Parent C:	February 20th	$300.00
	January 20th	$300.00
	December 20th	$300.00

The Worker finds the average monthly payment made by Parent A and projects the income to continue. The Worker and the client cannot reasonably anticipate that any payments will be received in the new certification period from Parent B, so no income is counted from this source. Parent C pays the same amount at the same time, so $300/mo. is counted from Parent C.

The Worker records details about payments and payment dates from each of the absent parents, how the payments were verified, whether or not any income was counted from each source and, if so, how the amount was determined.

EXAMPLE: Same situation as above, except that the client indicates that she also receives child support arrearages as well as ongoing child support.

The client states that the arrearage payments from Parent A are received regularly, but the amount varies. She states that she seldom receives arrearage payment from Parent B and she cannot anticipate any payments. Parent C makes arrearage payments regularly and the amount is usually the same.

The Worker requests the following verifications: Parent A's payments for the last 6 months; Parent B's payments for the last 6 months; and Parent C's payments for the last 3 months.

The client reports and verifies the following child support arrearage payments from the 3 parents:

Parent A:	**March 1st**	**$200.00**
	February 1st	**$100.00**
	January 1st	**$50.00**
	December 1st	**$75.00**
	November 1st	**$300.0**
	October 1st	**$25.00**
Parent B:	**December 15th**	**$80.00**
Parent C:	**Februrary 20th**	**$50.00**
	January 20th	**$50.00**
	December 20th	**$50.00**

The Worker determines the average monthly arrearage payment made by Parent A and anticipates that amount to continue. The Worker and client cannot reasonably anticipate that any arrearage payments will be received from Parent B during the certification period, so no arrearage amount from him is counted. Because Parent C pays the same arrearage amount regularly, $50.00 a month is counted.

The Worker records the details about the payments and dates received from each parent. He also records how the payments were verified and whether or not any income was counted from each parent, and, if counted, how the amount was determined.

EXAMPLE: A waitress, Mrs. Doubtfire, applies on December 7th. She is paid twice a month and provides pay stubs with the following information:

September 15th	35 hrs.	$180.25 wages	$88.00 tips
September 30th	60 hrs.	$309.00 wages	$130.00 tips
October 15th	32 hrs.	$164.80 wages	$83.00 tips
October 30th	35 hrs.	$180.25 wages	$88.00 tips
November 15th	12 hrs.	$61.80 wages	$32.00 tips
November 30th	35 hrs.	$180.25 wages	$88.00 tips

During the interview Ms. Doubtfire provides the following additional information:

She earns $5.15/hr. She does get some tips, but rarely the amount shown on her pay stubs. She says that the employer determines the amount shown as tips by some formula that she does not understand because he is required by IRS to report them. She does not have to share her tips with any other employee and they do not share tips with her. She says that during a “good” week she makes about $20 in tips. The employer never sees her tips, she does not report the amount to him and is not required to do so. The Worker pends the case for verification of the way the employer determines the amount of tips shown on her pay stubs and reported to the IRS. The client provides the following note from the employer:

To Whom It May Concern:

Ms. Doubtfire works for me at the Dew Drop Inn as a waitress. I pay her $5.15 for every hour she works. She does make some in tips, but I don't know how much. The IRS makes me figure her tips so I do it according to how much food she sells. I don't think she really gets that much. None of my waitresses do, but the IRS makes me do it.

Very truly yours,
Big Pat Holcomb

There is no 3rd-party, independent verification available for the amount of Ms. Doubtfire's tips. However, she does state that she receives tips, so income from the tips cannot be disregarded. The only way to verify the amount of tips is to accept her statement as to the amount. There is no other source of verification available, so the Worker must accept her statement. The Worker must record that the employer confirmed that the tips shown on the pay stubs do not necessarily reflect the amount she actually receives, that this is the best information that can be provided to verify the situation and that the client's statement is accepted as verification.

B. INCOME DISREGARDS AND DEDUCTIONS

Certain items may be allowed as income deductions to arrive at an AG's countable income. A deduction is allowed even if the payment is made from assets (EXCEPTION: educational expenses). The expense must be billed or be due during the certification period in which the deduction is claimed. In addition, deductions from the AG's income are applied only if the expense is obligated to be met by the AG's own resources. The AG's obligation must be to an individual not included in the AG to receive a deduction.

NOTE: When a client fails to report household expenses which would normally result in a deduction, the AG loses their entitlement to that deduction. They have a right to the expense, once it is reported and verified, if required by policy. See Section 2.2

Some expenses cannot be anticipated or occur too late in the month to use as deductions in the following month. They are used as deductions for the first month for which a change can be made effective.

At initial application, expenses paid during previous months are not used. Expenses paid or due during the month of application are used. In some situations, expenses from previous months are used to anticipate ongoing expenses.

both occupied and unoccupied homes may use the obligations for both homes as a deduction.

NOTE: When the client claims expenses for his home as a self-employment expense, the deduction can be either a shelter deduction or a cost of doing business, but the total deduction given must not exceed the actual expense. See item D, 4 below.

a. Shelter Costs

Items considered in arriving at shelter costs are the continuing amounts of:

- Rent. Security or damage deposits are not a shelter expense.
- Mortgage payments. This includes second mortgages and home equity loans and any other loans for which the dwelling is used as collateral.
- Interest on mortgage payments
- Condominium and association fees, regardless of purpose for the fees.
- **Payments paid to an escrow account that has been established to pay property taxes and homeowner's insurance.**
- Property taxes and special tax assessments on the structure and lot required by State or local law. This does not include assessments such as police and fire fees, unless the fee is based on property valuation.
- Insurance on the structure and lot. This does not include insurance on furniture or personal belongings.

