

## Budgeting

### 600 BUDGETING

A procedure used to determine eligibility by calculating income, disregards and deductions.

### 610 DEFINITIONS

The following budgeting terms are used:

- **Actual Income Budgeting:** Actual income is only used when an income source ceases, or a new income source begins, and a full month's income is not expected to be received.
- **Application Date:** The application date is the day the district office receives an application form containing the applicant's name, address, and appropriate signature. Applications received by the Division outside of normal business hours, either through ACCESS Nevada, faxed or local office drop boxes, are considered received and date stamped the next business day. This is the first day these applications are available to the agency for processing.
- **Benefit Month:** The calendar month for which eligibility and benefits are determined. Eligibility is based upon household size, anticipated income and expenses in the benefit month.
- **Best Estimate (BE) Budgeting:** The process used to calculate a household's monthly income when determining monthly benefits.
- **Prorated Benefit Month:**

For TANF, the initial payment is based on the date of approval or the 30th day, whichever comes first.

For SNAP, Nevada prorates the initial month's benefit based on the date of application.

Households who apply for SNAP after the 15th of the month will be issued the initial month's prorated benefit and the next month's full benefit upon approval as separate issuances.

- **Prospective Eligibility Determination:** A projection of income, expenses, household composition and all other eligibility factors anticipated to exist in the benefit month based on verified data or the best information known at the time the eligibility decision is made by the case manager.

**620 DETERMINING MONTHLY INCOME**

Budget the **GROSS** earned (including tips) and unearned income as it is considered available to the household each month. The gross figure cannot be reduced by any deduction, voluntary or involuntary, such as child support deductions, childcare deductions, insurance premiums, deductions for judgments, garnishments, federal taxes, etc.

The only allowable deductions from earned and unearned income are:

- repayment of an overpayment/wage advance to the same entity issuing the ongoing check;
- the deduction allowance for the amount of DAA Social Security Disability Income (SSDI) fee collected by the authorized representative payee; and
- Individual Development Account (IDA) exclusions (refer to manual section A-700).

**620.1 Income Factoring**

When the income is received other than on a monthly basis the income must be converted to monthly income, using one of the following methods:

- Multiply **weekly** income by 4.3.
- Add amounts received **semi-monthly** (twice a month).
- Multiply **bi-weekly** (amounts received every other week) by 2.15. **Exception:** If a case reflects **bi-weekly** income but the amount of income received monthly can never exceed an established amount (e.g.; child support is paid every other week but the amount is court ordered and paid at \$350 per month and never varies, use the \$350 per month). This income could be annualized because the amount is the same for 12 months.
- Divide **yearly** income by 12 or for the time period covered by the income (e.g., individual receives \$1,000 for 5 months of seasonal employment). Permanent employees such as contracted school teachers are annualized.

**630 DETERMINING WHOSE INCOME MUST BE CONSIDERED**

Consider the income of:

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| <ul style="list-style-type: none"> <li>• any person who is included in the TANF household.</li> <li>• any person living in the home who is not included in the household but who is legally responsible for a member of the TANF household.</li> </ul> | <ul style="list-style-type: none"> <li>• any member of the SNAP household, including ineligible/disqualified/sanctioned members.</li> <li>• a non-citizen's sponsor.</li> </ul> |
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- for non-parent relative caregiver (NNRC) and Kinship Care cases, the income of all household members related by blood or marriage to the child(ren) for whom application has been made.
- a non-citizen's sponsor.

Refer to A-300 for the determination of the TANF or SNAP household.

### **630.1 Determining the Income of Excluded/Ineligible or Disqualified Household Members**

#### **630.1.1 Income Not Counted/Needs Not Included in the Household Size Count**

The income and needs of the following individuals, who would otherwise be required members, are not counted to the household.

- Individuals receiving SSI
- Individuals receiving SNAP benefits in another household during the same month.
- Ineligible Students.

#### **630.1.2 Income Counted in Full/Needs Not Included in the Household Size Count**

The gross income of the following individuals is counted in full to the household, but their needs are not included when determining the household size.

- Natural/adoptive parents and dependent siblings who do not meet citizenship requirements.
- Individuals who are a fugitive fleeing prosecution, questioning, or confinement related to a felony crime, or violating a condition of parole or probation;
- Minor parents not meeting school attendance requirements;
- Minor parents who are not residing in an approved living arrangement without good cause.
- Individuals convicted of an Intentional Program Violation.
- Individuals who are a fugitive fleeing prosecution, questioning, or confinement related to a felony crime, or violating a condition of parole or probation;
- Individuals disqualified due to non-cooperation with SNAP Employment and Training requirements.

**630.1.3 Income Prorated/Needs Not Included**

The gross income of the following individuals is prorated to the eligible members of the household, but their needs are not included when determining the household size.

- Individuals not meeting SSN requirements.
- Individuals not meeting citizenship requirements.
- Individuals ineligible due to Able Bodied Adults Without Dependents (ABAWD) limitations.

When prorating an ineligible, disqualified or excluded (otherwise required) household member whose needs are included in the TANF benefit, apply the following manual budgeting computation from the case example below before assigning and posting income in the system.

**Example:** The TANF payment includes two dependent children and a non-qualified non-citizen parent who is eligible for TANF because of Legal Permanent Residency (LPR) status prior to 8/22/96 but is ineligible for SNAP because they **do not** meet the qualified non-citizen provisions in SNAP.

This becomes a **two-person** SNAP household, which **excludes** the non-qualified parent, and a three-person TANF household receiving a TANF grant of \$383.

The system should:

- **DIVIDE** three into \$383, which equals \$128 per person;
- **ASSIGN** \$128 to the non-qualified non-citizen member;
- **ASSIGN** \$128 to each of the two dependent children by member;
- **PRORATE** the non-qualified non-citizen TANF portion of \$128 among the three household members ( $\$128 \div 3 = \$42.66$ ,  $2 \times \$42.66 = \$85.32$ ).

In this scenario, the system should budget a total TANF grant amount of \$128 + \$128 + \$85.32 = \$341.32.

**NOTE:** The system sporadically has difficulties applying this budgeting procedure correctly. It is the worker's responsibility to review the SNAP budget screens carefully to determine if the system correctly applied the proration policy. If necessary, the worker may need to manually override the budgeted TANF amounts to ensure the SNAP benefits are calculated correctly.

### **630.1.3.1      Determining Prorated Income**

Total the entire disqualified/ineligible person's countable income, excluding the income of an ineligible non-citizen's sponsor and the sponsor's spouse. Divide the total earned/unearned income by the total number of persons in the SNAP household including any required members who are disqualified, ineligible or excluded. Multiply this amount by the number of remaining eligible household members for the amount of earned/unearned income to be budgeted.

**640 DETERMINING THE HOUSEHOLD'S BUDGETABLE GROSS MONTHLY INCOME AMOUNT****640.1 Initial Application (Intake)****640.1.1 A 30-Day History of Income Exists**

If the application reflects current ongoing income, a 30-day history of income (30-day Best Estimate (BE)) must be used to determine monthly income. The 30-day period begins the day prior to the application date and extends back 30 calendar days.

Calculate the monthly income amount using verified gross income received in the 30-day period and convert the income to a monthly amount using the appropriate factoring method.

The monthly income calculated using the 30-day BE will be budgeted to the application month and to all ongoing benefit months.

In those instances when a 30-day BE does not provide a clear representation of the household's income, a 60-day BE should be evaluated. This includes households with irregular (day labor, on-call, temporary employment services) or sporadic income.

**Irregular Pay:**

When converting and projecting earnings, do not include bonuses, holiday pay, commissions and/or overtime, unless it is received on a regular basis or the holiday pay is received in lieu of regular pay (e.g., vacation pay).

It is acceptable to exclude a check from the 30-day best estimate when the check does not provide a clear representation of a household's circumstances (e.g. one check provided within the 30-day history is abnormal due to sick leave).

Any additional verification of income provided by the household or discovered by the agency between the date of application and the date of processing will only be evaluated in the best estimate calculation if one of the following changes in income is reported or discovered.

