
POLICY TRANSMITTAL NO. 10-38	DATE: JULY 19, 2010
FAMILY SUPPORT SERVICES DIVISION	DEPARTMENT OF HUMAN SERVICES OFFICE OF INTERGOVERNMENTAL RELATIONS AND POLICY

TO: ALL OFFICES

SUBJECT: MANUAL MATERIAL

OAC 340:10-2-1; 10-2-7; 10-3-5; 10-3-32; and 10-3-40.

EXPLANATION: **Policy revisions were approved by the Commission and the Governor as required by the Administrative Procedures Act.**

OAC 340:10-2-1 is revised to add Community Partnership (CP) as a core TANF Work activity.

OAC 340:10-2-7 is revised to: (1) add to vocational training and job skills training that in certain instances homework or study time can be counted toward required work activities; (2) give details about the definition and procedures for the CP work activity; (3) add clarifying language; and (4) remove unnecessary and outdated language.

OAC 340:10-3-5 is revised to clarify that income received from programs funded by the Workforce Investment Act (WIA) is disregarded as a resource.

OAC 340:10-3-32 is revised to exempt WIA earned income.

OAC 340:10-3-40 is revised to exempt all income received from programs funded by WIA.

Original signed on 7-16-10

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WF # 10-08 (NAP)

INSTRUCTIONS FOR FILING MANUAL MATERIAL

OAC is the acronym for Oklahoma Administrative Code. If OAC appears before a number on an Appendix or before a Section in text, it means the Appendix or text contains rules or administrative law. Lengthy internal policies and procedures have the same Chapter number as the OAC Chapter to which they pertain following an "OKDHS" number, such as personnel policy at OKDHS:2-1 and personnel rules at OAC 340:2-1. The "340" is the Title number that designates OKDHS as the rulemaking agency; the "2" specifies the Chapter number; and the "1" specifies the Subchapter number.

The chronological order for filing manual material is: (1) OAC 340 by designated Chapter and Subchapter number; (2) if applicable, OKDHS numbered text for the designated Chapter and Subchapter; and (3) all OAC Appendices with the designated Chapter number. For example, the order for filing personnel policy is OAC 340:2-1, OKDHS:2-1, and OAC 340:2 Appendices behind all Chapter 2 manual material. Any questions or assistance with filing manual material will be addressed by contacting Policy Management Unit staff at 405-521-4326.

REMOVE

340:10-2-1

340:10-2-7

340:10-3-5

340:10-3-32

340:10-3-40

INSERT

340:10-2-1, pages 1-8, revised 8-1-10

340:10-2-7, pages 1-12, revised 8-1-10

340:10-3-5, pages 1-10, revised 8-1-10

340:10-3-32, pages 1-4, revised 8-1-10

340:10-3-40, pages 1-6, revised 8-1-10

340:10-2-1. Work requirements

Revised 8-1-10

All parents or needy caretakers who apply for or receive cash assistance from Oklahoma are required to be engaged in a work activity. The parent(s) or needy caretaker must participate in work activities for the number of hours weekly that are necessary to move that person into employment and self-sufficiency. ■ 1

(1) **Work-eligible person.** A work-eligible person is defined as an adult or minor head-of-household included in the Temporary Assistance for Needy Families (TANF) assistance unit. Excluded from this definition is a parent providing care for a disabled family member living in the home who does not attend school on a full-time basis, provided the need for such care is supported by medical documentation. ■ 2

(2) **Minimum hours of work activities.**

(A) All TANF applicants and recipients who meet the definition of a work-eligible person are required to participate the minimum hours of work activities. ■ 3

(i) A work-eligible person must participate in work activities an average of 30 hours per week, with the exception of a single custodial parent with a child under age six who must participate in work activities an average of 20 hours per week. ■ 4

(ii) In a two-parent family, when deprivation is based on incapacity, the non-incapacitated adult must participate in work activities an average 30 hours per week, unless:

(I) required in the home to provide care for the incapacitated work-eligible parent; ■ 5 or

(II) he or she is a custodial parent with a child under age six. In this instance the non-incapacitated adult must participate in work activities an average of 20 hours per week.

(iii) In a two-parent family, when deprivation is based on unemployment, one adult must participate in work activities an average of 35 hours per week and the other adult must participate an average of 30 hours per week. If one parent is an ineligible alien, the other parent must participate in work activities an average of 35 hours per week. If both parents are ineligible aliens, the

family does not qualify as a two-parent family as the work requirement cannot be met.

(iv) To determine the average weekly countable work hours for a work-eligible person who is self-employed, the worker:

(I) determines the person's monthly countable earned self-employment income per OAC 340:10-3-32;

(II) divides that figure by the federal minimum wage; and

(III) divides that figure by 4.3 which equals weekly countable work hours.

(B) Hours missed due to holidays and a maximum of an additional 80 hours of excused absences count as hours of participation for any unpaid scheduled work activity.

(i) Federal law establishes public holidays. State holidays are ordered observed by the Governor. ■ 6 If the facility where the participant is scheduled to attend is open on a designated holiday, this day is not considered a holiday for participation purposes.

(ii) Excused absences are reasonable, short-term hours missed from a scheduled work activity. There are a maximum of 80 hours of excused absences in any 12-month period. No more than 16 hours of excused absences in a month are counted as hours of TANF Work participation. ■ 7 All excused absences must be approved by the worker. ■ 8 An excused absence is defined as:

(I) unavailability of appropriate child care;

(II) illness or injury of the participant or a family member who lives in the household. The family member must meet the definition of a relative per OAC 340:10-9-1;

(III) scheduled doctor appointments for the participant or a family member who lives in the household;

(IV) court-required appearance by the participant;

(V) required attendance at parent and teacher conferences by the participant;

(VI) temporary unavailability of planned transportation when needed or inability to arrange for transportation;

(VII) occurrence of inclement weather that prevented the participant, and other persons similarly situated, from traveling to, or participating in, the prescribed activity;

(VIII) crisis intervention needed due to domestic violence issues;

(IX) family crisis; or ■_9

(X) required attendance of the participant for a specific appointment by another governmental entity.

(iii) To count an excused absence or holiday as hours of participation, the person must have been scheduled to participate in an allowable work activity for the period of the absence. Participation allowances are paid for approved holidays and approved excused absences.

(3) **Work activities.** Work activities are defined as core and non-core and must be scheduled, structured, and supervised. TANF Work participants are placed in core work activities when appropriate.

(A) Core work activities are:

(i) unsubsidized employment that is full-time or part-time employment in the public or private sector that is not subsidized by TANF or any other public program;

(ii) subsidized private sector employment that is employment in the private sector for which the employer receives a subsidy from TANF or other public funds to offset some or all of the wages and costs of employing a recipient;

(iii) subsidized public sector employment that is employment in the public sector for which the employer receives a subsidy from TANF or other public funds to offset some or all of the wages and costs of employing a recipient;

(iv) Work Experience Program (WEP) that is a work activity that provides a person with an opportunity to acquire general skills, training, knowledge, and work habits necessary to obtain employment;

(v) on-the-job training that is training in the public or private sector that a paid employee receives while he or she is engaged in productive work and that provides knowledge and skills essential to the full and adequate performance of the job;

(vi) job search that is the act of seeking or obtaining employment and job readiness that prepares the person to seek or obtain employment, and includes life skills training, substance abuse treatment, mental health treatment, or rehabilitation activities for those who are otherwise employable;
■ 10

(vii) vocational training, not to exceed 12 months, that are organized educational programs directly related to the preparation of persons for employment in current or emerging occupations requiring training. Countable vocational training may include up to 12 months toward a two year vocational training certificate, an associate's degree, a bachelor's degree, or an advanced degree program that qualifies a person to obtain immediate employment in a specific field; and

(viii) Community Partnership (CP) is a structured work activity in which TANF recipients perform work for the direct benefit of the community which improves the employability of recipients not otherwise able to obtain employment.

