1006 FINANCIAL CRITERIA - RESOURCES

1006.05 RESOURCES

REV:05/1986

The Food Stamp Act requires that participation be "limited to those households whose income and other financial resources, held singly or in joint ownership, are determined to be a substantial limiting factor in permitting them to obtain a more nutritious diet." The standards are established by law and apply to all households applying for Program benefits.

1006.10 RESOURCE ELIGIBILITY STANDARDS

REV:10/2002

Eligibility must be denied or discontinued if the value of non-exempt resources, both liquid and non-liquid assets, for the household exceeds either:

* Three thousand dollars ($3,000) for all households that consist of, or include, at least one member who is disabled or sixty (60) years of age or over; or

* Two thousand dollars ($2,000) for all other households.

1006.10.05 Application of Resource Standards and Categorical Exclusions

REV:07/2009

These resource standards are to be applied to all applicant households, including those in which some members are recipients of PA with the exception of those households described in the following paragraphs. A household must report at the time of application all resources and potential resources expected during the certification period so that the value and the treatment of the resources for all eligible and ineligible household members can be determined. Available resources at the time the household is interviewed are used to determine the household's eligibility.

In a mixed household, i.e., a household comprised of some members receiving SSI, a TANF-funded service or RIW cash assistance and some not receiving SSI, a TANF-funded service or RIW cash assistance, all resources of the SSI/RIW/TANF-funded service recipient(s) are categorically excluded.

The resource standards are applied to the remaining household members.

Households in which all members receive SSI, RIW, a TANF-funded service or GPA and which are categorically eligible as defined in Section 1016.40, do not have to meet the resource limits or definitions in this section.

1006.10.10 Verification of Resources

REV:11/1986

Resources must be identified on the application in sufficient detail to permit verification. During the interview, the agency representative reviews with the applicant the resources reported as well as the possibility of unreported resources. The agency representative must verify liquid resources for all households.

Other resource information must be verified if that information is questionable. To be questionable, information on the application must be inconsistent with statements made by the applicant, with other information on the application or a previous application, or with information known to or received by the agency representative. Documentary evidence is used as the primary source of verification, although collateral contacts, e.g., banks, car dealers, or real estate firms, may also be sources of verification if written verification is unavailable.

1006.10.15 DHS-91 Bank Clearance Form

REV:07/2009

The DHS-91 Bank Clearance form is used by the agency representative to verify a household's reported bank accounts and/or to determine the existence of unreported bank accounts.

Bank accounts are liquid resources and, as such, must be verified for all households, with the exception of categorically eligible and TANF-funded service households, both at initial certification and at recertification.

At certification, the agency representative must send a DHS-91 to at least one financial institution, using the criteria listed below. The form is completed prior to the applicant signing the release of information section. The DHS-91 is then sent, in duplicate, to the designated financial institution. A notation is made in the CLOG which specifies the name of the financial institution to which the DHS-91 was sent. When the DHS-91 is returned to the local office, the designated staff reviews the DHS-91, if the DHS-91 indicates there is no account at the institution, the form is shredded; if the DHS-91 indicates the applicant/recipient has an account, the DHS-91 is given to the eligibility technician assigned to the case. The eligibility technician makes a notation in the CLOG which details the specifics of the account and the DHS-91 is filed in the case record.

At recertification, the agency representative must send a DHS-91 to at least one financial institution, using the criteria listed below. The same procedures employed at certification are used at recertification.

1006.10.15.05 Criteria for Sending the DHS-91

REV:11/2000

The following criteria is applied by the agency representative in deciding to which financial institution(s) the DHS-91 is sent.

1. Send a DHS-91 to any institution where an applicant/recipient has (or recently had) an account or a banking relationship (e.g., mortgage, car loan, IRA, etc.);

2. Send a DHS-91 to any credit union at a business where the applicant/recipient is (or recently has been) employed (e.g., State Employees Credit Union);

3. Send a DHS-91 at random to a neighborhood bank or credit union. The AP-91 is sent in this fashion only if none of the above criteria can be applied.

1006.15 EXEMPT RESOURCES

REV:10/1992

In determining the resources of a household, only the following types, listed in Sections 1006.15.02 through 1006.15.45 are exempted.

