

5101:4-4-19

**Food stamps: countable income.**

Except for the exclusions and payments which are listed in rule 5101:4-4-13 of the Administrative Code, all payments received by AG members are income for food stamp purposes. Income is categorized as earned or unearned.

(A) The following types of income are considered earned.

- (1) All wages and salaries of an employee. Basic OWF and DA grants are always considered as unearned income. Garnished or diverted payments from wages are also considered as earned income. When taxes and other work expenses have been deducted from sick pay prior to its receipt, the income is considered earned income if the payee is a current employee of the payer. The earned income deduction is applied to the gross amount. If the payee is no longer an employee (or if the income is from a source of which the payee is not an employee, such as from insurance) the income is considered unearned. The gross amount (with no deductions) is counted.
- (2) The gross income from a self-employment enterprise, including the total gain from the sale of any capital goods or equipment related to the business, excluding the costs of doing business. Ownership of rental property is considered self-employment, for the purposes of allowing the cost of doing business. However, income derived from the rental property is considered earned income for the twenty per cent earned income deduction only if a member of the AG is actively engaged in management of the property for at least an average of twenty hours per week. Payments from a roomer or boarder, except a foster care boarder, are also self-employment income for allowing both the cost of doing business and the twenty per cent earned income deduction. Note: payments from the child and adult care food program (CACFP) to AGs providing child care services are considered self-employment income based on the actual payments received minus allowable business expenses. In addition, that portion of CACFP payments intended for the provider's own children is exempt as income.
- (3) Training allowances from vocational and rehabilitative programs sponsored by federal, state, or local governments to the extent they are not a reimbursement. Training allowances under the Workforce Investment Act (WIA) of 1998 other than earnings specified in paragraph (A)(5) of this rule, are excluded from consideration as income. Note: work allowances are excluded as reimbursements.
- (4) Excluding payments made to AGs specified in paragraph (D)(1)(f) of rule 5101:4-4-13 of the Administrative Code, payments under Title I (VISTA, university year for action, etc.) of the Domestic Volunteer Service Act of 1973 (PL 93-113 as amended) shall be considered earned income and subject

to the earned income deduction.

- (5) Earnings to individuals who are participating in on-the-job training programs under Title I section 204(b)(1)(C) or section 264(c)(1)(A) of the Workforce Investment Act (WIA) of 1998. This provision does not apply to AG members under nineteen years of age who are under the parental control of another adult member, regardless of school attendance and/or enrollment. For the purpose of this provision, earnings include monies paid under the WIA and monies paid by the employer.
- ~~(6) Educational assistance which has a work requirement (such as work study, an assistantship or fellowship with a work requirement) in excess of the amounts excluded under rule 5101:4-4-13 of the Administrative Code.~~

(B) The following types of income are considered unearned (this list is not inclusive).

- (1) Basic assistance payments from federal or federally-aided public assistance programs, such as supplemental security income (SSI), (OWF) (including attendance bonus payments to teenage parents who return to or remain in school under the learning, earning and parenting (LEAP) program), or other federal assistance programs based on need and basic DA payments. Even if OWF or DA recipients must earn their benefits through a workfare program, the payments are considered unearned income.
- (2) Annuities, pensions, retirement, veterans' or disability benefits (all before taxes), workers' or unemployment compensation, RSDI (before medicare deductions), strike benefits, foster care payments for children or adults who are considered members of the AG.
- (3) Support and alimony payments made directly to the AG from non-AG members.
- ~~(4) Scholarships, educational grants, deferred payment loans for education, veteran's educational benefits, and the like, other than educational assistance with a work requirement, in excess of the amounts excluded as provided for in rule 5101:4-4-13 of the Administrative Code. A loan on which repayment must begin within sixty days after receipt of the loan shall not be considered a deferred repayment loan.~~
- ~~(5)~~(4) Payments from government-sponsored programs, dividends, ~~interest~~, royalties, and all other direct money payments from any source which can be construed to be a gain or benefit, including certain vendor payments.

- ~~(6)~~(5) The unearned income or the earned income of an ineligible individual excluded from the AG as provided in rule 5101:4-6-13 of the Administrative Code.
- ~~(7)~~(6) Gross income minus the cost of doing business derived from rental property if an AG member is not actively engaged in management of the property at least twenty hours a week.
- ~~(8)~~(7) Except for energy assistance payments specified in rule 5101:4-4-13 of the Administrative Code, any payment made directly to the AG shall be counted as income. If the payment is not made on a monthly basis, the county agency shall prorate it over the period it is intended to cover.
- (C) When an AG contains a sponsored alien, the income of the sponsor and the sponsor's spouse must be deemed in accordance with procedures established in rule 5101:4-6-31 of the Administrative Code.

