

Mary is a tax filer. Using STEP 1 her household includes herself and her tax dependents Corynn and Nicole – Mary and Corynn and Nicole = 3.

Corynn is a tax dependent. Using STEP 2 she does not meet any exceptions; therefore her household includes herself, Mary, the tax filer claiming her, and Nicole, the other tax dependent – Corynn and Mary and Nicole = 3.

Nicole is a tax dependent. Using STEP 2 she meets exception 1; therefore her household is determined using STEP 3. Nicole's household includes herself and her mother Corynn – Nicole and Corynn = 2.

**7. Alice is a tax filer and claims her 12 year old grandson Michael as a tax dependent.**

Alice is a tax filer. Using STEP 1 her household includes herself and her tax dependent Michael – Alice and Michael = 2.

Michael is a tax dependent. Using STEP 2 he meets exception 1; therefore his household is determined using STEP 3. Michaels household includes only himself = 1.

**8. Brad and Sarah are married and file taxes jointly. Sarah is pregnant.**

Brad is a tax filer. Using STEP 1 his household includes himself and his spouse – Brad and Sarah = 2.

Sarah is a tax filer. Using STEP 1 her household includes herself and her spouse Brad, because Sarah is pregnant her Medicaid household also includes the unborn child – Brad and Sarah and unborn child = 3.

**9. Jane and Jill are married and have an adopted child named Lilly. Jane and Jill file taxes jointly and they both claim Lilly as a tax dependent.**

**Jane is a tax filer. Using STEP 1, her household includes herself, each of her tax dependents and her spouse – Jane, Jill and Lilly = 3.**

**Jill is a joint tax filer. Using STEP 1, her household includes herself, each of her tax dependents and her spouse – Jill, Jane and Lilly = 3.**

**Lilly is a tax dependent. Using STEP 2, she does not meet any of the exceptions. Lilly's household includes herself and the tax filers claiming her – Jane, Jill, and Lilly = 3.**

Lilly lives in the home with both of her parents and is claimed by them. Her AG would be Lilly + Jane + Lilly = 3.

10. Judith and Ethel are married but are on social security and do not file taxes. Judith's biological grandchildren, Suzie and Cindy live with them as Judith has custody of them. Suzie and Cindy are first cousins; neither is claimed as a tax dependent by anyone.

Judith is a non-tax filer. Using STEP 3 above, her household includes herself and her spouse – Judith and Ethel = 2.

Ethel is a non-tax filer. Using STEP 3, her household includes herself and her spouse – Ethel and Judith = 2.

Suzie is neither a tax filer nor a tax dependent. Using STEP 3, her household includes herself only – Suzie = 1.

Cindy is neither a tax filer nor a tax dependent. Using STEP 3, her household includes herself only – Cindy = 1.

11. John and Ken are married and file taxes jointly. They have one adopted child, Kevin; John has a daughter named Phyllis; Ken has a daughter name Connie. All the children live with John and Ken and are claimed as their tax dependents.

John is a tax filer. Using STEP 1, his household includes himself, each of his tax dependents and his spouse – John, Ken, Kevin, Phyllis, and Connie = 5.

Ken is a joint tax filer. Using STEP 1, his household includes himself, each of his tax dependents and his spouse – John, Ken, Kevin, Phyllis, and Connie = 5.

Kevin is a tax dependent. Using STEP 2 above, he does not meet any exceptions; therefore, his household includes himself, his tax filers and other tax dependents in the household – Kevin, John, Ken, Phyllis, and Connie = 5.

Phyllis is a tax dependent. Using STEP 2 above, she does not meet any exceptions; therefore, her household includes herself, her tax filers and other tax dependents in the household – Phyllis, John, Ken, Kevin, and Connie = 5.

Connie is a tax dependent. Using STEP 2 above, she does not meet any exceptions; therefore, her household includes herself, her tax filers and other tax dependents in the household – Connie, John, Ken, Phyllis, and Kevin = 5.

**C. DETERMINE THE MAGI HOUSEHOLD INCOME FOR EACH HOUSEHOLD**

MAGI household income is the sum of the MAGI-based income of every individual included in the individual's MAGI household. The MAGI household is determined using the MAGI methodology established in Item B above. For purposes of applying the MAGI methodology child means natural, adopted or step child; parent means natural, adopted or step parent; sibling means natural, adopted, half or step sibling.