1006.15.02 Resources of RIW/SSI Recipients

REV:11/2000

The resources of any household member who receives Supplemental Security Income (SSI) or who receives benefits under Part A Title IV of the Social Security Act (RIW) shall be considered exempt for SNAP purposes. This applies whether or not the household receives SNAP benefits as categorically eligible.

1006.15.05 Home and Lot

REV:07/1986

The home and surrounding property which is not separated from the home by intervening property owned by others. Public rights of way, such as roads, which run through the surrounding property and separate it from the home, do not affect the exemption of the property. The home and surrounding property remains exempt when temporarily unoccupied for reasons of employment, training for future employment, illness, vacation or is not inhabitable because of a casualty or natural disaster, if the household intends to return.

If the household does not already own a home, but owns or is purchasing a lot on which it intends to build or is building a permanent home, it receives an exclusion for the value of the lot, and if it is partially completed, for the home.

1006.15.10 Household Goods, Life Insur. & Pensions

REV:10/2008

Exclude as a resource household goods, personal effects, including one burial lot per household member, and the cash value of life insurance policies. The cash value of pension plans or funds is excluded. See Sec. 1006.15.40 "Resources Excluded by Law" for treatment of Education accounts (e.g. 529 plans), or Individual Retirement Accounts (IRAs or Keough plans).

1006.15.15 Excluded Vehicles

REV:02/2004

Exclude the value of vehicles as specified below:

* Adult vehicle exclusion

  - One vehicle (licensed or unlicensed) for each adult household member, but not to exceed two (2) vehicles per household, shall not be counted as resources of the family.

* Income-producing vehicles

  Exclude the entire value of any licensed vehicle, such as, but not limited to, a taxi, truck, tractor, or fishing boat, if:

  - The vehicle is used primarily (over fifty percent (50%) of the time the vehicle is used) for income-producing purposes. Licensed vehicles which have previously been used by a self-employed household member engaged in farming, but are no longer used over fifty percent (50%) of the time in farming because the individual has terminated her/his self-employment from farming, continue to be excluded for one (1) year from the date the individual terminated her/his self-employment from farming.

  - The vehicle annually produces income consistent with its fair market value, even if used only on a seasonal basis.

  - The vehicle is necessary for long distance travel, other than daily commuting, which is essential to the employment of a household member (or an ineligible or a disqualified person whose resources are being considered available to the household). Such vehicles include that of a traveling sales person or a migrant farmworker following the work stream.

  - The vehicle is used as the household's home.

This exemption also applies during temporary periods of unemployment when the vehicle is not in use. For example, if a taxi driver is ill or if a fishing boat is frozen in the harbor.

The exclusion also includes unlicensed vehicles on those Indian reservations which do not require vehicles driven by tribal members to be licensed.

* Maintenance of excluded vehicles

  o Exclude any property, real or personal, to the extent that it is directly related to the maintenance or use of a vehicle excluded above. Only that portion of real property determined necessary for maintenance or use is excludable under this provision. For example, a household which owns a produce truck to earn its livelihood may be prohibited from parking the truck in a residential area. The household may own a 100-acre field and use a quarter-acre of the field to park and/or service the truck. Only the value of the quarter-acre would be excludable under this provision, not the entire 100-acre field.

* Vehicles for the Disabled

  o Exclude the entire value of any licensed vehicle if the vehicle is necessary to transport a physically disabled household member (or disabled ineligible or disqualified person whose resources are being considered available to the household) regardless of the purpose of such transportation. This exemption is limited to one (1) vehicle per physically disabled household member. A vehicle is considered necessary for the transportation of a physically disabled household member if the vehicle is specially equipped to meet the specific needs of the disabled person or if the vehicle is a special type of vehicle which makes it possible to transport the disabled person. The vehicle need not have special equipment or be used primarily by or for the transportation of the physically disabled household member.

* Fuel or Water Carrier

  o Licensed vehicle if the vehicle is necessary to carry fuel for heating or water for home use when the transported fuel or water is anticipated to be the primary source of fuel or water for the household during the certification period.

* Inaccessible Resource

  o Exclude from resources the value of a vehicle that is inaccessible, in accordance with Section

1006.15.45, because its sale would produce an estimated return of not more than one thousand five hundred dollars ($1,500).

1006.15.30 Income-Producing Property

REV:02/1995

Exclude property which annually produces income consistent with its fair market value, even if only used on a seasonal basis.