(B) Non-core work activities are:

(i) job skills training directly related to employment that is training or education for job skills required by an employer to provide a person with the ability to obtain employment or to advance or adapt to the changing demands of the workplace. Time spent in vocational training in excess of 12 months may be counted as job skills training, if the participant is also participating in a different approved core activity for a minimum of 20 hours per week;

(ii) education directly related to employment, in the case of a recipient who has not received a high school equivalency, that is education related to a specific occupation, job, or job offer; and

(iii) satisfactory school attendance at a secondary school or in a course of study leading to a General Educational Development (GED) certificate, in the case of a recipient who has not completed secondary school or received such a certificate, that is regular attendance with the requirements of the secondary school, or in a course of study leading to a GED certificate.

(4) Limitations and special rules.

(A) A single custodial parent who has not attained 20 years of age and has not completed high school is determined to be in a work activity for the month if the recipient maintains satisfactory attendance at a secondary school or equivalent during the month. ■ 11

(B) A single custodial parent or the non-incapacitated adult in a family where deprivation is based on incapacity who has a child under the age of four months is not required to participate in a work activity. The recipient can use this special rule for a lifetime limit not to exceed 12 months.

INSTRUCTIONS TO STAFF 340:10-2-1

Revised 8-1-10

1. (a) Application. During the application process, the worker reviews with the applicant his or her responsibilities listed on Form 08TW002E, TANF Work/Personal Responsibility Agreement, which is initiated during the application process.

(b) Employability plan. The activities related to the parent(s)' or needy caretaker's employability plan are:

(1) determining the most appropriate work activity for the parent(s) or needy caretaker;

(2) determining the parent(s)' or needy caretaker's hours of participation in a work activity;

(3) informing the parent(s) or needy caretaker of the:

(A) work requirements, including providing Oklahoma Department of Human Services (OKDHS) Publication No. 93-10, "TANF Work - The Future is Yours"; and

(B) availability of supportive social services, such as medical assistance, child care, housing, and transportation;

(4) assisting the parent(s) or needy caretaker to complete Form 08TW002E and update Section 7, Participant Agreement/Employability Plan, as often as indicated by the person's needs;

(5) providing assistance in arranging for child care during participation in activities;

(6) initiating the sanction process as outlined in OAC 340:10-2-2 if the parent(s) or needy caretaker fails to meet the work requirements;

(7) establishing or maintaining community and participant contacts that support Temporary Assistance for Needy Families (TANF) Work activities;

(8) maintaining records of current resource materials that provide information and assistance to staff and parent(s) or needy caretaker;

(9) establishing and maintaining a cooperative working relationship with local agencies or groups that provide job readiness and employment opportunities;

(10) developing new resources or identifying existing resources to create new work sites;

(11) providing consultation and assistance to ensure orderly program operations, which requires meeting with OKDHS staff, work participants, community groups, and employers;

(12) conducting small group workshops on an as-needed basis to provide information and instruction regarding the various work activities available; and

(13) updating the TANF Work tab and Auth. ET&E tab on Family Assistance/Client Services (FACS), showing the participation status of each parent or needy caretaker and using Case Notes to document the participation activities and other needs of the family members.

(c) Termination of TANF cash assistance. At the time TANF cash assistance is terminated, the worker explores with the family any continued need for social services. When termination of cash assistance is due to employment or increased earnings, the worker explains availability of transitional child care, medical services, and the earned income tax credit.

2. Worker updates FACS, TANF Work tab to CD, caring for a disabled person and codes a good cause authorization on FACS, Auth. ET&E tab.

3. Refer to OAC 340:10-2-2 for the determination of good cause for not participating in work activities.

4. Refer to paragraph (4) of OAC 340:10-2-1 for the limitations for a single custodial parent under the age of 20 who has not completed high school.

5. (a) The incapacitated work-eligible parent is not required to participate in TANF Work activities. FACS, TANF Work tab, ET&E status must be updated to DI, disabled person. The worker codes a good cause authorization on FACS, Auth. ET&E tab.

(b) When the client provides medical documentation that substantiates the work-eligible spouse of the incapacitated parent is required in the home to provide care, the worker updates FACS, TANF Work tab, ET&E Status to CD, caring for a disabled person. The worker codes a good cause authorization on FACS, Auth. ET&E tab.

6. (a) Federal holidays are set by law and state holidays are declared by the Governor. If the holiday falls on a Saturday, usually Friday is observed as the holiday; if it falls on a Sunday, usually Monday is observed as the holiday. The allowed holidays are:

(1) New Years Day;

(2) Independence Day;

(3) Christmas Day and the day before or after;

(4) Martin Luther King, Jr. Day;

(5) President's Day;

(6) Memorial Day;

(7) Labor Day; and

(8) Thanksgiving Day and day after.

(b) A facility closure, such as spring break, fall break, and Christmas break, is not considered a holiday for participation purposes. Summer break for a

secondary school is not considered a holiday for minor parents attending high school.

- 7. The worker uses the ETPANEW transaction for the appropriate ET&E authorization to enter holiday and excused absences. Approved excused absences must be documented in the Family Assistance/Client Services (FACS) case notes and noted on or documentation attached to Form 08TW013E, Time and Progress Report. OKDHS pays participation allowances for holidays and approved excused absences. Holidays must be coded as H on the appropriate day(s). Approved excused absences are coded E with the appropriate number of hours on the specific day(s). The payment of a part-time or full-time participation rate is dependent on the number of hours coded for the approved excused absence(s). The maximum number of countable approved excused absences are:**

 - (1) 16 hours for any given month; or**
 - (2) 80 hours for the federal fiscal year.**
- 8. Coordination between the participant, facility, and worker must be ongoing to accurately verify and document the number of hours coded as an excused absence.**
- 9. Examples of a family crisis are attendance at a funeral or emergency home maintenance issues.**
- 10. Job search and job readiness activities are limited in counting toward the participation rate to four consecutive weeks and a maximum of 240 hours at 20 hours per week or 360 hours at 30 hours per week for the preceding 12 month period.**
- 11. Refer to OAC 340:10-2-6.1 Instructions to Staff #1 for participation requirements.**

340:10-2-7. Training

Revised 8-1-10

(a) **Scope.** Job skills training activities include vocational training and hands-on work experience to develop technical skills, knowledge, and abilities in specific occupational areas. ■ 1 All training programs must include qualitative measures, such as competency gains or proficiency levels, to evaluate a participant's progress and reasonable time limits for completion. Referrals are made to appropriate training facilities on Form 08TW003E, Interagency Referral and Information.

(b) **Assignments.** Any training to which the participant is assigned must meet the criteria in (1) through (4) of this subsection.

(1) The hours of any training activity are governed by the training facility but must not exceed 40 hours per week. ■ 2

(2) The training is preparation for a job which meets the criteria for appropriate employment.

(3) The quality and type of training must meet local employers' requirements so participants are in a competitive position with the local labor market.

(4) Training is related to in-demand occupations which are likely to become available in Oklahoma.