**Earned Income**

- Change in Employer;
- Change from full-time to part-time or part-time to full-time;
- Change in hourly rate;
- Change in salaried rate;
- Change in pay frequency;
- Termination of employment;
- Addition or removal of bonus, commission or shift differential payment.

**Unearned Income**

- Change in benefit amount;
- Change in pay frequency;
- Termination of benefit payment.

**640.1.2 New Income Source – Without a 30-Day History**

If the application reflects a new source of income, without a 30-day history, a projected best estimate of the new income must be calculated.

Use the following procedures to determine the monthly income amount from a new source of income without a 30-day history.

1. Determine the estimated number of hours to be worked per week.
2. Estimate weekly gross income by multiplying the weekly estimated hours by the hourly wage.
3. Determine the monthly projected gross income by multiplying the estimated weekly gross income by 4.3.

**Note:** If verification substantiates the use of a specific factoring method which is more accurate than multiplying weekly gross income by 4.3, use what will accurately reflect the income to be received.

**640.1.2.1 Full Month's Income Expected to be Received from a New Income Source in the Application Month**

If a full month's income is expected to be received in the application month from a new income source, budget the full projected monthly income amount.

The projected best estimate will be budgeted to the application month and ongoing benefit months.

**640.1.2.2 Less Than a Full Month's Income Expected to be Received from a New Income Source in the Application Month**

If less than a full month's income is expected to be received in the application month, only the income expected to be received in the application month is budgeted.

Budget a full projected monthly income amount to the ongoing benefit months.

**EXAMPLE:**

Mary applied for SNAP benefits on August 15th and reported she started a new job on August 12th. She is expecting to be paid \$10.00 an hour, working 40 hours per week and will be paid bi-weekly on Fridays. She expects to get her first paycheck on August 23rd for her first week (40 hours) in the amount of \$400.00.

Because a full month's wages are not expected to be received in the application month, only the wages of \$400.00 will be budgeted to the application month of August and a projection of monthly wages based on \$10.00 X 40 hours X 4.3 for a total of \$1720.00 will be budgeted for September ongoing.



**640.1.3            Income Source Terminates in the Application Month**

When the application reflects a specific source of income terminated in the application month, budget only the actual income received or expected to be received in the application month. Budget zero income from the terminated source to ongoing benefit months.

**EXAMPLE:**

Joe applied for TANF and SNAP benefits on September 15th. He reported his job ceased on August 30th and received his final pay on September 5th in the amount of \$200.00.

As the income ceased in the application month and only the check for \$200 is expected to be received, the budgetable income for the application month will be \$200.00 and zero income will be budgeted for October ongoing.

**640.1.4            New and Terminated Income Exists in the Application Month**

When the application reflects both new and terminated income will be received in the application month, only the actual income from the terminated source and new income source will be budgeted to the application month's benefits.

Budget a full month's projected best estimate from the new source of income to ongoing benefit months.

**EXAMPLE:**

Sue applied for SNAP on October 30th and reported her job ended on October 3rd. She received a check for \$300 on October 1st and received her final pay in the amount of \$200 on October 15th. She also reported she began receiving UIB benefits in the amount of \$200 per week and expects to receive two checks in the month of October. She received her first check on October 23rd and expects to receive a second check on October 30th.

As Sue has both terminating and new income with less than a full month's income received from either source, only the actual income received or expected to be received will be budgeted in the application month of October. Budgetable income for the month of October is \$500 earned income from the terminated job and \$400 unearned income from the new UIB claim. A projected BE for November ongoing will be \$200 (weekly benefit) X 4.3 for a total of \$860.00.

**640.2 Changes Reported After Approval but Before Redetermination or Recertification**

If the household reports a change in income after approval but prior to the processing of a redetermination or recertification, a new best estimate of income must be calculated. Apply the same conversion and factoring policy used for initial applications.

Use the reporting requirements in B-600 to determine the benefit effective date of the change.

IF...	THEN...
<ul style="list-style-type: none"> <li>A new source of income is reported and a 30-day history exists;</li> </ul>	The 30-day BE period begins the day prior to the report/discovery date and extends back 30 calendar days.
<ul style="list-style-type: none"> <li>A new source of income is reported and a 30-day history does not exist;</li> </ul>	A new projection of monthly income must be calculated.
An existing source of income terminates;	The income is removed.
<ul style="list-style-type: none"> <li>Earned income changed due to:               <ol style="list-style-type: none"> <li>Hourly rate of pay; and/or</li> <li>Frequency; and/or</li> <li>Hours worked per week; and/or</li> <li>Change in salary, bonus or commission payments.</li> </ol> </li> </ul>	Adjust the 30-day BE with only the change(s) reported.
<ul style="list-style-type: none"> <li>Unearned income changed due to:               <ol style="list-style-type: none"> <li>Benefit amount; and/or</li> <li>Payment frequency.</li> </ol> </li> </ul>	Adjust the 30-day BE with only the change(s) reported.

**640.3 Changes Reported at Redetermination or Recertification**

If the household reports a change in income at redetermination or recertification, calculate the new best estimate the same as changes reported between approval and redetermination or recertification, with the exception of the effective date of the benefit change.

If the change is reported timely, the first benefit month updated with the change is;

The month the redetermination is due.

The first month of the new recertification.

If the change is **NOT** reported timely, the first benefit month updated with the change is;

The month after the month the change should have been reported. Changes must be reported by the 5th day of the month after the month of change.

Budgets must be completed for each month the change should have been budgeted along with appropriate earned income disregards that would have been applied.

The first month of the new recertification and the 10-10-13 rule must be applied to any previous months affected by the change.

#### 640.4 General Income Budgeting Tips

If a bonus, overtime, commission, etc., is received once a month, convert the regular earnings and then add the monthly overtime, bonus, commission, etc., to the total converted amount of earnings. Ensure the budgeting method is documented in the case record.

Households which, by contract or self-employment, receive their annual income in a period of time shorter than one year shall also have that income averaged over a 12-month period provided the income from the contract is not received on an **hourly or piecework basis**. These households may include some school employees, sharecroppers, farmers, and other self-employed households. This does not include migrant or seasonal farm workers.

Contract income, which **is not** the household's annual income and is not paid on an hourly or piecework basis, shall be prorated over the period of time it is intended to cover.

Earned and unearned educational income, after allowable exclusions, shall be averaged over the period which it is intended to cover. Income shall first be counted (allow adverse action if applicable) either in the month it is received, or in the month the household anticipates receiving it or receiving the first installment payment, although this income is still prorated over the period of time it is intended to cover.

**Note:** Income from **on-call employment**, such as banquet waitress, culinary union or casual labor, etc., is treated as monthly income when it fluctuates and is irregular or sporadic (no set pay dates exist). Use a 60-day history (if available) and divide the total by two (2) to project monthly income. If the 60-day history includes a month or two with no income and the member was on call, use the month with no income in the average.

If income from on-call employment is received on a regular basis, such as temporary employment agencies which pay on a weekly basis, use normal budgeting procedures.

**640.4.1 Child Support Payments**

There are some circumstances which require the factoring of Child Support Income. Each case must be individually evaluated for the correct budgeting method.

Do not factor Child Support Income if:

1. There is a court order which specifies the monthly garnishment/payment will never go over a specified amount per month.

**Example:** Court ordered amount is \$500/mo, with arrears of \$50/mo. There were two payments made in the month of \$275 each. Budget \$550 and do not factor the income.

2. There is a court order which documents that either the District Attorney's office or State Child Support Enforcement has computed the wage withholding by taking the monthly court ordered amount and annualizing it. This is done by taking the monthly ordered amount, multiplying it by 12 and dividing the total by the frequency of the NCP's pay period. The actual payment will never exceed the court order for the year's period.

**Example:** The court ordered payment is \$200/mo, and the NCP is paid weekly. Multiply \$200 times 12 months/divided by 52 pay periods for a weekly payment of \$46.15 being paid to the CST. Because the total payment will not exceed the \$2,400 for the year, the income can be annualized and the court ordered monthly amount of \$200 budgeted to the household.

**Do** factor Child Support if:

1. The CST receives regular weekly or bi-weekly payments.

Example: A court order will sometimes allow the obligation to be annualized and garnished every payday.