Such property includes a rental home and a vacation home.

Exclude property such as farm land which is essential to the employment or the self-employment of a house-hold member.

Exclude work-related equipment, such as the tools of a tradesperson or the machinery of a farmer which is essential to he employment or self-employment of a household member. Property essential to the self-employment of a household member engaged in farming continues to be excluded for one (1) year from the date the individual terminates her/his self-employment from farming.

Exclude installment contracts for the sale of land or buildings, if the contract or agreement is producing income consistent with its fair market value. The value of the property sold under installment contract, or held as security in exchange for a purchase price consistent with the market value of that property.

1006.15.30.05 Determining Fair Market Value of Property

REV:01/2002

When it is necessary to determine if property is producing income consistent with its fair market value, the agency representative may contact local realtors, local tax assessors, the Small Business Administration, Farmer's Home Administration, or other similar sources to determine the prevailing rate of return; e.g., square foot rental for similar usage of real property in the area.

If the agency representative determines that the property is not producing income consistent with its fair market value, for instance, the property is being leased for a token payment, such property must be counted as a resource. However, if the property is leased for a return that is comparable to other property in the area leased for similar purposes, it is considered as producing income consistent with its fair market value and is not considered a resource.

All findings must be documented in the case record and annotated in the INRHODES CLOG.

Property exempt as essential to employment need not be producing income consistent with its fair market value. For instance, the land of a farmer is essential to his employment; a good or bad crop year would not affect the exemption of such property as a resource.

1006.15.35 Inaccessible Resources

REV:11/2000

Resources with cash value that is not accessible to the household, such as but not limited to, irrevocable trust funds, security deposits on rental property or utilities, property in probate and real property which the household is making a good faith effort to sell at a reasonable price and which have not been sold are exempted. In such cases, the agency representative verifies that the property is for sale and that the household has not declined a reasonable offer. Verification may be obtained through a collateral contact or documentation such as an advertisement for public sale in a newspaper of general circulation or a listing with a real estate broker.

Any funds in a trust or transferred to a trust, and the income produced by that trust, to the extent it is not available to the household, is considered inaccessible to the household if:

* the trust arrangement is not likely to cease during the certification period and no household member has the power to revoke the trust arrangement or change the name of the beneficiary during the certification period;

* the trustee administering the funds is either:

  (1) a court, or an institution, corporation, or organization which is not under the direction or ownership of any household member; or,

  (2) an individual appointed by the court who has court imposed limitations placed on his/her use of the funds which meet the requirements of this paragraph;

* trust investments made on behalf of the trust do not directly involve or assist any business or corporation under the control, direction, or influence of a household member; and,

* the funds held in irrevocable trust are either:

  (1) established from the household's own funds, if the trustee uses the funds solely to make investments on behalf of the trust or to pay the educational or medical expenses of any person named by the household creating the trust; or,

  (2) established from non-household funds by a non-household member.

1006.15.40 Resources Excluded by Law

REV:10/2008

Some resources are excluded for food stamp program purposes by express provision of Federal, State, or local law. The following is the current listing of resources excluded by law.

* Under P.L. 103-66, earned income tax credits (EITC) received by any member of the household shall be excluded from financial resources for twelve (12) months from receipt if the household member is participating in the program at the time of its receipt and participates continuously during the twelve (12) month period.

* Benefits received from the special supplemental food program for women, infants, and children (WIC).

* Under P. L. 89-642, Section 11 of the Child Nutrition Act, the value of assistance to children.

* As provided in P. L. 100-435, Section 501, 9/19/88, of the Child Nutrition Act: under WIC demonstration projects, coupons that can be exchanged for food at farmers' markets.

* Under P. L. 99-425, Section (e), the Low-Income Home Energy Assistance Act, 9/30/86. The amount of any home energy assistance payments or allowances provided directly to, or indirectly in behalf of, a household is excluded.

* Financial assistance provided by a program funded in whole or in part under Title IV of the Higher Education Act in accordance with Public Law 99-498.

* Payments made under P. L. 98-524, the Carl D. Perkins Vocational Education Act, Section 507, as amended by P. L. 101-392, 9/25/90.

* Reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970.

* Payments made under provisions of P. L. 93-288, the Disaster Relief Act of 1974, as amended. This exclusion applies to Federal assistance provided to persons directly affected and to comparable disaster assistance provided by States, local governments, and disaster relief organizations.