(c) **Work Experience Program (WEP).** The purpose of WEP is to provide skill training and work enhancement to Temporary Assistance for Needy Families (TANF) participants that will enable them to move toward self-sufficiency and obtain unsubsidized employment following completion of the placement. ■ 3

(1) **Benefits.** Benefits of the program to participants include an opportunity to establish a work history and earn a recommendation from an employer. Participants also learn to balance the demands of home and work, gain confidence by performing in a job setting, brush-up skills already acquired, learn marketable skills on-the-job, and determine interest and aptitude for a particular type of work by doing the job.

(2) **WEP assignments.** WEP assignments are approved for an initial period of 90 calendar days.

(A) No salary is paid.

(B) With respect to injuries incurred during working hours in WEP, federal law requires medical coverage be offered under either state workers' compensation law or by the Oklahoma Department of Human Services (OKDHS). Oklahoma workers' compensation law does not cover WEP participants. Medical coverage is provided by the SoonerCare (Medicaid) Program. ■ 4

(3) **WEP referrals.** Participants are referred to WEP slots based on their employability plan. Assignment to a WEP position is coordinated between the participant and worker. Based on the employability plan, the worker:

(A) determines which facility best meets the participant's needs;

(B) arranges for an interview between the facility and the participant; and

(C) notifies the participant of the place, time, and interviewer's name. ■ 5

(4) **WEP facilities.** Facilities selected for WEP training must be capable of providing employment and have an apparent intent to hire, or be able to provide quality training. Training facilities are solicited by OKDHS staff or a contracted entity who has agreed to assist with job development and placement including WEP. ■ 6
Local job market conditions, opportunities for employment following completion of WEP participation as well as the ability of the facility to provide the necessary supervision and training are criteria used when soliciting a facility.

(A) Training slots are developed which meet the employment needs of the participant as determined by the employability plan. When a facility agrees to participate in WEP, the representative of the facility is requested to provide: ■ 7

(i) a written description of the type of activities the participant will be involved in;

(ii) the number of participants the facility can accept;

(iii) the hours of participation; and

(iv) any special requirements, such as uniforms or special equipment.

(B) There are two types of WEP training facilities, WEP-Non-profit (WEP-NP) and WEP-For-Profit (WEP-FP).

(i) WEP-NP placement is approved for public and private non-profit organizations or businesses. When a participant requires additional training,

the worker may approve a 60-day extension. Extensions are not granted when the primary purpose is to provide additional help to the facility. The criteria listed in subunits (I) through (VII) of this subsection are used as a guide in determining the appropriateness of requesting an extension beyond the initial three-month period.

(I) The participant needs the additional time for skills to be acquired to meet minimum hiring requirements.

(II) The participant demonstrates a willingness to learn, but needs additional training, including the development of new skills, to be competitive in the labor market.

(III) The facility has agreed to hire the participant, but will not have funds available or a job opening until a specific date.

(IV) The facility has an opening in an area different from the one the participant was trained in and has agreed to hire the participant if additional time is granted for the additional training.

(V) The participant has shown improvement in all areas, but needs additional socialization skills and improved behavior patterns in a work setting.

(VI) The participant has missed more than two weeks of training due to illness or the illness of a household member.

(VII) There are extenuating circumstances which prevented the participant from receiving full benefit of the training.

(ii) WEP-FP is approved for businesses or entities that operate for profit. Only one WEP-FP placement is allowed per 25 full-time employees in a for-profit business or entity. The criteria in subunits (I) through (II) of this subsection must be in effect prior to a WEP-FP placement.

(I) The placement matches the participant's employability plan and the career path chosen by the participant.

(II) The employer has committed to hire the participant on or before the completion of the three month placement.

(5) **WEP procedures.** Upon approval by the county director or designated staff, the worker contacts the WEP facility to complete Form 08TW015E, Work Experience Program – Non-profit Training Agreement, or Form 08TW115E, Work Experience Program – For-Profit Training Agreement.

(A) The worker instructs the facility representative or the training supervisor regarding the purpose and use of Form 08TW013E, Time and Progress Report.

(B) It is the participant's responsibility to complete Form 08TW013E and submit it to the worker by the time frame shown on the form. ■ §

(C) Approved training slots that have not been utilized within a six-month period are reviewed for appropriateness. If the position is no longer feasible, human services center (HSC) staff sends a letter to the facility stating the WEP slot is no longer active and may be re-evaluated at the facility's request.

(6) **Non-cooperation by WEP facility.** When the worker obtains information that the facility is violating the terms and conditions of Form 08TW015E, Form 08TW115E, or that participants are being treated unfairly, the county director is informed immediately. The nature of the allegations guides the necessary action which may include:

(A) suspension of subsequent assignments at the facility;

(B) immediate removal of current participants; or

(C) termination of the agreement.

(7) **Notification to participant and facility.** Ten calendar days prior to the anticipated WEP completion date, or at any time the participant becomes ineligible for WEP, the worker notifies the participant by letter or telephone. The worker notifies the facility by letter or by telephone five calendar days prior to the termination.

(8) **Changes in placements and subsequent placements.** When the facility, worker, and participant determine that placement in a different facility is more beneficial, the worker locates a new facility and arranges an interview for the participant. When the participant fails to secure employment following successful completion of WEP training, a conference is held with the participant, worker, and supervisor to determine whether a second training placement might be beneficial. The worker reviews the employability plan prior to allowing a participant to re-enter WEP training. Consideration is given to reassignment to job search or another

appropriate work activity. In making this decision, consideration must be given to the:

- (A) participant's ability to secure and maintain full-time employment;
- (B) opportunities for employment in the new field and in the area in which the participant received training;
- (C) participant's efforts to secure employment; and
- (D) length of time between training assignments.

(d) **Job Corps non-resident training program (Job Corps II).** Oklahoma's four Job Corps centers provide a nonresident Job Corps program to TANF participants who can commute to their sites. Participants referred must be ages 16 through 24. Referrals are made by the worker completing Form 08MP013E, Information/Referral - Social Services. It is the responsibility of the worker to coordinate with the Job Corps center and arrange for child care.

(1) By special agreement with the Job Corps centers, Job Corps II students are provided Job Corps participant training allowances designed to meet training costs not covered by the TANF cash assistance. These allowances are not considered as income.

(2) The worker coordinates with the centers and other designated agencies, such as Oklahoma Employment Security Commission (OESC) and Workforce Investment Act (WIA), to ensure Job Corps II students leaving the center are placed in an appropriate work activity. When a Job Corps II student leaves the center, the worker meets with the Job Corps II student to make immediate plans for further implementation of the employability plan.

(e) **Vocational training.** Up to 12 months of participation in a vocational certificate, associate's degree, bachelor's degree, or advanced degree program may count as vocational training when it qualifies a person to obtain immediate employment in a specific field. Persons participating in a vocational certificate, associate's degree, bachelor's degree, or advanced degree program as part of the employability plan may count homework or study time up to one hour for each class hour when the participant provides, at the beginning of each new class or semester, a class syllabus or a statement from the instructor, professor, or advisor which states that the additional time is:

- (1) a class requirement;

(2) above and beyond work normally completed during class hours; and

(3) not being used to make up hours of class that have been missed. ■ 9

(f) **Special programs and demonstration efforts with other agencies.** OKDHS may enter into special education, training, or employment efforts with federal, state, and local governments, and private for-profit, private not-for-profit organizations, and agencies. When this occurs, the HSCs involved are expected to comply with the terms of those agreements. ■ 10

(g) **Job skills training.** Training that is directly related to employment for job skills required by an employer to provide a person with the ability to obtain employment or to advance or adapt to the changing demands of the workplace is considered job skills training.