2. The CST regularly receives money above the monthly child support obligation.

**Example:** The child support order specified \$200/mo. child support and \$10/mo. in arrearages. The CST has a long history of receiving \$60/week. SEP is applying the extra child support obligation received to the arrearages and forwarding the monies to the CST. In this case, factoring is the best method to project the income.

If the support payments are irregular in amount or frequency, an average may be the best available method for projecting the income. Prudent worker judgment must be practiced.

**Newly Established Child Support Payments:** For child support payments with no history, use the court order along with the NCP and/or CST statement(s) to project the amount of child support the household anticipates receiving.

**640.5 Determining the Household's Monthly Income Deductions****640.5.1 Dependent Care**

Use the same income BE and factoring policy when determining the monthly deduction for allowable dependent care.

**640.5.2 Shelter Costs/Medical Expenses/Child Support Deductions**

Use the specific policy cited in the applicable manual section to calculate the monthly allowable deductions for shelter costs, medical expenses and child support deductions.

**640.6 Consideration of Non-Citizen Sponsor Income**

A sponsored non-citizen is a non-citizen for whom a person (the sponsor) has executed an affidavit of support (INS Form I-864 or I-864A) on behalf of the non-citizen pursuant to section 213 of the INA.

Sponsored non-citizens entering the country on or after August 22, 1996, are sponsored with a legally enforceable affidavit of sponsorship. This sponsorship remains in effect and the sponsor's income must be deemed until one of the following conditions are met:

- The non-citizen gains U.S. Citizenship;
- The non-citizen has worked or can receive credit for 40 qualifying quarters; or
- The sponsor dies.

The following individuals are exempt from the sponsored deeming requirements:

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| <ol style="list-style-type: none"> <li>1. A non-citizen who is a member of his or her sponsor's TANF household;</li> <li>2. A non-citizen who is sponsored by an organization or group as opposed to an individual;</li> <li>3. The sponsor is currently receiving SSI or TANF;</li> <li>4. The non-citizen is the spouse of the sponsor;</li> </ol> | <ol style="list-style-type: none"> <li>1. A non-citizen who is a member of his or her sponsor's SNAP household;</li> <li>2. A non-citizen who is sponsored by an organization or group as opposed to an individual;</li> <li>3. A non-citizen who is not required to have a sponsor under the Immigration and Nationality Act, such as a refugee, an asylee or a Cuban or Haitian entrant;</li> </ol> |
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5. Child under the age of 18 at the time of the request for assistance;
6. A non-citizen who is not required to have a sponsor under the Immigration and Nationality Act, such as a refugee, a parolee, an asylee or a Cuban or Haitian entrant;
7. A battered non-citizen spouse, non-citizen parent of a battered child or a child of battered non-citizen for 12 months after the State agency determines that the battery is substantially connected to the need for benefits and the battered individual does not reside with the batterer. After 12 months, the state agency must not deem the batterer's income and resources if the battery is recognized by a court or the USCIS and has a substantial connection to the need for benefits, and the non-citizen does not live with the batterer;
8. Non-citizens who the agency has determined to be unable to obtain food and shelter taking into account:
  1. The sum of the eligible non-citizen's household income
  2. Cash on hand
  3. Food
  4. Housing or other assistance
  5. Cash contributions from the sponsor or others
  6. The value of any in-kind assistance provided by the sponsor or others.

The sum of the income may not exceed 130% of the federal poverty level in the application month.

4. A battered non-citizen spouse, non-citizen parent of a battered child or a child of battered non-citizen for 12 months after the State agency determines that the battery is substantially connected to the need for benefits and the battered individual does not reside with the batterer. After 12 months, the state agency must not deem the batterer's income and resources if the battery is recognized by a court or the USCIS and has a substantial connection to the need for benefits, and the non-citizen does not live with the batterer;
5. A child under the age of 18 at the time of the request for assistance;
6. Non-citizens who the agency has determined to be unable to obtain food and shelter taking into account:
  1. The sum of the eligible non-citizen's household income
  2. Cash on hand
  3. Food
  4. Housing or other assistance
  5. Cash contributions from the sponsor or others
  6. The value of any in-kind assistance provided by the sponsor or others

The sum of the income may not exceed 130% of the federal poverty level in the application month.

**640.6.1 Verification of Sponsor Information**

The eligible sponsored non-citizen is responsible for obtaining all needed verification of the sponsor and/or the sponsor's spouse's income and resources. When verification is not submitted as requested:

- The entire household is ineligible.
- The non-citizen will be considered an ineligible non-citizen household member and will be disqualified. The income and resources of the sponsor and the sponsor's spouse will not be included in the eligibility determination for the remaining non-sponsored household members.

**640.6.2 Indigent Determinations**

If the non-citizen is determined to be indigent, the only amount that the agency can deem is the amount actually provided for the period beginning on the date of such determination and ending 12 months after this date. The indigent determination may be renewed for 12-month periods.

Upon the determination of indigent status, the case manager **MUST** mail notification to the USCIS using Form 2444-EE, Indigent Notification to United States Citizenship and Immigration Services (USCIS), including the names of the sponsor and the sponsored non-citizen involved to the address below:

**Office of Policy and Strategy  
U.S. Citizenship and Immigration Services  
20 Massachusetts Avenue, NW  
Washington, D.C. 20529**

All individuals evaluated for indigent status must be informed of and consent to the notification to the USCIS and possible repercussions including repayment of TANF and SNAP benefits by the legal sponsor.

If the sponsored non-citizen will not consent to the USCIS notification, the entire household is ineligible for benefits.	If the sponsored non-citizen will not consent to the USCIS notification, disqualify the individual as an ineligible non-citizen and approve any other eligible household members for SNAP benefits.
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**640.6.3 Determining the Amount of Deemed Sponsor Income**

Use the following steps to determine the amount of sponsor deemed income budgeted to the household.

Determine the sponsor and sponsor's spouse's gross earned income and/or self-employment income and unearned income, then:

Using the Non-Citizen Sponsor's Deeming Worksheet form #2632-EE, follow the budgeting procedures to determine the amount of income to be deemed to the sponsored non-citizen's assistance unit for TANF.

1. From the Gross Earnings or Net Self-Employment, deduct 20% of the gross earned income up to \$175 to determine the Total Net Earned Income.
2. Add any Sponsor's Unearned Income.
3. Add the total Earned and Unearned Income from steps 1 and 2.
4. Enter the need standard amount for the number of persons composed of the sponsor and any other individuals living in the sponsor's home who are NOT receiving TANF or SSI and are claimed by the sponsor as dependents for Federal Income Tax purposes.
5. Disregard any amounts actually paid by the sponsor to persons not living in the home who are claimed by the sponsor as dependents for Federal Income Tax purposes AND payments made by the sponsor for alimony or child support.

1. Reduce the total earned income by the 20% earned income deduction.
2. Determine the total monthly unearned income for the sponsor and the sponsor's spouse and add this amount to the remaining earned income.
3. Reduce this total by the maximum monthly gross income limit for a household size equal to the sponsor, the sponsor's spouse and any other person who is claimed or could be claimed by the sponsor or the sponsor's spouse as a dependent for Federal Income Tax purposes.
4. Next, determine if the sponsor or the sponsor's spouse is making any direct payments to the eligible sponsored non-citizen.
5. Compare the total income calculated in number 4 with the amount in number 5 and budget the larger of the two amounts to the household.

**Example:**

Sponsor and sponsor's spouse have earned income in the amount of \$500 and unearned income in the amount of \$1200.00 with a household of two persons. They give \$100 directly to the sponsored non-citizen each month.



6. Enter the Total Net Sponsor's Income Deemed Available.
7. Next, determine if the sponsor or the sponsor's spouse is making any direct payments to the eligible sponsored non-citizen.
8. Compare the total income calculated in number 6 with the amount in number 7 and budget the **larger** of the two amounts to the household. Transfer this amount to the TANF Budget Form 2183 under the Unearned Income section. This amount is budgeted to the household for TANF.

**Example:**

Sponsor and sponsor's spouse have earned income in the amount of \$2,000 and unearned income of \$100. The sponsor's household consists of four individuals, the sponsor and the sponsor's spouse and their two children. The sponsors have another child not living in the home who is in college that they claim as a Federal tax dependent. The sponsor's household consists of 5 members for budgeting.