* Payments made under the provisions of Public Law 100-383, entitled "Wartime Relocation of Civilians", to certain United States citizens of Japanese ancestry, resident Japanese aliens and certain eligible Aleuts (natives of the Aleutian Islands).

* All payments from the Agent Orange Settlement fund or any other fund established pursuant to the settlement in the Agent Orange product liability litigation retroactive to January 1, 1989. The disabled veteran will receive annual payments; survivors of the deceased disabled veterans will receive a lump-sum payment. These payments were disbursed

by Aetna Insurance Company.

* Payments made under P. L. 101-426, Section 6(h)(2), the Radiation Exposure Compensation Act, dated October 15, 1990.

* Payments received under the Alaska Native Claims Settlement Act or the Sac and Fox Indian claims agreement.

* Funds distributed under P. L. 94-189, Section 6, 12/31/75, to the Sac and Fox Indians.

* Payments of relocation assistance to members of the Navajo and Hopi Tribes under Public Law 93-531.

* Payments received by certain Indian tribal members under Public Law 94-114, Section 6, regarding submarginal land held in trust by the United States.

* Payments received from the disposition of funds to the Grand River Band of Ottawa Indians (Public Law 94-540).

* Funds paid under P.L. 98-123, Section 3, 10/13/83 to members of the Red Lake Band of Chippewa Indians.

* Payments received by the Confederated Tribes and Bands of the Yakima Indian Nation and the Apache Tribe of the Mescalero Reservation from the Indian Claims Commission (P.L. 95-433).

* Payments to the Passamaquoddy Tribe and the Penobscot Nation or any of their members received pursuant to the Maine Indian Claims Settlement Act of 1980 (P.L. 96-420).

* Payments to the Blackfeet, Grosventre, and Assiniboine tribes, Montana, and the Papago, Arizona (P.L. 97-408).

* Funds distributed per capita or held in trust under P. L. 99-146, Section 6(b), 11/11/85, for members of the Chippewas of Lake Superior.

* Moneys paid under P. L. 99-264, the White Earth Reservation Land Settlement Act of 1985, 3/24/86.

* Payments to the Saginaw Chippewa Indian Tribe under P. L. 99-346.

* Funds distributed under P. L. 99-377 Section 4(b), 8/8/86 to the Chippewas of the Mississippi.

* Moneys paid under P.L. 95-608, Indian Child Welfare.

* Payments to the Turtle Mountain Band of Chippewas, Arizona (P.L. 97-403).

* Funds paid to members of the Assiniboine Tribe, Fort Belknap and Fort Peck, Montana under P.L. 98-124.

* Under P.L. 98-500, Old Age Assistance Claims Settlement, Act payments to heirs are excluded except for per capita shares in excess of $2000.

* Payments made under P.L. 101-41, the Puyallup Tribe of Indians Settlement Act.

* Funds awarded to the Seminole Indians in dockets 73, 151, and 73-A of the Indian Claims Commission are excluded except for per capita shares in excess of $2000 paid under P.L. 101-277.

* Payments made under P.L. 101-503, Seneca Nation Settlement Act.

* Any monetary allowances paid by the Veterans Administration under P.L. 104-204, Section 1805(d), to a child of a Vietnam Veteran for any disability resulting from Spina Bifida suffered by such child.

* Any monetary allowances paid by the Veterans Administration under P.L. 106-419, Section 1815 (a), to any individual with one or more covered birth defects if he or she is a child of a female Vietnam veteran.

* Under P.L. 103-322, Section 230202, dated 9/13/94, amended Section 1403 of the Crime Act of 1984 (42 U.S.C. 10602), compensation paid by an eligible crime victim compensation program

* Under P.L. 110-246, the Food, Conservation and Energy Act of 2008 which revised the Food Stamp Act, any funds in a plan, contract or account described in sections 401(a), 403(a), 403(b), 408, 408A, and 501(c)(18) of the Internal Revenue Code of 1986 and the value of funds in a Federal Thrift Savings Plan account as provided in section 8439 of title 5 United States code; and any retirement program or account included in any successor or similar provision that may be enacted and determined to be exempt from tax under the Internal Revenue Code of 1986.

