

**114 – INCOME AND BUDGETING****Change #01-2022**

February 1, 2022

In addition to meeting the eligibility criteria, a household must also be financially eligible to receive cash assistance. While some income is counted, other income is excluded. Furthermore, income may be counted differently depending on who receives the income.

To encourage employment and self-sufficiency, family members who work are allowed standard work-related deductions which may allow the family to continue to receive Work First Cash Assistance for a period of time.

This manual section provides the information needed to determine if a family is financially eligible for Work First Cash Assistance and, if so, how to determine the amount of the family's Work First Cash Assistance benefit.

This section uses the following terms:

- **Gross Earned Income:** Amount of earnings received through wages or self-employment before taxes, social security, and other deductions are made by the employer.
- **Net Earned Income:** Income from earnings received through wages or self-employment minus any Work First Cash Assistance work-related deductions.
- **Net Unearned Income:** Amount of unearned income actually received by a budget unit member. Exception: If the income is being reduced to repay a federal or state tax or other debt or to pay child support obligations, count the income amount prior to these deductions. Do not allow deductions for tax or child support payments withheld.
- **Representative Income:** Indicates that there are no anticipated changes, and the verification represents the budget unit's expected income during the certification period

**I. COUNTABLE INCOME OF HOUSEHOLD MEMBERS**

Count all income available to a family with certain exceptions, which are shown in the chart below. Recipients of Supplemental Security Income (parent or child) are excluded from the budget unit.

Count the income of the following people if they reside in the applicant/recipient household.

Member	Included Member	Excluded Member: Citizenship/ Immigration Status	Excluded member: SSI Recipient	Excluded Member: Other reasons
Parents (including biological, adoptive, step and emancipated minor parents)	Earned and unearned income	Earned and unearned income	Do not count any of their income	Earned and unearned income.
Children, including minor parents (not emancipated minors) and children subject to the family cap	Child's unearned income.  Do not count a child's earned income.	Do not count any of the child's earned or unearned income.	Do not count any of their income.	Do not count any of their income.  <b>Exception:</b> Failure to provide/apply for Social Security Number: count the child's unearned income.
Non-Parent Adult caretaker/Spouse of the non-parent adult caretaker	Do not count any of their income.	Do not count any of their income.	Do not count any of their income.	Do not count any of their income.

**II. APPLYING FOR OTHER GOVERNMENT BENEFITS**

Based on the interview with the household and/or information gathered from the Online Verification System (OVS), an applicant/recipient may be potentially eligible for other government benefits. If an applicant/recipient is potentially eligible for other government benefits such as Social Security Benefits, Veterans Benefits, or Supplemental Security Income, they are required to apply for these benefits.

**A. Applying for UIB**

An applicant/recipient is required to apply for Unemployment Insurance Benefits (UIB) as a condition of eligibility. If the individual meets the monetary eligibility criteria, the individual must file a claim. The case manager must review the current wage data in OVS for the last 12 months (four quarters). Refer to the Job Aid Unemployment Information: Claim Status Codes Defined for additional guidance. The monetary determination criteria for potential UIB eligibility are:

1. The individual must meet the minimum 12-month base period (four quarters) requirement.

2. The minimum base period wage requirement is currently \$6,455.38 and is revised August 1st of each year.

The individual must file a claim by using one of the following methods:

1. Register online at [des.nc.gov](http://des.nc.gov); or
2. Register by calling the DES Customer Call Center at 888-737-0259; or
3. Register in person at the local NCWorks Career Center.

Once the claim is filed, the claimant will receive the NC CLM 550, Wage Transcript and Monetary Determination form. This form may be used to verify the filed claim.

An applicant/recipient is not required to apply for UIB if the applicant/recipient meets one of the following conditions:

1. Employed full-time as defined by the employer;
2. Registered for and attending school or on vacation during or between successive quarters or semesters;
3. Receiving or applying for benefits under any state or federal law based on temporary or permanent total disability;
4. Receiving a government or other pension, retirement, annuity, or other similar periodic payment that is more than the potential monthly UIB benefit;
5. Placed on disciplinary suspension by the employer. The applicant/recipient is considered dismissed from the employment if there is a single disciplinary suspension that lasts more than 10 consecutive calendar days. The applicant/recipient must then apply for UIB; or
6. Unavailable for work due to a medical condition, including childbirth, as verified by a health care provider's statement.