- 1) Total Earned Income = \$2,000  
Earned Income is reduced by 20% or not to exceed \$175.  $20\% = \$400$  which is more than \$175. Subtract from the \$2,000 the \$175 = \$1,825.
- 2) Add the \$100 Unearned Income.

1. Total Earned Income = \$500
2. Earned Income reduced by 20%  
 $\$500 \times 20\% = \$100$   
 $\$500 - \$100 = \$400$
3. Unearned Income \$1,200  
 $\$1,200 + \$400 = \$1,600$
4. Gross Income limit for 2 = \$1,517  
 $\$1,600 - \$1,517 = \$83$
5. \$100 Contributed
6. Compare \$83.00 to \$100 –  
Budget \$100.00 as deemed income.

**640.6.4 Proration of Income for Multiple Sponsored Non-Citizens**

If the sponsored non-citizen verifies the sponsor or the sponsor's spouse also sponsor other non-citizens, prorate the countable income/resources among the non-citizens being sponsored. INS Form I-864 or I-864A, Affidavit of Support, may be used to verify the number of non-citizens sponsored.

**640.7 Stepparent Cases**

A stepparent's income is always considered when determining eligibility for their spouse and the spouse's dependent children. If the stepparent is a required household member or applies as a needy caregiver, include them in the household and use regular budgeting procedures.

If the stepparent is not included in the household, use stepparent deeming procedures. When applying stepparent deeming procedures, if the natural parent's needs are not included in the household (i.e., SSI recipient, ineligible non-citizen), the stepparent's income would not be deemed to the remaining eligible members of the household.

**640.7.1 Determining Budgeting Procedures in Stepparent Cases**

Include the stepparent in the household only if

- they are the only parent in the home and apply as a needy caregiver, or
- both the natural parent and the stepparent have separate children and both households are applying for benefits.

**640.7.2 Stepparent Budgeting Procedures**

Before applying any needs test, determine the amount of the stepparent's income, using Stepparent Budget Form 2596, that is deemed to the household:

1. Total the stepparent's countable gross earned income.
2. Subtract the standard work expense deduction, \$90 or 20%, whichever is greater.
3. Add the stepparent's unearned income to their net earned amount.
4. Deduct the (100%) needs standard amount for the stepparent and the stepparent's non-assisted tax dependents living in the home, regardless of citizenship. (Do not include the needs of SSI recipients or persons ineligible as a result of a disqualification). In addition, deduct actual support payments for dependents outside the home and monthly child support or alimony payments.
5. The remaining stepparent income is deemed to the household and budgeted as unearned income.

**Note:** The stepparent's income is deemed only from the date of marriage.

**640.7.3      Budgeting Procedures in Stepparent Cases When Both Parents Have Eligible Children and No Common Children for Whom They Want to Apply (Double Stepparent Case)**

To determine eligibility and benefits, follow these steps:

1. Evaluate the income of all household members (parents and children) as one assistance unit.
2. If eligible as one assistance unit continue normal case processing.
3. If the household is ineligible as one unit, consider separate eligibility for each parent and their own child(ren). The income of the other parent (spouse) is budgeted using stepparent budgeting procedures.
4. If both cases are ineligible, deny them both.

**640.7.4      Stepparents Applying for Dependent Children Not Residing with Their Natural/Adoptive Parent**

If a stepparent lives with his minor dependent stepchild, and the legal parent is not in the home, use the following process.

Step	Action
1.	If the stepparent requests to be included, count the stepparent's full income when determining eligibility. If the income is below the TANF limits, approve the stepchild and the stepparent. If the income exceeds the TANF income limits and the budget includes at least one cent or more of the stepparent's income, go to Step 2. <b>Exception:</b> If the stepparent's child who is a half-sibling to the stepchild also lives in the home, do not go to Step 2. Test the stepchild and the half-sibling for a medical category.
2.	Consider the stepparent a payee for the case. Do not use stepparent budgeting because the natural/adoptive parent is NOT in the home and the stepparent is not included in the budget. If the child's own income does not exceed the TANF limits, approve the stepchild for TANF. If the child's income exceeds the TANF limits deny or terminate cash benefits.

**650 INCOME LIMITS AND ELIGIBILITY TESTS****650.1 200% of Federal Poverty Level Expanded Categorical Eligibility Test**

Categorical eligibility will be expanded to include all SNAP households whose gross income is equal to or below 200% of Poverty and who receive the updated “This Is Your Copy” page of the Application for Assistance. Apply this test first to determine if the gross and net income tests will be applied. (see manual section A-100).

**650.2 130% of Federal Poverty Level Gross Income Test****130% Federal Poverty Level Income Standard Test**

The 130% Federal Poverty Level (FPL) Income Standard Test is considered for all TANF applicant households in the month of application before applying any additional income tests.

**Exception:** This test does not apply to households currently receiving benefits, household members already receiving the earned income disregard or for new members being added to the ongoing benefit. Do not apply this test when the household is transitioning from one TANF program to another.

The household is ineligible if the total countable gross earned and unearned income of all members exceeds the 130% Federal Poverty Level income standard for the household size.

**Note:** If the household exceeds the 130% Federal Poverty Level income standard in the application month due to income from a terminated source or due to a month where an extra paycheck is received and the income will be less the following month, the 130% test must be applied in the following month.

**130% Federal Poverty Level Gross Income Test**

Gross income is the total countable SNAP income. Apply this test to all households except those

- with a member who is elderly or disabled as specified in manual section B-400. This includes a member who is 59 but will turn 60 before the end of the application month.
- that are categorically eligible.

A household subject to the gross income test is ineligible if gross income exceeds the limit by one cent or more.

**Note:** For households with a deductible farm loss, subtract the loss before applying the gross income test.

**650.3                    100% Need Standard**

The need standard is the amount of money determined necessary to provide the household's basic needs.

The 100% Need Standard test is required for the application month for households who pass the 130% Federal Poverty Level test and have earned income.

Apply this test in **pending application months** if the household has **earned income** to determine if the individual wage earner(s) is eligible to receive the earned income disregards.

Once eligibility is established for a pending month (application month forward), do not apply this test to remaining pending months.

Households may be ineligible for the first benefit month, but approved for ongoing benefits, or eligible for the first benefit month and ineligible for subsequent benefits.

Compare the net income (earnings minus the \$90/20% work expense and minus childcare costs plus unearned income) to the 100% Need Standard.

If no deficit between total income and total need exists, the household is ineligible for the earned income disregards.

This test does not apply to households:

- currently receiving benefits;
- when a household is transitioning from TANF/NEON to Child-Only with an SSI caregiver (COS).

**650.4 Earned Income Deductions**

Wage earners whose income is used to determine eligibility are allowed certain deductions from their gross earnings.

Allow a standard work-related expense deduction of \$90 or 20% (whichever is greater) from the earned income of each employed household member:

- during the initial eligibility determination;
- for the application month to determine if earned income disregards are applicable beginning with the first month;
- who is not eligible for Earned Income disregard;
- whose income is used to determine eligibility, whether or not they are an assistance unit member.

Non-qualified (illegal/ineligible) non-citizens are not eligible for the earned income disregards **or** the standard work-related expense deduction.

Stepparents whose income is deemed are **not** eligible for the earned income disregards but **are** allowed the standard work-related expense deduction.

Disqualified IPV members **are** eligible for the earned income disregards and standard work-related expense deduction.

Allow a deduction of 20% of all gross earned income.

**Exception:** This deduction will not be allowed:

- when computing claims resulting from the household's intentional or unintentional failure to report income timely.

## 650.5 TANF Earned Income Disregards

Earned income disregards are:

- 100% of gross earnings for three (3) months, 85% for a second (3) months, 75% for a third (3) months, and 65% for a fourth (3) months.
- An uncapped dependent care expense, and

The individual is eligible for the earned income disregard if:

- They are an eligible member of the household, or they are disqualified for an intentional program violation (IPV), and
- The disregard has not previously been allowed up to two times.

**EXCEPTION:** If a wage earner's income is equal to or less than \$90, the standard work expense deduction is allowed, rather than application of the 100% earned income disregard. Once earnings increase to more than \$90, the 100% earned income disregard will be applied if eligibility criteria are met.