(D) Verification of income-initial application

(1) Standard for reported income

Gross nonexempt income shall be verified for all AGs prior to certification. However, where all attempts to verify income have been unsuccessful, either because the income provider fails to cooperate with the AG and the county agency, or because all other sources of verification are unavailable, the county agency shall determine an amount to be used, based on the best available information. Note: If the AG indicates on the application that it has no income, this declaration need not be verified unless it is questionable or unless unreported income is suspected.

(2) Standard for unreported income

In addition to verifying reported income, the county agency may have occasion to explore the possibilities of unreported income. When income information on the application is inconsistent with statements made by the applicant, other information on the current or previous applications, or information received by the county agency, further verification must be provided.

(3) Sources of income verification

The county agency shall use documentary evidence as the primary source of

verification. Collateral contacts may be used if documentary evidence is not available. If other types of verification are used, the county agency shall document in the case file why an alternate source was needed.

(a) Earned income

The following are documents which can be used to verify earned income:

(i) From applicant:

- (a) Pay stubs.
- (b) Pay envelope.
- (c) Employee's W-2 form.
- (d) Wage tax receipts.
- (e) State or federal income tax return.
- (f) Self-employment bookkeeping records.
- (g) Sales and expenditure records.

(ii) From others:

- (a) Employer's wage records.
- (b) Statement from employer.
- (c) Employment services office.
- (d) State income tax bureau.

(b) Other income

In verifying other income to the AG the following documents or records are generally available.

(i) From applicant:

- (a) Social security award letter (changes in benefits will not always be reflected).
- (b) Benefit payment check.
- (c) Unemployment compensation award letter.
- (d) Pensions award notice.
- (e) Veterans administration award notice.
- (f) Correspondence on benefits.
- (g) Income tax records.
- (h) Railroad retirement award letter.
- (i) Support and alimony payments evidenced by court order, divorce or separation papers, contribution check.

(ii) From others:

- (a) BENDEX system.
- (b) SDX system.
- (c) Social security (form SSA-1610).
- (d) Social security district office files.
- (e) Bureaus of employment services - unemployment compensation section.
- (f) Union records.
- (g) Workers' compensation records.

(h) Veterans administration.

(i) Insurance company records.

(j) Tax records.

(k) Railroad retirement board records.

#### (4) SDX and BENDEX

The county agency may verify SSI benefits through the state data exchange (SDX) and social security benefit information through the beneficiary data exchange (BENDEX), or through verification provided by the AG. The county agency may use SDX and BENDEX data to verify other food stamp eligibility criteria. The county agency may access SDX and BENDEX data without release statements from AGs, provided ~~ODHS~~SODJFS makes the appropriate data request to SSA and executes the necessary data exchange agreements with SSA. The AG shall be given an opportunity to verify the information from another source if the SDX or BENDEX information is contradictory to the information provided by the AG or is unavailable. Determination of the AG's eligibility and benefit level shall not be delayed past the application processing time standards of rule 5101:4-2-11 of the Administrative Code if SDX or BENDEX data is unavailable.

#### (E) Verification of loans

The county agency may determine when to verify if monies received by an AG are in fact loans. At a minimum, however, the county agency shall verify the loan in any case that is questionable. When verifying that income is exempt as a loan, a legally binding agreement is not required. A simple statement signed by both parties which indicates that the payment is a loan and must be repaid shall be sufficient verification. However, if the AG receives payments on a recurrent or regular basis from the same source but claims the payments are loans, the county agency may also require that the provider of the loan sign an affidavit which states that repayments are being made or that payments will be made in accordance with an established repayment schedule.

#### (F) Expenses exceeding income

An AG's report of expenses which exceed its income may be grounds for a determination that further verification is required. However, this circumstance shall not, in and of itself, be grounds for a denial. The county agency shall instead explore with the AG how it is managing its finances, whether the AG receives

excluded income or has resources, and how long the AG has managed under these circumstances.

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CERTIFIED ELECTRONICALLY

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Certification

05/23/2003

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Date

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