  If the insurance cost on the structure and the cost on the personal belongings/furniture cannot be identified separately, the entire insurance payment is allowed.
- Cost of repairing the home which was damaged or destroyed due to a natural disaster or misfortune including, but not limited to, fire, flood or freezing temperatures. This does not include charges that will be or have been reimbursed from any source such as insurance, private agency, etc.

- A car payment when the homeless AG lives in the vehicle

- Insurance on the vehicle itself when the homeless AG lives in the vehicle

(1) Effect of Rent Subsidies

A rent subsidy paid directly to the client's landlord is not counted as income and the amount of the subsidy is not used as a shelter deduction. A rent subsidy paid directly to the client or to the utility provider is counted as income, and the amount of the rent payment actually made from the AG’s income, including income counted due to direct receipt of a rent subsidy, is used as a shelter deduction.

When HUD is recovering an overpayment by withholding money for current and future subsidies, the client's contribution increases. Such an increase is not counted as an increase in shelter costs.

(2) Residents of Group Living Facilities (GLF)

The portion of the payment made to the GLF, which can be identified as being for shelter or utilities, is used as a shelter deduction. If more than one resident is in the AG, their combined shelter payments and the appropriate SUA is used as a deduction.

If it is not possible to identify the portion of the payment which is for shelter, the Worker subtracts the maximum monthly benefit for the number of persons in the AG from the total monthly payment actually made from the AG’s income. The remainder is used as the shelter expense.

b. Standard Utility Allowance (SUA)

The Standard Utility Allowances are fixed deductions which are adjusted yearly to allow for fluctuations in utility costs. These deductions are the Heating/Cooling Standard (HCS), the Non-Heating/Cooling Standard (NHCS), and the One Utility Standard (OUS). The current SUA amounts are found in Appendix B.

AGs that are obligated to pay from their own resources a utility expense that is billed separately from their shelter costs are eligible for an SUA deduction. AGs which are not obligated to pay any utility cost are ineligible for the SUA, regardless of utility expenses paid by others in the residence.

15. Spenddown

There is no spenddown provision.

16. Unavailable Income

Income intended for the client, but received by another person with whom he does not live, when the individual receiving this income refuses to make it available, is excluded.

17. Income Received For A Non-Income Group Member

Income received by a member of the Income Group, which is intended and used for the care and maintenance of an individual whose income is not used in determining the eligibility or benefit level of the payee's AG, is excluded as income.

This includes SSI payees and other protective payees. This does not include child support payments **and/or arrearages** received by an AG member for a child who is not in the AG. In this situation, the child support is counted **for** the AG that receives the income, even when it is forwarded to and/or used for the child.

18. Income Received From Military Personnel Deployed to a Designated Combat Zone

Use the following steps to determine the amount of income to count for the AG when funds are provided by military service personnel while serving in a designated combat zone. A list of combat zones may be found at **www.fns.usda.gov/fsp/government/certification_policy.htm**

NOTE: The following steps apply to applicant households as well as recipients.

Step 1: Determine the amount of the military person’s pay which was actually available to the household prior to deployment to a combat zone as follows:

- If the military person was a member of the SNAP AG or Income Group prior to deployment, the amount is his net military pay.

- If the military person was not a member of the SNAP AG or Income Group prior to deployment, the amount is the amount the person actually made available to the SNAP AG prior to deployment.

Step 2: Determine the amount of military pay the person makes available to the SNAP group while deployed to a combat zone.

Step 3: If the amount in Step 2 is equal to or less than the amount determined in Step 1, the Step 2 amount is counted. If the Step 2 amount is greater than the Step 1 amount, the Step 1 amount is counted.

EXAMPLE: A member of the Air National Guard receives notice that her unit has been activated and will be deployed. This is her only source of income and increases from her traditional ANG pay of $400 a month to her new federalized pay of $2,000 a month. She reports this change and her SNAP benefits are adjusted accordingly. She is then deployed to a designated combat zone and is expected to be away for at least 6 months. Her husband reports this change and she is removed from the AG due to her anticipated absence from the home. He also reports that she is making her entire income available to the AG and now grosses an additional $1,000 a month.

- Step 1 The soldier's net income before deployment was $1,500 a month.

- Step 2 The amount made available to the household after deployment, including the additional income is now $2,250 a month.

- Step 3 Since the amount made available to the AG after deployment is more, the additional amount is excluded. The $1,500 determined in Step 1 is counted as unearned income for the AG.

EXAMPLE: A member of the Air National Guard receives notice that her unit has been activated and will be deployed. She is sent to Oklahoma for training. She is expected to be deployed to a combat zone, but has not been told when. Her husband applies for SNAP when she leaves for training in March. She is expected to be gone for at least a year. The application is approved without her in the AG. She sends the AG $1,200 a month and this is counted as unearned income. The husband is also employed and the AG is certified for 6 months.

At the next redetermination, the husband reports that the wife was deployed to a designated combat zone sometime in the last 4 months and is now sending $1,700 to the AG. The AG was not required to report this change during the certification period as the total income made available to the AG does not exceed the 130% FPL. The $1,700 is compared to the