(1) Time spent in vocational training in excess of 12 months that is an approved part of the participant's employability plan may be counted toward the required work activity hours, if the participant is also participating in a different approved core activity for a minimum of 20 hours per week.

(2) Homework or study time may count up to one hour for each class hour when the participant provides, at the beginning of each new class or semester, a class syllabus or a statement from the instructor, professor, or advisor which states that the additional time is:

(A) a class requirement;

(B) above and beyond the work normally completed during class hours; and

(C) is not being used to make up hours of class that have been missed. ■ 11

(h) **Community Partnership (CP).** CP is a structured work activity in which TANF recipients perform work for the direct benefit of the community. A CP may be approved for both public and non-profit agencies and organizations. A CP assignment must be limited to projects that serve a useful community purpose and are designed to improve the employability of recipients not otherwise able to obtain employment. All CPs must be approved by Family Support Services Division (FSSD), TANF Section staff. Placements in CP require daily supervision. Prior training, experience, and skills of a recipient must be considered in making an appropriate CP assignment. ■ 12

(1) Benefits. Benefits of the program to participants include an opportunity to establish the basic skills necessary to obtain employment, such as daily attendance,

appropriate attire, and proper behavior in a work environment. Participants also learn to balance the demands of home and work and gain confidence by performing in a job setting.

(2) **CP facilities.** CP facilities are solicited by OKDHS staff. The ability of the CP to provide the necessary supervision and basic skills training are criteria used when soliciting a partnership.

(A) Training slots are developed which meet the employment needs of the participant as determined by the employability plan.

(B) The worker submits Form 08TW019E, Community Partnership (CP) Approval Request, to the FSSD TANF Section for approval of the training facility.

(C) When a CP agrees to participate, the facility representative is requested to provide:

(i) a written description of the type of activities participants will be involved in;

(ii) the number of participants the CP can accept;

(iii) the hours of participation; and

(iv) any special requirements, such as uniforms or special equipment.

(D) No salary is paid.

(E) With respect to injuries incurred during working hours in CP, federal law requires medical coverage be offered under either state workers' compensation law or by OKDHS. Oklahoma workers' compensation law does not cover CP participants. Medical coverage is provided by the SoonerCare (Medicaid) Program. ■ 13

(3) **CP assignments.** CP assignments are approved for an initial period of no more than 60 calendar days. When a participant requires additional training, the worker may approve a 30-day extension. The criteria listed in (A) through (F) of this paragraph are used as a guide in determining the appropriateness of requesting an extension beyond the initial 60 calendar day period, but are not limited to:

(A) the participant needs the additional time for skills to be acquired to meet minimum hiring requirements;

(B) the participant demonstrates a willingness to learn, but needs additional time to develop basic job skills necessary to be competitive in the labor market;

(C) the CP has an opening in an area different from the one the participant was trained;

(D) the participant has shown improvement in all areas, but needs additional socialization skills and improved behavior patterns in a work setting;

(E) the participant has missed more than two weeks of training due to illness or the illness of a household member; or

(F) extenuating circumstances which prevented the participant from receiving the full benefit of the training.

(4) **CP referrals.** Participants are referred to CP slots based on their employability plan and the availability of positions at the CP. ■ 14 Assignment to a CP position is coordinated between the participant, worker, and the CP. Based on the employability plan, the participant and worker determine:

(A) which CP best meets the participant's needs; and

(B) the location, date, and time to report to the CP.

(5) **Procedures.** Upon approval by FSSD TANF Section staff, the worker contacts the CP facility to complete Form 08TW020E, Community Partnership (CP) Agreement.

(A) The worker instructs the facility representative or the training supervisor regarding the purpose and use of Form 08TW013E, Time and Progress Report.

(B) It is the participant's responsibility to complete Form 08TW013E and submit it to the worker by the time frame shown on the form. ■ 8

(6) **Non-cooperation by CP.** When the worker obtains information that the CP is violating the terms and conditions of Form 08TW020E or participants are being treated unfairly, the worker informs the county director or designated HSC staff immediately. The nature of the allegations guides the necessary action which may include:

(A) suspension of subsequent assignments at the CP;

(B) immediate removal of the current participants; or

(C) termination of the agreement.

(7) Changes in placements and subsequent placements. Following successful completion of CP training, the worker and participant meet to determine whether a second CP placement or other work activity might be beneficial. The worker reviews the employability plan prior to allowing a participant to enter the next work activity.

■ 14 In making this decision, consideration must be given to:

(A) the participant's ability to secure and maintain employment;

(B) whether the participant needs additional training or placement opportunities to enhance employment skills; or

(C) whether the participant needs any education opportunities to enhance employment skills.

INSTRUCTIONS TO STAFF 340:10-2-7

Revised 8-1-10

- 1. Prior to enrolling a participant in a specific training program, the worker must evaluate whether an Oklahoma State Bureau of Investigation (OSBI) background check is a prerequisite for potential employment. A background check may be considered a prerequisite for potential employment when a criminal history is indicated or when required by a specific employer or field of employment such as medical or child care. This action could prevent an inappropriate placement in a training program that would not best suit the employment needs of the participant. A background check is not necessary for all Temporary Assistance for Needy Families (TANF) participants. See OAC 340:10-2-8.**
- 2. Work Experience Program (WEP) participation hours can be combined with other countable work activity hours to meet the minimum hours of required participation. See OAC 340:10-2-1.**
- 3. Care is given to avoid placement of trainees with facilities which consistently use WEP trainees without providing first option employment.**
- 4. The county director reports injuries to the Oklahoma Department of Human Services (OKDHS) Human Resources Management Division (HRMD) Risk and**

Safety Management Unit on Form 23RS046E, Employee's Report of Job-Related Accidental Injury or Illness.

5. Following the participant's interview with the facility and the facility's acceptance of the participant for training, the worker makes a notation on the copy of Form 08TW002E, TANF Work/Personal Responsibility Agreement, and initiates an authorization. Form 08TW014E, Work Experience Program – Non-profit Participant Agreement, or Form 08TW114E, Work Experience Program - For-Profit Participant Agreement, is completed at this time. A copy of Form 08TW014E or Form 08TW114E is mailed to the facility as notification of the participant's starting date.
6. A contracted entity may include, but is not limited to:
 - (1) Oklahoma Department of Career and Technology Education (ODCTE);
 - (2) Oklahoma State Regents for Higher Education (OSRHE);
 - (3) Workforce Investment Act (WIA); or
 - (4) Oklahoma Employment Security Commission (OESC).
7. The worker forwards the written description to the county director or designee requesting approval of the training slot.
8. Form 08TW013E, Time and Progress Report, advises the participant to submit pages one and two to the local human services center (HSC) by the 20th of the current month and pages three and four by the fifth of the next month.
9. (a) The participant documents on Form 08TW013E the hours spent in class. The worker records homework or study time hours only on days the participant attended class on Form 08TW013E and in the system after ensuring that documentation required to count these hours is in the case record.

(b) A practicum placement, internship, or work-based training that is required to complete a degree or vocational training certification may be counted as work experience. In some types of degree programs, the work-based training is completed after the degree is obtained. It is only allowable when the person cannot work in the field until the work-based training is completed. An example is student teaching. These work-based training activities are coded

in the Family Assistance Client Services (FACS) Eligibility Notebook Auth ET&E tab as work experience (TW).

10. Copies of the agreements and procedures for implementing the program are distributed through annual FSSD numbered memos. Workers are trained and the program is implemented according to the agreement.

11. The participant documents on Form 08TW013E the hours spent in class. The worker records homework or study time hours only on days the participant attended class on Form 08TW013E and in the system after ensuring that documentation required to count these hours is in the case record.