- INCOME OF EACH MEMBER OF THE INDIVIDUAL'S MAGI HOUSEHOLD IS COUNTED.

**EXCEPTION:** Income of children, or other tax dependents, who are not expected to be required to file an income tax return is not counted, whether or not the individual actually files a tax return.

**NOTE:** A reasonable determination as to whether an individual will be required to file a tax return can be made based on the individual's current income for the applicable budget period. Such a determination would be based on information available at the time of application or renewal. Information regarding "Who Must File" a tax return can be found in IRS Publication 501.

**EXAMPLE:** A child is 17 years old with a part-time job in the summer and earns \$2,100 annually. He is expected to be claimed as a dependent on his parent's tax return. It is determined at application that the child is not expected to be required to file taxes the following year because his income does not exceed the filing requirements established by the IRS. Therefore, the child's income will NOT be included in the MAGI household nor count toward eligibility whether he actually files taxes or not.

**EXAMPLE:** A child is 18 years old and works part-time through the summer and after school. He earns \$7,200 for the year. It is determined at application that he is expected to be claimed as a dependent on his parent's tax return, and will be

required to file an income tax return for the year in which Medicaid is being sought. Therefore, this child's income WILL be included for determining eligibility for any MAGI household for which he is a member.

**EXAMPLE:** Hope is 60 years old and lives with her 40-year-old daughter. Hope will be claimed as a tax dependent on her daughter's taxes next year. Hope receives \$960 Social Security income per month, she has no other income. Because Hope has no other income, her SS income is not taxable and she is not required to file taxes. As her daughter's tax dependent, her income does not count toward her daughter's MAGI household. Hope is also applying for health coverage. Her MAGI household will include only herself using non-filer rules in STEP 3 below. Because Hope is neither a child nor a tax dependent in her own MAGI household, her income will count toward determining her MAGI eligibility.

#### D. CALCULATING MAGI

To calculate the MAGI determine the AGI (Adjusted Gross Income) figure for each member of the MAGI household whose income will count, for the current month. When applicable, the worker will use the budgeting method established in Section 10.6, part B, titled "Budgeting Method", to anticipate future income amounts, consider past income sources, and build monthly income amounts based upon the applicant's reported income.

To calculate AGI, the worker must add all of the individual's income from any of the income sources listed in Section 10.3, Chart 2.

##### 1. Exclusions from AGI:

The following income sources, which may or may not be considered taxable by the IRS, must be excluded from the individual's income:

- a. Child support income
- b. Benefits issued through the Department of Veterans' Affairs
- c. Workers' Compensation Payments
- d. Scholarships, awards, or fellowship grants used for education purposes and not for typical living expenses is excluded from income.
  - College Work Study program is considered taxable income under IRS rules and therefore cannot be excluded from the MAGI calculation.
- e. Income sources specific to Native American and Alaskan Natives:

## WV CHIP

- Distributions from Alaska Native Corporations and Settlement Trusts;
  - Distributions from any property held in trust, subject to Federal restrictions, located within the most recent boundaries of a prior Federal reservation, or otherwise under the supervision of the Secretary of the Interior;
  - Distributions and payments from rents, leases, rights of way, royalties, usage rights, or natural resource extraction and harvest from—
    - Rights of ownership or possession in any lands described in paragraph (3)(b) of this section; or
    - Federally protected rights regarding off-reservation hunting, fishing, gathering, or usage of natural resources;
- f. Supplemental Security Income (SSI)
- g. TANF assistance.
- h. Federal tax credits.

2. Adjustments to AGI:

The following items, which can be deducted from taxes, are subtracted from the individuals AGI.

- a. Educator expenses
- b. Certain business expenses of reservists, performing artists, and fee-basis government officials
- c. Health savings account deduction
- d. Moving expenses
- e. Deductible part of self-employment tax
- f. Self-employed SEP, SIMPLE, and qualified plans
- g. Self-employed health insurance deduction

- h. Penalty on early withdrawal of savings
- i. Alimony paid
- j. IRA deduction
- k. Student loan interest deduction
- l. Tuition and fees

3. Required Additions to AGI:

To complete the calculation of MAGI for the individual, add the following income sources that may or may not be considered taxable by the Internal Revenue Service (IRS):