Refer to the Unemployment Information: Claim Status Codes defined Job Aid for guidance on how to read the OVS ESC claim status codes.

**B. Procedures for Applications and Ongoing Cases**

When the case manager determines an applicant/recipient is required to apply for UIB or other government benefits, take the following actions.

1. Notify the applicant/recipient via the DSS-8146A, Notice of Information Needed to Determine Your Eligibility for Work First Family Assistance, of the requirement to apply for UIB or other government benefits. Give the applicant/recipient 12 calendar days to apply.

2. Inform the applicant/recipient that if a disability makes it difficult to apply for these benefits, the agency will assist the applicant/recipient in applying for those benefits as a reasonable accommodation.
3. Ask the family if they need help and document the response and the type of help/reasonable accommodation requested, offered and/or provided, if any, in the case record.
4. The applicant/recipient must provide verification they have applied for UIB. Verify the application for other government benefits by contacting the source. If unable to obtain verification from the source, accept the family's statement of application.
5. If the applicant/recipient does not apply for UIB or other government benefits by the deadline date on the DSS-8146A, determine if there is good cause for the failure to do so.
6. If an applicant/recipient is unable to complete the application for reasons related to a disability (such as difficulty with mobility, caring for a household member with a disability, or having a cognitive or learning disability that makes it difficult to read and complete the application), provide additional time to complete the application and provide agency assistance in doing so as a reasonable accommodation.
7. If there is not a determination of good cause for completing the requirement by the established deadline, deny the application. Refer to [Section 119](#) for good cause clarification.
8. If the family member applies for UIB or other benefits by the deadline set, but has not begun receiving benefits, do not consider as income until the family member receives the benefits.
9. Do not delay application processing or applying other changes for an ongoing case if the only outstanding verification is the amount of the UIB or other benefit. Set a task in NC FAST to review the case for receipt of the benefit(s).
10. If the applicant/recipient has applied for and has already begun receiving the UIB or other government benefit, process the application or apply changes to the ongoing case.

### III. THE WORK FIRST PAYMENT CALCULATION

The Work First Cash Assistance payment is determined by subtracting the household's total countable earned and unearned income from the Need Standard based on the number in the assistance unit. Subtract the total from the Need Standard for the number in the family unit. The payment is 50% of the difference unless there is a recoupment and/or sanction. The recoupment amount is subtracted from the payment. The sanction percentage is taken from the payment. The following chart shows the Need Standard by the number in the budget/assistance unit.

NEED STANDARD BY NUMBER IN THE BUDGET/ASSISTANCE UNIT							
Number in Budget/Household Unit	1	2	3	4	5	6	7
Need Standard	\$362	\$472	\$544	\$594	\$648	\$698	\$746

Number in Budget/Household Unit	8	9	10	11	12	13	14
Need Standard	\$772	\$812	\$860	\$896	\$946	\$992	\$1,042

For each additional person in the budget unit, \$50.00 is added to the Need Standard.

If the difference is \$.01 to \$24.99, the household is ineligible to receive a Work First cash assistance payment. If a recoupment results in a payment of less than \$25.00, the recoupment amount is recalculated to ensure a \$25.00 payment.

**IV. WHAT INCOME IS COUNTED**

All income available to the family is counted in determining their eligibility for Work First Cash Assistance, unless otherwise noted. However, income is counted in various ways. The first chart lists possible sources of income, whether they are counted, how they are counted, and possible sources of verification.

The second chart lists possible sources of educational assistance and whether the income is counted. Refer to XV below for additional information on educational assistance that is countable.

Since it is not possible to list all types of income in these charts, the case manager may encounter income that is not listed here. If so, use prudent judgement and document the decision on how to count the income. The sources of verification listed are possible sources. There may be other acceptable means to verify the income, including the family's statement in some instances. The type of income must be verified to determine if it is countable.

