

WISCONSIN DEPARTMENT OF HEALTH SERVICES

Division of Medicaid Services

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Madison WI 53703

To: FoodShare Wisconsin Handbook Users

From: Bureau of Eligibility and Enrollment Policy

Re: **FoodShare Wisconsin Handbook Release 24-02**

Release Date: 08/22/2024

Effective Date: 08/22/2024

EFFECTIVE DATE	The following policy additions or changes are effective 08/22/2024 unless otherwise noted. Underlined text denotes new text. Text with a strike through it denotes deleted text.
POLICY UPDATES	
1.1.4 Eligibility Overview	Updated to clarify that an assistance group includes anyone who will receive and can use FoodShare benefits.
2.1.3.3 Signature	Updated to replace the form links from F-16019A and F-16109B to F-16019.
3.2.1.2 Temporary Absence	Updated the temporarily absent eligibility to add out of the country. Clarified that a member must have already been part of the food unit before reporting the temporary absence.
3.3.1.1 HUG (Households, Units, Groups)	Updated to state that designated representatives or food unit member can purchase food using FoodShare benefits, but only the assistance group members may use it.
3.3.1.3 Relationship Rules	Clarified that individual can be included in the same food unit if they live together, even if they do not purchase and prepare meals together.
3.12.1.13 Ukrainian Parolees	Updated to extend the parolee eligibility end date from 2023 to 2024.
3.14.1.7 IPV 10-Year Disqualification Penalty	Removed the offer to sign the Waiver of Administrative Disqualification Hearing form (F-16039).

3.16.1.4	Registering for Work	Updated to remove the requirement of a signed page from form F-10619A and replaced form F-16019B with form F-16019.
3.17.1.9	Three Additional Months of FoodShare Benefits	Updated to clarify that ABAWDS may receive three additional consecutive months of FoodShare eligibility.
3.20.1.5	Applications and Renewals	Renamed section from "Applications" to "Applications and Renewals."
4.2.2	Regular SNAP Rules	Updated to correct links.
4.3.4.2	Counted Unearned Income	Updated to clarify that reinvested interest income counts as an asset.
4.3.4.3	Disregarded Unearned Income	Updated the exceptions for the Universal Basic Income (UIB) that is otherwise disregarded.
4.4.1.1	Introduction to Assets	Updated to clarify policy that assets only need to be verified if they are questionable.
4.4.1.4	Liquid Assets	Updated to clarify that reinvested interest income counts as an asset.
4.4.1.7	Disregarded Assets	Updated to add Universal and Guaranteed Income Payments and Priority Health Medicare Over-the-counter Allowance as types of disregarded assets.
4.6.1.1	Calculation Period	Updated to add that arrearages, late charges, or discounts are not included for early payment.
4.6.7.2	Allowable Shelter Expenses	Updated to make "Do not include arrearages, late charges, or discounts for early payment." a stand-alone statement.
6.1.3.9	Oral Explanation of Applicable Work Requirements	New section. Effective date 6/22/2024.
7.3.3.2	Overpayment Claims Eligible for Compromise	Updated to add claims from a Quality Control (QC) review as eligible for compromise.
7.3.3.3	Overpayment Claims Not Eligible for Compromise	Updated to add that claims from duplicate participation are not counted for compromise.
7.3.3.4	Compromise Request	Updated to clarify that the same rules that apply for a signature to be considered valid for renewal or six-month report form also apply for a compromise request.

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1.1.4 Eligibility Overview

Non-Financial Eligibility

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

Individual Eligibility

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

Food Unit

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

FoodShare Assistance Group

The FoodShare assistance group includes everyone who will receive and can use FoodShare benefits.

Work Programs

Some members aged 16 to 59 must register for work to be FoodShare eligible. Some exceptions exist, including full-time students and parents caring for young children. Some members aged 18 to 52 must meet a separate FoodShare work requirement in order to maintain eligibility.

Unearned Income

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

Earned Income

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

Room and Board Income

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

Gross Monthly Income Computation

The 200% federal poverty level (FPL) gross monthly income test applies to all broad-based categorically eligible food units as a condition of eligibility, with one exception. Elderly, blind, or disabled (EBD) food units have no gross monthly income test.

Most food units are considered broad-based categorically eligible if their gross monthly income is at or below 200% FPL and the language describing "Job Center" services is issued to the food unit on a CARES-generated notice of decision.

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

Food units that include an EBD member with gross monthly income that exceeds 200% of the FPL must be tested for FoodShare using the regular SNAP rules. Under these rules, the assistance group (AG) has no gross monthly income test but must have a net monthly income that does not exceed 100% of the FPL and countable assets that do not exceed the EBD asset limit. (see Section 8.1.1.3 Asset Limits)

Non-EBD food units, and their AGs being tested under regular SNAP rules, must have income under the gross monthly income limit of 130% of the FPL. They must also pass the net income test of 100% of the FPL and their countable assets cannot exceed the non-EBD asset limit. (see Section 8.1.1.3 Asset Limits)

Dependent Care

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

Shelter and Utilities

Food units that have a shelter or utility obligation may receive a shelter and utility deduction. The actual receipt and application of this deduction will depend on other eligibility and budgeting factors.

The cost of rent, mortgage, taxes, or other shelter costs can be claimed as part of the shelter deduction. Homeless persons can also claim shelter costs. The cost of utilities such as gas, electric, water and telephone can be claimed for the utility deduction. The receipt of Wisconsin Heating Energy Assistance Program/Low Income Home Energy Assistance Program (WHEAP/LIHEAP) benefits in the current month or past 12 months can count towards a utility deduction.

Income Test

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

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

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

Renewal Date

The local agency must review a food unit's eligibility within certain time frames. Most food units are certified for 12 months. Food units that include a migrant or seasonal farm worker, and food units who are homeless, are certified for six months.

Food units that include only EBD persons with no reported earnings are certified for 12 months.

All food units are subject to reduced reporting policy.

Benefit Amounts

FoodShare benefit amounts are based on the number of persons who are eligible and monthly net income after deductions. The lower the net income, the more FoodShare benefits a FoodShare assistance group may receive. Only families with very little or no monthly net income will receive the maximum amount of FoodShare benefits.

2.1.3 Interviews

2.1.3.3 Signature

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

- An electronic signature*7.
- On the completed CWW generated Application Summary7.
- On the FoodShare Wisconsin Application F-16019 (~~F-16019A or F-16019B~~), ~~or~~
- A telephonic signature.

*An electronic signature can be accepted from any electronic signature software or other electronic source. Examples include DocuSign, eSign, ACCESS, etc.

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

A signature is required when a ~~S~~six-~~M~~monh ~~R~~report ~~F~~form (SMRF) is submitted.

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

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

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

An individual declared incompetent by a local, state, or federal court can’t sign an application. Their representative or guardian will need to complete and sign the application. An applicant who has a designated guardian (guardian of the estate, guardian of the person and the estate, or guardian in general) can't complete and sign the application. Only the guardian can complete and sign the application or appoint another representative.

3.2.1 Residence

3.2.1.2 Temporary Absence

A FoodShare member is temporarily absent when they are out of the home for an extended period, with the intent of returning home. Multiple FoodShare members or an entire FoodShare household could be temporarily absent. There is no limit to the amount of time a member can be temporarily absent.

A member or household can stay in Wisconsin, out of state, or out of ~~state~~the country during their temporary absence. A member may be temporarily absent for various reasons. Examples of a temporary absence include, but are not limited to, illness or hospitalization, employment, caring for someone outside of one's home, child visitation schedules, and extended vacations.

To be considered temporarily absent, a person must have already been part of the food unit and receiving benefits ~~prior to~~before reporting the ~~start of their~~ absence. A member or household's temporary absence status must be re-evaluated at renewal.

Example 5	Daniel applies for FoodShare on behalf of his roommate Grace and himself. Daniel says that Grace is currently receiving in-patient substance abuse treatment outside of Wisconsin and will return to the household sometime in the next few months. Grace is not considered temporarily absent since she was not a part of the household at the time of the application. She is not included in the assistance group. When Grace returns from treatment, she may be included in the assistance group if she passes all the non-financial and financial eligibility requirements.
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Note	Do not require verification of Wisconsin residency for individuals or households claiming to be temporarily absent.
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A person is no longer considered temporarily absent, and ineligible for FoodShare in Wisconsin, when any of the following occur:

- The household notifies the IM agency that the temporarily absent person(s) is no longer a Wisconsin resident.
- Another state determines a person is a resident for SNAP eligibility.
- The household notifies the IM agency that the temporarily absent person(s) do not intend to return to the home, even if they will continue residing in Wisconsin.

Additional Considerations

- **Residential Drug and Alcohol Treatment Programs:** When a member participates in a residential drug and alcohol treatment, the member is considered temporarily absent for the duration of their treatment (see [SECTION 3.2.1.8 DRUG AND ALCOHOL TREATMENT CENTERS](#)).
- **Homelessness:** Temporary absence policy does not apply to homeless persons and homeless households. Residency for homeless persons and homeless households remains not questionable if they claim they are a Wisconsin resident, and another state does not consider them a resident.
- **Attending School:** Persons absent due to attending school, and living on campus or in an apartment separate from the food unit, ~~they~~ are no longer included in the food unit and need to apply for their own benefits. If the individual is attending school in another state, they need to apply for benefits in that state.
- **Institution:** Persons that have resided in an institution for more than 30 days are not temporarily absent; they no longer reside in the home. Additionally, if a medical institution attests that the person will likely stay more than 30 days, they too are not temporarily absent; they no longer reside in the home.
- **Hospitalized Newborn:** Newborns are added to the food unit at birth and will remain part of the food unit during any extended periods of hospitalization.
- **Nesting Agreement:** Parents temporarily absent due to a nesting agreement are included in the food unit (see [SECTION 3.2.1.1 JOINT OR SHARED PHYSICAL CUSTODY OF CHILDREN](#)).

Example 6	John receives FoodShare but had to go to Georgia to take care of a sick relative. John will be returning to Wisconsin after alternative care has been arranged. John is temporarily absent and remains eligible for FoodShare.
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3.3.1 Food Unit/FoodShare Assistance Group/Relationships

3.3.1.1 HUG (Households, Units, Groups)

To determine who is non-financially eligible for FoodShare, you must start with all household members.

H - ~~Households~~Household

~~Households consist~~Household consists of all persons living in, or temporarily absent from, the same residence. It is important to enter all household members into CWW to ensure that the correct eligibility determination is made in CARES.