- a. Foreign earned income and housing cost as defined in 26 USC §911
- b. Any interest received that would normally be excluded from taxes
- c. The portion of the individual's Title II Social Security benefits typically excluded from taxation, as described in 26 USC §86(d).
- d. Self-Employment/Farming income, after accounting for depreciation and operating losses. In cases where the business or farm operated at a loss, the worker must subtract the amount of the loss from the income calculation. See the methodology established in 10.8,G,1 for calculating self-employment income.
- e. Cash Support if over \$50 per month. For individuals who expect to be claimed as a tax dependent by a grandparent, another relative, or another individual who is not a parent or step-parent, their household income includes cash support provided by the person claiming them as a tax dependent.
- f. Lump Sum Income must be included, but it must only be counted in the month that it is received.

E. MAGI INCOME DISREGARD

The only allowable income disregard is an amount equivalent to 5 percent of the applicable MAGI income when countable income exceeds the FPL limit for WV CHIP eligibility.

The 5% FPL disregard is not applied to every MAGI eligibility determination and should not be used to determine the MAGI coverage group for which an individual may be eligible. The 5% FPL disregard will be applied to the highest MAGI income limit for which an individual may be determined eligible.

**EXAMPLE:** A WV CHIP applicant has MAGI household income of 216% FPL. The 5% MAGI income disregard will not be applied because the highest income limit of any WV CHIP enrollment group for which the child may be eligible is 300% FPL. If the WV CHIP applicant's income is 305% FPL, then the 5% MAGI income disregard would be applied to bring the child's household income to below 300% FPL. WV CHIP coverage is approved.

#### F. DETERMINING ELIGIBILITY

The applicant's household income must be at or below the applicable modified adjusted gross income standard for the MAGI coverage groups.

- Step 1: Determine the MAGI-based gross monthly income for each MAGI household income group.
- Step 2: Convert the MAGI household's gross monthly income to a percentage of the Federal poverty level by dividing current monthly income by 100% FPL for the household size. Convert the result to a percentage.
- Step 3: Apply the 5% FPL disregard by subtracting 5 percentage points from the converted monthly gross income to determine the household income if it affects the applicant's eligibility for MAGI Medicaid or WV CHIP.
- Step 4: After the 5% FPL income disregard has been applied, the remaining percent of FPL is the final figure that will be compared against the applicable modified adjusted gross income standard for the MAGI coverage groups.

#### MAGI SCREENING

Applicants with income below the MAGI standard and determined eligible for coverage in a MAGI coverage group, i.e., the Adult group, Parents/Caretaker Relatives, Pregnant Women, Children Under Age 19 group or WV CHIP, should be promptly enrolled into the MAGI coverage group. The client may also pursue eligibility for non-MAGI Medicaid coverage groups while enrolled in the MAGI group. See Section 16.3,B.

**EXAMPLES:**

**EXAMPLE 1:** Erik and Hannah are married and live together with their son Ben, age 6. Erik and Hannah file a joint tax return, with Ben claimed as a tax dependent. The family applies for Medicaid for all 3 family members. Erik works and earns \$1,000 per month and Hannah receives SSA benefits in the amount of \$450 per month. Ben has no income.

1. Determine the MAGI Household Size for Each Applicant:

- Erik is a tax filer. Using STEP 1 in item B above, his MAGI household consists of his spouse Hannah and tax dependent Ben, resulting in a MAGI household size of 3 – Erik + Hannah + Ben
- Hannah is also a tax filer; therefore, both spouse, Erik, and dependent, Ben, count in her MAGI household, resulting in a MAGI household size of 3 – Erik + Hannah + Ben
- Ben is a tax dependent and does not meet any of the exceptions in STEP 2; therefore, his MAGI household is the same as Erik, the tax filer claiming him as a dependent, resulting in a MAGI household size of 3 – Erik + Hannah + Ben

2. Determine MAGI Household Income for each MAGI Household:

Income of each member of the applicant's MAGI household is counted unless identified as not being counted in item D. above.

- Neither Erik nor Hannah are the child or expected tax dependent of another member of the MAGI household, therefore their income will count.
- Ben is the child and expected tax dependent of another member of the MAGI household. However, he is not expected to be required to file a tax return. Any income of Ben's would not be counted.

