
POLICY TRANSMITTAL NO. 06-54	DATE: DECEMBER 12, 2006
FAMILY SUPPORT SERVICES DIVISION	DEPARTMENT OF HUMAN SERVICES OFFICE OF LEGISLATIVE RELATIONS & POLICY

TO: ALL OFFICES

SUBJECT: MANUAL MATERIAL

OAC 340:50-5-1; 50-5-68; 50-7-3; 50-7-22; 50-7-45 through 50-7-46;
50-11-22; and 50-11-27.

EXPLANATION: 340:50-5-1 Instructions to staff (ITS) are updated to remind staff to document household composition in Family Assistance/Client Services (FACS) case notes and to clarify when a disabled person living with others can be considered a separate household.

340:50-5-68 ITS are updated to clarify when good cause exists for failure to apply for or provide a Social Security number.

340:50-7-3 ITS are updated to refer staff to other policy for further information.

340:50-7-22 ITS are updated to clarify which work study jobs are exempt and to define the Housing and Urban Development (HUD) Family Self Sufficiency Program.

340:50-7-45 ITS are updated to clarify when actual income is to be used and when income should be anticipated.

340:50-7-46 ITS are updated to clarify how to compute income when there is a new job and how to handle benefit allowances. Clarification of when to use actual income and when to anticipate income is also included.

340:50-11-22 ITS are updated to explain a new food benefit application is needed at the time of the Temporary Assistance for Needy Families (TANF) redetermination.

340:50-11-27 ITS are updated to explain the procedures the worker is to follow when a TANF client wants the TANF cash assistance closed but wants to continue to receive food benefits. The update also includes a new TANF closure for failure to cooperate with TANF Work that will close the food benefits when the TANF closes.

Original signed on 12-11-06

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WF # 06-U (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 a “DHS” number, such as personnel policy at DHS:2-1 and personnel rules at OAC 340:2-1. The “340” is the Title number that designates DHS 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, DHS 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, DHS: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) 521-6392.

REMOVE

INSERT

340:50-5-1	340:50-5-1, pages 1-2, revised 12-1-06
340:50-5-68	340:50-5-68, pages 1-2, revised 12-1-06
340:50-7-3	340:50-7-3, pages 1-2, revised 12-1-06
340:50-7-22	340:50-7-22, pages 1-9, revised 12-1-06
340:50-7-45	340:50-7-45, pages 1-4, revised 12-1-06
340:50-7-46	340:50-7-46, pages 1-6, revised 12-1-06
340:50-11-22	340:50-11-22, pages 1-2, revised 12-1-06
340:50-11-27	340:50-11-27, pages 1-5, revised 12-1-06

PART 1. HOUSEHOLD DEFINITION

340:50-5-1. Food stamp household composition

A food stamp household may be composed of any of the individuals or groups of individuals listed in paragraphs (1) - (5) of this subsection, provided that such individuals or groups are not residents of an institution or boarding house. **■ 1** A food stamp household is:

- (1) an individual who lives alone.
- (2) an individual who lives with others but who customarily purchases food and prepares meals for home consumption separate and apart from the others.
- (3) a group of individuals who live together and customarily purchases food and prepares meals for home consumption.
- (4) a group of individuals who live with others but who customarily purchase food and prepare meals for home consumption separate and apart from the others.
- (5) an individual age 60 or older and his or her spouse living and eating with others who is unable to purchase and prepare meals because the individual suffers from a disability considered permanent under the Social Security Act or a non-disease related, severe, permanent disability.
 - (A) The gross income of the persons with whom the individual and his or her spouse are living, is first determined as if they were applying for participation as a separate household. The gross income of the persons with whom the individual and his or her spouse are living, cannot exceed 165% of the poverty level as shown in DHS Appendix C-3, Food Stamp Maximum Allotments and Standards for Deductions, Income, and Utilities, in order for the individual to participate as a separate household.
 - (B) When it is not obvious that a person suffers from a non-disease related, severe, permanent disability or that the individual is unable to purchase and prepare meals, the case manager requests a physician's statement of the disability or inability to purchase and prepare meals.
 - (C) See OAC 340:50-5-4 for how to determine if a person is considered disabled under the Social Security Act when a payment is not received.

INSTRUCTIONS TO STAFF 340:50-5-1

1. Document in Family Assistance/Client Services (FACS) case notes those individuals who are:

(1) included in the food stamp household; and

(2) not included in the food stamp household and the reason.

340:50-5-68. Social Security numbers (SSNs)

(a) All household members must provide their SSNs when applying for participation in the Food Stamp Program. The worker explains to the applicant that refusal to provide SSNs will result in disqualification of the individual for whom a SSN is not provided. If an applicant cannot provide a SSN, proof of application is required prior to certification for each household member except a newborn. The household must provide the SSN or proof of application for the newborn at its next recertification or within six months following the month the baby is born, whichever is later. Disqualification ends when the SSN is provided or the SSN application is made and verified.