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

~~One~~Food Unit refers to one or more persons who live in the same household and purchase and prepare food together for home consumption, or individuals who must be included in the same food unit because of relationship rules (see [SECTION 3.3.1.3 RELATIONSHIP RULES](#)). This group is tested for eligibility together. There are some exceptions for boarders, foster persons, and certain elderly and disabled individuals.

Examples of a food unit include:

- A person living alone.
- A group of unrelated persons living together who purchase and prepare more than 50% of their weekly meals together for home consumption.
- An individual younger than 22 years of age living with their parents, regardless of whether they purchase and prepare food for home consumption separately from their parents. If the individual younger than 22 years of age is married and living with a parent, they may be their own separate food unit from their parent(s) if they are not purchasing and preparing together.

Example 1	Jo and Sam are partners. Jo and Sam are responsible for their own cost of food, preparation, and consumption of their meals. Every Friday and Sunday, Jo and Sam prepare and share in a family supper. Jo and Sam are separate food units because they are responsible for their own purchasing, preparing, and eating of their meals. Sharing two meals per week together is not more than 50% of their weekly meals.
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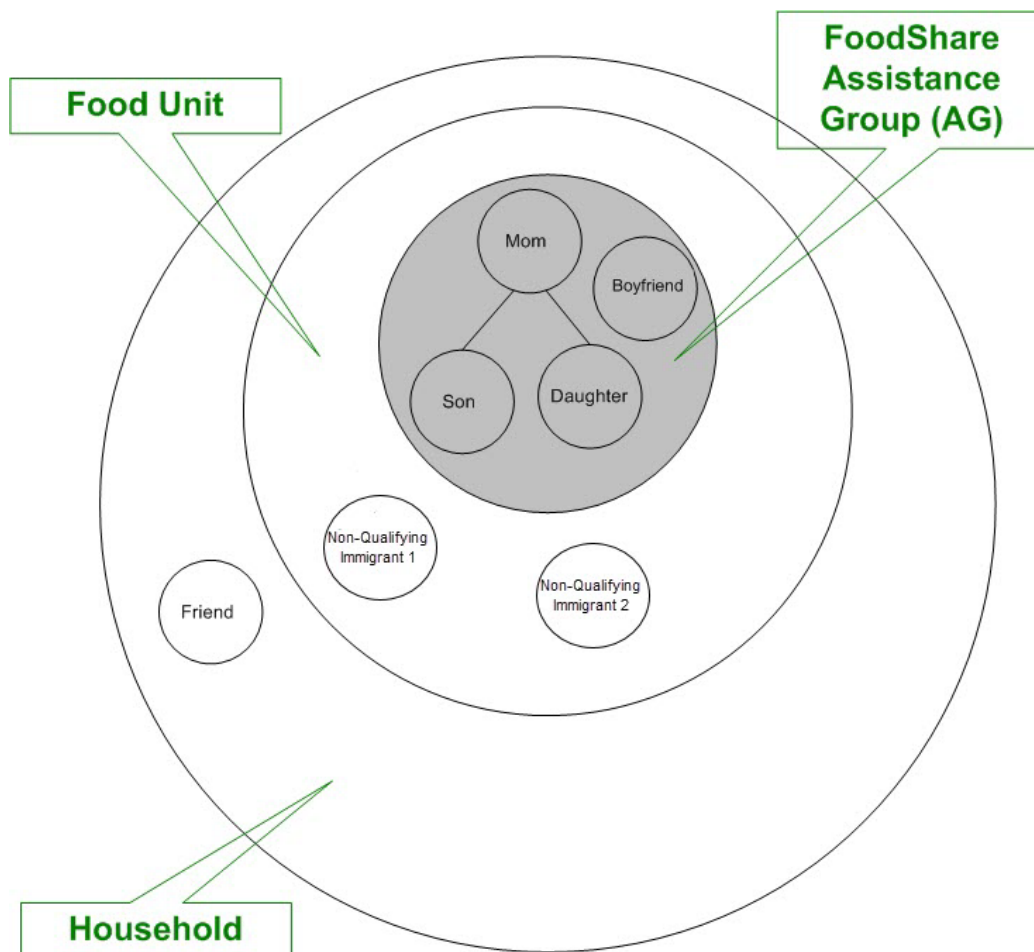
Example 2	Jane, age 22, and her sister Lillie, age 21, live together. They go shopping together and typically make their supper meals around the same time. However, Jane and Lillie buy their own food and eat their own separate meals. Jane and Lillie are separate food units because they buy their own food, prepare their own meals, and eat their own meals separately.
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Example 3	Jack and Jill are partners. They buy, prepare, and eat all their meals together except for lunch during the week (five meals). Jack and Jill are in the same food unit because they purchase, prepare, and consume more than 50% of their meals together.
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G - FoodShare Assistance ~~Groups~~Group

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

Note	A food unit member or a designated representative can buy food for the assistance group. Food purchased with FoodShare benefits is intended to feed the assistance group member(s).
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3.3.1.3 Relationship Rules

7 CFR 273.1(b)(1)

The following individuals must be included in the same food unit if they live together, even if they do not purchase and prepare meals together:

1. Spouses,
2. Biological (unless no longer a parent because of adoption), adoptive, or stepparents and their children under the age of 22, ~~and~~
3. Adults and minor children under the age of 18 years over whom they are exercising parental control.

Example 1	Tim and Jane are unmarried and live together. They claim separate food unit status. Jane comes into the office and reports she had a baby. If Tim is the father, he is in the food unit with Jane and the baby. If Tim is not the father, determine if he is participating in parental decisions that affect the baby. If yes, include Tim in Jane's and the baby's food unit since he is providing parental control. If no, Tim is a separate food unit.
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Example 2	Sue divorced Bob, but they continue to live together. Since they state that they do not purchase and prepare meals together, they are allowed to be separate food units. If Sue and Bob had children in common, relationship rules would require that they be in the same food unit, even if they were no longer married and claimed to purchase and prepare separately.
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Under certain specific circumstances, individuals and their spouses who are elderly and disabled may be a separate food unit, even if they are living and eating with others. See [SECTION 5.2.1 FS-E](#) for rules related to FoodShare-E eligibility.

Note	The provision that allows EBD household members who cannot purchase and prepare their meals separately does not take precedence over the basic household composition provision which requires children under 22 years of age who reside with their EBD parent to be included in the same food unit.
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Example 3	Stella, who is over 60 years old and disabled, allows her 19-year-old daughter Gracie to move in with her. Although Stella and Gracie claim to purchase and prepare separately, they must be included in the same food unit because elderly persons may not be separated from their children who are under 22 years of age.
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3.12.1 Citizenship and Immigration Status

3.12.1.13 Ukrainian Parolees

Effective May 21, 2022, certain Ukrainian parolees became eligible for FoodShare to the same extent as refugees. This eligibility was granted to Ukrainians (and others who last habitually resided in Ukraine), who have been paroled into the United States either:

- Between February 24, 2022, and September 30, ~~2023~~2024
- After September 30, ~~2023~~2024, and who are:
 - The spouse or child of a Ukrainian paroled during the initial period.
 - The parent or legal guardian of an unaccompanied Ukrainian child who was paroled during the initial period.

The U.S. Citizenship and Immigration Service (USCIS), Systemic Alien Verification for Entitlements (SAVE) agency has indicated that Ukrainians with a paroled status will have a Class of Admission code of UHP, DT, PAR₂ or U4U. The initial eligibility date for FoodShare is May 21, 2022, or the individual’s date of parole, whichever is later.

Note	People from Ukraine with any of these parole statuses arriving in the US during the specified time period are to be treated the same as refugees. This treatment is not limited to persons with a Ukrainian Humanitarian Parolees (UHP) status.
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Like refugees, these Ukrainians with a parolee status may be eligible for FoodShare and are not subject to a 5-year bar. These individuals must still meet all other eligibility criteria. For FoodShare, these individuals are exempt from the sponsor deeming policy.

Ukrainians with a Temporary Protected Status (TPS) are lawfully present in the U.S. but are not eligible for FoodShare.

3.14.1 Intentional Program Violation (IPV) Disqualification

3.14.1.7 IPV 10-Year Disqualification Penalty

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

In order to apply a 10-year disqualification penalty, the state agency needs to prove a person made a false statement or misrepresented their identity or place of residence while applying for or participating in Wisconsin FoodShare.

Before imposing the 10-year disqualification period, there must be one of the following:

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

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

Duplicate participation itself does not support the application of a 10-year program disqualification. There must be clear and convincing evidence that the person misrepresented or falsified their identity or place of residence to receive SNAP ~~and/or~~ FoodShare in more than one household.

Example 3	<p>Janice moves to Wisconsin in May and applies for FoodShare. She reports she is employed, she lives at a Wisconsin address, and that she is not receiving SNAP in another state. The IM worker determines Janice is eligible, and her application is approved after verifying her employment. Later, it is discovered that Janice received SNAP in Texas in May. The IM worker pursues an IPV through an administrative disqualification hearing.</p> <p>An ALJ finds that Janice made a false statement that she hadn't received SNAP in another state in May. This is Janice's first IPV, so Janice is barred from the program for 1 year.</p>
Example 4	<p>On January 17, Jesse contacted the IM agency to apply for FoodShare. He reported recently moving to Wisconsin from Nevada and that he was not receiving SNAP benefits from Nevada. Jesse provided a lease as verification of Wisconsin residency and met all other eligibility criteria. He was approved for FoodShare in Wisconsin starting in January.</p> <p>Several months later, the IM worker discovers that Jesse has been receiving SNAP benefits in Nevada since the time of his application. The IM worker also verifies that the lease Jesse submitted was fraudulent and that he never resided in Wisconsin. The IM worker pursues an IPV through an administrative disqualification hearing.</p> <p>An ALJ finds that Jesse misrepresented his residency to receive SNAP in more than one state, so he is barred from the program for 10 years.</p>

3.16.1 FoodShare Basic Work Rules

3.16.1.4 Registering for Work

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

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

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

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

3.17.1 FoodShare Work Requirements for ABAWDs

3.17.1.9 Three Additional Months of FoodShare Benefits

In certain cases, an ABAWD who has exhausted three months of TLBs, and regains eligibility by meeting the FoodShare work requirement, ~~and then stops meeting the FoodShare work requirement,~~ may receive up to three additional consecutive months of FoodShare eligibility, ~~during which the ABAWD~~ even if they are no longer meeting the work requirement. The person is not required to meet the FoodShare work requirement during the three additional months of FoodShare.

The three additional months of FoodShare eligibility will be determined ~~by CWW and the ABAWD must do all three of~~ systematically if the following: conditions are met.

