 1: Calculate self-employment income by using the FDPIR Self-Employment Worksheet (attached):

- For farming and ranching income – refer to IRS Schedule F
- For small business income – refer to IRS Schedule C
- For income from rental property – refer to IRS Schedule E
- For rental income from farm property – refer to IRS Form 4835

Step 2: Divide the result of Step 1 above by the number of months the income is intended to cover (e.g., 12 months for annual; 3 months for summer employment; etc.) to determine the total monthly self-employment income.

B. If last year's IRS tax return is not available, the client must document gross self-employment income and expenses:

Step 1: Determine gross self-employment income.

Step 2: Subtract allowable costs of doing business. (Note: Depreciation is not an allowable cost for FDPIR.)

Step 3: Divide the result of Step 2 above by the number of months the income is intended to cover (e.g., 12 months for annual; 3 months for summer employment; etc.) to determine the total monthly self-employment income.

Zero Income Households

1. How do you handle households that report zero income each month?

Response: (See section 3530 of FNS Handbook 501)

- Use a zero-income form to document the household's claim of zero income.
- Ask the household how it covers the cost of certain necessities (e.g., housing, clothing, laundry, transportation, toiletries and other personal items, etc.)

2. How long should zero income households be certified?

Response: In determining the length of certification periods, each household's unique circumstances must be considered. However, in general, households reporting zero income should be assigned a one-month certification period (see section 5112 of FNS Handbook 501). Most households would not be able to sustain themselves very long without any income.

Income Deductions

- 1. A client has \$50 deducted from his paychecks to pay overdue/back child support. Can he get the child support deduction?**

Response: Yes. He would be entitled to a child support deduction for the monthly amount he pays in child support. Appropriate documentation (including the court order) is needed to verify the child support payments (see sections 3539 and 4553 of FNS Handbook 501).

- 2. If a client is required by a court order to carry health insurance for his children, in addition to paying a set amount of child support each month, can the medical insurance be included in the child support deduction?**

Response: Yes. Child support may cover such areas as health care, education, recreation, clothing, and other specific needs of a child. An income deduction may be granted to a non-custodial parent for court ordered health insurance payments for the children named in the order. If the health insurance policy includes other household members, an income deduction can only be granted for the portion of the insurance premium assigned to the children named in the court order.

- 3. Why don't unemployment benefits, worker's compensation, and gambling payments get the 20 percent earned income deduction when people are required to pay income tax on these monies?**

Response: The 20 percent income deduction is applied to earned income; unemployment benefits, worker's compensation, and gambling payments are not earned income. The 20 percent earned income deduction is intended to cover certain employment related expenses, such as commuting costs, tools, union dues, uniforms and other special clothing.

- 4. If a State/County pays the Medicare Part B premium on behalf of an individual, can the household get the income deduction for the Medicare Part B premium?**

Response: No. The household cannot get an income deduction for an expense that is paid by someone else. That is why the certification worker must verify that the household paid the Medicare Part B premium. This can be done by verifying the benefit statement received by beneficiaries at the beginning of the calendar year. Also, some individuals pay the premium directly to Medicare on a quarterly basis. Their premium payments can be verified through canceled checks, money order receipts, and other similar documentation. (See section 4554 of FNS Handbook 501.)

Income Verification

- 1. When verifying wages, how many earning statements must the household provide?**

Response: The household must provide earning statements covering a full month (see section 3530 of FNS Handbook 501).

Reporting Changes

- 1. A household member receives an insurance settlement of \$10,000 after the household picks up its commodities for May. How do you handle this?**

Response: Generally, if a household receives income after picking up its commodities, no action must be taken in regard to the benefits issued that month. The issuance is still valid because the income was not received in time for the household to report it, and the ITO/State agency to take action prior to the issuance. However, the receipt of income may impact the household's eligibility for future issuances.

In this case, the household should have reported the change within 10 days of receiving the insurance settlement (see section 5141 of FNS Handbook 501). The May issuance would not be affected since the payment was not received in time for the household to report the change and for the ITO/State agency to take action prior to the May issuance.

Also, the \$10,000 insurance settlement would be considered a nonrecurring lump-sum payment that would be excluded as income in the month received. Nonrecurring lump-sum payments are counted as a resource in the month received, and thereafter as long the funds remain available to the household (see section 4549D of FNS Handbook 501). Therefore, when the certification worker receives the household's change report that it received the insurance settlement, the certification worker must explore with the household whether any of the \$10,000 will be available to the household for the month of June. If the household is expected to be over the resource limit for the month of June, it would be ineligible for benefits in June. The household's ineligibility would continue until its resources fell below the resource limit.

Intentional Program Violations and Other Disqualifications

1. Are households eligible for FDPIR if they are disqualified from SNAP for not meeting work requirements?

Response: Yes. FDPIR rules at 7 CFR 253.6(a)(iii) state that a person disqualified from SNAP for fraud under 7 CFR 273.16 is not eligible for FDPIR until the disqualification period has ended. Failure to meet a food stamp work requirement is not considered fraud. SNAP disqualifies individuals for many different reasons. If an FDPIR applicant does not know why he or she was disqualified from SNAP, you should ask to see the disqualification notice or contact the local SNAP office to determine if the disqualification was for an intentional program violation.

2. What do you do when you determine that a household failed to report that a child left the household four months ago?

Response: If you determine that a household failed to report a change in household composition, you need to take several actions (see section 5153 of FNS Handbook 501):

- 1) Revise the benefit determination to reflect the change in household composition. You should also review other eligibility criteria with the household to insure that all information is current;
- 2) Issue a claim for overissued benefits (see sections 5600-5670 of FNS Handbook 501); and
- 3) Pursue an Intentional Program Violation disqualification (see sections 5800-5850 of FNS Handbook 501) if you are able to substantiate the violation.

For the Claim Determination:

Step 1: Determine if a claim is warranted (see section 5610 of FNS Handbook 501).

Step 2: If a claim is warranted, calculate the amount of the overissuance (see section 5640 of FNS Handbook 501).

Step 2: If the amount of the overissuance is over \$125, issue a demand letter (section 5650 of FNS Handbook 501). If the amount is \$125 or less, a claim does not have to be established.

Step 3: After the first demand letter is issued, the ITO/State agency may suspend a claim if appropriate (see section 5660 of FNS Handbook 501). However, if a household misrepresented its circumstances, a claim cannot be suspended.

Step 4: The ITO must send two additional demand letters, 30 days apart.

Step 5: If the household refuses to pay the claim, the household shall be disqualified (see section 5670 of FNS Handbook 501). The disqualification continues until the claim is paid. The ITO/State agency may waive the disqualification if it would cause undue hardship to the household. The claim remains active if the disqualification is waived.

For the Intentional Program Violation (IPV):

Step 1: Document the file to show how you substantiated the IPV (e.g., the client admitted to you that she intentionally did not report the change in household composition).

Step 2: Within 10 days of substantiating the IPV, issue a notice of disqualification against the individual. The notice must comply with the requirements for notices of adverse action at section 5163 of FNS Handbook 501.

Step 3: If the individual requests a fair hearing, proceed with the fair hearing.

Step 4: If the individual does not request a fair hearing, implement the disqualification (12 months for first violation; 24 months for second violation; permanent for third violation). The disqualification must begin with the first regular distribution following the end of the advance notice period allowed by the adverse action notice. The disqualification will continue uninterrupted for the duration of the penalty period (even if the remaining household members leave FDPIR).
