DEDUCTIONS AND MAXIMUM ALLOWABLE RESOURCES

A. Standard Allowance for Utilities

1. Heating and Cooling Standard Utility Allowance (SUA)
2. Non-Heating/Non-Cooling Basic Utility Allowance (BUA)
3. Telephone Utility Allowance (TUA)

<table>
<thead>
<tr>
<th>Food and Nutrition Services Unit Size</th>
<th>SUA</th>
<th>BUA</th>
<th>TUA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$434</td>
<td>$254</td>
<td>$38</td>
</tr>
<tr>
<td>2</td>
<td>$482</td>
<td>$282</td>
<td>$38</td>
</tr>
<tr>
<td>3</td>
<td>$530</td>
<td>$310</td>
<td>$38</td>
</tr>
<tr>
<td>4</td>
<td>$578</td>
<td>$338</td>
<td>$38</td>
</tr>
<tr>
<td>5 or more</td>
<td>$626</td>
<td>$366</td>
<td>$38</td>
</tr>
</tbody>
</table>

Roomers, boarders and foster children who are not included in the FNS unit and ineligible students are not included in the unit size for calculation of the standard allowance for utilities.

B. Standard Deduction

A standard deduction is allowed each Food and Nutrition Services unit (FNSU) each month according to household size. Only eligible FNSU members are included in the household size for calculation of the standard deduction. The amount is automatically calculated by NC FAST.

Effective October 1, 2019:

<table>
<thead>
<tr>
<th>Household Size</th>
<th>Standard Deduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$167</td>
</tr>
<tr>
<td>2</td>
<td>$167</td>
</tr>
<tr>
<td>3</td>
<td>$167</td>
</tr>
<tr>
<td>4</td>
<td>$174</td>
</tr>
<tr>
<td>5</td>
<td>$204</td>
</tr>
<tr>
<td>6+</td>
<td>$234</td>
</tr>
</tbody>
</table>

C. Earned Income Deduction

Twenty percent of earned income is deducted.

D. Maximum Allowable Resource Limits for Non-Categorically Eligible households

1. $3,500 for FNSU’s with a member age 60 or older or disabled.
2. $2,250 for all FNSU’s.

E. Dependent Care Deduction

Allow as a deduction any dependent care expenses incurred and payable for a dependent child or adult under the age of 18 and for individuals with disabilities of any age in the FNSU.
unit. Allow activity fees that are associated with the care provided to the dependent that are necessary for the household to participate in the care. Activity fees do not have to be mandatory to be deductible. Examples of activity fees that may be deductible include cost of an art class for an after-school program, additional equipment fees charged for attending sports camp, or the cost of field trips sponsored by summer camps.

F. Excess Shelter Deduction

The maximum excess deduction for FNSU’s without a specified person is $569 each month. There is no limit for FNSU’s with a specified person as defined in Section 210, Household Concept.

G. Homeless Shelter Allowance

Households in which all members are homeless, are allowed a standard or excess deduction for incurred/responsible or anticipated shelter expense. The homeless shelter standard deduction is $152.06 per month.

Homeless Individual: An individual who lacks a fixed and regular nighttime residence or whose primary nighttime residence is:

1. A supervised shelter designed to provide temporary accommodations;
2. A halfway house or similar institution that provides temporary residence for individuals intended to be institutionalized;
3. A temporary accommodation in the residence of another individual for no more than 90 days; or
4. A place not designed for or ordinarily used as a regular sleeping accommodation for people (a hallway, a bus station, a lobby or similar place).

To be eligible for the homeless shelter allowance, a household must be responsible or reasonably expect to incur shelter costs during a month. Homeless households are not eligible for the shelter allowance if not responsible for paying or anticipate paying shelter cost during the month.

The case must be documented:

1. The household’s status as a homeless household
2. The household is responsible of shelter expenses that entitle it to the homeless shelter deduction during the budget month
3. The amount the household declares is responsible for paying in shelter expenses

Standard Verification for homeless shelter expenses:

1. Statements from employees and volunteers of homeless shelters, halfway houses, etc.
2. Statements from individuals who made temporary accommodations available
3. Statements from providers of social services

If a household has difficulty in obtaining traditional types of verification of shelter costs, use prudent judgement in determining if verification is adequate.