12. Examples of Community Partnerships may include:

(1) community outreach and enrichment programs, such as free clinics, the Urban League, community food banks, and clothes closets;

(2) public safety organizations, such as the Oklahoma Department of Environmental Quality, local police or fire departments, Oklahoma Department of Transportation, County Commissioners' offices, and city or county offices of the Oklahoma State Department of Health;

(3) educational facilities, such as local schools and colleges. Activities at local schools might include janitorial or maintenance work, playground monitors, or cafeteria workers;

(4) animal welfare organizations, such as the Oklahoma Department of Wildlife Conservation, local humane societies, and animal shelters;

(5) child care programs, such as Head Start and licensed after school programs;

(6) agencies responsible for community recreation or beautification of cities, counties or the State, such as the Oklahoma Tourism and Recreation Department, local parks and recreation programs, or local Young Men's Christian Association (YMCA) programs;

(7) other city, county, or state agencies or entities that provide services to the community;

(8) charitable organizations, such as the United Way, Salvation Army, and Goodwill Industries International Inc.;

(9) charitable organizations or faith based entities that sponsor organized community events, such as Relay for Life, health fairs, and community Thanksgiving or Christmas programs or dinners; and

(10) Faith-Based and Community Initiatives programs.

13. The county director reports injuries to the OKDHS HRMD Risk and Management Unit on Form 23R046E.

14. The worker must update Form 08TW002E.

340:10-3-5. Personal propertyRevised 8-1-10

(a) This subsection describes personal property and how it is considered in determining eligibility for Temporary Assistance for Needy Families (TANF).

(1) **Household goods and equipment.** Items essential to day-to-day living, such as clothing, furniture, and other similarly essential items of limited value, are excluded as resources.

(2) **Livestock and equipment used in a business enterprise.** A person's equity in livestock, equipment, or inventory of merchandise in a business enterprise is considered as a resource only if the person is not actively engaged in the business enterprise. Equity is not counted if the person actively participates in the business or is only temporarily inactive, for example, incapacitated and can reasonably expect and has plans to resume the business enterprise. Equity is established on the basis of oral or written information which the person has at hand and counsel with persons who have specialized knowledge about the particular resources.

(3) **Livestock and home produce used for home consumption.** Any livestock or produce grown and used by the assistance unit for home consumption is exempt.

(4) **Cash savings and bank accounts.** Money on hand or in a savings account is considered as a resource. The person's statement that he or she has no money on hand or on deposit is sufficient unless there are indications to the contrary. When there is information to the contrary or when the person does not have records to verify the amount on deposit, verification is obtained from bank records. Section 167.1 of Title 56 of the Oklahoma Statutes provides that financial records obtained for the purpose of establishing eligibility for assistance or services must be furnished without cost to the person or the Oklahoma Department of Human Services (OKDHS).

(A) Checking accounts may or may not represent savings. Current bank statements are evaluated with the person to establish what, if any, portion of the account represents savings. Any income deposited during the current month is not considered.

(B) Accounts owned jointly are considered available to the person unless it can be established what part of the account actually belongs to each of the owners, the money is separated, and the joint account is dissolved.

(5) Insurance policies and prepaid funeral benefits.

(A) Life insurance policies. The cash surrender value (CSV) less any loans or unpaid interest of life insurance policies owned by members included in the TANF cash assistance is counted as a resource. Dividends which accrue and remain with the insurance company increase the amount of the resource. Dividends paid to a person are considered as income. Assignment of the face value of a life insurance policy to fund a prepaid burial contract is not counted as a resource. In this instance, the amount of the face value of the life insurance is evaluated according to (C) or, if applicable, (D) of this paragraph.

(B) Burial spaces. The value of a burial space for each family member whose needs are in the cash assistance or whose income and resources are considered when computing the cash assistance is excluded from resources.

(C) Burial funds. Revocable burial funds not in excess of \$1500 for each person included in the assistance unit are excluded as a resource if the funds are specifically set aside for the burial arrangements of the person. Any amount in excess of \$1500 for each person included in the assistance unit is considered as a resource. Burial policies which require premium payments and do not accumulate cash value are not considered prepaid burial policies.

(i) Burial funds means a prepaid funeral contract or burial trust with a funeral home or burial association which is for the person's burial expenses.

(ii) The face value of a life insurance policy, when properly assigned by the owner to a funeral home or burial association, may be used for purchasing burial funds as described in (i) of this subparagraph.

(iii) The burial fund exclusion must be reduced by the face value of life insurance policies owned by the person and by the amounts in an irrevocable trust or other irrevocable arrangement.

(iv) Interest earned or appreciation on the value of any excluded burial funds is excluded if left to accumulate and become a part of the burial fund.

(v) If the person did not purchase the prepaid burial, even if the person's money was used for the purchase, the person is not the owner and the prepaid burial funds cannot be considered a resource to the person.

(D) Irrevocable burial contract. Oklahoma law provides that a purchaser of a prepaid funeral contract may elect to make the contract irrevocable.

Irrevocability becomes effective 30 calendar days after the contract is signed.

(i) If the irrevocable election was made prior to July 1, 1986, and the person received assistance on July 1, 1986, the full amount of the irrevocable contract is excluded as a countable resource. This exclusion applies only if the person does not add to the amount of the contract. Interest accrued on the contract is not considered as added. Any break in assistance requires that the contract be evaluated at the time of reapplication.

(ii) If the effective date for the irrevocable election or application for assistance is July 1, 1986, or later, the amount in any combination of an irrevocable contract, revocable prepaid burial contract or trust, and the cash value of unassigned life insurance policies cannot exceed \$10,000. When the principal amount exceeds \$10,000, the person is ineligible for assistance. Accrued interest is not counted as a part of the \$10,000 limit, regardless of when it is accrued.

(iii) For an irrevocable contract to be valid, the election to make it irrevocable must be made by the purchaser or the purchaser's guardian or a person with power of attorney for the purchaser.

(E) Medical insurance. When a person has medical insurance whether directly purchased or available in conjunction with employment, the available benefits are applied toward the medical expense for which the benefits are paid. ■ 1 If an assignment of the insurance is not made to the vendor and payment is made directly to the person, the payment must be applied to the cost of medical services. Any amount remaining after payment for medical services is considered a resource.

(6) Stocks, bonds, mortgages, and notes. The person's equity in stocks and bonds, including United States Savings Bonds, Series A through EE, is considered a resource.

(A) The current market value less encumbrances is the equity.

(B) Except for a bond which has been held beyond the maturity date, the current value is the redemption value listed in the table on the back of the bond for the anniversary date most recently reached.

(C) If the bond has been held beyond maturity date, it has continued to draw interest.

(D) The amount which can be realized from notes, mortgages, and similar instruments, if offered for immediate sale, constitutes a resource.

(7) **Non-negotiable resources.** Installment payments received on a note, mortgage, and similar instruments, for which a buyer cannot be found, are considered as monthly income.

(8) **Vehicles, pickups, and trucks.** For each automobile, pickup, truck, motorcycle, or other vehicle, the market value of each year's make and model is established on the basis of the average trade-in value. ■ 2 In the event the person and worker cannot agree on the value of the vehicle, the person secures written appraisals by two persons familiar with current values. If there is substantial unexplained divergence between these appraisals or between the blue book value and one or more of these appraisals, the worker and the person jointly arrange for the market value to be established by an appraisal made by a third person who is familiar with current values and acceptable to both the person and worker.