### 650.5.1 Tracking and Applying the Disregard

If a member is eligible for the earned income disregard, apply it to determine eligibility and benefits.

The disregards are applied and tracked separately for each individual wage earner.

The earned income disregards will apply only to those individuals who have received or were eligible to receive cash benefits. Eligible to receive benefits includes:

- Benefits computed to be under \$10; or
- Benefits not issued due to an overpayment deduction.

If **ineligible** for the earned income disregard, apply the standard work-related expense deduction of \$90 or 20% (whichever is greater), from the earned income of each employed household member.

The 130% poverty or 100% income tests do not apply to persons being added to an ongoing case. If a new required household member has earned income, disregards are applied effective the month they are added to the case (refer to manual section B-600).

**Exception:** A parent who comes into the home and receives the disregards, then voluntarily leaves and returns to the home, will only receive the standard work expense deduction during any time period they are eligible for assistance. When an absent parent must leave the home for reasons such as, but not limited to, a court order or incarceration, they may receive disregards upon their return if they meet other disregard criteria.

If a member of an ongoing case with no earnings begins receiving earned income, they are eligible to receive the earned income disregards (if not previously exhausted) without applying the income tests, using timely reporting criteria.

Persons who have lost a job and obtain another job will continue with the disregards where they left off. Those who leave assistance for more than one month are required to pass the 130% Federal Poverty Level income test to determine disregard eligibility upon reapplication. If the income test is passed, the disregards pick up where they left off. Individuals eligible in the immediately preceding month will resume disregards where they left off without applying the income tests.

### **650.5.2 Second Set of Disregards**

For TANF eligibility, a second set of earned income disregards begins when the individual wage earner is off cash benefits for 12 consecutive months (they do not continue where they left off in the first set) and they meet both income tests.

### **650.5.3 Removing the Disregard**

The case manager must future action all cases with earned income disregards and take appropriate action to ensure the disregards are applied correctly.

Actions of the case manager must include:

- Tracking applied TANF disregards;
- Timely reducing the level of disregards and reevaluating the benefit amount;
- Timely removing the disregards, once exhausted, and determining ongoing eligibility.

The case manager is also responsible for generating and issuing the appropriate notice for the actions taken.

## **660 OTHER DEDUCTIONS**

Households which pass the gross income test will be allowed certain deductions from their countable income, as specified in this section.

Households may choose to have eligibility/allotment amount determined without allowing unverified deductions, when obtaining required verifications may delay certification over 30 days from application, unless the household is ineligible without the expense(s).

To be allowed, expenses must be incurred by a household member and reported by the household or authorized representative. Expenses covered by an excluded reimbursement or vendor payment are not deductible.



**660.1 Standard Deduction**

The standard deduction is determined based on household size.

Allow the standard deduction as shown in manual section C-210 for each household.

**660.2 Dependent Care Deduction**

A dependent care deduction of actual/anticipated costs will be allowed as long as a required member of the household is working and receiving benefits.

Allow a deduction from earned income for unreimbursed payments for the actual cost of care for a dependent child or incapacitated adult if:

- The wage earner is a member of the household or would be except they are currently disqualified/sanctioned; and
- The care is necessary for employment; and
- The child or incapacitated adult is an eligible member of the household.

The deduction is not allowed:

If childcare verifications are not provided.

For any child who is not part of the assistance unit.

For any child who reaches age 16 and is not mentally/physically handicapped.

If the child is cared for by another member of the TANF assistance household.

If dependent care expenses are not directly related to employment.

Deduct unreimbursed expenses for dependent care when necessary for a household member to:

- Accept or continue employment;
- Comply with Employment and Training requirements;
- Attend training or pursue education which prepares the individual for employment.

Allow the full amount of the expense that is reported and verified.

The expense is not allowed:

- If the dependent care is provided by another SNAP household member.
- For the portion covered by an excluded reimbursement or vendor payment.
- For care out of the home, when a spouse/second parent is in the home and not working, attending school or meeting E&T program requirements, unless they are unable to provide care due to illness/physical or mental disability.
- If compensation is provided "in-kind".
- If care is paid with "at-risk" childcare funds.

- For a natural/adoptive parent caregiver who has been excluded or is not eligible to receive assistance (e.g., SSI recipient, non-assisted stepparent, non-qualified non-citizen).
- For dependent care reimbursed through E&T or from the Childcare Development Block Grant (CCDBG) or other sources.
- When an individual fails to accept suitable employment offered through E&T NEON.

### **660.3 Excess Medical Deductions**

Allow medical expenses in excess of \$35 per household to individuals who meet the definition of elderly or disabled in manual section B-400. If the individual has been or will be reimbursed for the medical expense, allow only the non-reimbursed amount. **DO NOT** manually deduct \$35 from total medical expenses; this is automatically done after the expenses are entered in the system.

Allow only the medical expenses reported and verified by the household.

**NOTE:** Individuals considered disabled because they receive Interim Assistance (IA) and MAABD client's customers who do not receive SSI or Social Security Disability, are identified on the DISA screen in the system as disabled. This ensures these households receive special budgeting.

#### **660.3.1 Allowable Medical Expenses**

Allow the following medical expenses:

1. Medical and dental care including psychotherapy and rehabilitation provided by a licensed practitioner or other qualified health professional.
2. Hospitalization, outpatient treatment, nursing care, and nursing home care provided by a facility recognized by the state. This includes payments made by the household for an individual who was a household member immediately prior to entering a hospital or nursing home.
3. Payments for health or hospital insurance policies. The cost of policies that do not specifically cover medical costs (such as income maintenance or lump sums for death or dismemberment) are not allowable.
4. Medicare premiums and any cost-sharing expenses incurred by Medicaid recipients, including patient liability. This includes the premium and co-payments for Medicare Part A (Hospital), Part B (all other covered services) and Medicare Part D Prescription Drug Plans.

### **Medicaid Pending**

If a Medicaid eligibility decision is pending, allow the Medicare premium as an expense until a Medicaid decision is made. If Medicaid assistance is approved, determine the effective date of the Buy-In accretion and remove the Medicare premium expense, allowing for adverse. Do not wait for the Buy-In to actually occur since the individual will be reimbursed any premiums paid as of the Medicaid eligibility effective date. Refer to the Medical Program Manual for Buy-In policy.

5. Dentures, hearing aids, and prosthesis (includes prescribed footwear).
6. Cost of securing and maintaining a service dog for a disabled household member. This includes the cost of dog food and veterinarian bills.
7. Prescription eyeglasses.
8. Reasonable cost of transportation (up to current state rate) (see State Administration Manual) and lodging to obtain medical services.
9. Cost of maintaining an attendant, home health aide, childcare provider or housekeeper necessary because of age or illness. In addition to wages, deduct an amount equal to a one-person SNAP allotment if the applicant individual furnishes a majority of the attendant's meals. If the applicant individual has attendant care costs that could qualify under both medical and dependent care deductions, consider the cost a medical expense. (This includes patient liability for home-based waiver Medicaid recipients).
10. Prescribed drugs, medical equipment or supplies, or over-the-counter medication, including insulin, if approved by a qualified health professional. Allow postage and handling costs associated with mail-order prescription drugs even if they are billed separately (see below for budgeting RX expenses).  
**NOTE:** Costs for medical marijuana, even when prescribed by a medical professional, is not an allowable expense as marijuana is a substance considered illegal under Federal Law.

Medical expenses must be reported and verified at initial application and recertification. Any expenses reported on an initial application are considered timely and the case manager must evaluate if the expense is a one-time expense (incurred or paid) or an ongoing monthly expense (incurred or paid). Any incurred medical expense reported on a new application would be considered timely.

Once a household is approved for benefits, they are not required to report a change in medical expenses until the next recertification application. Any expense incurred after approval and reported on the next recertification is considered reported timely.

### **660.3.2 Ongoing Medical Expenses**

Determine the ongoing monthly medical expenses using the most current medical expense information available to project expenses to be paid over the certification period or remaining months of the certification period. The service or expense does not have to be recent to allow the expense. If an old expense is claimed, it may be budgeted for the current certification period as long as it was not previously reported or the expense allowed on a previous certification.