  Included in the above exclusion are: Pension or traditional defined-benefit, 401(k), SIMPLE 401(k), 501(c)(18), 403(b), 457, Federal Employee Thrift Savings, Keogh, IRA, Roth IRA, SIMPLE IRA, Simplified Employer, Profit Sharing and Cash Balance plans.

* Under P.L. 110-246, the Food, Conservation and Energy Act of 2008 which revised the Food Stamp Act, any funds in a qualified tuition program described in section 529 of the Internal Revenue Code of 1986 or in a Coverdell education savings account under section 530 of that code.

When an exclusion applies because of use of a resource by or for a household member, the exclusion must also apply when the resource is being used by or for an ineligible or disqualified person whose

resources are being considered available to the household. For example, the work-related equipment essential to the employment of an ineligible or disqualified person must be excluded as well as one (1) burial plot per ineligible or disqualified person.

1006.15.45 Other Excluded Resources

REV:10/2003

For the purposes of this section:

(1) Significant return means any return, after estimating costs of sale or disposition, and taking into account the ownership interest of the household, that the State agency determines are more than one thousand five hundred dollars ($1,500);

(2) Any significant amount of funds means funds amounting to more than one thousand five hundred dollars ($1,500).

The following are excluded resources for the purpose of calculating household resources:

1. Earmarked Resources

   Any governmental payments which are designated for the restoration of a home damaged in a disaster, if the household is subject to a legal sanction should the funds not be used as intended. For example, payments made by the Department of Housing and Urban Development through the Individual and Family Grant Program or disaster loans or grants made by the Small Business Administration.

2. Prorated Income

   Resources, such as those of students or self-employed persons, which have been prorated and counted as income. The handling of student's income is explained in Section 1014.20, and the handling of self-employment income is explained in Section 1016.15.

3. Indian Lands

   Indian lands held jointly with the Tribe, or land that can be sold only with the approval of the Bureau of Indian Affairs.

4. Energy Assistance

   Energy assistance payments or allowances are considered excluded income under Section 1008.10.75.

5. Inaccessible Resources

   Non-liquid asset(s) against which a lien has been placed as a result of taking out a business loan when the household is

prohibited by the security or lien agreement with the lien holder (creditor) from selling the asset.

Resources which cannot be sold for a significant return: a resource is excluded if a household is unlikely to be able to sell that resource for a significant return because the household's interest is relatively slight or because the cost of selling the household's interest would be relatively great. Such a resource is considered inaccessible. This inaccessibility provision does not apply to financial instruments such as stocks, bonds, or negotiable financial instruments. This provision does apply to vehicles. For example, the value of a vehicle is considered inaccessible because its sale would produce an estimated return of not more than one thousand five hundred dollars ($1,500).

A complete description of the reasons for the determination of inaccessibility of the resource must be notated in the CLOG.

1006.15.50 Handling Excluded Funds

REV:10/1987

Excluded monies which are kept in a separate account, and are not commingled in an account with non-excluded (countable) funds, retain their resource exclusion for an unlimited period of time. The resources of students and self-employed households which are excluded (per above) and are commingled in an account with non-excluded funds retain exclusion for the period of time over which they have been prorated as income. All other excluded monies which are commingled in an account with non-excluded funds retain their exclusion for six (6) months from the day they are commingled. After six (6) months from the date of commingling, all funds in the commingled account must be counted as a resource.

1006.15.55 Medicare Drug Subsidy

REV:01/2005

The Medicare Prescription Drug Improvement and Modernization Act of 2003 authorized the Medicare Prescription Discount Drug Card which provides Medicare beneficiaries with negotiated lower priced prescription drugs. Additionally, Medicare beneficiaries who do not have any other prescription drug coverage and whose income is not in excess of 135 percent of the federal poverty level can receive a $600 subsidy for the calendar year June through December 2004 and an additional $600 subsidy for the calendar year of January through December 2005.

The discount and subsidy, received from the federal government, are not considered as countable resources in the determination of eligibility for Supplemental Nutrition Assistance (SNAP) benefits.

1006.20 NON-EXEMPT RESOURCES

REV:10/1986

Non-exempt (countable) resources are those which must be counted in determining the total value of the household's resources. If a household's resources are jointly owned, the amount which is counted is determined in accordance with 1006.25.