(b) **Failure to comply.** If the worker determines a household member has refused or failed to make all efforts to apply for or provide a SSN for a household member, that individual is ineligible to participate in the Food Stamp Program. The disqualification applies to the individual for whom the SSN is not provided and not to the entire household. The income and resources of individuals disqualified for failure to provide a SSN are considered in determining food stamp eligibility. ■ 1

INSTRUCTIONS TO STAFF 340:50-5-68

1. (a) In determining if good cause exists for failure to comply with the requirement to apply for or provide a Social Security number (SSN), the worker considers information from the household member and the Social Security Administration (SSA).

(1) Documentary evidence or collateral information the household member has applied for a SSN or made every effort to supply SSA with the necessary information to complete an application for a SSN is considered good cause for not complying timely with this requirement.

(A) Good cause does not include delays due to illness, lack of transportation, or temporary absences, because SSA makes provisions for mail-in applications in lieu of applying in person.

(B) If the household member can show good cause why an application for a SSN has not been completed in a timely manner, that person is allowed to participate for one month in addition to the month of application.

(2) If the household member applying for a SSN has been unable to obtain the documents required by SSA, the worker makes every effort to assist the individual in obtaining these documents.

(3) Good cause for failure to apply is documented monthly in the Family Assistance/Client Services (FACS) case notes in order for the household member to continue to participate.

(b) Once an application for a SSN has been filed, the household member continues to participate pending notification of the household member's SSN.

340:50-7-3. Non-exempt resources

Non-exempt resources are those resources which, after deducting any encumbrances, must be considered in the determination of eligibility to receive food stamps. The worker must include sufficient detail in the case record to permit verification in the event that it becomes necessary because of inconsistent information or for a quality control review. Non-exempt resources include but are not limited to:

(1) Liquid resources (must be verified).

(A) Cash on hand.

(B) Checking or savings accounts.

(C) Savings certificates.

(D) Stocks or bonds.

(E) IRA's or Keogh plans that do not involve the household member in a contractual relationship with individuals who are not household members. The value counted is the cash value of the account less any penalty assessed if the entire amount was withdrawn.

(2) Non-liquid resources (verify if questionable).

(A) The value of these non-exempt resources, except for licensed vehicles shall be the equity value. The equity value is the fair market value less encumbrances.

(i) Licensed and unlicensed vehicles. **■ 1**

(ii) Boats.

(iii) Land.

(iv) Recreational property.

(v) Mobile homes other than home property.

(vi) Vacation home.

(vii) Other property not specifically excluded.

(B) Exclude the entire value of non-liquid assets used as collateral for a **business loan** if the household is prohibited by the loan agreement from selling the asset.

INSTRUCTIONS TO STAFF 340:50-7-3

1. See OAC 340:50-7-4(c).

340:50-7-22. Income exclusions

Only the payments listed in this Section are excluded from the household's income, from income of disqualified members whose income is counted, or from the income of ineligible aliens who would otherwise be household members. No other income is excluded.

(1) **In-kind income.** In-kind income is any gain or benefit which is not in the form of money payable directly to the household, including non-monetary or in-kind benefits, such as meals, clothing, public housing, or produce from a garden.

(2) **Vendor payments.** Vendor payments are payments in money on behalf of a household when a person or organization outside the household uses its own funds to make a direct payment to either a household's creditors or a person or organization providing a service to the household. ■ 1

(3) **Education assistance.** All education grants, work-study, scholarships, and student loans are exempt if receipt is contingent upon the student regularly attending school. ■ 2

(4) **Family Support Assistance Payment Program.** Family Support Assistance Payment Program payments provided by Developmental Disabilities Services Division (DDSD) are excluded.

(5) **Income excluded by law.** Income excluded by law is:

(A) reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. [Public Law (P.L.) 91-646, § 216] Such payments are:

(i) payments to persons displaced due to the acquisition of real property;

(ii) relocation payments to a displaced home owner toward the purchase of a replacement dwelling if the owner purchased and occupied the dwelling within one year following displacement; and

(iii) replacement housing payments to displaced persons not eligible for a home owner's payment;

(B) payments received:

(i) under the Alaska Native Claims Settlement Act [P.L. 92-203 § 21(a)];

- (ii) under the Sac and Fox Indian Claims Agreement [P.L. 94-189];
 - (iii) from the disposition of funds to the Grand River Band of Ottawa Indians [P.L. 94-540];
 - (iv) by members of the Confederated Tribes of the Mescalero Reservation [P.L. 95-433]; or
 - (v) under the Maine Indian Claims Settlement Act of 1980 to members of the Passamaquoddy and the Penobscot Nation [P.L. 96-420];
- (C) any payment to volunteers under Title II, Retired and Senior Volunteer Program (RSVP), foster grandparents and others, of the Domestic Volunteer Services Act of 1973 [P.L. 93-113] as amended;
- (D) income derived from certain submarginal land of the United States which is held in trust for certain Indian tribes [P.L. 94-114, § 6];
- (E) Indian per capita payments distributed from judgment awards and trust funds made pursuant to P.L. 98-64. Also excluded is 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. Any per capita payments, headrights of the Osage tribe, income from mineral leases or other tribal business ventures are excluded, as long as they meet the distribution requirements as stated in this paragraph. Any interest or income derived from the funds after distribution is considered as any other income. The per capita exclusion applies per person rather than per family.
- (i) Excluded funds deposited in a bank or other financial institution are excluded as long as they are kept in a separate account and not commingled in an account with non-excluded funds. When the excluded funds are commingled in an account with non-excluded funds they retain their exemption for six months from the date of commingling. After six months from the date of commingling, all funds are counted as a resource.
 - (ii) Purchases made with excluded funds are considered a resource;
- (F) income up to \$2,000 per year received by individual Indians, which is derived from leases or other uses of individually-owned trust or restricted lands. The income exclusion applies to calendar years beginning January 1, 1994. Any remaining disbursements from the trust or restricted lands are considered as income;