- ~~Apply only to ABAWDs who have~~ Must be an ABAWD who exhausted three months of TLBs, regained FoodShare eligibility by meeting the FoodShare work requirement (see SECTION 3.17.1.8 REGAINING ELIGIBILITY AFTER EXHAUSTING THREE MONTHS OF TIME-LIMITED BENEFITS), and then stopped fulfilling that FoodShare work requirement ~~while receiving FoodShare.~~
- May only be received one time during the current three-year clock period.
- Must be applied consecutively, regardless of changes in FoodShare eligibility or ABAWD status.

Example 18	<p>Several months after losing <u>FoodShare</u> eligibility due <u>to</u> exhausting three TLBs in the current clock period, Dani began meeting the work requirement through a local volunteer opportunity and regained eligibility in October 2023 by demonstrating that she was on track to meet the FoodShare work requirement within 30 days of the new filing date. Dani ended her volunteer position in December 2023 and no longer met the FoodShare work requirement. Additional months are granted for Dani for the months of December 2023, January 2024, and February 2024.</p> <p>In February 2024, Dani found employment for more than 30 hours per week. Even though Dani’s employment exempts her from the FoodShare basic work rules and FoodShare work requirements in February, the additional months must be used consecutively. If Dani had not found employment and continued to not meet the work requirement, she would have again lost eligibility after using her third additional month in February.</p>
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3.20.1 Drug Related Felonies

3.20.1.5 Applications and Renewals

Applicants must self-attest if they have been convicted of a drug felony within the past five years. Members completing a renewal must self-attest to any previously unreported convictions within the past five years.

IM workers must explain to members convicted of a drug related felony in the past five years, they will need to take and pass a drug test to maintain FoodShare eligibility. This applies at application and renewal if the drug felony was previously unreported.

Upon agreement to take the test, find the person eligible if they meet all other eligibility criteria. If they pass the test (negative test result), they remain eligible for ongoing benefits.

If they refuse to take a drug test, they must be determined ineligible (gross deemer without a sanction) for FoodShare, effective the next possible benefit month. Members who fail to take a test can choose to agree to take a drug test at any time.

If they fail the drug test (positive result), they must be sanctioned for 12 months (gross deemer with a sanction) effective the next possible benefit month. During this time, they cannot gain FoodShare eligibility. They must serve the full sanction.

If the drug test is inconclusive, the person must retake the test until they receive a passing or failing result. If the member does not retake the test, they must be determined ineligible for not agreeing to take a drug test. The person must be given an adequate amount of time to reschedule, retake, and receive the results of any additional drug tests. This may require a verification due date extension.

Example 2	On June 19, Jane applies for FoodShare for herself and her two children. Jane reports having a drug felony conviction from three years ago and agrees to take a drug test. The IM worker helps her schedule the drug test for June 25. The IM worker continues to process the application and Jane is found eligible for June and July FoodShare benefits. The worker confirms June and July benefits and pends Jane’s case for the drug test results August forward. The drug test results are received on July 2. Jane failed the drug test. Jane is sanctioned effective August 1 for 12 months. Jane’s two children remain eligible for FoodShare.
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4.2.2 Regular SNAP Rules

7 CFR 273.11(r)(2)

Regular Supplemental Nutrition Assistance Program (SNAP) rules will test food units against different income and asset limits than the broad based categorical and categorical eligibility rules. Under regular SNAP rules, there are different income and asset limits for Elderly, Blind, or Disabled (EBD) and non-EBD food units (see ~~lottery~~, SECTION 8.1.1.2 REGULAR SNAP PROGRAM MONTHLY INCOME LIMITS, and SECTION 8.1.1.3 ASSET LIMITS).

Note	Agencies must use the FoodShare Worksheet (F-16033) to determine eligibility under regular SNAP rules.
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EBD

Test all food units that include an EBD member, under regular SNAP rules. Under the regular SNAP rules, these food units have no gross monthly income limit. Their net income must not exceed 100% of the FPL and countable assets cannot exceed the EBD asset limit.

Non-EBD

Under regular SNAP rules, non-EBD food units have a gross monthly income limit of 130% of the FPL. Their net income must not exceed 100% of the FPL and countable assets cannot exceed the non-EBD asset limit.

Countable Assets

All households tested under regular SNAP rules are subject to an asset test (see SECTION 4.4.1.4 LIQUID ASSETS for a list of countable liquid assets).

4.3.4 Unearned Income

4.3.4.2 Counted Unearned Income

Count the following as unearned income:

1. Tribal TANF payments.
2. Interest income (interest, dividends, and royalty payments) if available to a food unit member. ~~Dividends that the food unit has the option of either receiving as income or reinvesting in a trust or other~~ Members may reinvest interest income from an investment are to be considered or receive it directly as income. Count interest income directly received as unearned income in the month they become it becomes available to the food unit; unless exempt member. Count reinvested interest income as an asset because it is not available to the member. Any reinvested interest income becomes a part of the net value of the investment. Do not count exemptions listed under SECTION 4.3.4.3. DISREGARDED UNEARNED INCOME.
3. Annually paid annuities and lottery winnings. Average these payments over 12 months. Do not count the entire amount in the month received.
4. Individual Retirement Account (IRA) payments. Budget IRA withdrawal payments based on frequency received (annually, quarterly, or monthly).
5. Net Supplemental Security Income (SSI) payments.
6. Gross Social Security payments less any repayments withheld due to previous overpayments of Social Security benefits. Include any Child Support payments withheld from Social Security payments. This will ensure that Child Support payments are correctly included in the total gross unearned income and correctly budgeted as a Child Support payment deduction.
7. Unemployment Insurance (Unemployment Compensation) payments.
8. Worker's Compensation benefits.
9. VA disability and pension benefits, including Cost of Living Adjustment (COLA) and other adjustments made to the payments. "Aid and Attendant Allowances" referenced in SECTION 4.3.4.3. DISREGARDED UNEARNED INCOME are excluded.
10. Pensions and retirement payments.
 - a. Annual withdrawals from 401k plans are to be annualized or counted for the period of time the withdrawal is intended to cover.
- ~~10.~~11. Private disability payments.
12. Foster care payments.
- ~~11.~~13. Caretaker Supplement (CTS) payments.
- ~~12.~~14. Child Support and maintenance payments made directly to the food unit or passed through to the food unit by a child support agency, whether court-ordered or voluntary.
 - Child support paid to a custodial parent who resides with the non-custodial parent and the child(ren) for whom the child support is paid is not counted as income.
 - Disregard child support payments received directly from an absent parent by a food unit if the money is turned over to the child support agency.
 - Disregard child support payments retained by a child support agency.
 - Child support arrears paid through the child support agency on behalf of an adult child are counted as income to the individual it is sent or paid to. If the payment is sent directly to the parent, it is the parent's income. If the payment is sent directly to the adult child from the child support agency, it is the adult child's counted income.
- ~~13.~~15. Child Support and Family Support must be prorated among the members covered by the court order.
 - If a Family Support order includes the custodial parent, the income proration would also include that parent.

- Child support is prorated for only the children covered by the court order.
- Maintenance is budgeted for the person actually receiving it.
- The most up-to-date information about Child Support and Maintenance is auto populated on the CARES Worker Web Child Support screen.

~~14~~16. W-2 payments received under Wisconsin Works Transitions (W-2T), Community Service Job (CSJ) full and prorated placements, Case Management Follow Up (CMF+), At Risk Pregnancy (ARP), or as the custodial parent of an infant (CMC). CMF+ is an incentive payment for job retention services and is not considered a paid placement for Transitional FoodShare (TFS) eligibility (see Section 8.1.6 System Generated Payments and Section 7.1.1.8 Deny Benefit Increases Due to Penalties in Other Programs).

~~15~~17. Kinship Care payments are unearned income for the child receiving the payment.

~~16~~18. Subsidized guardianship payments.

~~17~~19. Any money received for sick or severance pay from an insurance policy, an income continuance policy, or disability payments from an employer that are not paid as accrued sick, vacation, or personal time. Gross income from these sources is budgeted. Whether or not the income is taxed or untaxed does not determine if the pay is counted as unearned or earned income.

~~18~~20. Reimbursements for normal household living expenses such as rent, mortgage, personal clothing, and food eaten at home. These are counted because they are a gain or benefit. Include stipends that are part of a financial aid package and are intended as a reimbursement for living expenses.

~~19~~21. Count a subsidized adoption payment or adoption assistance payment as unearned income.

~~20~~22. Tribal distribution payments, unless excluded (see TRIBAL / NATIVE AMERICAN PAYMENTS IN SECTION 4.3.4.3 DISREGARDED UNEARNED INCOME). Income from tribal distributions should be prorated over the period it is intended to cover if it is predictable and regularly received. If the FoodShare assistance group becomes ineligible and then reapplies before receiving their next installment, continue to use the same prorated amount as before.

Example 1	<p>Dawn receives \$500 quarterly from the Potawatomi Tribe. The frequency of the payment is regular, and the amount is predictable. To calculate the monthly amount to be budgeted prospectively, prorate the amount over the time period intended:</p> <p>$\\$500/3 = \\166.67 per month to be prospectively budgeted.</p>
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~~21~~23. Money withdrawn or dividends that are received or could be received from an otherwise exempt trust fund.

~~22~~24. Monetary gifts over \$30 a calendar quarter. Calendar quarters refer to three consecutive month periods beginning with January, April, July, or October.

~~23~~25. Income from a land contract. Count any portion of monthly payments received that are considered interest from a land contract as unearned income. Do not count the principal as income, because it is the conversion of one asset form to another. If received less often than monthly, prorate it over the period between payments. Do not count this income until a member actually receives it.

~~24~~26. Any money received from an installment contract must be either:

- Counted as income in the month received, ~~or~~.
- Averaged over the number of months between payments. For example, average a quarterly payment received in January over January, February, and March. The food unit must choose one of the above methods. Document the choice in the case record.

~~25~~27. If someone receives rental income and the property is managed more than 20 hours per week, see Section 4.3.3.4 Rental Income. However, if someone manages the property for less than 20 hours a week, treat the income as unearned and budget it as listed below.

- Include gross receipts minus allowable business expenses as earned income. Tax Forms 1040 Schedule C or 1040 Schedule E are used to determine rental income.

- If using tax form Schedule E, use recorded rental income plus the principal paid to estimate future income.
- If the applicant or member has not completed a Schedule C or Schedule E tax form, use the following method to calculate earned income.
 1. When the owner is not an occupant, "net rent" is the total rent payment(s) received minus the total mortgage payment (principal and interest) and other verified operational costs such as ~~+~~_z but not limited to ~~+~~_z hazard insurance, mortgage insurance, and taxes.
 2. When income is received from a multi-unit property and the owner lives in one of the units, compute "net rent" as follows:

Step 1: Add the total mortgage payment (principal and interest) and other verified operational costs such as ~~+~~_z but not limited to ~~+~~_z hazard insurance, mortgage insurance, and taxes common to the entire operation.