In this example, since each applicant's MAGI household is the same – Erik + Hannah + Ben, each applicant has the same MAGI household income. Erik, Hannah and Ben's total MAGI household income = Erik and Hannah's income = \$1,000 + \$450 = \$1,450.

3. Determining Eligibility:

Erik, Hannah and Ben:

Convert the gross monthly income for each applicant's MAGI household to a percentage of the Federal poverty level. Since each applicant in this



example has the same MAGI household, the same income conversion calculation will apply to all three applicants. Each applicant's MAGI household's total gross monthly income equals \$1,450.

To convert household income to a percentage of FPL and determine eligibility follow these steps:

- Determine gross monthly income: \$1,450
- Determine MAGI household size: 3
- Determine 100% FPL for the household size of 3: \$1,591
- Divide gross monthly income by 100% of the FPL for the household size:  
 $\$1,450/\$1,591 = .9113$
- Move decimal point two places to the right:  $.9113 = 91.13\%$  FPL.
- Compare 91.13% FPL to the income threshold for each coverage group.
- The 5% FPL disregard is not required since the applicants are eligible for a MAGI Medicaid coverage group.

In this case Erik, Hannah and Ben all fall under an income threshold for Medicaid eligibility. Erik and Hannah qualify under the Adult Group and Ben under the Children Under Age 19 group.

**EXAMPLE 2:** Derek and Jenny live together but they are not married. They have one child together named Kate, who is 2 years old. Derek is the custodial parent of his son Kip, from a prior marriage, who lives with him full time. Derek and Jenny are both tax filers and file taxes separately. Derek claims Kip and Kate as tax dependents. Derek earns \$1,400 per month in wages. Jenny earns \$1,300 per month in wages. Neither child has income.

1. Determine the MAGI Household Size for each applicant:
  - Derek is a tax filer. Using STEP 1 in item B above Derek's MAGI household size equals 3 – Derek + his tax dependents Kip and Kate.
  - Jenny is a tax filer. She has no tax dependents. Jenny's MAGI household size equals 1 - Jenny.

## WV CHIP

- Kate is a tax dependent. She meets an exception in STEP 2 above because she is living with both parents, but they will not file a joint tax return; therefore, her MAGI household is determined by STEP 3. Kate's MAGI household size equals 4 – Kate + her parents Derek and Jenny + sibling Kip.
- Kip is a tax dependent, but he does not meet an exception in STEP 2. Therefore, his MAGI household is the same as Derek, the tax filer claiming him. Kip's MAGI household size is also 3 – Kip + Derek + Kate.

2. Determine MAGI Household Income for each MAGI Household:

Income of each member of the applicant's MAGI household is counted unless identified as not being counted in item C above.

- Derek is not the child or expected tax dependent of another member of this MAGI household, therefore his income will count. Kate and Kip are the child and/or expected tax dependent of another member of the MAGI household. However, neither is expected to be required to file a tax return. Any of their income would not be counted.

Derek and Kip's MAGI household income = Derek's income = \$1,400.

- Jenny is neither the child nor expected tax dependent of another member of her MAGI household; therefore, her income will count.

Jenny's MAGI household income = \$1,300.

- Kate's MAGI household includes both of her parents, Derek and Jenny.

Kate's MAGI household income = Derek and Jenny's income = \$2,700.

3. Determining Eligibility:

Convert the gross monthly income for each applicant's MAGI household to a percentage of the Federal poverty level. To convert MAGI household income to a percentage of FPL and determine eligibility follow these steps:

Derek and Kip's MAGI household income would be converted using the following steps:

- Determine gross monthly income: \$1,400
- Determine MAGI household size: 3
- Determine 100% FPL for the household size of 3: \$1,591
- Divide gross monthly income by 100% of the FPL for the household size:  
 $\$1,400/\$1,591 = .8799$
- Move decimal point two places to the right:  $.8799 = 87.99\%$  FPL.
- Compare 87.99% FPL to the income threshold for each coverage group.
- The 5% FPL disregard is not required since the applicants are eligible for a MAGI Medicaid coverage group.

Derek and Kip's MAGI household income is below the Medicaid income limit, therefore both will be eligible for Medicaid.