(G) allowances, earnings, and payments made for participation in the Workforce Investment Act (WIA) to individuals of all ages and student status. There are numerous programs for which payments are excluded. These programs include Summer Youth, Job Corps, paid classroom training, and others. The exception to the income exclusion is income to individuals for on-the-job training paid to participants 19 years old and older. This income is treated as any other earned income;

(H) payments, allowances, or earnings to individuals participating in programs under Title I of the National and Community Service Act, such as University Year for Action (UYA), Senior Companion Program, AmeriCorps Volunteers in Service to America (VISTA) and other AmeriCorps Programs, are not included as income for purposes of determining food benefit eligibility and benefit level;

(I) payments or allowances made under any federal law for the purpose of energy assistance, Low Income Home Energy Assistance Program (LIHEAP) and utility payments, and reimbursements made by the Department of Housing and Urban Development (HUD) and the Farmers Home Administration (FmHA);

(J) the amount of the mandatory salary reduction of military service personnel used to fund the G.I. Bill;

(K) all funds that are paid to individuals under the Community Service Employment Program under Title V, P.L. 100-175. This program is authorized by the Older Americans Act. Each state and various organizations receive some Title V funds. These organizations include:

- (i) Experience Works;
- (ii) National Council on Aging;
- (iii) National Council of Senior Citizens;
- (iv) American Association of Retired Persons (AARP);
- (v) U. S. Forest Service;
- (vi) National Association for Spanish Speaking Elderly;
- (vii) National Urban League;
- (viii) National Council on Black Aging; and

- (ix) National Council on Indian Aging;
- (L) Earned Income Tax Credit (EITC) payments received as part of a tax refund and also EITC advance payments received as part of a paycheck [P.L. 100-435];
- (M) refunds of the state EITC as result of filing a state income tax return;
- (N) 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.);
- (O) payments received under the Civil Liberties Act of 1988. These payments are made to individuals of Japanese ancestry who were detained in interment camps during World War II;
- (P) 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;
- (Q) payments for the fulfillment of a Plan for Achieving Self-Support (PASS) under Title XVI of the Social Security Act;
- (R) payments made to individuals because of their status as victims of Nazi persecution;
- (S) funds distributed by Federal Emergency Management Assistance (FEMA) due to a disaster or emergency to individuals directly affected by the event. This exclusion also applies to comparable disaster assistance provided by states, local governments, and disaster assistance organizations. For payments to be excluded, the disaster or emergency must be declared by the President of the United States;
- (T) monetary allowances as described in Section 1823(c) of Title 38 of the United States Code (U.S.C.) provided to certain individuals who are children of Vietnam War veterans; and
- (U) Disaster Unemployment Assistance paid to individuals unemployed as a result of a major disaster.

(6) Payments which are not considered income.

- (A) The payments in (i) through (iii) are not considered as income.

- (i) Monies withheld from any income source to repay a prior overpayment from that same source.
 - (ii) Monies voluntarily or involuntarily returned to repay a prior overpayment received from that same income source.
 - (iii) Child support payments received by Temporary Assistance for Needy Families (TANF) recipients which must be sent to the Child Support Enforcement Division to maintain TANF eligibility.
- (B) Monies withheld or returned to repay overpayments in federal, state, or local means-tested assistance programs are counted when they are withheld or returned to repay overpayments resulting from intentional program violation as established by the agency administering the program.
- (i) In the Food Stamp Program, willful misrepresentation is considered as intentional program violation.
 - (ii) The State Supplemental Payment to the Aged, Blind, and Disabled and TANF programs define intentional program violation using the terms restitution, fraud, and willful misrepresentation.
 - (iii) The Social Security Administration (SSA) and Veterans Benefits Administration programs define intentional program violation as fraud. Supplemental Security Income (SSI) is a means-tested program within SSA.

(7) Reimbursements.

- (A) Reimbursements for past or future expenses to the extent they do not exceed actual expenses and do not represent a gain or benefit to the household are not considered. Examples are reimbursements for:
- (i) job or training related expenses such as travel, per diem, uniforms, and transportation to and from job or training site. However, if these expenses are not reimbursements, they are considered income;
 - (ii) out-of-pocket expenses incurred by volunteers in the course of their work;
 - (iii) medical or dependent care; and
 - (iv) services provided by Title XX of the Social Security Act.

(B) When a reimbursement, including a flat allowance, covers multiple expenses, each expense does not have to be separately identified as long as none of the reimbursement covers normal living expenses. The amount of the reimbursement that exceeds the actual incurred expenses is counted as income. A reimbursement is not considered to exceed actual expenses unless the provider or household indicates the amount is excessive.