The household may have their medical expenses averaged if the expenses are anticipated to fluctuate, occur less often than monthly, or there is an established history of monthly medical expenses. The case worker should use 60-90 days (or up to three months) to obtain an average of expenses the client customer will pay. This should result in the most accurate estimate. However, the method used in determining an ongoing medical expense should always provide an expense deduction which is most beneficial to the client customer. The average cost must be adjusted if the household reports a change in medical expenses.

Allow a deduction in the current certification period even if the expense is reported in an untimely manner. The expense is averaged over the remaining certification period.

### **660.3.3 One-Time Expense**

If the household reports and provides timely verification of a one-time expense, but it is too late to budget it in the current certification period:

- Deduct it in the first month of the next certification period, or
- Average it over the next certification period.

Do not allow a one-time medical deduction in the next certification period for an expense verified in an untimely manner.

### **660.3.4 Verification of Medical Deductions**

Verify medical bills and reimbursements at initial certification and recertification. **Note:** Households are not required to report a change in medical expenses during the certification period.

If at the time of certification, the household reports an anticipated medical expense and is unable to provide verification, advise them the expense will be allowed **ONLY** when verification is provided.

When a medical expense change is reported during the certification period by a	
household member or the authorized representative	follow procedures in manual section B-600 for both increases and decreases in benefits
source other than a household member or the authorized representative	act on the change if verified at the time of receipt and the change can be made without contacting the household for additional information or verification. <b>Note:</b> If the change requires contact with the household, do not act on it until recertification.

### **660.4 Child Support Deductions**

Deduct child support payments that a household member:

- is legally obligated to pay, and
- actually pays to or for an individual outside the household.

**Example:** The custodial parent is court ordered to reimburse the State of Nevada for Medicaid birthing costs for a child residing in the same household. Because the money is paid to a non-household member and it is court ordered, allow the payment as a medical child support deduction.

**NOTE:** In shared custody arrangements, legally obligated child support payments made to a parent outside the home for children in the SNAP household, are an allowable expense. The expense is allowed as these payments reduce the amount of money available to the SNAP household to purchase food.

#### **660.4.1 Allowable Child Support Deductions**

Allowable deductions are:

- Current support payments;
- Arrearage payments;
- Medical support; and
- Payments to third parties
- Administrative and/or processing fees/charges assigned to court-ordered child support, such as UIB fees for collecting and mailing child support, District Attorney-Family Support fees for processing support payments and employer processing fees.

The payments must represent the household's child support obligation ordered by a **court or administrative authority**.

Do not deduct payments for:

- Alimony or spousal support;
- Any portion of a court-ordered medical insurance expense the adult non-custodial parent (NCP) pays or is required to pay to cover **themselves** unless they are elderly or disabled. Only the amount paid for the child is an allowable deduction.

#### **660.4.2 Verifying Child Support Deductions**

Verify the:

- Household's legal obligation to pay;
- Amount of the obligation; and
- Actual amount paid.

Verify the household's legal obligation to pay by viewing:

- NVKids Child Support records;
- Court order;
- Administrative order;
- Legally enforceable separation agreement;
- Wage withholding statement;
- Check stubs;
- Other official document;
- Use a collateral contact with access to an official document.

Verify amounts actually paid by viewing:

- CSEP, District Attorney or county registry collection and distribution records;
- Canceled checks;
- Wage withholding statements;
- Check stubs;
- Withholding information from unemployment compensation; or
- Statements from the custodial parent regarding direct payments or third-party payments the household pays or expects to pay on behalf of the custodial parent.

**Note:** Documents such as court orders, used specifically to verify the amount of the household's legal obligation to pay child support are not acceptable verification of actual payments made by the household.

#### **660.4.3            Budgeting Child Support Deductions**

<b>For households</b>	<b>deduct the</b>
without a record of at least three consecutive months of paid, legally obligated child support.	anticipated payment amounts up to and including the obligated amount for current support
with a record of three or more consecutive months of paid, legally obligated child support	average of at least three months of payments, including any amounts paid toward arrearages

When budgeting the deduction, consider any anticipated changes in:

- The legal obligation; and
- Other changes that would affect the payment.

**Note:** If an absent or estranged parent returns to the household and continues to pay legally obligated support (current or arrearages) and this payment is received by the SNAP household, do not budget as income and do not allow the support payment as a deduction.

**660.4.4 Deduction for Disqualified/Ineligible/Excluded Members**

<b>If legally obligated child support is paid by a household member who is disqualified for...</b>	<b>then...</b>
<ul style="list-style-type: none"> <li>• Intentional Program Violation (IPV)</li> <li>• FSET Non-Cooperation</li> <li>• Fleeing Felon</li> </ul>	deduct the entire amount of eligible child support paid.
<ul style="list-style-type: none"> <li>• Ineligible Non-Citizen</li> <li>• SSN Disqualification</li> <li>• Ineligible ABAWD</li> </ul>	prorate the amount of eligible child support paid by the disqualified/ineligible/excluded member. Deduct all but the disqualified member's share.

**Note:** See manual section B-900, Program Violations, Disqualifications and Sanctions.

**660.4.5 Change Reporting Requirements for Child Support Deductions**

Households are required to report changes in the legal obligation, during the certification period for status change reporting households and during the application and recertification process for all households. These changes include:

A child reaching the age limit at which child support is no longer legally obligated; or  
A change in the legally obligated amount.

Households without an established record of at least three months (any three-month period) of paid, legally obligated child support are required to report changes greater than \$50.00 a month in the amount paid.

**660.5 Excess Shelter Deduction/Monthly Shelter Costs**

Households, who incur monthly shelter costs exceeding 50% of the household's remaining income, after all other allowable deductions are applied, are allowed an excess shelter deduction. The excess shelter deduction cannot exceed the maximum excess shelter deduction as shown in manual section C-200 unless there is an elderly or disabled member, as defined in manual section B-400, in the household.

If it can be reasonably anticipated the household will occupy the residence for which shelter costs are claimed during the certification period, the shelter deduction is allowed. This does not apply to costs allowed for a temporarily unoccupied home or the homeless shelter allowance.

**660.5.1 Allowable Shelter Costs**

The following expenses are allowed when determining the household's monthly shelter costs.

Costs incurred more frequently are converted to a monthly figure using the factoring methods applied to income. Shelter costs billed less often than monthly may be averaged forward over the months they are intended to cover (e.g., property taxes/assessment, garbage, sewer).

When shelter costs other than utilities are shared between separate households in the same dwelling, allow the costs actually paid (or to be paid) by each household.

Allowable costs include:

- Rent, mortgage payments (this includes 2nd mortgage and home equity line of credit payments), mandatory association fees, separate property payment for a lot or a contiguous lot on which a shelter is located, and other continuing charges leading to ownership of the property.

**Note:** The amount charged for rent that is higher because the apartment complex/owners charge more for rentals with a carport, storage shed, furnished versus unfurnished or have rentals that cost more for pet owners than non-pet owners, etc., IS allowed in full.

- Car payment when a person is living in their car;
- State and local property taxes not included in the mortgage payment. This includes taxes on a motel room or campground space the household is renting;
- Insurance on the structure, but not the contents of the home, which are not included in the mortgage payment (allow the total cost of insurance when amount for shelter and contents cannot be separated). Note: The cost of insurance which covers the vehicle may be allowed when an individual lives in their car. This includes the cost of comprehensive and collision coverage but not medical, bodily injury, property damage, etc.
- Un-reimbursed costs for the repair of a home damaged by a natural disaster;
- Shelter costs paid by a non-household member in lieu of court ordered support payment to a household member; and
- Appropriate utility allowance based on the specific costs incurred by the household.

#### **660.5.1.1 Determining the Appropriate Utility Allowance**

Households billed for utility costs are allowed only one of the following mandatory utility allowances depending on what utility expenses they incur. The four different utility allowances are:

**Standard Utility Allowance (SUA)** for households that incur costs for:

- Heating;
- Cooling-Cooling costs are limited to the cost of operating air conditioners and/or swamp coolers. They do not include the cost of operating fans or blowers.