(A) **Exempt vehicles.** One automobile, pickup, truck, motorcycle, or other vehicle used for the primary source of transportation for each assistance unit not to exceed an equity of \$5,000 is exempted. The amount of the equity in excess of \$5,000 is considered against the resource limit.

(B) **Other vehicles.** The equity in other automobiles, pickups, and trucks as well as other personal property including boats, travel trailers, motorcycles, motor homes, campers, and similar items is considered a resource. The current market value less encumbrances on the vehicle is the equity. Only encumbrances that can be verified are considered in computing equity.

(9) **Lump sum payments.** ■ 3 A lump sum settlement which compensates for the loss of a resource, such as an automobile, may be disregarded in the amount used to replace the loss.

(A) The person is given a reasonable amount of time to replace the loss not to exceed 30 calendar days. Extension beyond 30 calendar days may be justified in special instances when completion of the transaction is beyond the person's control.

(B) Any amount remaining after the replacement of the loss is considered as income.

(C) Income tax refunds, except for the portion that represents an earned income tax credit (EITC), must be treated as a resource and considered available to the

person upon receipt.

(D) Retirement benefits received as a lump sum payment at termination of employment are considered a resource. ■ 4 These benefits are not treated as income because the retirement contribution was regarded as income in the month earned and withheld by the employer.

(10) **Individual Development Accounts (IDAs).** IDAs are dedicated savings accounts that are used for a qualified purpose such as purchasing a first home, education or job training expenses, capitalizing a small business, or other purposes designated by the IDA administrative entity.

(A) IDAs are managed by community organizations and accounts are held at local financial institutions.

(B) Cash deposits and interest accrued from the deposits made by a person in an IDA up to \$2,000 are not considered as income or resources in determining TANF eligibility.

(C) The account deposits must be made from earned income, EITCs, or tax refunds.

(11) **Saving For Education, Entrepreneurship, and Downpayment (SEED) Initiative accounts.** SEED accounts are dedicated savings accounts for persons age 13 through 18 that are used for a qualified purpose such as purchasing a first home, education or job training expenses, capitalizing a small business, or other purposes designated by the administrative entity. SEED accounts are managed by community organizations and accounts are held at local financial institutions. Cash deposits and interest accrued from the deposits made by a person in a SEED account up to \$2,000 are not considered as income or resources in determining TANF eligibility.

(b) This subsection describes resources disregarded in determining need. Disregarded resources are:

(1) food benefit allotments under the Food and Nutrition Act of 2008;

(2) any payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

(3) education grants, including work study, scholarships, and similar grants, if receipt is contingent upon the student regularly attending school. The student's

classification, graduate or undergraduate, is not a factor;

(4) loans, regardless of use, if a bona fide debt or obligation to pay can be established. Criteria to establish a loan as bona fide includes an acknowledgment of obligation to repay or evidence that the loan was from an individual or financial institution in the loan business. The borrower's acknowledgment of obligation to repay, with or without interest, is considered to indicate that the loan is bona fide. If the loan agreement is not written, Form 08AD103E, Loan Verification, is completed by the borrower attesting the loan is bona fide and signed by the lender verifying the date and amount of loan;

(5) Indian payments, including judgment funds or funds held in trust, distributed per capita by the Secretary of the Interior, Bureau of Indian Affairs (BIA) or distributed per capita by the tribe subject to approval by the Secretary of the Interior. For purposes of this paragraph, per capita is defined as each tribal member receiving an equal amount. Any interest or investment income accrued on such funds while held in trust or any purchases made with judgment funds, trust funds, interest, or investment income accrued on such funds is disregarded. Any income from mineral leases or tribal business investments is disregarded as long as the payments are paid per capita. Any interest or income derived from the principal or produced by purchases made with the funds after distribution is considered as any other income;

(6) special allowances for school expenses made available upon petition, in writing, from funds held in trust for the student;

(7) trusts of a child(ren) included in a TANF benefit if it is determined by the worker the funds are to be used for educational purposes for the child(ren). Any court established trust must be examined to determine if the court has restricted the trust for other purposes. The worker must verify at application and redetermination if funds have been withdrawn. ■ 5 Any funds withdrawn are treated as lump sum unearned income unless it can be documented the funds were used for the child(ren)'s educational purposes; ■ 6

(8) any accounts, stocks, bonds, or other resources held under the control of a third party if the funds are designated for educational purposes for a child(ren) eligible for TANF, even if the child(ren)'s name is on the account and the third party holder is required to access the funds;

(9) benefits from state and community programs on aging from Title III and Title V are disregarded. Both Title III and Title V are under the Older Americans Act (OAA) of 1965 amended by Public Law (P.L.) 100-175 to become the OAA as amended 2000;

(10) unearned income received, such as needs based payments, cash assistance, compensation in lieu of wages, or allowances from programs funded by the Workforce Investment Act (WIA), including Job Corps income. This includes WIA earned income received as wages; ■ 7

(11) payments for supportive services or reimbursement of out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides, or senior companions, and to persons serving in the Service Corps of Retired Executives (SCORE), Active Corps of Executives (ACE), and any other programs pursuant to the National and Community Service Trust Act of 1993 (NCSTA);

(12) payments to volunteers under the NCSTA, unless the gross amount of AmeriCorps*VISTA payments equals or exceeds the state or federal minimum wage, whichever is greater;

(13) the value of supplemental food assistance received under the Child Nutrition Act or the special food service program for children under the National School Lunch Act;

(14) any portion of payments made under the Alaska Native Claims Settlement Act to an Alaska Native which are exempt from taxation under the Settlement Act;

(15) Experimental Housing Allowance Program (EHAP) payments made under Annual Contributions Contracts entered into prior to January 1, 1975, under Section 23 of the U.S. Housing Act of 1937, as amended;

(16) advance payments of EITC or refunds of EITC, as a result of filing a federal income tax return, in the month received and the following month;

(17) refunds of the state EITC, as a result of filing a state income tax return, in the month received and the following month;

(18) payments from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.);

(19) payments made from the Radiation Exposure Compensation Trust Fund as compensation for injuries or deaths resulting from the exposure to radiation from nuclear testing and uranium mining;

(20) federal major disaster and emergency assistance provided by Section 5515(d) of Title 42 of the United States Code (U.S.C.), and comparable disaster assistance

provided by state, local governments, and disaster assistance organizations;

(21) interests of individual Indians in trust or restricted lands. However, any disbursements from the trust or restricted lands are considered as income;

(22) a migratory farm worker's out-of-state homestead if the farm worker's intent is to return to the homestead after the temporary absence;

(23) a non-recurring lump sum Supplemental Security Income (SSI) retroactive payment, made to a TANF recipient, in the month paid and the next following month. The amount remaining in the second month after the month of receipt is a countable resource;

(24) payments received under the Civil Liberties Act of 1988. These payments are made to persons of Japanese ancestry who were detained in internment camps during World War II;

(25) payments made to persons because of their status as victims of Nazi persecution;

(26) payments made from the crime victims compensation program as amended in section 1403 of the Victims of Crime Act of 1984, Section 10602 of Title 42 of the U.S.C.;

(27) reimbursements made to a foster care parent(s);

(28) payments as described in Section 1823(c) of Title 38 of the U.S.C. provided to certain persons who are children of Vietnam War veterans; and

(29) funds in education accounts established under Section 529 and 530 of the Internal Revenue Code or exempted by Section 4000 of Title 56 of the Oklahoma State Statutes. ■ 8

INSTRUCTIONS TO STAFF 340:10-3-5

Revised 8-1-10

- 1. The type of insurance is documented in Case Notes on Family Assistance/Client Services (FACS).**
- 2. (a) The average trade-in value listed in the National Automobile Dealers Association (NADA) books can be used, other blue books, or one of the**

Internet Web sites which provide data on the market value of used vehicles at no cost to the user. Available Web sites include:

- (1) CarPrices www.carprices.com;
- (2) AutoWorld www.autoworld.com;
- (3) Intellichoice www.intellichoice.com;
- (4) Edmund's www.edmunds.com;
- (5) Kelley Blue Book www.kbb.com.; and
- (6) NADA www.nada.com.