(8) **Money received for third parties.** Money received and used for the care and maintenance of a third party beneficiary who is not a household member is not considered.

(A) If the intended beneficiaries of a single payment are both household and non-household members, any identifiable portion of the payment intended and used for the care and maintenance of the non-household member is excluded.

(B) If the non-household member's portion cannot be readily identified, as in TANF payments, the payment is evenly prorated among intended beneficiaries. The exclusion is applied to the non-household member's pro rata share or the amount actually used for the non-household member's care and maintenance, whichever is less.

(9) **Earnings of a child.** Earned income of a child who is head of his or her own household is counted. The earned income of an elementary or high school student 17 years of age or younger who is under parental control of an adult household member is excluded. This exclusion continues to apply during temporary interruptions in school attendance due to semester or vacation breaks, provided the child's enrollment will resume following the break. If the child's earnings cannot be differentiated from those of other household members, the total earnings are prorated equally among the working members, and the child's prorated share is excluded. ■ 3

(10) **Other types of excluded income.**

(A) **Loans.** All loans, including loans from private as well as commercial institutions, are excluded. Verification that the income is a loan is required.

(B) **Irregular Income.** Exclude any income in the certification period which is received too infrequently or irregularly to be reasonably anticipated which is \$30 or less per quarter.

(C) **Non-recurring lump sum payments.** Exclude money received in the form of non-recurring lump sum payments, including but not limited to: income tax refunds, rebates, credits, retroactive lump sums from SSA, SSI, public assistance, Railroad

Retirement pensions, or other payments, or retroactive lump sum insurance settlements. These payments are counted as resources. ■ 4

(D) **Cost of self-employment.** Exclude the cost of producing self-employment income. ■ 5

(E) **Income of non-household members.** The income of non-household members who have not been disqualified or are not ineligible aliens is not considered available to the household. ■ 6

(F) **Charitable contributions.** Exclude cash contributions to a household from one or more private non-profit charitable organizations, not to exceed \$300 in a federal fiscal year quarter. For the purposes of this provision a quarter includes these specific months:

(i) October, November, December;

(ii) January, February, March;

(iii) April, May, June; and

(iv) July, August, September.

(G) **Department of Housing and Urban Development's (HUD) Family Self-sufficiency Program (FSS) escrow accounts.** Families participating in the HUD FSS program may withdraw money from their escrow accounts prior to completion of the program. This money is excluded both as income and as a resource. ■ 7

(H) **Individual Development Account (IDA).** Any funds deposited in an IDA operated under the Assets for Independence Act and the interest that accrues.

INSTRUCTIONS TO STAFF 340:50-7-22

1. Examples of vendor payments that are excluded as income are:

(1) a friend, employer, agency, church, relative, or former spouse making payments for household expenses such as rent or utilities directly to the landlord or utility company. If the payment is made from funds not owed to the household, it is a vendor payment and excluded as income;

(2) an employer paying a household's rent or house payment directly to the landlord or financial institution as compensation, in addition to paying

regular wages. This is a vendor payment and excluded as income. If the employer provides a house to an employee, the value of the housing is not considered income;

(3) a household receiving court-ordered monthly child support payments in the amount of \$400. Later, \$200 is diverted by the non-custodial parent and paid directly to a creditor of the food benefit household. The entire \$400 is counted as unearned income to the household because the payment is taken from money that is owed to the household. Payments specified by a court order or other legally binding agreement to go directly to a third party rather than the household are excluded from income because they are not otherwise payable to the household. For example, a court awards support payments in the amount of \$400 per month and, in addition, orders \$200 paid directly to a bank for repayment of a loan. The \$400 is counted and the \$200 payment is not counted;

(4) payments by a government agency to a child care facility for the purpose of providing child care for a household member are considered vendor payments and excluded as income; and

(5) payments or allowances made by the Department of Housing and Urban Development (HUD) or by the Farmers Home Administration (FmHA) directly to mortgage holders, landlords, or utility providers are vendor payments and excluded as income.

2. To be considered exempt, work study must be funded by Title IV monies.

3. (a) For purposes of this provision, an elementary or high school student includes someone who attends classes, to obtain a General Educational Development (GED), that are recognized, operated, or supervised by the student's state or local school district.

(b) The earned income of the student must be counted beginning the month following the month the student turns 18. This applies regardless of marital status as long as the student continues to live with a parent.

(c) Workforce Investment Act (WIA) on-the-job training [Section 204(b)(1)(c)] of a child who has not had his or her 19th birthday is exempt as long as the child is under the parental control of another household member regardless of student status.

4. See OAC 340:50-7-4(b).

5. See OAC 340:50-7-30(2).

6. See OAC 340:50-5-5 and 340:50-5-6.

7. Income is exempt from the HUD Family Self Sufficiency (FSS) programs:

(1) Housing Choice Voucher Family Self Sufficiency Program; and

(2) Resident Opportunities and Self Sufficiency Program (ROSS).