Note: A homeless individual claims to have incurred/responsibility of shelter costs for several nights at a hotel. If costs reported are reasonable, accept this information as adequate and allow the household to use the shelter estimate.

No other shelter costs, including the utility standard or telephone standard, may be used if the homeless shelter allowance is used. The homeless shelter allowance also may not be
used if the household claims shelter costs that exceed the allowance. Higher or other
shelter costs must be handled as a part of the shelter expense deduction in which case,
the household may or may not receive an actual deduction.

Note: If the Homeless Shelter Deduction is not allowed, then SUA, BUA or TUA may be
allowed if applicable.

285.02 MAXIMUM MONTHLY INCOME AND ALLOTMENT

A. Maximum Monthly Income - Effective October 1, 2019:

<table>
<thead>
<tr>
<th>Food and Nutrition Services Unit Size</th>
<th>200% Maximum Allowable Gross Income Limit</th>
<th>130% Maximum Allowable Gross Income Limit</th>
<th>100% Maximum Allowable Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$2082</td>
<td>$1354</td>
<td>$1041</td>
</tr>
<tr>
<td>2</td>
<td>$2820</td>
<td>$1832</td>
<td>$1410</td>
</tr>
<tr>
<td>3</td>
<td>$3556</td>
<td>$2311</td>
<td>$1778</td>
</tr>
<tr>
<td>4</td>
<td>$4292</td>
<td>$2790</td>
<td>$2146</td>
</tr>
<tr>
<td>5</td>
<td>$5030</td>
<td>$3269</td>
<td>$2515</td>
</tr>
<tr>
<td>6</td>
<td>$5766</td>
<td>$3748</td>
<td>$2883</td>
</tr>
<tr>
<td>7</td>
<td>$6502</td>
<td>$4227</td>
<td>$3251</td>
</tr>
<tr>
<td>8</td>
<td>$7240</td>
<td>$4705</td>
<td>$3620</td>
</tr>
</tbody>
</table>

Each additional member (+) $738 (+) $479 (+) $369

B. Maximum Allotment - Effective October 1, 2019 to September 30, 2020

<table>
<thead>
<tr>
<th>Food and Nutrition Services Unit Size</th>
<th>Maximum Allotment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$194</td>
</tr>
<tr>
<td>2</td>
<td>355</td>
</tr>
<tr>
<td>3</td>
<td>509</td>
</tr>
<tr>
<td>4</td>
<td>646</td>
</tr>
<tr>
<td>5</td>
<td>768</td>
</tr>
<tr>
<td>6</td>
<td>921</td>
</tr>
<tr>
<td>7</td>
<td>1018</td>
</tr>
<tr>
<td>8</td>
<td>1164</td>
</tr>
</tbody>
</table>

(+) $ 146

285.03 INCOME STANDARDS FOR SEPARATE FOOD AND NUTRITION SERVICES UNIT STATUS

Certain elderly and disabled persons may be granted separate FNSU status when living with
others, if the income of the people with whom they reside does not exceed the maximum
allowable monthly amounts shown below. Refer to Section 210, Household Concept, for further
instructions.

Effective October 1, 2019:

<table>
<thead>
<tr>
<th>Food and Nutrition Services Unit Size</th>
<th>Gross Monthly Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$1718</td>
</tr>
<tr>
<td>2</td>
<td>2326</td>
</tr>
<tr>
<td>3</td>
<td>2933</td>
</tr>
<tr>
<td>4</td>
<td>3541</td>
</tr>
</tbody>
</table>
FOOD AND NUTRITION SERVICES CERTIFICATION
INCOME
Determining Benefit Levels

5 4149
6 4757
7 5364
8 5972

Each additional member (+) $608

285.04 CALCULATION OF BENEFIT LEVEL

A. General Policy

Use the DSS-1700, Application Worksheet, to manually determine the monthly allotment:

1. When there is a system failure; or
2. To prepare a trial budget. See DSS-1700 instructions in 285.04, D.

B. Income Eligibility Standards

Use the gross and net income eligibility standards to determine the eligibility of the FNSU. These standards are based on the monthly countable income of the FNSU and are shown in 285.02, A.