1006.20.05 Liquid Resources

REV:10/2008

These include, but are not limited to, cash on hand, a checking or savings account in a bank or other financial institution, savings certificates, stocks or bonds, lump sum payments listed in Sec. 1006.35. In determining the resources of a household with an Education account (e.g. 529 plan), or an IRA or countable Keough plan, see Sec. 1006.15.40 "Resources Excluded by Law."

1006.20.10 Non-Liquid Resources

REV:10/1986

These include real and personal property, such as but not limited to, licensed and unlicensed vehicles, buildings, land, recreational properties, boats, vacation homes, mobile homes and other property not specifically excluded in 1006.15.

1006.20.15 Deemed Resources

REV:10/1996

For a household containing a sponsored alien (as defined in Section 1014.55), its resources also include the resources of the alien's sponsor and the sponsor's spouse (if any) which are deemed to the alien in accordance with the procedures described in Section 1014.55.

1006.20.20 Documenting the Case File

REV:10/1986

The countable resources of a household must be documented by the agency representative in sufficient detail to permit a reviewer to determine the reasonableness and accuracy of the determination. If verification is required because of questionable information, the agency representative must document why it is considered questionable and what documentation is used to resolve it.

1006.25 JOINTLY OWNED RESOURCES

REV:10/1986

Resources owned jointly by separate households must be considered available in their entirety to each household, unless the household can demonstrate otherwise.

A household member who states that s/he is not the owner, or is only the partial owner of the resource must be required to demonstrate the ownership of the funds. A household member who states that s/he has no access, or only partial access to the resource, must be required to demonstrate such lack of access.

If the household can demonstrate that it has ownership of, or access to, only a portion of the resource, only that portion must be counted toward the household's resource level.

1006.30 EVALUATING OWNERSHIP OF A RESOURCE

REV:10/1986

If the applicant/recipient can verify the lack of either access to, or ownership of, a resource that resource is not counted towards the resource limit when determining eligibility for SNAP benefits.

Accessibility

A resource is considered inaccessible to the household if the resource cannot be practically subdivided or the household's access to the value of the resource is dependent on the agreement of the joint owner who refuses to comply. For example, jointly- owned property which cannot be divided and sold and which the non-applicant refuses to sell is considered inaccessible. For the purpose of this provision, ineligible aliens or disqualified individuals residing with the household are considered household members.

Resources must be considered inaccessible to a person residing in a shelter for battered women and children (as defined in Sec.

1000.10.25) if:

1) the resources are jointly owned by such a person and by members of his/her former household; and,

2) the shelter resident's access to the value of the resources is dependent on the agreement of a joint owner who still resides in the former household.

Ownership of a Resource

In order for a household member to demonstrate a lack of ownership, or only partial ownership of a resource, two (2) of the following sources of documentation must be presented as evidence:

* Documents showing the origin of the resource. For example, if a bank account was opened, who opened it or whose money was used to open the account;

* Documentation through federal or state tax records as to

which of the joint account holders declares the tax on the interest credited to the account as income;

* Records of who makes deposits and withdrawals and, if appropriate, of how withdrawn funds are spent. The person claiming a lack of ownership (or accessibility) should not have made any withdrawals.

* A notarized affidavit which details a written or oral agreement made between the parties listed on the resource or by someone who established or contributed to the resource, with respect to the ownership of the funds in the resource;

* When the household member states that s/he does not own a bank account but is listed as a co-holder solely as a convenience to the other co-holder to conduct bank transactions on his/her behalf, evidence of the age, relationship, physical or mental condition, or place of residence of the co-holder must be provided;

* A signed, notarized statement from the household member and from either other individual(s) listed in the joint account, or the person who established or contributed to the account, stating that the applicant or recipient had no knowledge of the existence of the account.

A document or piece of evidence submitted to verify a particular fact does not count as more than one verification under the above subsections. However, a document, piece of evidence or a statement may address more than one fact needed for verification.

Also, for a bank account, a change in the account designation removing the household member's name or restricting access to the funds in the account must be made.

1006.35 NONRECURRING LUMP SUM PAYMENTS

REV:10/1986

Money received in the form of a nonrecurring lump sum payment, including, but not limited to, income tax refunds, rebates, or credits; retroactive lump sum social security, SSI, public assistance, railroad retirement benefits or other payments; lump sum insurance settlements; or refunds of security deposits on rental property or utilities. These payments are counted as resources in the month received, unless specifically excluded from consideration as a resource by other Federal laws.