340:50-7-45. Income

(a) The methods in this Part are used to estimate income. The worker uses the method(s) that will best predict income for the current and future months. Actual income is always used for the current and prior month, if known prior to teleprocessing the certification. ■ 1 If the household income is received more often than monthly, the income for future months of the certification period must be converted to a monthly amount, if the conversion represents the income anticipated to be received by the household.

(b) Household income means income from all sources excluding only those items described in Section 22 of this Subchapter. The income considered is that income which is expected to be received during the period of certification. When an applicant or recipient reports no income and/or the household's expenses such as rent or mortgage, utilities, other payments, or miscellaneous personal expenses exceed the income, the worker must determine with the household how these needs are met.

(c) Gross, non-exempt income is verified for all households prior to certification. In cases where all attempts to verify income have been unsuccessful because the person or organization providing the income fails to cooperate with the household, the worker determines the amount to be used based on the best available information.

(1) **Method of verifying income.** The worker uses documentary evidence as the primary source of verification. If other types of verification are used, the worker must document in the case why an alternate source was needed.

(A) Documents which can be used to verify earned income are:

- (i) pay stubs;
- (ii) employee W-2 forms;
- (iii) wage tax receipts;
- (iv) state or federal income tax returns;
- (v) self-employed bookkeeping credits;
- (vi) sales or expenditure records;
- (vii) employer wage records;

- (viii) statements from an employer;
 - (ix) Oklahoma Employment Security Commission (OESC) statements; or
 - (x) Oklahoma Tax Commission statements.
- (B) Verification of other types of income, documents, or records generally available from the applicant are:
- (i) award letters;
 - (ii) benefit payment checks;
 - (iii) correspondence on benefits;
 - (iv) income tax records;
 - (v) support and alimony payments as evidenced by court order;
 - (vi) divorce or separation papers; or
 - (vii) contribution checks.
- (C) Other sources of income verification include;
- (i) State Data Exchange (SDX) system;
 - (ii) Beneficiary and Earnings Data Exchange (BENDEX) system;
 - (iii) OESC wage records;
 - (iv) union records;
 - (v) workers' compensation records;
 - (vi) information received from Veterans Benefits Administration records; or
 - (vii) tax records.

(2) **Unreported income.** When there is an indication other income which has not been reported is available to the household, the worker must explore the possibilities of unreported income. When the applicant states he or she has no

earnings or other income and the applicant is employable or it appears he or she may be eligible for other benefits, such as Social Security, Supplemental Security Income (SSI), unemployment compensation, or public assistance, it may be necessary to verify the applicant is not receiving income from such sources. ■ 2

(3) **Other required verification.** When verifying income is exempt as a loan, a simple statement signed by both parties which indicates the payment is a loan and must be repaid is sufficient verification. If the household receives payment on a recurrent or regular basis from the same source, but claims the payments are a loan, the worker must require the provider of the loan sign an affidavit which state the payments are being made or that payments will be made in accordance with an established repayment schedule.

INSTRUCTIONS TO STAFF 340:50-7-45

1. (a) For the first month of a certification period, if the client has not received all income for the month and the actual income cannot be verified, the worker may choose to use actual and anticipated income.

(1) Actual and anticipated income is the actual income that has been received plus income that is anticipated to be received for the same month.

(2) This method is only used when the income is from a new job or there has been a change in hours or rate of pay.

(b) Actual income is not used when the income received is ongoing with at least 30 days of verified income, and the month of certification is a month when the individual receives an extra check due to weekly or bi-weekly pay. Income is anticipated in these instances by converting to a monthly amount. Examples of when not to use actual income are when the individual is paid:

(1) every two weeks and received three checks in the month of certification from ongoing employment; or

(2) weekly and received five checks in the month of certification from ongoing employment.

2. (a) Additional situations in which the possibility of unreported income is investigated are:

(1) when information contained on Form ADM-104, Financial Management Worksheet, indicates the household has paid expenses that exceed the

amount of income reported;

(2) when the worker has difficulty contacting any employable household member at home when seasonable employment in the area is at its peak;

(3) when households report zero income; and

(4) other questionable situations.

(b) When all other methods of verification have been exhausted, a field investigation may be required.

340:50-7-46. Converting to monthly income

(a) **Converting income.** When a full month's income is anticipated but is received more often than monthly, the income is converted to a monthly amount as indicated in (1) through (5) of this subsection. When the amounts to be converted differ, such as fluctuating daily, weekly, or biweekly amounts, an average is obtained and the average is multiplied by 4.3 or 2.15 whichever is applicable. Cents are carried through all steps and then rounded to the nearest dollar when the monthly amount is determined. One cent through 49 cents are rounded down and 50 cents through 99 cents are rounded up. The worker must exercise extreme caution when determining whether income is received twice per month or biweekly (every two weeks).

(1) **Daily.** Income received on a daily basis is converted to a weekly amount then multiplied by 4.3 only when there is a consistency in days worked each week and a regularity of pay dates. ■ 1

(2) **Weekly.** Income received weekly is multiplied by 4.3.

(3) **Twice a month.** Income received twice a month is multiplied by 2.

(4) **Biweekly.** Income received every two weeks is multiplied by 2.15.