(b) The value of a vehicle cannot be increased by adding the value of low mileage or optional equipment. The Kelley Blue Book requires users to include mileage prior to calculating a vehicle's value. Other online services with a mileage field assume average mileage if the mileage field is left blank. To ensure any vehicles are not assigned a higher value based on unusually low mileage the worker uses the greater of the vehicle's actual mileage or 12,000 miles per year.

(c) The case record must include sufficient documentation indicating the Web site or blue book used to determine the market value of the vehicle.

3. See OAC 340:10-3-28(a)(6).
4. See OAC 340:10-3-28(a)(1) for consideration of a lump sum retirement benefit received at the time of retirement.
5. See OAC 340:10-3-6.
6. Funds for educational purposes are for any necessary expenses related to school activities, such as fees, books, and clothing.
7. See OAC 340:10-3-40(17).
8. Money withdrawn from an education account is not considered unless withdrawn for use other than education. This exclusion includes:

- (1) Oklahoma College Savings Plan accounts. Information about these accounts may be found at <http://www.ok4saving.com/>;**
- (2) Coverdell Education Savings also known as Section 530 accounts; and**
- (3) Qualified Tuition Program also known as Section 529 accounts.**

340:10-3-32. Determination of earned incomeRevised 8-1-10

Earned income results from self-employment or other employment sources.

(1) **Earned income from self-employment.** ■ 1 If the income results from the person's activities primarily as a result of the person's own labor from the operation of a business enterprise, the countable earned income is determined by deducting 50% of the gross income as business expenses or by using the net business profit for the most recent tax year as reported on the person's income tax return. ■ 2 Self-employment income that represents a household's annual support is prorated over a 12-month period, even if the income is received in a shorter period of time.

■ 3

(A) **Room or board.** Earned income from a room rented in the home is determined by considering 25% of the gross amount received as business expenses. Earned income from room and board paid by a person in the home is determined by considering 50% of the gross income received as a business expense. ■ 4

(B) **Rental property.** Income from rental property is considered income from self-employment if none of the activities associated with renting the property is conducted by an outside person or agency. ■ 5

(C) **Profit sharing.** Households who operate S corporations, general or limited partnerships, or limited liability companies may receive profit sharing that is reported on the household's personal income tax return. When a household member:

(i) actively participates in the operations, the income from profit sharing is considered part of the household's self-employed earned income; or

(ii) does not actively participate in the operations, the income from profit sharing is considered part of the household's unearned income.

(2) **Earned income from sources other than self-employment.**

(A) **Earned income from wages, salary, or commission.** If the income is from wages, salary, or commission, the earned income is the gross income or true wage prior to payroll deductions and withholdings. ■ 6 This includes earned income from contract employment. ■ 7 Money from the sale of whole blood or

blood plasma is considered as earned income.

(B) Earned income from work and training programs.

(i) **Workforce Investment Act (WIA).** WIA earned income is exempt. ■ 8

(ii) **On-the-job training (OJT).** Earned income from regular employment for OJT is considered as any other earned income.

INSTRUCTIONS TO STAFF 340:10-3-32

Revised 8-1-10

1. See OAC 340:10-3-33 for earned income deductions.
2. (a) If the person filed a federal income tax return form for the most recent year, the worker uses the net self-employment income shown on the person's federal income tax return and divides the income by 12 or the number of months the business has been in existence, if less than 12 months, to determine monthly income unless it is not representative of the person's current situation.

(b) When the person did not file an income tax return on his or her self-employment income for the most recent year, the worker uses (1) through (3) to determine the net monthly self-employment income.

(1) The gross self-employment income is computed using the person's self-employment business records for the past 12 months, or the number of months the person has been in business.

(2) If the person declares he or she incurred business expenses, the worker then subtracts 50% of the gross self-employment income as business expenses. If the household did not incur business expenses, a business expense deduction is not given.

(3) If the person's self-employment enterprise has been in existence for at least one year, the worker divides the net self-employment income by 12. If the person's self-employment enterprise has been in existence for less than a year, the worker divides the net self-employment income by the number of months the person has been in business.

(c) Self-employment income tax return forms include, but are not limited to:

- (1) Form 1040 with Schedule C for sole proprietors and some limited liability companies;
 - (2) Form 1065 with Schedule 8865 K-1 for partnerships;
 - (3) Form 1120-S with Schedule K-1 for S corporations; or
 - (4) Form 1040 with Schedule F for farmers.
3. For example, self-employment income received by a crop farmer is averaged over a 12-month period if the income represents the farmer's annual support.
4. If the roomer or boarder is a non-relative of the opposite sex, see OAC 340:10-3-57(e)(3).
5. When the client does not manage the rental property, it is considered as unearned self-employment. The client is then entitled to have 50% of his or her business expenses subtracted from the income but is not eligible for a work related expense deduction.
6. If a person receives a benefit allowance from his or her employer, the worker counts the regular gross earnings plus any excess money left after deducting the insurance cost from the benefit allowance. For example, a person:
 - (1) is given a \$300 benefit allowance to purchase insurance and uses the entire amount to purchase the insurance. None of the benefit allowance is counted as income;
 - (2) is given a \$300 benefit allowance but only purchases \$280 in insurance. The remaining \$20 that is given to the client as an excess benefit allowance is counted as income; or
 - (3) has an option of purchasing insurance and would receive a \$300 benefit allowance if insurance was purchased but the person elects not to purchase the insurance. In this situation, the employer makes \$150 of the \$300 benefit allowance available as cash. The \$150 is an excess benefit allowance and is counted as income.
7. Income from contract employment received by persons, such as school employees, is annualized over a 12-month period even if the income is received over a period of time shorter than 12 months.

8. See OAC 340:10-3-40(35), Income disregards.

340:10-3-40. Income disregards

Revised 8-1-10

Income that is disregarded in determining eligibility for Temporary Assistance for Needy Families (TANF) is:

- (1) the food benefit allotment under the Food and Nutrition Act of 2008;
- (2) any payment received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- (3) educational assistance including grants, work study, scholarships, fellowships, educational loans on which payment is deferred, veterans education benefits, and the like if receipt is contingent upon the student regularly attending school and the money received is intended to offset the costs of education and expenses as identified by the institution, school, program, or other grantor. ■ 1 If the money is not intended to be a reimbursement and is a gain to the client, it is considered income. ■ 2 When the educational assistance is serving the same purpose as TANF cash assistance such as when the client receives a stipend for living expenses, the stipend is countable income. The student's classification as a graduate or undergraduate is not a factor;
- (4) loans, regardless of use, if a bona fide debt or obligation to pay can be established.
 - (A) Criteria to establish a loan as bona fide includes an acknowledgment of obligation to repay or evidence that the loan was from a person or financial institution in the loan business.
 - (B) If the loan was from a person(s) not in the loan business, the borrower's acknowledgment of obligation to repay, with or without interest, is required to indicate that the loan is bona fide.
 - (C) If the loan agreement is not written, Form 08AD103E, Loan Verification, must be completed by the borrower attesting that the loan is bona fide and signed by the lender verifying the date and amount of loan.
 - (D) When copies of written agreements or Form 08AD103E are not available, detailed case documentation must include information that the loan is bona fide and how the debt amount and date of receipt was verified;

(5) Indian payments, which include judgment funds or funds held in trust, distributed per capita by the Secretary of the Interior, Bureau of Indian Affairs (BIA) or distributed by the tribe subject to approval by the Secretary of the Interior. For purposes of this paragraph, per capita is defined as each tribal member receiving an equal amount.