Jenny's MAGI household income would be converted using the following steps:

- Determine gross monthly income: \$1,300
- Determine MAGI household size: 1
- Determine 100% FPL for the household size of 1: \$931
- Divide gross monthly income by 100% of the FPL for the household size:  
 $\$1,300/\$931 = 1.3963$
- Move decimal point two places to the right:  $1.3963 = 139.63\%$  FPL.
- Subtract 5% FPL disregard:  $139.63\% - 5\% = 134.63\%$  FPL.
- Compare 134.63% FPL to the income threshold for each coverage group.

Jenny's MAGI household income exceeds the income standard for the Adult Group. Her electronic account will be referred to the Marketplace to be evaluated for financial assistance with purchasing health insurance using APTC.

Kate's MAGI household income would be converted using the following steps:

- Determine gross monthly income: \$2,700
- Determine MAGI household size: 4
- Determine 100% FPL for the household size of 4: \$1,921
- Divide gross monthly income by 100% of the FPL for the household size:  
 $\$2,700 / \$1,921 = 1.4055$
- Move decimal point two places to the right:  $1.4055 = 140.55\%$  FPL.
- Compare 135.55% FPL to the income threshold for each coverage group.
- The 5% FPL disregard is not required since the applicant is eligible for a MAGI Medicaid coverage group.

Kate's MAGI household income is below the MAGI income standard children age 1 to 5. Therefore, Kate will be eligible for WV CHIP.

## G. SPECIAL SITUATIONS

### 1. Self-Employment

When a member of the MAGI household income group receives self-employment income, the instructions below must be used to arrive at the gross profit which is used to calculate countable income. This is determined by subtracting allowable business expenses from the gross income.

#### a. Determining Gross Income

The method used to determine monthly gross income from self-employment varies with the nature of the enterprise. It is necessary to determine which of the following types of self-employment

applies to the client's situation. Once the pattern of self-employment is determined, this is used to determine how the income is counted.

(1) Persons Receiving Regular Income

These persons receive income on a more or less regular schedule (weekly, monthly, etc.), or receive a specific amount from the business each week or month and/or receive the balance of profit from the enterprise at the end of the business year.

The income of people in this situation is converted to a monthly amount according to the Budgeting Method in Section 10.6.

Business expenses may be computed on a monthly basis or prorated over a 12-month period, at the client's option.

(2) Persons Receiving Irregular Income

Many persons derive income from short-term seasonal self-employment. This seasonal enterprise may be the major source of income for the year, or the income may be only for the period of time the person is actually engaged in this enterprise, with other sources of income being available during the remainder of the year. Persons who are seasonally self-employed include vendors of seasonal commodities (produce, Christmas trees, etc.), or other seasonal farmers.

Cash-crop farmers and other persons similarly self-employed receive their annual income from self-employment in a short period of time and budget their money to meet their living expenses for the next 12 months. Included in this category are some seasonal farmers, when the seasonal income is the primary support for the year.

Since the income is seasonal, it must be averaged over the period of time it is intended to cover, even if it is the major source of income for the year. However, if the averaged amount of past income does not accurately reflect the anticipated monthly circumstances because of a substantial increase or decrease in business, the income is calculated based on anticipated earnings.

Business expenses may be computed on a monthly basis or prorated over a 12-month period, at the client's option.

(3) New Business

AG's with a new business that has been in existence less than a year have their income averaged over the amount of time the business has been in operation. From this, the monthly amount is projected for the coming year. However, if the averaged amount of past income does not accurately reflect the anticipated monthly circumstances because of a substantial increase or decrease in business, the income is calculated based on anticipated earnings.

Incurred business expenses are also averaged over the amount of time the business has been in operation. However, if the averaged amount of past expenses does not accurately reflect the anticipated monthly circumstances because of a substantial increase or decrease in business, the expenses are calculated based on anticipated costs.

b. Determining Gross Profit

Gross Profit from self-employment is the income remaining after deducting any identifiable costs of doing business from the gross income. The instructions below must be used to arrive at the gross profit which is used to calculate countable income.

These instructions are based upon the IRS Form Schedule C, used by self-employed individuals to file Federal taxes on their self-employment income.

Income from self-employment is calculated by totaling the following items, as described on the Schedule C:

- Add Merchant card and third party payments.
- Add Gross receipts or sales (separate from items reported above).