Source of Income	Counted?	Income Type	Verifications
Active Corps Executives (ACE)	No	Unearned	1. 230-EOM Report 2. Contribution Form <a href="#">DSS-8176</a> 3. Contact the Clerk of Court 4. Contact the spouse
Adoption Assistance	No		
Adult Developmental Activities Program (ADAP) Payments	No		
Agent Orange Payments	No		
Alaska Native Claims Settlement Act Payments	No		
Alien's sponsor's income	No		
Alimony/spousal support	Yes		

AmeriCorps stipend (living allowance)	No		
AmeriCorps childcare assistance	No		
Annuities	Yes	Unearned	1. Current check or stub 2. Contact the source
<b>- B -</b>			
Baby-sitting	Yes	Earned	If self-employed, see Self-employment verification If wages, see wages verification
Basic Allowance for Quarters (BAQ [military])	Yes	Earned	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification Form <a href="#">DSS-8113</a>

<b>Source of Income</b>	<b>Counted?</b>	<b>Income Type</b>	<b>Verifications</b>
Basic Allowance for Subsistence (BAS [military])	Yes	Earned	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification Form <a href="#">DSS-8113</a>
Bingo winnings	Yes	Unearned	1. Copy of check 2. Copy of award letter 3. Tax forms 4. Contact the source
Black Lung Benefits	Yes	Unearned	1. Current check 2. Award letter 3. Contact the Social Security District Office 4. Contact the U.S. Dept. Of Labour, Black Lung District Office
Boarders	Yes	Earned	1. Tax records 2. Business records 3. Bills/receipts 4. Records from banks, suppliers, or other knowledgeable sources
Bonus pay (regularly or paid once a year)	Yes	Earned	1. Wage check or stub 2. Wage Verification Form <a href="#">DSS-8113</a> Contact the employer
Brown Lung Benefits	Yes	Unearned	1. Current check 2. Current award letter 3. Contact the Industrial Commission
Campaign contributions	No		
Capital gains from business	Yes	Earned	1. Tax records 2. Business records 3. Bills/receipts 4. Records from banks, suppliers, or other knowledgeable sources
Career Sea Pay (military)	Yes	Earned	1. Leave and Earnings Statement (LES)

<b>Source of Income</b>	<b>Counted?</b>	<b>Income Type</b>	<b>Verifications</b>
Census Worker (Permanent)	<b>Yes</b>	<b>Earned</b>	1. Wage stub or check 2. Wage Verification Form 3. Contact the employer
Census Worker (Temporary)	<b>No</b>		
Child support (all types) (For additional information on how to count child support, see XIII. below.)	<b>Yes</b>	<b>Unearned</b>	1. Contribution Form <a href="#">DSS-8176</a> 2. Contact the Clerk of Court 3. Contact the absent parent 4. ACTS Inquiry
Clothing Maintenance Allowance (CMA [military])	<b>Yes</b>	<b>Earned</b>	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification Form <a href="#">DSS-8113</a>
College Work Study Program administered under Title IV of the Higher Education Act or the Bureau of Indian Affairs (BIA)	<b>No</b>		
College Work Study Program <b>not</b> administered under Title IV of the Higher Education Act or the Bureau of Indian Affairs	<b>Yes</b>	<b>Earned</b> (Deduct expenses. See <b>XV.</b> below.)	1. Award letter 2. Contact the educational institution
Commissions	<b>Yes</b>	<b>Earned</b>	If self-employed, see Self-employment verification If wages, see wage verification form
Community Development Block Grant (CDBG) Funds	<b>No</b>		
Contributions (For additional information on how to count contributions, see <b>XIII.</b> )	<b>Yes</b>	<b>Unearned</b>	1. Contribution Form <a href="#">DSS-8176</a> from contributor 2. Contact the contributor
Cosmetology	<b>Yes</b>	<b>Earned</b>	If self-employed, see Self-employment verification If wages, see wage verification
Court ordered restitution	<b>Yes</b>	<b>Unearned</b>	1. Current check or stub 2. Contact the Clerk of Court 3. Legal documents 4. Contact attorney
CP&L (Project Share) Payments	<b>No</b>		
Crisis Intervention Program (CIP) Payments	<b>No</b>		
Disability payments that are provided through a private insurer and the individual is no longer employed	<b>Yes</b>	<b>Unearned</b>	1. Award letter 2. Check 3. Contact the insurance company
Disability payments that are <b>totally</b> employer funded and the individual remains employed	<b>Yes</b>	<b>Earned</b>	1. Wage stubs 2. Wage Verification Form <a href="#">DSS-8113</a> ) 3. Contact the employer
Disaster Assistance	<b>No</b>		