The amount of the deduction allowed for the Standard Utility Allowance also includes the utility costs incurred by the household for additional electric costs (not used for heating or cooling), water, sewer, garbage, telephone, etc.



Allow the SUA for households who:

- Incur heating or cooling costs for any part of the year.
- Share heating and/or cooling costs with a separate SNAP household in the same dwelling or residence (allow the full SUA amount to each household; do not prorate between households).
- Purchase cut wood or propane for heating.
- Reasonably anticipate receiving a vendor or direct payment from the Energy Assistance Program (EAP) [formerly known as LIHEA], even if they do not have an out-of-pocket heating or cooling expense.
- Have landlords that bill them monthly for total usage measured through individual meters.
- Have heating or cooling included in their rent, but still incur or pay heating or cooling expenses separate from the rent. **Example:** Rent is \$600 which includes heating; however, the household is responsible for the electric bill that includes costs for cooling.
- Receive a utility allowance or reimbursement from HUD, Section 8, or Farmer's Home Administration (FMHA); however, the cost of all their monthly utilities must exceed the utility allowance for any part of the year. **Note:** When calculating the total amount of utilities, allow all expenses listed under SUA and LUA.
- Are eligible for SUA and move to a new residence where they will continue to be eligible for SUA. Allow the household to remain on SUA without a utility billing for the month of the move.

**Limited Utility Allowance (LUA)** for households that incur costs for at least two of the following utilities:

- Electricity for purposes other than heating or cooling (e.g., lights);
- Fuel for purposes other than heating or cooling (e.g., cooking);
- Water;
- Sewer;
- Well and septic tank installation and maintenance;
- Telephone; or
- Garbage or trash collection.

**Note:** Households who live in public housing and have a shared meter but are charged for excess utility costs and one other utility expense (such as telephone), are eligible for the LUA.

**Individual Utility Allowance (IUA)** for households that incur only one of the following utility costs:

- Electricity for purposes other than heating or cooling (e.g., lights);
- Fuel for purposes other than heating or cooling (e.g., cooking);
- Water;
- Sewer;
- Well and septic tank installation and maintenance; or
- Garbage or trash collection.

## **Telephone Utility Allowance (TUA)**

Households who incur only a telephone cost are allowed the Telephone Utility Allowance. The telephone allowance is not allowed with any other standard utility allowance.

Refer to manual section C-200 for the current utility allowance deductions. Enter the following codes on the UTL screen in the SUA field:

Y	-	for SUA
L	-	for LUA
I	-	for IUA
T	-	for TUA

Enter the individual utility costs on the UTL screen, when the amounts are available, for case review purposes.

### **660.5.2 Non-Allowable Shelter Costs**

The following expenses are not allowed when determining the household's monthly shelter costs. Disallowed costs include:

- One-time deposits;
- Rental furniture fees that are separate from and above the normal rent charged for the type of residence rented;
- Renter's Insurance;
- Damage or advance deposits on rental property;
- Gasoline costs, even if the household is living in their vehicle;
- Payments on vehicle used only for recreation;
- The cost of repairing or replacing essential items of property if the household will be reimbursed;
- Shelter costs paid by an employer;
- Payments on dwellings or property covered by an excluded reimbursement or exempt vendor payment. Exception: Expenses paid by direct or vendor payments from the Low-Income Home Energy Assistance (LIHEA) Program or the Emergency Crisis Intervention Program (ECIP), or expenses paid by other energy assistance payments are allowed;
- Closing costs, late charges and arrearages;
- Shelter provided as "in-kind";
- Costs related to a second residence required due to employment of a household member out-of-state or in another city.

### **660.5.3 Verifying Shelter Costs**

Verify shelter costs only when the claimed shelter cost amount is questionable. This includes situations where the claimed costs exceed the reported/verified income of the household.

**NOTE:** Unchanged shelter costs claimed on a previous recertification, which are not allowed due to failure to verify those expenses, must be evaluated and budgeted for the new recertification.

**660.6 Homeless Shelter Standard**

Allow the homeless shelter deduction in manual section C-200 for any month in which a household

- meets the definition of homeless in manual sections B-400 or C-300; and
- has incurred or expects to incur a shelter expense (rent or utilities) at some time during the month.

In a month the homeless shelter standard is budgeted, do not allow a separate deduction for rent or the applicable utility allowance. The homeless shelter standard includes all shelter expenses to which the household is entitled.

Budget actual shelter and the appropriate utility allowance (if eligible) rather than the homeless shelter standard, if the household

- claims their total monthly shelter and appropriate utility allowance costs are higher than the homeless shelter standard; and
- provides verification of the expenses.

**Note:** The homeless shelter allowance must be deducted from the net income **after all other deductions are subtracted** and before application of the 30% calculation and determination of the benefit amount.

**660.6.1 Verification Requirements for the Homeless Shelter Standard**

Accept a homeless household's statement it has incurred or expects to incur a shelter expense at some time during the month when no other verification is available.

**660.6.2 Proration of the Homeless Shelter Standard**

Prorate the homeless shelter standard among members of a household with a member disqualified for Social Security Number or citizenship requirements.

**660.7 Shelter Deductions for an Unoccupied Home**

Budget the actual shelter costs for a home temporarily unoccupied because of employment or training, illness, casualty loss, or natural disaster if

- the household intends to return to the home;
- the current occupants are not claiming shelter costs for SNAP purposes; and
- the home is not leased or rented.

Allow any unreimbursed expenses for repairing a home damaged by a casualty loss, or natural disaster.

The household may claim both the shelter costs of its current residence and the cost of the unoccupied home, but no more than the maximum excess shelter deduction (if applicable).

**660.7.1 Verification of Costs of Unoccupied Home**

Verify the shelter cost of an unoccupied home at initial application, recertification and when the household reports a change in those costs. Note: The worker is not required to assist in obtaining verification of shelter costs if the home is out of the project area.

**660.8 Application of Expenses to Households with Ineligible/Disqualified/Excluded Members**

Budget the expenses of the ineligible/disqualified/excluded household member under the same criteria as income. For elderly/disabled households allow the appropriate medical and excess shelter expenses even if the only elderly/disabled individual is the ineligible/disqualified/excluded member.

**660.9 Rules Applied to All SNAP Deductions**

- Do not deduct expenses paid to another member of the SNAP household.
- Households may choose to average expenses incurred less often than monthly.  
Average these expenses over:
  - the interval between scheduled billings; or
  - the period the expense is intended to cover if there is no scheduled billing.

**Note:** If a change in expenses is reported, recalculate the average.

- Except for averaged expenses, deduct expenses (including a one-time expense) only in the month the expense is billed (or the month it becomes due if no bill is sent).
- Allow an expense regardless of when or if the household intends to pay it, except for child support.
- Do not deduct expenses paid by a reimbursement, an exempt vendor payment, or in-kind benefit unless specified for a specific expense.
- Do not deduct past-due balances, late charges, or finance charges.

Use the most recent month's bills to project expenses. Consider changes expected during the certification period. If an agreement is made between the household and the provider to make installment payments for an allowable one-time expense, the household can choose to have the agreed upon payments budgeted as monthly payments.

**660.10 Net Income Test****Net Income Test – 100% of Federal Poverty**

Net income is the gross income minus allowable deductions. Apply this test to all households, except those which are categorically eligible.

If a household's rounded income exceeds the net income limits, the household is ineligible.

**Note:** Round up for 50 cents or more and round down for 49 cents or less.

Enter **"yes"** in the Statement of Needs Status button on the Case Info BAP to ensure categorical eligibility rules are applied when determining eligibility. The net income test is not applied to categorically eligible households.

The gross and net income tests with capped shelter expenses are applied to households which are not categorically eligible and have no disabled or elderly members.

Apply the net income test only (except those categorically eligible) with uncapped shelter deductions to households with an elderly or disabled member.

No tests are applied and shelter deductions are capped, to categorically eligible households with no elderly or disabled members.

**660.11 Payment/Standard Maximum Allotment**

The payment standard is the maximum benefit amount for the household size. Apply this test to all households applying for or receiving benefits to determine the household's monthly benefit amount.

If a deficit of one cent or more remains, the household is eligible.

The maximum allotment is set based on household size. (see C-200 for Maximum Allotments).