Step 2: Multiply the number of rental units by the total in Step 1.

Step 3: Divide the result in Step 2 by the total number of units, to get the proportionate share.

Step 4: Add the proportionate share in Step 3 to any operating costs paid that are unique to the rental unit. This equals total expenses.

Step 5: Subtract total expenses in Step 4 from gross rent payments to get net rent.

- CARES will budget self-employment income from rental property as earned income if the property is self-managed 80 or more hours per month. If the monthly hours entered are less than 80, the income will be treated as unearned income even if the self-managed switch is "Y~~+~~_z".
- Verify unearned rental income using available documentation. It is not necessary to collect Self-Employment Income Report Forms (SEIRF) for unearned income.

~~26~~28. _____ Refugee Assistance Program payments.

COVID-19 Pandemic Assistance: Refer to the [Process Help COVID-19 Main Page](#) for specific policies and process related to COVID-19 pandemic income.

4.3.4.3 Disregarded Unearned Income

Disregard means do not count. When you are calculating the total amount of unearned income a person has received, you should exempt or exclude any of the following kinds of unearned income:

Housing and related income

1. Disregard rent paid by the Department of Housing and Urban Development (HUD) and Farmer's Home Administration (FMHA) directly to a landlord as income. Do not include these payments as a deduction. Only include as a rent expense what the food unit owes to the landlord after the HUD or FMHA payments.
2. Disregard rent paid by HUD to residents in the experimental housing program in Green Bay.
3. Disregard HUD or FMHA utility reimbursement payments made directly to a food unit or utility provider as income.
4. Disregard HUD utility reimbursement payments diverted by a Native American housing authority directly to the utility provider without permission, consent, or agreement of the food unit.
5. Under the Family Investment Centers program, HUD provides grant money to public housing agencies and Indian housing authorities. In turn, they provide access to education and job opportunities to public housing residents. Disregard as income services provided to these residents. Services include:
 - a. Child care
 - b. Employment and training counseling
 - c. Literacy training
 - d. Computer skills training
 - e. Assistance in attaining certificates of high school equivalency
 - f. Other similar services
6. Disregard free rent, no income is counted, and no rent deduction is allowed.
7. A tenant may be billed utility expenses for common electrical devices, for the benefit of any number of tenants, but wired through their meter. A notice from the landlord identifies that cost and the tenant's reimbursement. Disregard the reimbursement.
8. Income received as a result of participation in the Fresh Start Program.

Employment Training and Education

1. Educational aid for students is not counted as income.
2. Disregard educational expense reimbursements.
3. Disregard income produced by an educational trust.
4. Disregard W-2 TSP (stipends for non-custodial parents) received for W-2 education and training activities.

Loans

Disregard as income any loan to the food unit. This includes loans from private individuals and commercial institutions. A legally executed document is not required to verify that income is a loan. A statement signed by both parties is enough to verify the income is a loan, if it contains: the amount of the loan, that the payment is a loan, and that repayment is required.

Medical and Dependent Care

1. Disregard reimbursements for medical or dependent care. Some examples of medical or dependent care reimbursements that should be disregarded are:
 - a. Reimbursements from the Medical Assistance (MA), also known as Medicaid or Title 19 Community Integration Program (CIP).
 - b. Reimbursements from the Alzheimer's Family Caregiver Support Program (AFCSP) and National Family Caregiver Support Program (NFCSP).
2. Disregard dependent care payments as income for a food unit member's care when a county agency:
 - a. Pays a dependent care provider directly,
 - b. Reimburses the food unit after the food unit has incurred or paid a dependent care expense.
3. Disregard payments from the Wisconsin Family Support Program, which assists families by covering medical, dependent and other allowable expenses for in-home support for children with severe disabilities. Payments may be issued in several ways, including by voucher or direct payment to the vendor, or direct payment to the family as a reimbursement for allowable expenses. Do not confuse this program with "family support", a court-ordered obligation that combines child support and maintenance.

SSA programs

1. Disregard reimbursements for services provided by the [Social Services Block Grant Program](#).
2. Disregard retroactive SSI payments which are paid in installments.
 - a. Retroactive SSI benefits which total 12 months or more of the Federal Benefit Rate (monthly SSI amount) will be paid in three or fewer installments at six-month intervals. Each installment payment should be counted as an asset. Retroactive SSI benefits which equal or exceed 12 months of benefits, but which are owed to the following categories of recipients, will continue to be received in one lump sum:
 - i. A person who has a medical impairment which is expected to cause death within 12 months.
 - ii. A person who is ineligible for benefits and is likely to remain ineligible for the next 12 months.
3. Disregard income of an SSI recipient necessary to fulfill a Plan to Achieve Self-Support (PASS) regardless of the source. This income may be spent in accordance with an approved PASS or deposited into a PASS account. The SSA must approve the individual's PASS in writing, identifying the amount of income that must be set aside each month to fulfill the PASS. It is the member's responsibility to report and verify that such income is necessary to fulfill its PASS in order for the income to be disregarded.
4. A qualified organization may collect a fee for acting as the representative payee for an SSI or OASDI recipient. Disregard the amount withheld from the SSI or OASDI payment as income to the recipient. Reduce the SSI or OASDI amount by the amount withheld instead.

SSI-E

Disregard SSI-E income for FoodShare. It is not necessary to determine if a SSI-E payment is being used for its intended purpose in order to disregard the income.

Energy Assistance Program

Disregard all payments provided by the Low Income Home Energy Assistance Program (LIHEAP) or Wisconsin Home Energy Assistance Program (WHEAP).

Community Options Program

Disregard Community Options Program (COP) reimbursement for long-term care services. If a food unit member is receiving COP payments for providing services, count the money as earned income.

Tribal / Native American Payments

Disregard any Tribal General Welfare Assistance (GWA) and Tribal General Welfare Exclusion (GWE) payments (26 USC § 139E).

Disregard payments to individual tribal members of the following tribes or from the following federal settlements:

1. Seminole Indians of Florida (PL 84-736).
2. Pueblos of Zia and Jemez of New Mexico (PL 84-926).
3. Red Lake Band of Chippewa Indians (PL 85-794).
4. Alaska Native Claims Settlement Act (PL 92-203).
5. Stockbridge Munsee Indian Community of Wisconsin (PL 92-480).
6. Burns Indian Community of Oregon (PL 92-488).
7. Pueblo of Santa Ana (PL 95-498).
8. Pueblo of Zia of New Mexico (PL 95-499).
9. Bois Forte Band of the Chippewa Tribe or the Grand Portage Band of Lake Superior Chippewa Indians under 25 USC 1407 (PL 93-134, 97-458, 106-568, 113-290).
10. Navajo and Hopi Tribe relocation payments (PL 93-531).
11. Cherokee Nation of Oklahoma (PL 94-114).
12. Cheyenne River Sioux, Crow Creek Sioux, Lower Brule Sioux, Oglala Sioux, and Rosebud Sioux Tribes of South Dakota (PL 94-114).
13. Devils Lake Sioux and Standing Rock Sioux Tribes of North Dakota (PL 94-114).
14. Shoshone-Bannock Tribes of Idaho (PL 94-114).
15. Sac and Fox Indian claims agreement (PL 94-189).
16. Grand River Band of Ottawa Indians (PL 94-540).
17. Confederated Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation (PL 95-433).
18. Indian Child Welfare Act of 1978 (PL 95-608).
19. Delaware Tribe of Indians and the Delaware Tribe of Western Oklahoma (PL 96-318).
20. Passamaquoddy Tribe, Penobscot Nation, and Houlton Band of Maliseet Indians under the Maine Indian Claims Settlement Act of 1980 (PL 96-420).
21. Wyandot Tribe of Indians of Oklahoma (97-371).
22. Absentee Shawnee Tribe of Oklahoma, Eastern Shawnee Tribe of Oklahoma, and Cherokee Band of Shawnee descendants (PL 97-372).
23. Miami Tribe of Oklahoma and Miami Indians of Indiana (PL 97-376).
24. Clallam Tribe of Indians, including Port Gamble Indian Community, Lower Elwha Tribal Community, and Jamestown Band of Clallam Indians, of Washington (PL 97-402).

25. Turtle Mountain Band of Chippewas of Arizona (PL 97-403).
26. Blackfeet, Gros Ventre Tribes, and Assiniboine Tribes of Montana (PL 97-408).
27. Papago Tribe of Arizona (PL 97-408).
28. Red Lake Band of Chippewas (PL 98-123).
29. Assiniboine Tribes of Fort Belknap Indian Community and Fort Peck Indian Reservation of Montana (PL 98-124).
30. Chippewas of Lake Superior including the Bad River Band, Lac du Flambeau Reservation, Lac Courte Oreilles Band, Sokaogon Chippewa Community, Red Cliff Reservation, and St. Croix Reservation of Wisconsin; disregard any per capita payment issued under this judgement in its entirety (PL 99-146).
31. Keweenaw Bay Indian Community of Michigan (PL 99-146).
32. Fond du Lac, Grand Portage, Nett Lake, and White Earth Reservations of Minnesota (PL 99-146).
33. White Earth Band of Chippewas in Minnesota (PL 99-264).
34. Saginaw Chippewa Indian Tribe of Michigan (PL 99-346).
35. Chippewas of the Mississippi including Mille Lac, White Earth, and Leech Lake of Minnesota (PL 99-377).
36. Band of Potawatomi, including Hannahville Indian Community and Forest County Potawatomi, of Wisconsin; if issued as a per capita payment, disregard the first \$2,000 of each payment made from this judgement (PL 100-581).
37. Puyallup Tribes under the Puyallup Tribe of Indians Settlement Act of 1989 (PL 101-41).
38. Seneca Nation of New York under the Seneca Nation Settlement Act of 1990 (PL 101-503).
39. Catawba Indian Tribe of South Carolina (PL 103-116).
40. Confederated Tribes of the Colville Reservation (PL 103-436).

Exclude as income any lump sum or periodic payments received under the Cobell v. Salazar Class Action Trust Case during the one-year period beginning on the date of receipt (PL 111-291).

Disregard up to \$2,000 per calendar year held by an individual Native American which is derived from restricted land or land held in trust by the Department of Interior, Bureau of Indian Affairs (PL 103-66, 92-203, and 100-241).