<b>Source of Income</b>	<b>Counted?</b>	<b>Income Type</b>	<b>Verifications</b>
Dividends	<b>Yes</b>	<b>Unearned</b>	<ol style="list-style-type: none"> <li>1. Current dividend check</li> <li>2. Dividend statement</li> <li>3. Contact the stockbroker or brokerage firm</li> <li>4. Contact the company paying the dividends</li> </ol>
<b>Earned Income Tax Credit (federal and/or state)</b> Educational assistance (All Types) (See the chart on types of educational assistance that begins immediately after this chart.) Energy Assistance Experimental Housing Allowance Program (EHAP) Payments - F - Family Subsistence Supplemental Allowance (FSSA [military])	<b>No</b>  <b>Depends On the Source</b>  <b>No</b> <b>No</b>  <b>Yes</b>	<b>If counted, Unearned</b>         <b>Earned</b>	<ol style="list-style-type: none"> <li>1. Award letter</li> <li>2. Campus based budget form</li> <li>3. Student Income Verification Form</li> <li>4. Contact the school</li> <li>5. Contact the provider</li> <li>6. Bills/receipts</li> </ol> <ol style="list-style-type: none"> <li>1. Leave and Earnings Statement (LES)</li> <li>2. Wage stubs</li> <li>3. Wage Verification Form <a href="#">DSS-8113</a></li> </ol>
Farm income (If self-employment, see VIII. Below for additional information on how to count self-employment income.) Federal Emergency Management Act (FEMA) Payments Federal Employees Compensation Act (FECA) Benefits Food and clothing contributions	<b>Yes</b>  <b>No</b>  <b>Yes</b>  <b>No</b>	<b>Earned</b>      <b>Unearned</b>	<ol style="list-style-type: none"> <li>1. Tax records</li> <li>2. Business records</li> <li>3. Bills/receipts</li> <li>4. Records from banks, suppliers, or other knowledgeable sources</li> </ol> <ol style="list-style-type: none"> <li>1. Copy of check or stub</li> <li>2. Award letter</li> <li>3. Tax forms</li> </ol>
Food assistance Food Stamps Foster Care Foster Care supplements over the State maximum payment Foster-Grandparents	<b>No</b> <b>No</b> <b>No</b> <b>No</b> <b>No</b>		
Gambling	<b>Yes</b>	<b>Unearned</b>	<ol style="list-style-type: none"> <li>1. Copy of check</li> <li>2. Copy of award letter</li> <li>3. Tax forms</li> <li>4. Contact the source</li> </ol>

<b>Source of Income</b>	<b>Counted?</b>	<b>Income Type</b>	<b>Verifications</b>
Gaming Proceeds, per capita proceeds to members of the Eastern Band of the Cherokee Nation semi-annually, usually in June and December (prorate over the six-month period between payments) General Assistance (GA) Payments Gifts (monetary) that are for specific verifiable special occasions.	<b>Yes</b> (Payments to minors go into a trust and are not counted.) <b>No</b> <b>No</b>	<b>Unearned</b>	1. Obtain a copy of the check. 2. Obtain a copy of the award letter. 3. Contact the source at: Eastern Band of Cherokee Indians P. O. Box 455 Cherokee, NC 28719 (704) 497-3705
Houlton Band of Macisett Indian Payments	<b>No</b>		
Housing and Urban Development (HUD) Payments	<b>No</b>		
Housing Improvement Grants	<b>No</b>		
In-kind income or contributions	<b>No</b>		
Income Tax Refund (Federal and State)	<b>No</b>		
Independent Living Initiatives of Title IV-E of the Social Security Act (payments or services provided)	<b>No</b>		
Indian Tribe Payments under P. L. 97.458 & 98.64	<b>No</b>		
Inheritance	<b>Yes</b>	<b>Unearned</b>	1. Copy of the will 2. Contact the executor or administrator of the estate 3. Contact the Clerk of Court 4. Contact the probate lawyer
Insurance settlements (except for lump sums)	<b>Yes</b>	<b>Unearned</b>	1. Settlement check 2. Contact the lawyer who handled the settlement 3. Contact the insurance company
Interest income (if paid to the family)	<b>Yes</b>	<b>Unearned</b>	1. Current account statement 2. Request for Financial Information Form ( <a href="#">DSS-3431</a> )
<b>Job Corps (See WIA)</b>	<b>No</b>		
Job Training Partnership Act (JTPA) See Workforce Investment Act, below.			