1. FNSU’s without a specified member are subject to the gross and net income eligibility standards.
2. FNSU’s with a specified person as defined in Section 210, Household Concept, are subject only to the net income eligibility standard.
3. Categorically eligible FNSU’s are not subject to the gross or net income eligibility standards.

C. Conversion

1. When appropriate, convert income and expenses to a monthly amount if the income is received or the expense is billed.
   a. More frequently than monthly, such as weekly or every two weeks; and
   b. They are expected to continue for the entire month.
2. Convert the income and/or expenses to a monthly amount by multiplying:
   a. Weekly amounts by 4.3; or
   b. Bi-weekly (every 2 weeks) amounts by 2.15; or
   c. Semi-monthly (twice per month) amounts by 2.
3. Round down each final total that ends in 1 through 49 cents and round up each final total that ends in 50 cents through 99 cents.

D. Instructions for completing DSS-1700

1. Determine gross countable monthly earned income. See Integrated Eligibility Manual. (Lines 1-4)
2. Add any non-excluded income received from educational aid. See Integrated Eligibility Manual. (Lines 5-8)


4. Enter farm loss from Line 3. (Line 10)

5. Subtract line 10 from line 9. (Line 11)

6. **RESULT:** Gross monthly income. Except for FNSU’s with a specified person as defined in Section 210, Household Concept, if this amount is more than the gross income eligibility limit, deny or terminate the case. If less than the limit, continue to 7. (Line 12)

7. Multiply line 4, gross monthly earned income, by 20%, the earned income deduction. See 285.01, C. (Line 13)

8. Enter the monthly standard deduction based on the FNSU household size. See 285.01, B. (Line 14)


11. Enter legally obligated child support. See Integrated Eligibility Manual. (Line 19)

12. Add lines 13, 14, 17, 18 and 19. (Line 20)

13. Subtract line 20 from line 12. **RESULT:** Net monthly income after all allowable deductions except shelter expenses. (Line 21)


15. Divide line 21 by line 2. (Line 23)

16. Subtract line 23 from line 22. (Line 24)

17. Subtract line 24 from line 21. **RESULT:** Net monthly income after all allowable deductions. If this amount is more than the net income eligibility limit, deny or terminate the case. If less than the limit, continue to 18. (Line 25)

18. Enter maximum allotment for FNSU size. (Line 26)

19. Multiply line 25 by 30%. (Line 27)

20. Subtract line 27 from line 26. **RESULT:** Food and Nutrition Services allotment. According to 285.04, F., if applicable, for initial applications and reapplications. (Line 28)

All one and two-person FNSU’s must receive a minimum monthly allotment of $16 before proration of the initial monthly allotment.

Refer to Figure 285-1 for an example of a completed DSS-1700, Application Worksheet.
F. Proration of Initial Month's Benefits

1. NC FAST automatically prorates from the date of application. In some instances, proration is not applicable. NC FAST will prorate based on how information is entered into the system. The first month's benefits are not prorated when:
   a. Adding a new member to a participating FNSU.
   b. A migrant or seasonal FNSU participated in the Food and Nutrition Services Program for any part of the benefit month prior to the month of application.
   c. An application for recertification is reopened because it is determined that information was provided within the first 30 days.

2. For manual calculations, use the formula in 285.04, F. 3.
   a. Use a standard 30-day calendar month. A FNSU applying on the 31st of a month is treated as though it applied on the 30th.
   b. When an application is denied because of a FNSU delay, reopen the application if the FNSU takes the required action within 30 days of the denial. Consider the month that the application is reopened the initial month. For proration purposes, change the date of application to the date the information is received.

3. Determine manually the amount of the prorated allotment using the following formula.

   \[
   \frac{(31 - \text{Date of Application}) \times \text{Full Month's Benefits}}{30} = \text{Prorated Allotment}
   \]
   
   a. Subtract the date of application from 31.
   b. Multiply the result by the full monthly allotment.
   c. Divide the product by 30.

**EXAMPLE:** A FNSU's date of application is the 18th and the monthly allotment is $256. The computation is:

\[
\frac{(31 - 18) \times 256}{30}
\]

\[
\frac{13 \times 256}{30} = 3328 \text{ Divided by } 30 = 110.93
\]

4. If the prorated allotment is less than $10, issue no benefits for the initial month. If the allotment prorates to zero, **do not deny** the application.