(5) **Irregular income.** Income received at irregular intervals is not converted. ■ 2

(b) **Anticipating income.** For the purpose of determining the household's eligibility and monthly benefit allotment, the worker takes into account the income already received by the household and any anticipated income the household can be reasonably certain to receive during the certification period. ■ 3

(1) **Uncertain income.** If the amount of income that will be received or when it will be received is uncertain, that portion of the household's income is not counted. For example, a household's anticipated income from a new source, such as a new job, recently applied for public assistance, or unemployment benefits, may be uncertain as to the time and the amount of the initial payment.

(A) The anticipated payment is not considered unless there is reasonable certainty concerning the month the payment will be received and the amount of the payment.

(B) The payment is disregarded if there is no way to determine the amount of the payment.

(C) If the exact amount of the income is not known, that portion of it which can be anticipated with reasonable certainty must be considered as income.

(D) In cases where the receipt of income is reasonably anticipated but the monthly amount may fluctuate, the household may elect to have their income averaged.

(E) Households are advised to report all changes in gross monthly income as required.

(2) **Income received in the past 30 days.** Income received during the past 30 days may be used as an indicator of income anticipated to be available to the household during the next certification period. Past income is not used to anticipate future income for any month in which a change in income has occurred or employment has terminated. ■ 4

(3) **Regular employment.** When the head of the household or other members of the household have regular employment, income from previous months is usually a good indicator of the amount of income that can be anticipated in the month of application and subsequent months. If information supplied by the household or collateral contact indicates that future income will differ substantially from the previous month's income, the worker uses the information to make a reasonable estimate of the anticipated income. The method used to determine the income is fully documented in the case record. ■ 5

(4) **Withheld wages.** Wages withheld at the request of the employee are considered income to the household in the month the wages would otherwise be paid by the employer. Wages withheld by the employer as a general practice even if in violation of the law are not counted as income to the household, unless the household anticipates that it will ask for and receive an advance, or the household anticipates that it will receive income from previously held wages. Advances on wages are counted as income when they can be reasonably anticipated.

(c) **Averaging income.** Households, except for destitute and migrant or seasonal farm worker households, may have their income averaged. To determine the household's eligibility, all other income is added to this averaged monthly income then the income exclusions and deductions are applied in the normal manner.

(1) **Fluctuating income.** Households with fluctuating income may elect to have the income averaged.

(A) If the household indicates the most recent 30 days income is representative

of anticipated future earnings, it is appropriate to use this income for computing gross monthly income.

(B) When the household indicates the most recent 30 days of income is not representative of anticipated future income, the worker uses additional months income to arrive at a representative anticipated monthly gross income.

(C) Income that is received more often than monthly is converted to a monthly income prior to determining a monthly average. The number of months used to arrive at the average income need not be the same as the number of months in the certification period. For example, if fluctuating income for the past 30 days and the month of application are known and, with reasonable certainty, are representative of the income fluctuations anticipated for the coming months, the income for the two months may be averaged and projected over the certification period.

(2) **Employment contract and self-employment.** Households which by contract or self-employment derive their annual income in a period of time shorter than one year must have that income annualized over a 12-month period, provided the income from the contract is not received on an hourly or piece-work basis. These households may include school employees, sharecroppers, farmers, and other self-employed households. These provisions do not apply to migrant or seasonal farm workers. ■ 6

(d) **SSA/SSI Income.** When using the Beneficiary and Earnings Data Exchange System (BENDEX) or the State Data Exchange System (System) to verify Social Security (SSA) benefits or Supplemental Security Income (SSI), see OAC 340:65-3-4.

INSTRUCTIONS TO STAFF 340:50-7-46

1. **When a person is paid daily, income is converted to a weekly amount then multiplied by 4.3 to arrive at a monthly gross wage. There must be consistency in the days worked each week and a regularity in pay dates in order to use this method of income conversion. For example, when a person is employed:**

(1) five days a week, Monday through Friday, and paid daily, daily income is converted to a weekly amount then multiplied by 4.3 to arrive at the monthly gross wage; or

(2) three days a week, Monday, Wednesday, and Friday, and paid daily, daily income is converted to weekly then multiplied by 4.3 to arrive at the

monthly gross wage.

2. When there is no consistency in the work offered or when pay is received, it is appropriate to average the income received in a calendar month.

(1) For example, a person is registered with a day labor agency but has only worked two days in the last two full months: May 16, \$60, and June 21, \$50. The appropriate method for determining monthly gross wage is to average these two months income: $\$60 + \$50 = \$110$ divided by 2 = \$55.

(2) For example, a person has just started working for a day labor agency. The person has worked three days so far in the first month, the application month, but the month is not yet ended. It is appropriate to total the wages earned so far in the first/application month and use that amount as the countable earned income for the initial and ongoing months, as there is no reasonable way to anticipate earnings.

3. For the first month of a certification period, if the client has not received all income for the month and the actual income cannot be verified, the worker may choose to use actual and anticipated income.

(1) Actual and anticipated income is the actual income that has been received plus income that is anticipated to be received for the same month.

(2) This method is only used when the income is from a new job or there has been a change in hours or rate of pay.