**660.12 TANF Benefit Amount/SNAP Allotment**

The benefit amount is determined by comparing the net income after the application of all earned income disregards and dependent care deductions compared to the payment allowance for the household size. A benefit is always a whole dollar amount. Round all amounts down to the nearest dollar.

The minimum benefit amount is \$10. Benefits of less than \$10 are issued only for

- supplemental payments;
- payments made after an overpayment recoupment is processed.

**Note:** If a household is due to terminate for excess income (in which at least \$1 of the income is earned) they are eligible for a \$50 per month Employment Retention Payment (ERP) for six months (Refer to manual section A-800).

The benefit amount is determined by multiplying the net income by 0.3 (round up) and subtracting that amount from the maximum allotment for the household size. The result equals the monthly SNAP allotment.

**670 TANF Budgeting Steps**

Step		
1. Determine gross earned and unearned income, using Tables II (Gross Earned Income) and III (Unearned Income) on the budget form.		
2. On Table IV (130% of Poverty Eligibility Determination on Budget Form), compute the Total Income.  Compare the total income to the 130% of the Federal Poverty Level for the appropriate family size on Table I (Need Standards / Poverty Levels)	If the Total Income <b>is greater</b> than the 130% of poverty.	Case is ineligible for cash benefits.  The budget ends here.
	If the Total Income <b>is less</b> than the 130% of poverty,	Go to Step 3.

3. Using Table V (Initial Eligibility Determination), determine total net income by subtracting 20% gross earnings or \$90 work expenses (whichever is greater). Subtract childcare. Add total Unearned Income from Table III (Unearned Income).  <b>Note:</b> This step determines eligibility for earned income disregards.	<b>IF....</b>	<b>Then...</b>
	The net income is <b>more</b> than the 100% needs standard,	Case is ineligible and the TANF budget ends here.
	The net income is <b>less</b> than the 100% needs standard,	The individual is entitled to the disregard (if not previously exhausted) on the <b>first cash month</b> . (If the disregards have been exhausted, apply the standard work deduction).  Go to Step 4

4. Complete Table VI to determine Total Net Income after appropriate disregards or work expense is allowed.
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5. Complete Table VII, using Total Net Income from Table VI to determine TANF eligibility and amount of cash benefit. If eligible, TANF earned income disregard count begins or continues with first cash month, as appropriate.		The budget ends here.
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## 680 SNAP Budgeting Steps

Once household members' income and expense data is entered into the system, the system will calculate the correct allotment based on household size, income and any applicable deductions. **Note:** Offline manual budgets are done for claims. SNAP budgeting is done by the system except for **manual claims** which require re-calculating the allotment for each month in question.

**Prorated Benefits:** Proration of the benefit amount occurs for the initial month of application after Step #9 below and is based on the date of application. Proration also applies to timely reapplication cases that cooperate after the certification end date, but within the established 30-day period (Window of Opportunity [WOO]). Benefits are prorated from the date of cooperation.

**Steps:** Apply the gross income test in both the eligibility and allotment determination, unless policy specifies otherwise.

Compare countable gross income to the maximum gross monthly income allowable by household size, except for 1) households containing an elderly or disabled member; and 2) categorically eligible cases. If the household does not pass the gross income test, deny/terminate benefits.

For households meeting the expanded categorical eligibility guidelines, the household's gross income must be compared to 200% of the federal poverty level. A manual calculation must be completed by the caseworker to determine the household's gross income and household size that must be compared to 200% of the federal poverty level Income Limits in C-200.

If the household exceeds the gross income limit of 200% of poverty, the caseworker must mark the “Food Stamp Categorically Eligible?” field in the Statement of Needs Status button on the Case Info BAP “N” and allow the system to determine eligibility

If the categorically eligible household meets the 200% of the federal poverty level income guidelines, the caseworker must mark the “Food Stamp Categorically Eligible?” field in the Statement of Needs Status button on the Case Info BAP “Y” and continue the budgeting process.

- Add all gross earned income received in the month or anticipated to be received.
- Multiply by 80% for net earned. Do not allow the 20% for claims resulting from non-reporting of earnings.
- Add all unearned income received or anticipated to be received to net earnings.
- Subtract the standard deduction based on household size, allowable dependent care and verified court ordered child support payments. The result is the adjusted income. If elderly/disabled, also subtract medical expenses less the \$35 deductible to reach the adjusted income.
- Subtract allowable shelter expense:
  - Total monthly shelter expenses
  - Multiply adjusted income by 50%
  - Subtract remainder of adjusted income from shelter expense
- 6. Subtract the lesser of actual expenses or fixed max expense from the adjusted income for net income. If elderly/disabled, subtract the actual excess shelter expense from adjusted income for net income.
- 7. Subtract the homeless shelter deduction (when applicable) from net income.
- 8. Net Income Test

Apply the net income test in both the eligibility and allotment determinations, for all households ***except those which are categorically eligible***. Compare net income to the maximum net monthly income allowable by household size.

If the non-categorically eligible household does not pass the net income test, deny/terminate benefits. **DO NOT** use the Allotment Tables in manual section C-220.

- 9. To determine allotment value after applying budgeting steps 1 through 7:
  - Multiply net income by 0.3 (30%) and round **up**.
  - Subtract the 30% product from the maximum allotment for the household size.
  - The result equals the SNAP allotment.

**OR**

- Use the SNAP Net Income and Allotment Tables in manual section C-220.



**The prorated benefit formula is as follows:**

Nevada uses a standard 30-day calendar formula ( $\text{full month's benefit} \times 31 \text{ [date of application]} \div 30 = \text{allotment}$ ) to determine monthly benefits. This means a person applying on the 31st of the month is the same as applying on the 30th. The 30-day calendar also applies to the month of February. Always subtract the application date from 31 days, regardless of the number of days in the month.

Once the initial month's benefit amount is calculated through #9 above (using all countable income and allowable deductions), proration will be applied starting with application dates on and after the 2nd day of the month through the last day of the month. Households applying on the first of the month will receive a full month's benefit (if otherwise eligible).

**Benefits for the initial month are prorated using the 30/31-day formula as follows:**

1. Subtract the date of application from 31 to arrive at the number of days to be prorated.
2. Divide the whole allotment for the household size (after all allowable deductions and expenses are applied) by 30 days. The sum is the daily SNAP benefit amount. Round the cents.
3. Multiply the number of days in #1 by sum in #2. Drop all cents.
4. The result in #3 is the prorated benefit amount.

**Example:** A household with a whole monthly allotment computed to be \$395 applies on June 17. The household's prorated allotment for June is \$184 ( $31 - 17 = 14$  days.  $\$395 / 30 \text{ days} = \$13.166 = \$13.17$ .  $\$13.17 \times 14 = \$184.38$  or \$184).

The system will automatically compute and prorate the initial month's benefit based on information posted in the system. When computing manual budgets use the same formula to determine prorated benefits.

**Non-Categorical Households:** If a one- or two-person household passes the net income test and is computed to be eligible for a SNAP allotment under the minimum allotment or no allotment, the system will automatically issue the current minimum benefit allotment. Households with three or more persons will receive the computed allotment, which is under the current minimum allotment, except where the benefit is an uneven dollar amount. These allotments will be increased to the next higher even dollar amount (e.g., \$1 = \$2, \$3 = \$4, \$5 = \$6).

**Categorical Households:** Categorically eligible households of one or two persons will receive the current minimum monthly allotment regardless of their income level as long as the gross income does not exceed 200% of the federal poverty level. Households of three or more persons will receive the calculated benefit (even if the amount is lower than the current minimum allotment) unless the amount results in zero benefits.

**Case Suspense Status:** When the allotment computation results in [0] for categorically eligible households of three or more persons, the case will be in **SUSPENSE** status. These cases will **NOT** be denied or terminated for excess income. Benefits will not be issued (they will be suspended), but the case will be open. The certification period will expire as normal, regardless of whether the case is in suspense or payment status.

**Note:** Cases which are **not** categorically eligible or **not properly identified** as categorically eligible (in the system) will be denied/terminated when excess income occurs. All cases denied or terminated for excess income and/or resources must be screened for categorical eligibility status on Form 2152.