
POLICY TRANSMITTAL NO. 11-05	DATE: MARCH 1, 2011
FAMILY SUPPORT SERVICES DIVISION	DEPARTMENT OF HUMAN SERVICES OFFICE OF INTERGOVERNMENTAL RELATIONS AND POLICY

TO: ALL OFFICES

SUBJECT: MANUAL MATERIAL

OAC 340:10-3-5; and 10-3-40.

EXPLANATION: OAC 340:10-3-5 Instructions to staff (ITS) is revised to allow federal or state tax refunds received after December 31, 2009 to be exempt as a resource for 12 months following receipt.

OAC 340:10-3-40 ITS is revised to: (1) allow federal or state tax refunds received after December 31, 2009 to be exempt as income and (2) clarify how to calculate disbursements received by individual Indians.

Original signed on 2-28-11

Mary Stalnaker, Director
Family Support Services Division

Sandra Harrison, Coordinator
Office of Intergovernmental Relations and
Policy

WF # 11-E (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

340:10-3-5

340:10-3-40

INSERT

340:10-3-5, pages 1-10, revised 3-1-11

340:10-3-40, pages 1-7, revised 3-1-11

340:10-3-5. Personal property

Revised 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. ■ 4

(D) Retirement benefits received as a lump sum payment at termination of employment are considered a resource. ■ 5 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. ■ 6 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; ■ 7

(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; ■ 8

(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; ■ 4

(17) refunds of the state EITC, as a result of filing a state income tax return, in the month received and the following month; ■ 4

(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. ■ 9

INSTRUCTIONS TO STAFF 340:10-3-5

Revised 3-1-11

- 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. Refer to OAC 340:10-3-28(a)(6).
4. Per the Tax Relief, Unemployment Insurance Authorization, and Job Creation Act of 2010 [Public Law 111-312], payments received after December 31, 2009 as a result of filing a federal or state tax return are exempt as a resource for 12 months following receipt.
5. Refer to OAC 340:10-3-28(a)(1) for consideration of a lump sum retirement benefit received at the time of retirement.
6. Refer to OAC 340:10-3-6.
7. Funds for educational purposes are for any necessary expenses related to school activities, such as fees, books, and clothing.

8. Refer to OAC 340:10-3-40(17).

9. 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.

340:10-3-40. 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; ■ 6

(22) refunds of state EITC as a result of filing a state income tax return; ■ 6

(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; ■ 7

(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; ■ 8

(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); ■ 9

(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 3-1-11

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. Refer to OAC 340:10-3-6 for trust accounts policy.
4. Refer to OAC 340:10-3-28 for lump sum payments policy.
5. Refer to OAC 340:10-2-4(c)(2) for on-the-job training.
6. Per the Tax Relief, Unemployment Insurance Authorization, and Job Creation Act of 2010 [Public Law 111-312], any payments received after December 31, 2009 as a result of filing a federal or state tax return are exempt.
7. (a) The client must provide proof of total disbursements received for the previous calendar year to determine how much, if any, of the income counts. If the client received more than \$2000, the amount over \$2000 is divided by 12 to determine monthly countable income. For example, when total disbursements equaled \$2100, the calculation is \$2100 minus \$2000 equals \$100. The \$100 is then divided by 12 to determine monthly countable income.
- (b) When other household members also receive disbursements, the first

\$2000 is disregarded for each household member before any income is counted.

- 8. Refer to OAC 340:10-3-5(a)(10) for Individual Development Accounts.**
- 9. An example of a reimbursement is a pre-service training stipend or Kinship Start Up Stipend (KSUS) payment. Refer to OAC 340:75-7-24.**