Disregard the first \$2,000 of individual shares for the following:

1. Confederated Tribes of the Warm Springs Reservation (PL 97-436).
2. Old Age Assistance Claims Settlement Act (PL 98-500).
3. Seminole Nation of Oklahoma (PL 101-277).
4. Seminole Tribe, Miccosukee Tribe of Indians, and the independent Seminole Indians of Florida (PL 101-277).
5. Rincon Band of Mission Indians (Docket 80-A).
6. Walker Paiute Tribe (Docket 87-A).
7. Ak-Chin, Salt River Pima-Maricopa, and Gila River Pima-Maricopa Indian Communities (Docket 228).
8. Maricopa Ak-Chin Indian Community (Docket 235).
9. Peoria Tribe of Oklahoma (Dockets 313, 314-A, and 314-B).
10. Yankton Sioux Tribe (Dockets 342-70 and 343-70).
11. Wichita and Affiliated Tribe (Keechi, Waco & Tawakonie) of Oklahoma (Dockets 371 and 372).

Child Nutrition Act of 1966 and the National School Lunch Act

Disregard the value of assistance received from programs under the Child Nutrition Act of 1966 and the National School Lunch Act. These are the:

1. Special Milk Program.
2. School Breakfast Program.
3. Special Supplemental Food Program for Women, Infants and Children (WIC).
4. School Lunch Program.
5. Summer Food Service Program for Children.
6. Commodity Supplemental Food Program.
7. Child and Adult Care Food Program.

Disaster and Emergency Assistance Payments

1. Disregard major disaster and emergency assistance payments made by federal, state, county, and local agencies, and other disaster assistance organizations, including National Flood Insurance Program (NFIP).
2. Disregard Emergency Assistance or emergency General Assistance when either is given to a migrant or seasonal farm worker food unit if:
 - a. The payment is provided to a third party (vendored) on behalf of the migrant or seasonal farm worker; and,
 - b. The food unit was in the job stream when (for example, working) it was provided.
3. Disregard disaster unemployment benefits to any individual who is unemployed as a result of a major disaster. Individuals cannot be eligible for any other unemployment compensation and also receive disaster unemployment benefits. Payments are limited to 26 weeks.

COVID-19 Pandemic Assistance: Refer to the [Process Help COVID-19 Main Page](#) for specific policies and process related to COVID-19 pandemic income.

Veterans Benefits

Exclude VA aid and attendance and homebound allowances if the payment is:

1. For a past or future expense.
2. Not in excess of the actual expense.
3. Not for a normal household living expense.
4. Used for the intended purpose.

Disregard aid and attendance and housebound allowances received by veterans, spouses of disabled veterans, and surviving spouses.

GI Bill

All military personnel fund the GI Bill through mandatory payroll deductions in their first year of service. Disregard these deductions when counting income.

Example 2	During Joe's first year of military service, his gross pay is \$1,000 per month. One hundred dollars is deducted from his paycheck each month for the GI Bill. The IM worker disregards the \$100 deduction and budgets his pay as \$900 per month.
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Combat Pay

IM workers are required to determine if a military allotment made available to a food unit by an absent member deployed to a combat zone should be excluded when determining eligibility. Disregard any amount of combat zone pay that goes to the food unit that is in excess of the military person's pre-deployment pay. The exclusion lasts while the military person is deployed to the combat area.

If the amount of military pay from the deployed absent family member is equal to or less than the amount the food unit was receiving prior to deployment, all of the allotment would be counted as income to the food unit. Any portion of the military pay that exceeds the amount the food unit was receiving prior to deployment to a designated combat zone should be excluded when determining the food unit's income for FoodShare purposes.

Follow these steps in determining how to budget combat zone pay:

1. Ask if the service member is deployed to a combat zone.
 - a. If the answer is no, verify military pay using a bank record or Leave and Earnings Statements (LES) and clearly document in case comments how income to the food unit was determined and verified.
 - b. If the answer is yes, verify the service member's pay before deployment to a combat zone and the amount they receive due to being assigned to a combat zone. Leave and Earnings Statements (LES) or bank records can be used to verify this amount.
2. Any portion that is more than the amount the food unit was receiving immediately before deployment to a combat zone is exempt as combat pay.
3. Clearly document in case comments the combat pay source of verification and method used to determine amount to be disregarded and budgeted.

Deployment to a combat zone can be established through a variety of methods including:

1. The deployed person's military pay record, the Leave and Earnings statement (LES).
2. Orders issued to the military person in which the place of deployment is public record.
3. Contacting the Call Center which has a listing of designated combat zones, as well as a listing of pay items which may or may not be the result of deployment to a designated combat zone

Example 3	John, his wife Bonnie, and their daughter have an open FoodShare case. John is in the military stationed overseas; his monthly income is \$1,000. John sends his wife \$1,000 every month. When John is deployed to a combat zone his pay is increased to \$1,300 a month, which is deposited into a joint account. Because the \$300 is combat pay, it is exempt income and not counted in the determination. The pre-combat pay of \$1,000 is budgeted as unearned income for FoodShare.
Example 4	Dori is in the military and receives \$1,000 per month in wages. Dori's husband Louie and their son Joe have an open FoodShare case. Dori has her military pay directly deposited into a bank account in her name only; Louie has no access to the funds or to the account. Do not count any of Dori's income in the eligibility determination for Louie and Joe.
Example 5	Ben is in the military. His paycheck is \$1,000 a month. He has \$500 directly deposited into his account and \$500 directly deposited into a joint account with his wife, Andrea. The \$500 directly deposited into the joint account is budgeted as unearned income in Andrea's FoodShare determination. Since Andrea does not have access to Ben's account, only the amount deposited in their joint account is counted.
Example 6	Tim is in the military making \$1,200 a month. An allotment check of \$1,000 is paid directly to his wife Karla and \$200 to himself. The \$1,000 is budgeted as Karla's unearned income for her FoodShare determination.

Dottie Moore

Disregard as income any penalty payment paid as a result of the Dottie Moore lawsuit by DHS (formerly DHSS) to any Aid to Families with Dependent Children (AFDC) applicant or member. These \$50 to \$200 penalty payments have been ordered by the U.S. District Court for the Eastern District of Wisconsin in Civil Action No. 80-C-118.

Income Tax Refunds, Credits, and Rebates

Disregard income tax refunds, credits, and rebates as income.

Victims of Nazi Persecution

Disregard as income payments under PL 103-286 to victims of Nazi persecution.

Payments to Crime Victims

Disregard any payments received from a state established fund to aid victims of a crime.

Agent Orange Settlement Fund

Disregard payments received from the Agent Orange Settlement Fund or any other fund established in settling "In Re Agent Orange Product Liability Settlement Fund litigation M.D.L. No. 381 (E.D.N.Y.)." Continue to disregard the payments for as long as they are identified separately. Apply this disregard retroactively to January 1, 1989.

Wartime Relocation of Civilians

Disregard payments under PL 100-383 to U.S. citizens of Japanese ancestry and permanent resident Japanese immigrants or their survivors and Aleut residents of the Pribilof Islands and the Aleutian Islands West of Unimak Island.

Radiation Exposure Act

Disregard payments from any program under the Radiation Exposure Compensation Act (PL 101-426) paid to compensate injury or death resulting from exposure to radiation from nuclear testing (\$50,000) and uranium mining (\$100,000). Apply this disregard retroactively to October 15, 1990. When the affected person is deceased, payments are made to the surviving spouse, children, parents, or grandparents of the deceased. The federal DOJ makes the payments. Continue to disregard the payments for as long as they are identified separately. Apply this disregard retroactively to October 15, 1990.

Children of Vietnam Veterans Who Are Born With Spina Bifida

Disregard payments received under the provision of the Benefits for Children of Vietnam Veterans Who Are Born With Spina Bifida (PL 104-204). These payments are made to any child of a Vietnam veteran for any disability they experience resulting from the spina bifida. Apply this disregard retroactively to September 26, 1996. Continue this disregard as long as payments are identified separately.

Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970

Disregard reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 (PL 91-646, Section 216).

Capital Gains

Disregard capital gains from the sale of a personal asset as income. Profits gained from the sale of an asset continue to be counted as an asset (see Section 4.3.3.3 Capital and Ordinary Gains for policy related to self-employment).

Reverse Mortgage

Disregard reverse mortgage payments made to homeowners. Reverse mortgage payments are loans against the borrower's home and are considered an asset these payments are not considered income.

Payments to Filipino World War II Veterans

Disregard payments from the Filipino Veterans Equity Compensation Fund. The American Recovery and Reinvestment Act (ARRA) of 2009 created the fund for certain veterans and the spouses of veterans who served in the military of the Government of the Commonwealth of the Philippines during World War II. The compensation fund offers one-time payments that may be up to \$15,000 to eligible persons.

Living Independently through Financial Empowerment (LIFE)

The LIFE program provides short-term, monthly cash payments to families, including tribal members, experiencing crises resulting from a domestic violence situation. LIFE payments are designed to meet urgent financial needs such as but not limited to housing, utility payments, and groceries. The LIFE program is only available for a limited time until August 31, 2022. Approved applicants receive \$3,500 over three consecutive months: \$1,500 in month one, \$1,000 in month two, and \$1,000 in month three.

Universal Basic Income (UBI)

Universal Basic Income (UBI) and guaranteed income program payments are disregarded for FoodShare purposes if:

1. Excluded by TANF or Medicaid.
2. The payments are sourced solely from private funds or a mix of private and public funds.

Examples

1. Madison Forward Fund Universal Basic Income (UBI) Program Payments
2. The Bridge Project Guaranteed Income for pregnant individuals. ~~Disregard any payments received from the Madison Forward Fund Universal Basic (UBI) program~~

Priority Health Medicare Over-the-counter (OTC) Allowance

Dual Eligible Special Needs Plans (D-SNP); Over-the-counter (OTC) program; healthy foods/utility credits income are all disregarded for FoodShare.

Mobility management vouchers

Mobility management vouchers are disregarded as income.

4.4.1 Assets

4.4.1.1 Introduction to Assets

This section applies only to food units and their assistance group being tested under regular ~~SNAP~~ Supplemental Nutrition Assistance Program (SNAP) rules. Regular SNAP rules require an asset test. Elderly, Blind and Disabled (EBD) and non-EBD food units have different asset limits (see ~~SECTION 8.1.1.3 ASSET LIMITS~~ section 8.1.1.3 Asset Limits).

Note	Asset limits are subject to change with <u>the</u> annual cost of living adjustment (COLA) which happens each October 1.
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Count or disregard the value of the assets as outlined below.

Equity value

Count the equity value of countable assets. Equity value is the fair market value (FMV) minus any encumbrances against the asset. ~~Disregard~~ the equity value of exempt assets.

Separate and Mixed Assets

Disregard exempt assets kept in a separate account, or in an account with other exempt assets.