4. When income fluctuates to the extent that a 30-day period alone cannot provide an accurate indication of anticipated income, a longer period of past income may be requested and used to determine representative income. If the additional verification is not provided, the worker uses the most recent 30 days income to determine eligibility.

5. (a) When computing ongoing earned income using pay stubs, the procedures listed in (1) through (5) are followed.

(1) The worker must use the most recent pay stubs from the date of the face-to-face interview back, even if the client is paid later in the day.

(2) Pay stubs must be consecutive. Using a calendar to identify the pay dates ensures there are no missing pay stubs.

(3) Gross amounts of income must be used in the calculation process.

(4) If hours worked fluctuate each pay period, the worker must discuss with the client the reason for varying hours, such as employee missed work due to illness or hours fluctuate due to amount of work performed. The reason for fluctuating hours is documented in the Family Assistance/Client Services (FACS) case notes.

(5) Only those pay periods determined as representative pay for the next certification period are used in the calculation. The case record is documented with the reason for the exclusion.

(b) If an individual receives a benefit allowance from his or her employer, count the regular gross earnings plus any money left after deducting the insurance cost from the benefit allowance.

(c) If the employer adds a cash benefit to the employee's income because the employee chooses not to purchase insurance, the amount added to the income is counted as earned income.

(d) When computing earned income from new employment and a full pay check has not been received, it is appropriate to use an employer's statement or Form ADM-94, Employment Verification, that has been completed by the employer. The statement or form must include the client's scheduled hours per week, rate of pay, and how often paid. When anticipating new income based upon an employer's statement only, the income is converted using the appropriate 2.15 or 4.3 calculation method.

(e) Actual income is not used when the income received is ongoing with at least 30 days of verified income, and the month of certification is a month when the individual receives an extra check due to weekly or bi-weekly pay. Income is anticipated in these instances by converting to a monthly amount.

(f) Examples of when not to use actual income are when the individual is paid:

(1) every two weeks and received three checks in the month of certification from ongoing employment or;

(2) weekly and received five checks in the month of certification from ongoing employment.

- 6. Schools generally have contracts with all their employees. The worker determines whether the contract pay is hourly or salaried to determine how it is computed for food benefits. Contract pay that is for a salary is computed according to OAC 340:50-7-46(c)(2). Hourly contract pay is computed according to OAC 340:50-7-46(a).**

340:50-11-22. Application processing ■ 1

At the time of application for Temporary Assistance for Needy Families (TANF), the worker determines if the applicant wants to receive or is currently receiving food benefits and if the household is eligible for the Simplified Food Stamp Program (SFSP).

■ 2 If the household is receiving non-public assistance (non-PA) food benefits at the time of the TANF application, the food benefits remain as non-PA until TANF is certified. ■ 3

(1) **Households within SFSP scope.** If the household is not receiving food benefits and wants food benefits, non-PA Food Stamp Program (FSP) rules are used to determine eligibility when:

(A) the household qualifies for expedited service and the TANF application will not be certified within seven calendar days;

(B) the TANF application will take longer than 30 calendar days to determine eligibility; or

(C) the TANF application will not be completed and certified for the month of application and food benefits must be issued for the initial month.

(2) **Denial of TANF.** When the TANF application is denied, the worker must determine if the household is eligible for food benefits using non-PA FSP rules. As a result of this determination the worker:

(A) denies eligibility for food benefits; or

(B) approves eligibility for food benefits.

INSTRUCTIONS TO STAFF 340:50-11-22

1. The worker must update the Family Assistance/Client Services (FACS) Case Notes to address food benefits:

(1) **at the time of the original Temporary Assistance for Needy Families (TANF) application;**

(2) **at the time of the redetermination; and**

(3) **when food benefits are terminated.**

2. If the applicant does not want to participate in the Food Stamp Program, the worker must document the reason in FACS Case Notes.
3. **(a)** Once the TANF application is certified, the food benefit application date and certification date are changed to the date of the TANF certification date in the FACS, Eligibility notebook, Food Stamp tab. The food benefit certification period is updated to 99 on the same tab.

(b) At the time of the TANF redetermination, if the household remains eligible for TANF and food benefits, the food stamp tabs in FACS are updated to show a new food benefit application and certification. The new certification is processed using a "1" action rather than a "c" change.

340:50-11-27. Changes after application and during the certification period

Households are required to report changes in accordance with OAC 340:65-3-1. At each application or redetermination, households are advised of their reporting responsibilities. Households are given a supply of Form FSP-38, Changes in Household Circumstances, and advised to contact their worker to request additional forms as needed.

(1) **Reported change results in closure of TANF.** When the Temporary Assistance for Needy Families (TANF) cash assistance is closed:

(A) the worker closes the food benefits the same effective date as the TANF cash assistance closure when the TANF is closed as a result of: ■ 1

(i) death of the payee;

(ii) failure or refusal to participate in TANF Work;

(iii) the household moves out of state; or

(iv) the household requests closure of the TANF cash assistance and food benefits; ■ 2

(B) the computer converts the food benefits to transitional food benefits (TFB) when the TANF cash assistance is closed for reasons other than those listed in (A) of this paragraph and: ■ 3

(i) there is no companion State Supplemental Payment (SSP) case; or

(ii) the TANF case is the primary food benefit case, and the companion SSP case remains open. ■ 4

(C) the computer converts the food benefits to non-PA food benefits when the TANF cash assistance is closed for reasons other than those listed in (A) of this paragraph and the companion SSP case, which is the primary food benefit case, remains open.