WV CHIP

---

- Add Income that results from “Statutory Employee” status. If an individual’s income results from such a status, they would receive a W-2 for the year which has the “Statutory Employee” box checked.
- Add any other form of income received by the business.
- Subtract returns, allowances, and other adjustments.
- Subtract the cost of goods sold, calculated using the following methodology:
  - Add value of inventory at the beginning of the period under consideration.
  - Add purchases (disregarding cost of items withdrawn for personal use)
  - Add labor costs (disregarding amounts paid to oneself).
  - Add materials and supplies.
  - Add other costs.
  - Subtract value of inventory at the end of the period under consideration.
- Subtract the expenses related to the business’ operations. The following expenses can be deducted:
  - Advertising
  - Car and truck expenses
  - Commissions and Fees
  - Contract Labor
  - Depletion
  - Depreciation and section 179 expense deduction
  - Employee benefit programs

WV CHIP

---

- Insurance (not including health insurance)
  - Interest (mortgage and from other loans)
  - Legal and professional services
  - Office expenses
  - Pension and profit-sharing plans
  - Rent or lease (Includes vehicles, machinery, equipment, and other business property)
  - Repairs and maintenance
  - Supplies
  - Taxes and licenses
  - Travel, meals, and entertainment
  - Utilities
  - Wages
  - Any other business related expenses
- Subtract the business' expenses from its income to arrive at the self-employment income profit or loss for the individual.

## 2. Annual Contract Employment

This section applies to any person employed under a yearly contract, such as school employees, including bus drivers, cooks, janitors, aids and professional staff.

These individuals have their annual income prorated over a 12-month period. Additional earnings, such as for summer work, are added to the prorated amount during the time additional earnings are received.

Although a person may not have signed a new annual contract, he is still considered employed under an annual contract when the contract is automatically renewable, or when he has implied renewal rights.

Implied renewal rights are most commonly associated with school contracts.



**NOTE:** This section does not apply during strike and disaster situations when the other party to the contract cannot fulfill it; or, when labor disputes interrupt the flow of earnings specified in the contract.

3. Educational Income

All student financial assistance, funded in whole or in part under Title IV of the Higher Education Act or the Bureau of Indian Affairs, is excluded in its entirety.

Treatment of educational income and expenses depends upon the source of income and the intended use.

a. Sources Which are Totally Excluded

Funds from the following sources are totally excluded:

- Federal Pell Grants
- Federal Supplemental Educational Opportunity Grants (FSEOG)
- Guaranteed Student Loans, including William D. Ford Federal Direct Loan Program and Federal Direct PLUS loans and Supplemental Loans for Students, Federal Family Education Loan (FFEL) Program
- Leveraging Educational Assistance Partnership (LEAP) and Special Leveraging Educational Assistance Partnership (SLEAP) Programs, formerly known as State Student Incentive Grants
- Federal Perkins Loans
- Federal Stafford Loans
- Federal Work-Study. See item b below.
- Robert C. Byrd Honors Scholarship
- Loans for educational expenses which meet the definition of a bona fide loan, as found in Section 10.1, Definitions.

b. College Work Study (CWS) Program

Income received from CWS Programs, funded in whole or in part under Title IV of the Higher Education Act, is excluded.

Income received from CWS Programs not funded under Title IV that is needed for the educational program or course of study is excluded. Any portion specifically earmarked for shelter, utilities, clothing or incidentals not needed for the educational program or the course of study is income.

Because income is usually paid to the student on the basis of work performed, not in one lump sum, its treatment is different than that of other educational benefits. Treatment of this income depends upon whether or not the amount to be earned in one semester is known at the beginning of the semester.

(1) Earnings Known At Beginning of Semester

When the amount of the earnings, or maximum amount which can be earned, is known at the beginning of the semester, the Worker prorates any portion, specifically earmarked for shelter, utilities, food, clothing or incidentals, not needed for the program or course of study, over the period of time it is intended to cover.

(2) Earnings Unknown At Beginning of Semester

When the amount of the earnings is not known at the beginning of the semester, any portion of the CWS income specifically earmarked for shelter, utilities, food, clothing or incidentals, not needed for the program or course of study, is treated as earned income and converted to a monthly amount according to item A. All earned income disregards and deductions apply.

c. Other Sources

Educational funds from any source, other than those listed in items a and b above, are totally excluded as being earmarked for educational purposes, unless any portion of the funds is specifically earmarked for shelter, utilities, food, clothing or incidentals not needed for the program or course of study.