If an asset is in an account mixed with countable assets, disregard the exempt assets for one of these periods:

- For six months from the date the exempt asset was mixed with the countable assets.
- If an exempt asset is money that has been prorated as income, exempt it only for the period over which it has been prorated. After that period expires, count the remaining asset. (Self-employment income and farm income are examples of prorated income.)

Jointly Owned Accounts

A joint account is ~~a~~ a deposit of funds (savings, checking, share and NOW accounts, certificates of deposit, and similar arrangements), made with, a financial institution (such as a bank, savings and loan, credit union, or insurance company), where the holders have equal access to ~~the said~~ funds.

~~1. A~~

~~2. A,~~

~~The~~

Jointly held accounts in a state-regulated financial institution are accessible to all holders of the account. The food unit has access to the joint account, with the exceptions below.

Do not assume that ~~a~~ the following jointly held ~~account is~~ accounts are accessible ~~if it is:~~

- ~~Established~~ An account established for business, charitable, or civic purposes.
- A trust or restricted account. The person named as holder has no or limited access to the funds.
- A special purpose account. A special purpose account has at least one holder acting as the power of attorney, guardian, or conservator for another account holder(s).

4.4.1.4 Liquid Assets

Stocks, Bonds, and Other Investments

Count the current cash value of any available investment that includes, but is not limited to, stocks, bonds, or mutual funds. Available means that the asset could be cashed in at any time. Investments that are part of retirement plans are generally not available until someone is of retirement age.

To calculate the net value of investments such as stocks, bonds, or mutual funds, verify the current value(s) as of the closing of the market on the day before you do the calculation. For individual stocks or bonds, multiply the value per share times the number of shares. Deduct any losses or penalties charged as a result of a potential sale or early withdrawal.

Loans

Count any loan to a food unit member as an asset, even if the food unit member anticipates spending it in the same month.

Loan Repayments

Count the principal of a loan repayment to a food unit member from a non-food unit member as an asset.

Savings and Checking Accounts

Count money deposited in a savings or checking account. Disregard the value of outstanding (un-cleared) checks. Money deposited into an account, that was counted as income for a month, cannot also be counted as an asset for the same month.

For example, Supplemental Security Income (SSI) income is received in January. The payment is directly deposited into the person’s checking account. This payment is not considered to be part of the asset calculation for January.

Cash

Count any cash on hand as an asset.

U.S. Savings Bonds

Count the cash value of a U.S. Savings Bond unless it is unavailable. A bond is unavailable only if the food unit proves it tried to cash the bond and was refused.

Nonrecurring Lump Sum

Count nonrecurring lump sum payments (see [SECTION 4.5.5.2 NONRECURRING LUMP SUM PAYMENT](#)).

Interest Income

Count interest income (interest, dividend, ~~and~~ royalty income) as an asset if not received directly. Members may reinvest interest income from an investment or receive it directly as income. Count reinvested interest income as an asset because it is not available to the member. Any reinvested interest income becomes a part of the net value of the investment. Count any interest income directly received as unearned income because it is available to the member.

Example 3	Mary has a certificate of deposit (CD). She receives an interest check every time the CD matures. The interest is <u>unearned</u> income. If she leaves the interest to accumulate, count it as an asset.
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4.4.1.7 Disregarded Assets

Disregard the following assets:

Unavailable Assets

- Unavailable assets are:
- Assets inaccessible to the food unit because they are unknown to the food unit. The assets become available assets the day the food unit becomes aware of them.
- Countable assets that the owner cannot make immediate use of.
- Assets that a food unit is unable to sell for any significant return because the food unit's interest is relatively slight or because the cost of selling the food unit's interest would be relatively great.
- Funds received through crowdfunding accounts (such as GoFundMe, Kickstarter, and Indiegogo) that are not accessible to the food unit at the time of interview.

Significant return means any return, after estimating costs of sale or disposition and considering the ownership interest of the food unit, the local agency determines are more than \$1,500. This does not apply to financial instruments such as stocks, bonds, and negotiable financial instruments.

Examples of unavailable assets are:

- Some irrevocable trust funds.
- Property and goods in probate.
- Security deposits for rental property or utilities.
- Some gifts.
- Some items in a collection.
- Non-liquid assets that have a lien on them as security for a loan. The purpose of the loan must be to produce income. It cannot be for the purchase of the asset against which the lien is in effect.

The lien agreement must prohibit selling the asset until the lien is satisfied. Non-liquid assets include land, crops, buildings, timber, farm equipment, and machinery.

Example 6	A farmer borrows from a bank to buy a new dairy bulk tank by allowing a lien on his corn crop. The value of the corn crop is unavailable until the lien is removed by satisfying the loan.
Example 7	Sue has an irrevocable trust fund with a \$5,500 balance. The account is in Sue's name. She provides verification that it will take 30 days to close the account, and because of penalties and taxes, the amount she will receive is \$3,150. The asset is not counted at application because it is not immediately available. However, after the 30 days required to close the account, \$3,150 is an available asset. The asset will be considered available regardless of whether or not Sue chooses to withdraw the funds.

Self-Employment or Business Assets

Self-employment or business assets are generally income-producing property. Exclude assets directly related and essential to producing goods or services.

Real Property

Disregard all real property, regardless of whether it is homestead property or not. A home is any dwelling place intended for human habitation. All real property including homestead property is excluded as an asset.

Vehicles

Disregard all vehicles.

Land Contracts

Disregard land and installment contracts for land or a building if the contract produces income consistent with its fair market value (FMV).

Installment Contracts

Disregard the value of property sold under an installment contract or held as security in exchange for a purchase price consistent with its FMV. This includes the sale of any property or building if the terms of the installment contract provide a purchase price consistent with the property's FMV.

Disaster Payments

Disregard any governmental payment designated to restore a home damaged in a disaster. Apply this exemption if the food unit is subject to a legal sanction if the funds are not used as intended.

Disregard any payments to farmers for a farm emergency caused by a natural disaster. The USDA determines if a farm emergency exists.

Personal Goods & Property

Disregard household goods and personal effects, such as home appliances, furniture, and clothes.

Burial Plot

Disregard one burial plot for each food unit member.

Pre-Paid Funeral Agreements

Disregard the value of one bona fide pre-paid funeral agreement per food unit member.

Retirement Accounts

Exclude the following:

- 401 (Traditional Defined-Benefit Plan)
- 401(a) plans: Employer sponsored retirement plans, including Cash Balance Plans, Employee Stock Ownership Plans, Money Purchase Pension Plans, Keogh Plans, and Profit Sharing Plans
- 401(k) plans: Generally, a cash-or-deferred arrangement, including Simple 401(k) plans
- 403(a): Employee Retirement Annuities
- 403(b): Tax-sheltered annuities provided for employees of tax-exempt organizations and state and local educational organizations
- 408: Individual Retirement Accounts (IRAs)
- 408A: Roth IRAs and myRA
- 408(p): Simple Retirement Account IRAs
- 408(k): Simplified Employee Pension Plans
- 457(b): Retirement plans for local governmental and certain non-governmental, tax-exempt employers
- 501(c) (18): Exemption from tax on corporations that have trusts created before June 25, 1959, forming part of a plan providing benefit payments under a pension plan funded by employees
- Federal Employee Thrift Savings Plan

Trust Funds

Count funds in a trust and any income produced by the trust. Disregard the funds only if all of these conditions exist:

- The trust arrangement is not likely to end.
- The trustee administering the funds is either:
 - A court, institution, corporation, or organization under neither the direction nor ownership of any household member
 - Someone, not in the food unit, appointed by a court with court-imposed limits on their use of the trust's funds.
- Trust investments made for the trust do not directly involve or assist any business or corporation under the control, direction, or influence of a food unit member.
- The funds are held in irrevocable trust and are established from either of the following:
 - The funds of someone not in the food unit
 - The food unit's funds, if the trustee uses the fund solely for investments on behalf of the trust or to pay educational or medical expenses for anyone named by the food unit creating the trust

Money Prorated as Income

A food unit member may have deposited money into an account from self-employment or farming. Prorate this money as income.

Disregard money prorated as income as an asset when it is being counted as income. When it is no longer prorated as income, count it as an asset.

Tools and Other Work-Related Equipment

Disregard the value of tools or other equipment essential to the employment or self-employment of a food unit member. Examples of essential tools are those of a mechanic, plumber, or other tradesperson, or a farmer's machinery.

Relocation Payments

Disregard payments from the Uniform Relocation Assistance and Real Properties Acquisition Act of 1970.

Nutrition Benefits

Disregard the value of assistance received from programs under the Child Nutrition Act of 1966 and the National School Lunch Act. These include:

- Special Milk Program
- School Breakfast Program
- Special Supplemental Food Program for Women, Infants and Children (WIC)
- School Lunch Program
- Summer Food Service Program for Children
- Commodity Supplemental Food Program (CSFP)
- Child and Adult Care Food Program

Energy Assistance Program

Disregard all payments provided by the Low Income Home Energy Assistance Program (LIHEAP) or Wisconsin Home Energy Assistance Program (WHEAP).

HUD

Disregard payments from the Department of Housing and Urban Development (HUD) settling the Underwood v. Harris judgment against HUD (Civil No. 76-0469, DDC).

These payments are for retroactive tax and utility cost subsidies. Disregard them for the month in which the payment is received and the following month. Thereafter, count any remaining amount as an asset.

Wartime Relocation of Civilians

Disregard payments under PL 100-383 to U.S. citizens of Japanese ancestry and permanent resident Japanese immigrants or their survivors and Aleut residents of the Pribilof Islands and the Aleutian Islands West of Unimak Island.

Alaskan Native Claims

Disregard payments including cash, stock, partnership interest, land, interest in land, and other benefits from the Alaskan Native Claims Settlement Act (PL 92-203).