1006.35.05 Procedure for Handling Lump Sum Payments

REV:11/2000

Upon obtaining information that a certified household has received a nonrecurring lump sum payment, the agency representative reviews the

case file to determine if the amount received, in addition to the amount of resources listed on the application, exceeds the resource limitation for that particular household.

If Resources Do Not Exceed the Standard

If the total amount of resources does not exceed the appropriate standard, the InRhodes case clog should be annotated to document the information received. No further action is required.

If Resources Do Exceed the Standard

If the total amount of resources exceeds the allowable resource limit, the household must be given an opportunity to update its entire resource statement. If it declines to do so, or the amount of resources still exceeds the limit, the agency representative takes action to discontinue the household's certification in accordance with Section 1018.10.

1006.40 NON-EXCLUDED VEHICLES

REV:02/2004

If a vehicle is not excluded under Section 1006.15.15, the agency representative then handles each vehicle as follows:

1. Individually determines the resource value of each vehicle not excluded by:

   a. First, determining the amount, if any, in excess of $4,650 of the vehicle's Fair Market Value.

   b. Next, calculating the vehicle's equity value, unless specifically exempt from the equity value test (See Section 1006.40.15.) Unlicensed vehicles and non-income producing licensed vehicles, except for those excluded, are evaluated for equity value. Equity value is fair market value less encumbrances. Equity value is attributed toward the household's resource level except when a vehicle's equity value is less than one thousand five hundred dollars ($1,500).

2. Counts as a resource only the greater of the two (2) amounts if the vehicle has a countable fair market value of more than $4,650 and also has a countable equity value.

1006.40.05 Determining FMV of Licensed Vehicles

REV:11/2000

The fair market value of licensed automobiles, trucks and vans is determined by the wholesale value of the vehicle as listed in publications written for the purpose of providing guidance to automobile dealers and loan companies. Publications listing the value of vehicles are often referred to as "blue books." The National

Automobile Dealers' Association's (NADA) Used Car Guide Book is a commonly available and frequently updated publication of this type.

The agency representative must ensure that the book used to determine the value of licensed vehicles has been revised within the last six (6) months and assigns the wholesale value to the vehicle(s). If the term "wholesale value" is not used in a particular book, the agency representative assigns the trade-in value as it is comparable to the wholesale value. The agency representative must not increase the basic value of a vehicle by considering such variables as low mileage or other factors such as optional equipment.

A household may indicate that for some reason, such as body damage, a vehicle is in less than average condition. Any household that claims the blue book value does not apply to its vehicle must be given the opportunity to acquire verification of the true value from a reliable source. Also, households are asked to acquire verification of the value of a licensed antique, custom made, or classic vehicle, if the agency representative is unable to make an accurate appraisal. If a vehicle is specially equipped with apparatus for a disabled person, the apparatus must not increase the value of the vehicle. The blue book value must be assigned as if the vehicle were not so equipped. If a vehicle is no longer listed in the blue book, the household's estimate of the value of the vehicle is accepted, unless the agency representative has reason to believe that the estimate is incorrect. In such a case, if it appears that the vehicle's value may affect eligibility, the household must obtain an appraisal or produce other evidence of its value, such as a tax assessment or newspaper advertisement indicating the sale price of similar vehicles. If a new vehicle is not yet listed in a blue book, the agency representative determines the wholesale value through some other means, such as contacting a car dealer who sells that make of vehicle.

1006.40.10 When Fair Market Value is Counted

REV:10/1996

All non-income producing licensed vehicles must be evaluated individually for fair market value. That portion of the value which exceeds $4,650 is attributed in full toward the household's resource level, regardless of any encumbrances on the vehicles unless the vehicle has both fair market and equity value. For example, a household owning an automobile with a fair market value of $5,500 has $850 applied toward its countable resource level.

Any value in excess of $4,650 must be attributed to the household's resource level, regardless of the amount of the household's investment in the vehicle, and regardless of whether or not the vehicle is used to transport household members to and from employment unless the criteria in 1006.40.20, is applicable.

Each vehicle must be appraised individually. The values of two or more vehicles must not be added together to reach a total fair market value in excess of $4,650.