(2) **Reported changes during the TFB certification period.** The household is not required to report changes timely while receiving TFB. If there is an application for TANF while in TFB status, at certification of the TANF cash assistance, food benefits are converted to Simplified Food Stamp Program (SFSP) as long as all household members are receiving cash assistance. ■ 5

(3) **Notifications.** The TANF applicant is given a copy of the signed and dated Form FSS-1, Comprehensive Application and Review, which informs the applicant food benefit eligibility is determined using information contained in Form FSS-1. Notification of eligibility is required at certification and any time the food benefit amount changes. The notice is computer-generated. ■ 6

INSTRUCTIONS TO STAFF 340:50-11-27

1. The food benefits are closed by the computer when the Temporary Assistance for Needy Families (TANF) cash assistance is closed for the reasons listed in (1) through (4) of this Instructions to Staff (ITS). The worker closes the food benefits for the reason listed in (5) of this ITS, or if the payee is disqualified for food benefits for an intentional program violation (IPV). The reason codes from OKDHS Appendix U, Reasons for Negative Case Actions, are:

(1) death (01);

(2) TANF extension – failed or refused to meet TANF work requirement (29B);

(3) moved out of state (42);

(4) failed or refused to meet TANF Work requirements (52A or 52B); or

(5) client requests closure of TANF and food benefits (46A, 46B, or 46C).

2. When the client requests closure of the TANF benefits, the worker must ask if he or she wants to receive the food benefits. If the client wants to continue receiving the food benefits the worker must update the Food Stamp Tab in Family Assistance/Client Services (FACS). "T" is entered in the Action Type block and the effective date of the TANF closure is entered in the Effective Date block. The computer automatically updates the case for transitional food benefits (TFB).

3. (a) The food benefits are converted by the computer, to TFB when the TANF cash assistance is closed for reasons other than those listed in ITS 1 of this Section. The computer updates the TFB certification period to three months for the next effective date and updates the Action Type block with T to indicate TFB.

(b) Income other than TANF cash assistance prior to the month of closure continues to be considered in the TFB calculation for the duration of the TFB

period. Any new income the client reports which causes the TANF cash assistance to be closed is automatically omitted by the computer to determine the TFB allotment. Examples of this calculation are a client receiving TANF cash assistance who:

(1) has no income requests closure of the TANF benefit.

(A) The TFB allotment is based on zero income as the TANF benefit is removed effective the date the TANF benefit is closed.

(B) FACS Case Notes are updated to document the reason for the closure;

(2) has earned or unearned income considered against the TANF benefits reports an increase in the income making him or her ineligible for TANF.

(A) The TANF benefit is removed and only the income considered prior to the closure of the TANF benefit is used to determine the TFB.

(B) The increased income amount is updated on FACS for the TANF benefit closure and FACS Case Notes are updated to document the reason for closure.

(C) The increased income is not considered in determining TFB;

(3) obtains employment and reports earnings in excess of the TANF benefit and Food Stamp Program (FSP) food benefit income guidelines.

(A) The income is updated in FACS and the TANF benefit is closed.

(B) FACS Case Notes are updated to document the reason for closure.

(C) The TANF benefit is automatically omitted by the computer and the TFB is based on zero income. The new income is not used in the calculation of the TFB; or

(4) reports obtaining unearned income in excess of the TANF and FSP food benefit income guidelines.

(A) The income is updated in FACS and the TANF benefit is closed. FACS Case Notes are updated to document the reason for closure.

(B) The TANF benefit is automatically omitted by the computer and the TFB is based on zero income.

(C) The new income is not used in the calculation of the TFB.

4. The worker enters C in the action taken field in FACS. The C code allows the computer to determine the length of the Non-Public Assistance (non-PA) certification period.

(1) The certification length is changed to 12 months if the food benefits are in the first through tenth month of certification.

(2) If the certification is in the 11th or 12th month, the certification length is changed to 14 months to ensure the client will receive Form FSP 36, Notice of Expiration of Eligibility.

5. During the three month TFB period, the TFB changes only when the client requests closure of the TFB and reapplies for food benefits or a household member leaves the home and applies for food benefits in another household.

(1) The option to remain on TFB or to reapply for food benefits is explained to the client.

(2) The worker encourages the client to remain on TFB if it results in higher benefits.

(3) FACS and FACS Case Notes are updated and TFB is not affected when the client reports:

(A) a new household member.

(i) The worker documents the information regarding the new household member in FACS case notes.

(ii) The new household member is not added to the food benefits until the TFB period has ended;

(B) income exceeding 130% of the poverty level as shown on OKDHS Appendix C-3, Maximum Food Stamp Allotments and Standards for Deductions, Income, and Utilities; or

(C) a household member has left the home and has not applied for food benefits in another household.

6. (a) See OKDHS Appendix B-2, Deadlines for Case Actions.

(b) See OAC 340:65-5-1 for notification requirements.