Tribal/ Native American Payments

Disregard payments to individual tribal members of the following tribes and federal settlements:

1. Seminole Indians of Florida (PL 84-736)
2. Pueblos of Zia and Jemez of New Mexico (PL 84-926)
3. Red Lake Band of Chippewa Indians (PL 85-794)
4. Alaska Native Claims Settlement Act (PL 92-203)
5. Stockbridge Munsee Indian Community of Wisconsin (PL 92-480)
6. Burns Indian Community of Oregon (PL 92-488)
7. Pueblo of Santa Ana (PL 95-498)
8. Pueblo of Zia of New Mexico (PL 95-499)
9. Bois Forte Band of the Chippewa Tribe or the Grand Portage Band of Lake Superior Chippewa Indians under 25 USC 1407 (PL 93-134, 97-458, 106-568, 113-290)
10. Navajo and Hopi Tribe relocation payments (PL 93-531)
11. Cherokee Nation of Oklahoma (PL 94-114)
12. Cheyenne River Sioux, Crow Creek Sioux, Lower Brule Sioux, Oglala Sioux, and Rosebud Sioux Tribes of South Dakota (PL 94-114)
13. Devils Lake Sioux and Standing Rock Sioux Tribes of North Dakota (PL 94-114)
14. Shoshone-Bannock Tribes of Idaho (PL 94-114)
15. Sac and Fox Indian claims agreement (PL 94-189)
16. Grand River Band of Ottawa Indians (PL 94-540)
17. Confederated Tribes and Bands of the Yakima Indian Nation or the Apache Tribe of the Mescalero Reservation (PL 95-433)
18. Indian Child Welfare Act of 1978 (PL 95-608)
19. Delaware Tribe of Indians and the Delaware Tribe of Western Oklahoma (PL 96-318)
20. Passamaquoddy Tribe, Penobscot Nation, and Houlton Band of Maliseet Indians under the Maine Indian Claims Settlement Act of 1980 (PL 96-420)
21. Wyandot Tribe of Indians of Oklahoma (97-371)
22. Absentee Shawnee Tribe of Oklahoma, Eastern Shawnee Tribe of Oklahoma, and Cherokee Band of Shawnee descendants (PL 97-372)
23. Miami Tribe of Oklahoma and Miami Indians of Indiana (PL 97-376)
24. Clallam Tribe of Indians, including Port Gamble Indian Community, Lower Elwha Tribal Community, and Jamestown Band of Clallam Indians, of Washington (PL 97-402)

25. Turtle Mountain Band of Chippewas of Arizona (PL 97-403)
26. Blackfeet, Gros Ventre Tribes, and Assiniboine Tribes of Montana (PL 97-408)
27. Papago Tribe of Arizona (PL 97-408)
28. Red Lake Band of Chippewas (PL 98-123)
29. Assiniboine Tribes of Fort Belknap Indian Community and Fort Peck Indian Reservation of Montana (PL 98-124)
30. Chippewas of Lake Superior including the Bad River Band, Lac du Flambeau Reservation, Lac Courte Oreilles Band, Sokaogon Chippewa Community, Red Cliff Reservation, and St. Croix Reservation of Wisconsin (PL 99-146)
31. Keweenaw Bay Indian Community of Michigan (PL 99-146)
32. Fond du Lac, Grand Portage, Nett Lake, and White Earth Reservations of Minnesota (PL 99-146)
33. White Earth Band of Chippewas in Minnesota (PL 99-264)
34. Saginaw Chippewa Indian Tribe of Michigan (PL 99-346)
35. Chippewas of the Mississippi including Mille Lac, White Earth, and Leech Lake of Minnesota (PL 99-377)
36. Band of Potawatomi, including Hannahville Indian Community and Forest County Potawatomi, of Wisconsin (PL 100-581)
37. Puyallup Tribes under the Puyallup Tribe of Indians Settlement Act of 1989 (PL 101-41)
38. Seneca Nation of New York under the Seneca Nation Settlement Act of 1990 (PL 101-503)
39. Catawba Indian Tribe of South Carolina (PL 103-116)
40. Confederated Tribes of the Colville Reservation (PL 103-436)

Disregard as assets any lump sum or periodic payments received under the Cobell v. Salazar Class Action Trust Case during the one-year period beginning on the date of receipt (PL 111-291).

Disregard up to \$2,000 per calendar year held by an individual Native American that is derived from restricted land or land held in trust by the Department of Interior, Bureau of Indian Affairs (PL 103-66, 92-203, and 100-241).

Disregard the first \$2,000 of individual shares for the following:

1. Confederated Tribes of the Warm Springs Reservation (PL 97-436)
2. Old Age Assistance Claims Settlement Act (PL 98-500)
3. Seminole Nation of Oklahoma (PL 101-277)
4. Seminole Tribe, Miccosukee Tribe of Indians, and the independent Seminole Indians of Florida (PL 101-277)
5. Rincon Band of Mission Indians (Docket 80-A)
6. Walker Paiute Tribe (Docket 87-A)
7. Ak-Chin, Salt River Pima-Maricopa, and Gila River Pima-Maricopa Indian Communities (Docket 228)
8. Maricopa Ak-Chin Indian Community (Docket 235)
9. Peoria Tribe of Oklahoma (Dockets 313, 314-A, and 314-B)
10. Yankton Sioux Tribe (Dockets 342-70 and 343-70)
11. Wichita and Affiliated Tribe (Keechi, Waco & Tawakonie) of Oklahoma (Dockets 371 and 372)

Native American Trust Funds

Disregard up to \$2,000 per calendar year held by an individual Native American that is derived from restricted land or land held in trust by the Department of Interior, Bureau of Indian Affairs.

Earned Income Tax Credit (EITC)

Disregard any Earned Income Tax Credit (EITC) payments received by participating food unit members for 12 continuous months from the month of receipt. If there is a break of one day or more, count the remaining EITC as an asset. The 12-month period is still continuous if there is a break in service (see Section 2.3.1 Break in Service).

Example 8	John, a FoodShare member, received a \$1,000 EITC lump sum payment in January and deposited it in his savings account. On March 31, he is ineligible for benefits for failure to complete a renewal. On April 3, he reapplies for FoodShare and is found eligible. Count any remaining amount of the \$1,000 EITC payment as an asset.
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IDA Program

Disregard total Individual Development Account (IDA) balances as assets if it is an account funded under TANF (Community Reinvestment) or the Assets for Independence Act (AFIA).

Wisconsin Sales Tax

The one-time rebate payment of Wisconsin sales taxes in January 2000 should be counted as an asset in the month of receipt.

Wisconsin Higher Education Bonds

Wisconsin Higher Education Bonds were sold by the state to the public as a way to save for a higher education. To determine their net value as an asset, subtract broker's fees from market value.

- The bonds also may be sold back to the state within certain time restraints. If the bonds are sold back:
 - Before the maturity date, a portion of their value is withheld. The amount withheld equals the school's tuition and fees. Any excess goes to the person.
 - On or after the maturity date, the value is the total amount received.
- The bonds may be sold on the secondary bond market at any time. Since they can be disposed of on the market with no time limit, they are an available asset. Net value = market value - broker's fees. Verify the amounts through a broker.

529(a) and Coverdell 530 Education Accounts

Per section 5(g)(8)(A) of the Food and Nutrition Act of 2008, disregard the value of any funds in a qualified tuition program described in Section 529 of the Internal Revenue Service Code of 1986 or the Coverdell Education Savings Account under Section 530 of that code.

Agent Orange Settlement Fund

Disregard payments received from the Agent Orange Settlement Fund, or any other fund established in settling "In Re Agent Orange product liability Settlement Fund litigation, M.D.L. No. 381 (E.D.N.Y.)" as assets. Continue to disregard the payments for as long as they are identified separately. Apply this disregard retroactively to January 1, 1989.

Radiation Exposure Compensation Act

Disregard payments from any program under the Radiation Exposure Compensation Act (PL 101-426) paid to compensate injury or death resulting from exposure to radiation from nuclear testing (\$50,000) and uranium mining (\$100,000). When the affected person is deceased, payments are made to the surviving spouse, children, parents, or grandparents of the deceased. The federal [Department of Justice \(DOJ\)](#) makes the payments. Continue to disregard the payments for as long as they are identified separately. Apply this disregard retroactively to October 15, 1990.

Life Insurance

Disregard the cash value of any life insurance policies.

Crime Act of 1984

Disregard payments to crime victims under the Crime Act of 1984.

Veteran's Administration Disability Pension Payments

Disregard the annual adjustment in a ~~VA~~[Veterans Affairs \(VA\)](#) disability pension as an asset in the month the food unit receives it. The VA usually makes this benefit adjustment in October.

SSI PASS Accounts

Disregard income of an SSI recipient necessary to fulfill a Plan to Achieve Self-Support (PASS) as an asset regardless of the source. This income may be spent in accordance with an approved PASS or deposited into a PASS account.

The SSA must approve the SSI recipient's PASS in writing, identifying the amount of income that shall be set aside each month to fulfill the PASS.

Victims of Nazi Persecution

Disregard as an asset any payment under PL 103-286 to victims of Nazi persecution.

Student Financial Aid

Disregard student financial aid as an asset as long as the student is enrolled in an institution of higher education. If the student graduates or dis-enrolls from school, count any remaining available student financial aid as an asset.

Shelters for Victims of Domestic Violence

When determining eligibility for a food unit living in a shelter for victims of domestic violence, disregard assets that are jointly owned with someone in its former food unit if agreement of the joint owner still living in the former food unit is needed to access the asset.

Achieving a Better Life Experience (ABLE) Account

Per section 103(a) of the Tax Increase Prevention Act of 2014, consistent with Section 5(d)(10) of the Food and Nutrition Act of 2008, ABLE accounts are considered disregarded assets. An ABLE account is a tax-favored saving account established to provide secure funding for disability-related expenses on behalf of designated beneficiaries.

Income Tax, Refund, Rebate, or Credit

For food units subject to regular SNAP rules, disregard any remaining portion of a federal income tax refund, rebate, or credit for 12 months following the month the refund is received.

Universal Basic Income (UBI)

Universal Basic Income (UBI) and guaranteed income program payments are disregarded assets for FoodShare purposes if:

1. Excluded by TANF or Medicaid
2. The payments are sourced solely from private funds or a mix of private and public funds.

Examples:

1. Madison Forward Fund Universal Basic Income (UBI) Program Payments.
2. The Bridge Project Guaranteed Income for pregnant individuals.

Priority Health Medicare Over-the-counter (OTC) Allowance

Dual Eligible Special Needs Plans (D-SNP); Over-the-counter (OTC) program; healthy foods/utility credits income are all disregarded assets for FoodShare.

Mobility management vouchers

Mobility management vouchers are disregarded as income and assets.

4.6.1 Deductions and Expenses

4.6.1.1 Calculation Period

Most allowable expenses are deducted in the month in which the expense is expected to be billed, not the month the expense is paid. Do not include arrearages, late charges, or discounts for early payment.

Example 1	Include in the food unit's shelter expenses rent that is due each month, even if the food unit has not yet paid the expense.
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4.6.7 Shelter and Utility Deduction

4.6.7.2 Allowable Shelter Expenses

~~Shelter~~Deductible shelter expenses ~~that are deductible~~ include:

- 1. Rent.
- 2. Home mortgage and property taxes (if not in the mortgage). Homestead property may consist of multiple sections of land for tax purposes. Since the food unit is responsible for all taxes owed on the homestead property, the taxes owed on all sections of the property are allowed as a deduction.
- 3. Mobile home lot rent and loan payments.
- 4. Insurance on the structure (if not included in the mortgage). If a food unit has a homeowner's insurance policy that includes insurance on the structure and household contents, but the costs cannot be separately identified, the total cost is allowable.