(A) Any interest or investment income accrued on such funds while held in trust or any purchases made with judgment funds, trust funds, interest, or investment income accrued on such funds is disregarded.

(B) Any income from mineral leases or from tribal business investments is disregarded as long as the payments are paid per capita.

(C) Any interest or income derived from the principal or produced by purchases made with the funds after distribution is considered as any other income;

(6) special allowance(s) for school expenses made available upon petition in writing from trust funds of the student;

(7) income from trusts of a child(ren) included in a TANF benefit if it is determined by the worker that funds are to be used for educational purposes for the child(ren). Any court established trust must be examined to determine if the court has restricted the trust for other purposes. The worker must verify at application and redetermination if funds have been withdrawn. ■ 3 Any funds withdrawn are treated as lump sum unearned income unless it can be documented the funds were used for the child(ren)'s educational purposes; ■ 4

(8) income from accounts, stocks, and bonds held under the control of a third party if the funds are designated for educational purposes for a child(ren) in a TANF benefit even if the child(ren)'s name is on the account and the third party holder is required to access the funds;

(9) benefits from state and community programs on aging from Title III and Title V. Title III and Title V are under the Older Americans Act (OAA) of 1965 amended by Public Law (P.L.) 100-175 to become the OAA as amended 2000. Each state and various organizations receive some Title V funds. These organizations include:

(A) Experience Works;

(B) National Council on Aging;

(C) National Council of Senior Citizens;

(D) American Association of Retired Persons (AARP);

(E) United States (US) Forest Service;

(F) National Association for Spanish Speaking Elderly;

(G) National Urban League;

(H) National Council on Black Aging; and

(I) National Council on Indian Aging.

(10) unearned income received by a child(ren) in a TANF benefit, such as a needs based payment, cash assistance, compensation in lieu of wages, or allowance from a program funded by the Workforce Investment Act (WIA) including Job Corps income and WIA earned income received as wages;

(11) payments for supportive services or reimbursement for out-of-pocket expenses made to individual volunteers serving as foster grandparents, senior health aides, or senior companions, and to persons serving in the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE);

(12) payments to volunteers under the National and Community Service Trust Act of 1993 (NCSTA), unless the gross amount of AmeriCorps*VISTA payments equals or exceeds the state or federal minimum wage, whichever is greater; ■ 5

(13) the value of supplemental food assistance received under the Child Nutrition Act or the special food service program for children under the National School Lunch Act;

(14) any portion of payments, made under the Alaska Native Claims Settlement Act to an Alaska Native, which are exempt from taxation under the Settlement Act;

(15) any income of an adult or child(ren) in the family group living in the home and receiving Supplemental Security Income (SSI) is not considered in determining the TANF benefit. His or her individual income is considered by the Social Security Administration in determining eligibility for SSI. This includes any payment made by the Developmental Disabilities Services Division through the Family Support Assistance Payment Program on behalf of a child(ren) receiving SSI and any other earned or unearned income of the person;

(16) Experimental Housing Allowance Program (EHAP) payments made under

Annual Contributions Contracts entered into prior to January 1, 1975, under Section 23 of the US Housing Act of 1937, as amended;

(17) earnings of a child(ren) in a TANF benefit who is a full-time student;

(18) government rental or housing subsidies by governmental agencies, for example, Housing and Urban Development (HUD) which are received in-kind or in cash for rent, mortgage payments, or utilities;

(19) reimbursements from an employer, the Department of Labor, or the Bureau of Indian Affairs, for out-of-pocket expenditures and allowances for travel, training, meals, or supplies, which could include uniforms, to the extent the funds are used for expenses directly related to such travel, training, meals or supplies;

(20) Low Income Home Energy Assistance Program (LIHEAP) payments for energy assistance and payments for emergency situations under Emergency Assistance to Needy Families with Children;

(21) advance payments of Earned Income Tax Credit (EITC) or refunds of EITC as a result of filing a federal income tax return;

(22) refunds of state EITC as a result of filing a state income tax return;

(23) payments made from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange product liability litigation, M.D.L. No. 381 (E.D.N.Y.);

(24) payments made from the Radiation Exposure Compensation Trust Fund as compensation for injuries or deaths resulting from the exposure to radiation from nuclear testing and uranium mining;

(25) federal major disaster and emergency assistance provided by Section 5515(d) of Title 42 of the United States Code (U.S.C.) and comparable disaster assistance provided by states, local governments, and disaster assistance organizations;

(26) interests of individual Indians in trust or restricted lands;

(27) income up to \$2,000 per calendar year received by individual Indians, which is derived from leases or other uses of individually owned trust or restricted lands. Any remaining disbursements from the trust or the restricted lands are considered as unearned income;

(28) payments received under the Civil Liberties Act of 1988. These payments are made to persons of Japanese ancestry who were detained in internment camps during World War II;

(29) payments made to persons because of their status as victims of Nazi persecution;

(30) interest accrued from the deposits made by an person into an Individual Development Account (IDA) up to \$2,000; ■ 6

(31) stipends paid to students participating in the Indian Vocational Education Program (IVEP) through the Carl D. Perkins Vocational and Applied Technology Education Act;

(32) payments made from the crime victims compensation program as amended in section 1403 of the Victims of Crime Act of 1984, Section 10602 of Title 42 of the U.S.C.;

(33) reimbursements made to a foster care parent(s) or a potential foster care parent(s); ■ 7

(34) payments as described in Section 1823(c) of Title 38 of the U.S.C. provided to certain persons who are children of Vietnam War veterans; and

(35) earned income received as wages, unearned income, cash assistance, compensation in lieu of wages, or an allowance from a program funded by WIA.

INSTRUCTIONS TO STAFF 340:10-3-40

Revised 8-1-10

1. Exempt student income includes:

(1) any money from Title IV of the Higher Education Act including federal or state work study;

(2) educational assistance funded through the Veterans Affairs (VA), such as the Montgomery GI Bill;

(3) grants;

(4) scholarships;

- (5) subsidized and unsubsidized Stafford loans;
 - (6) federal PLUS loans;
 - (7) TRIO grants;
 - (8) Robert C. Byrd Honors Scholarship Program;
 - (9) Bureau of Indian Affairs (BIA) student assistance; and
 - (10) money from the Carl D. Perkins Vocational Education Act.
2. Student income that is not exempt includes:
- (1) money that is paid directly to the student and not sent through the bursar's account other than funds listed in Instructions to Staff #1 of this Section;
 - (2) institutional work study; or
 - (3) money intended as an incentive for school attendance or grades rather than the school expenses.
3. See OAC 340:10-3-6 for trust accounts policy.
4. See OAC 340:10-3-28 for lump sum payments policy.
5. See OAC 340:10-2-4(c)(2) for on-the-job training.
6. See OAC 340:10-3-5(a)(10) for Individual Development Accounts.
7. An example of a reimbursement is a pre-service training stipend or Kinship Start Up Stipend (KSUS) payment. See OAC 340:75-7-24.