1006.40.15 Vehicles Exempt from the Equity Test

REV:02/2004

Only the following vehicles are exempt from the equity value test described in Section 1006.40, 1., b.:

* Vehicles excluded in Section 1006.15.15;

* One licensed vehicle per adult household member (or an ineligible alien or disqualified household member whose resources are being considered available to household), regardless of the use of the vehicle; and

* Any other vehicle a household member under age eighteen (18) (or an ineligible alien or disqualified household member under age eighteen (18) whose resources are being considered available to household) drives to commute to and from employment, or to and from training or education which is preparatory to employment, or to seek employment.

1006.40.20 Counting Either FMV or Equity Value

REV:02/2004

When a licensed vehicle is assigned both a fair market value in excess of $4,650 and an equity value, only the greater of the two amounts is counted as a resource if the vehicle is not otherwise excluded.

Table on Treatment of Vehicles

TOTALLY EXEMPT	NON-EXEMPT COUNT FAIR MARKET VALUE OVER $4,650
* A vehicle (licensed or unlicensed) for each adult household member, but not to exceed two (2) vehicles per household;	* One vehicle per adult household member, regardless of use.
* Income producing;	* Used to transport household members under age 18 to work, school, or training or to look for work.
* Necessary to employment other than daily commuting;	
* Necessary to transport a physically disabled household member;	
* Used as household's home;	
* Necessary to carry fuel for heating or water for home use when such transported fuel or water is the primary source of fuel or water for	

the household; or

* Classified as an inaccessible resource.

COUNT THE HIGHER OF

l. Fair Market Value Over $4,650; or

2. Equity (Fair Market Value Less Encumbrances)

- All Other Vehicles

1006.45 VACATION HOMES

REV:08/1986

A vacation home used part of the year by the household and that is not producing income consistent with its fair market value has its equity value counted toward the resource limit.

1006.50 TRANSFER OF RESOURCES

REV:08/1986

At the time of application, the agency representative asks the household to provide information regarding any resources which any household member (or an ineligible or a disqualified person whose resources are considered available to the household) has transferred within the three-month period immediately preceding the date of application. Households which have knowingly transferred resources for the purpose of qualifying or attempting to qualify for SNAP benefits must be disqualified from participation in the program for up to one year from the date of the discovery of the transfer. This disqualification period must be applied if the resources are transferred knowingly in the three-month period prior to application or if they are transferred after the household is determined eligible for benefits. An example of the latter would be assets which the household acquires after being certified for benefits which are then transferred to prevent the household from exceeding the maximum resource limit.

1006.50.05 Transfers Not Resulting in Disqualification

REV:08/1986

Eligibility for the program is not affected by transfer of a resource which:

* Would not otherwise affect eligibility. For example, excluded personal property such as furniture or money which, when added to other countable resources, was less which the allowable limit at the time of the transfer;

* Is sold or traded at or near fair market value;

* Is transferred between members of the same household (including an ineligible alien or a disqualified person whose resources are being considered available to the household); or,

* Is transferred for reasons other than qualifying or attempting to qualify for SNAP benefits; for example, a parent placing funds in an inaccessible educational trust fund.

1006.50.10 Period of Disqualification

REV:12/1994

The length of the disqualification period is based on the amount by which the transferred resource, when added to other countable resources, exceeded the allowable resource limit. The following chart is used to determine the period of disqualification:

Amount in Excess of the Resource Limit	Period of Disqualification
$ 1 - $ 249.99	One Month
$ 250 - $ 999.99	Three Months
$1,000 - $2,999.99	Six Months
$3,000 - $4,999.99	Nine Months
$5,000 - and up	Twelve Months

1006.50.15 Disqualifying a Household

REV:08/1986

In the event the agency establishes that an applicant household knowingly transferred resources for the purpose of qualifying or attempting to qualify for SNAP benefits, the agency sends the household a notice of denial explaining the reason for and length of the disqualification. The period of disqualification begins in the month of application. If the household is participating at the time of the discovery of the transfer, a notice of adverse action explaining the reason for and length of the disqualification period is sent. The period of disqualification is effective with the first allotment issued after the adverse notice period has expired, unless the household has requested a hearing and continued benefits.

1006.55 RESOURCES OF EXCLUDED/NON-HOUSEHOLD MEMBERS

REV:01/1988

The resources of non-household members must not be counted as available to the household. (See Section 1016.25.)

The resources of ineligible household members must be counted in their entirety as available to the remaining household members.

(See Section 1016.20.)