Note	Renter's insurance is not an allowable shelter deduction.
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- 5. Second mortgage or home equity line of credit (regardless of what the mortgage is used for).
- 6. Special assessments. This could include a property tax or value assessment, or for the assessment cost of utility installations.
- 7. Condominium fees or condo association fees.
- 8. Mortgage obligation if still owed when a reverse mortgage is in place.
- 9. Shelter costs paid by a homeless food unit.

See SECTION 1.2.6.2 VERIFY ONLY IF QUESTIONABLE for a list of verification sources that can verify shelter and utility expenses if the expense is found questionable.

Do not count surcharges such as pet expenses or extra garage rentals as shelter or utility expenses. The monthly amount of rent the individual is obligated to pay should be taken into consideration each month when the shelter deduction is determined without regard to when the rent is actually paid. Only allow current monthly expenses. ~~Do not include arrearages, late charges or discounts for early payment.~~

Do not include arrearages, late charges, or discounts for early payment.

Disregard HUD and FMHA payments paid directly to the landlord or mortgage holder as an expense. Only include the amount the food unit owes after the HUD or FMHA payments as a rent expense.

Do not allow in-kind payments as a shelter deduction. This includes arrangements such as receiving free rent for providing child care, or other services. In these situations, no rent deduction is allowed, no income is counted, and no child care deduction is allowed.

Include costs for the repair of damages to the food unit's home due to a natural disaster as a shelter expense. Examples of natural disasters are fires, floods, hurricanes, and tornadoes.

Do not count expenses for repairs that have been or will be reimbursed to the food unit by any private or public relief agency, insurance company, or any other source.

If anyone in the household shares the shelter cost with the food unit, create a separate shelter sequence for each contributor using the correct obligation amount for which each contributor is responsible.

When a self-employed food unit claims the total shelter costs as a business expense, do not allow any shelter deduction. If the food unit claims a percentage of the shelter costs as a business expense, the remaining percentage is a shelter deduction.

If the percentage used for the business expense was not self-declared, use IRS form 8829 or the "Expenses for business use of your home" line from IRS form 1040 Schedule C to determine the amount of the home that was claimed as a business expense. Any remaining amount that was not counted as a business expense should be allowed as a shelter expense.

6.1.3 Timely Action on Reported Changes During the Certification Period

6.1.3.9 Oral Explanation of Applicable Work requirements

7 CFR § 273.7(c)(1)(ii) and (iii)

An oral explanation of work requirements must be provided when a FoodShare member(s) is newly determined subject to the FoodShare basic work rules (see SECTION 3.16.1 FOODSHARE BASIC WORK RULES and the FoodShare work requirement (see SECTION 3.17.1 FOODSHARE WORK REQUIREMENTS FOR ABAWDS) during the certification period. This can occur when a current and previously exempt FoodShare member(s) has a change in circumstances and is no longer exempt, or when a new household member is added and is subject to the basic work rules and work requirement.

If the change is acted upon while the member is on the phone or in person at the agency, the oral explanation must be provided at that time. If the member is not immediately available, at least one contact attempt must be made to provide the oral explanation. The attempt to contact the member must be documented in case comments.

The following information must be provided to member(s) who are subject to the FoodShare basic work rules and FoodShare work requirement:

- An explanation of each work rule and applicable work requirement.
- Information on exemptions from each applicable work rule and work requirement.
- An explanation of the process to report an exemption, including contact information to request an exemption.
- What is required to maintain eligibility under each work rule and applicable work requirement.
- Consequences for failure to comply with each work rule and applicable work requirement.
- An explanation of the process for requesting good cause, including examples of good cause circumstances and contact information to initiate a good cause request.
- Information on the FoodShare Employment and Training Program (FSET) and benefits of FSET participation if the food unit includes an individual subject to the FoodShare work requirement.
- Information on the status of the time limit of the FoodShare work requirement if the household lives in an area or on tribal lands where the time limit of the FoodShare work requirement is suspended

The appropriate sections of the "FoodShare Basic Work Rules and FoodShare Work Requirements Script for IM Workers" must be read to meet the above requirements.

Example 12	<u>Vanessa is a 40-year-old receiving FoodShare benefits. At application, Vanessa was receiving unemployment compensation and determined exempt from the FoodShare basic work rules and FoodShare work requirement. A few months later, Vanessa called the local IM agency and reported no longer receiving unemployment compensation. Vanessa had no other changes and no longer has a qualifying exemption from either work requirement. The appropriate sections of the oral explanation of work requirements for the FoodShare Basic Work Rules and FoodShare Work Requirements Script must be read to Vanessa while she is on the phone.</u>
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Example 13	<u>Zac is 35 years old. Zac applied and was determined eligible for FoodShare benefits for himself and his 12-year-old son, Corbin. Zac is determined subject to FoodShare basic work rules. He is not subject to the FoodShare work requirement due to residing with a minor child. A few months later Zac reports Corbin is no longer living in his household via an online change report. Zac is now also subject to the FoodShare work requirement. An attempt to contact Zac by phone is made to provide the oral explanation of work requirements due to Zac becoming subject to a new work requirement. Zac does not answer the call. The attempt must be documented in the case record.</u>
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7.3.3 Overpayment Claims Compromise

7.3.3.2 Overpayment Claims Eligible for Compromise

Overpayments due to agency error or client error are eligible for compromise. This includes claims that result from a Quality Control (QC) review.

An overpayment must be established into a claim before it can be compromised. The compromise process is not used as a factor to determine whether a claim meets the \$500 minimum overpayment claims establishment threshold (see Section 7.3.1.3 When to Establish an Overpayment Claim).

FoodShare overpayment claims with an outstanding balance may be compromised unless the claim resulted from an Intentional Program Violation (IPV) or a fraud conviction.

7.3.3.3 Overpayment Claims Not Eligible for Compromise

Overpayments ~~due to~~ that result from duplicate participation (resulting from agency or client error) or that result from an IPV or fraud conviction are not eligible for compromise.

Compromise requests are not considered if there is an active fair hearing process or during the 90-day fair hearing window. Compromise requests received during the fair hearing process or 90-day fair hearing window must be denied. A new request for compromise can be submitted and evaluated after the fair hearing process is complete or the fair hearing window closes.

7.3.3.4 Compromise Request

The date the signed compromise request is received by the agency will start the 30-day period in which most compromise decisions must be completed. Once all information is received, the request must be approved or denied. If a compromise request is received by the Central Document Processing Unit (CDPU), Milwaukee Document Processing Unit (MDPU), or an agency that should not process the request, the compromise request is forwarded to the agency that owns the claim. The received date is the date the form is received at the correct agency.

Compromises are requested in writing by one of the persons liable for the overpayment ([F-03266](#)). Verbal requests for compromises are not valid. For claims where multiple people are liable, only one person is required to request a compromise. The compromise request form is signed by the person requesting the compromise or by a designated representative. The compromise request form is signed by the person requesting the compromise or by a designated representative (see [SECTION 7.3.1.2 LIABILITY](#)):

- Authorized representative
- Conservator
- Durable Power of Attorney of Finance
- Guardian of the estate
- Guardian of the person and the estate
- Guardian in general
- Attorney representing the requester

If the request form is not signed or does not have a valid signature, the agency must send a compromise verification request asking for a valid signature. If a valid signature is not received by the due date, the compromise request is denied.

The same general rules for a signature to be valid at application, renewal, or six-month report form (SMRF) apply for the compromise request (see SECTION 2.1.3.3 SIGNATURE). The person requesting the compromise must be familiar with the household circumstances as they are attesting to the nonfinancial and financial information for the household. An individual declared incompetent by a local, state, or federal court cannot sign a compromise request. Their representative or guardian will need to complete and request. Only the individual's representative or guardian can complete and sign the request. A request signed by a designated guardian (guardian of the estate, guardian of the person and the estate, or guardian in general will not be considered a valid signature.

If the form is signed by a person claiming to be the requester's authorized representative, durable power of attorney, or guardian, documentation verifying this status must be provided to the agency. If the documentation was not previously verified and is not provided with the compromise request, the agency must send a compromise verification request. The Appoint, Change, or Remove an Authorized Representative form ([F-10126](#)) is also sent, when applicable. If no documentation is provided by the due date, the compromise request is denied.

Example 1	Colin and Chris are married and jointly liable for an overpayment. Colin completes the compromise request form and mails it to their agency. Chris does not also have to request a compromise. If granted, the compromise would be applied to both liable individuals.
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Some overpayment claims and compromise requests contain multiple people who are no longer living in the same household. In these instances, the requesting person is asked to provide, if known, the address and phone number for the other liable person(s). When the other liable person(s) is contacted, they are asked to provide their household and financial information for a separate compromise calculation. Each liable person on the overpayment maintains equal liability for the full amount of the overpayment (see section 7.3.1.2 Liability); however, the current person or household whose calculation results in the lowest amount expected to repay will result in the claim being reduced to that lowest amount.

In the instance that other liable person(s) does not respond or refuses to cooperate, information from the initial requesting person is used for determinations. The agency can attempt to get information about other liable persons using State systems, data exchanges, and other available information.

Example 2	<p>Ria is liable for an overpayment that occurred when she was married to Gerald. They have since divorced and do not live together. Ria completes the compromise request form with the financial information for her current household. She also provides Gerald's contact information. The agency reaches out to Gerald, and he provides them the financial information for his current household.</p> <p>The agency completes the compromise process, calculating what each household would be able to repay. The agency finds that Ria's household could pay \$35 per month over three years and the Gerald's household could pay \$30 per month over three years. Gerald's expected repayment amount is lower than Ria's, so the overpayment claim for both Gerald and Ria who are equally liable for the claim will be compromised based on the expected repayment of \$30 per month over three years.</p>
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Compromises cannot be reviewed or approved until the fair hearing window has closed or until an ongoing fair hearing or court case linked to the overpayment is resolved. Since all newly established overpayment claims have the right to request a fair hearing for 90 days following creation, an overpayment claim will be 90 days old or older before a compromise can be evaluated. If a compromise is requested during the fair hearing period, it is denied. If a fair hearing is granted when claims are being evaluated for compromise, the compromise request is denied. A new compromise can be requested after the hearing concludes or the hearing window closes, whichever is later.

If the requesting household or other liable persons refuse or fail to provide information about liable persons outside of the requesting household, the compromise is not denied. If the other household is asked to submit verification or information and fail or refuse to do so, the compromise will not be denied.