<b>Source of Income</b>	<b>Counted?</b>	<b>Income Type</b>	<b>Verifications</b>
Jump Pay (Military)	<b>Yes</b>	<b>Earned</b>	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification <a href="#">DSS-8113</a>
Jury Duty payments	<b>Yes</b>	<b>Earned</b>	1. Check or stub 2. Contact the Clerk of Court
Leave Rations (military)	<b>Yes</b>	<b>Earned</b>	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification Form <a href="#">DSS-8113</a>
Loans (if repayment plan shows when the loan will be repaid)	<b>No</b>		
Longevity Pay	<b>Yes</b>	<b>Earned</b>	1. Check or stub 2. Contact the employer

<b>Source of Income</b>	<b>Counted?</b>	<b>Income Type</b>	<b>Verifications</b>
Lottery winnings – if paid other than as a lump sum	<b>Yes</b>	<b>Unearned</b>	1. Check 2. Award letter 3. Tax forms 4. Contact the source
Low-Income Energy Assistance Program (LIEAP) Payments Lump-sum payments (For additional information on how to count lump-sum payments, see <b>XV.</b> below.)	<b>No</b>  <b>Yes, for Apps., count in month of receipt</b>	<b>Unearned</b>	1. Check 2. Letter from provider 3. Signed statements 4. Bill of sale
Migrant income	<b>Yes</b>	<b>Earned</b>	1. Check stub or <a href="#">DSS-8113</a> 2. Contact the Employment Service; Farm Labour Bureau; Rural Manpower Development; Farmer's Cooperative Service; Grower's Association; Migrant Service Organizations; county agent; or the individual growers and crew chiefs. 3. Use records that show: each day's income and hours worked, and signature of the grower or crew chief.
Military Allotments	<b>Yes</b>	<b>Unearned</b>	1. Current check or stub 2. Award letter 3. Contact commanding officers of military payment information centers (Attach a letter authorizing the release of the information.)

<b>Source of Income</b>	<b>Counted?</b>	<b>Income Type</b>	<b>Verifications</b>
Military Allotments received as child support  (For additional information on how to count military allotments received as child support, see <b>XII.</b> below.)	<b>Yes</b>	<b>Unearned</b>	1. Current check or stub 2. Award letter 3. Contact commanding officers of military payment information centers (Attach a letter authorizing the release of the information.)
Military Pay	<b>Yes</b>	<b>Earned</b>	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification Form <a href="#">DSS-8113</a>
Monthly disbursements from a trust fund	<b>Yes</b>	<b>Unearned</b>	1. Contact the administrator/executor of the fund 2. Contact the lawyer
<b>- N -</b>			
National School Lunch Act Notary Public fees received	<b>No</b> <b>Yes</b>	<b>Earned</b>	1. Tax records 2. Business records 3. Bills/receipts 4. Records from banks, suppliers, or other knowledgeable sources
Nutrition Program for the Elderly, Of the Older Americans Act Of 1965	<b>No</b>		
On-the-Job-Training (OJT) Payments	<b>Yes</b>	<b>Earned</b>	1. Wage stub or check 2. Contact the source
Paid Work Experience (Generally through Welfare-to-Work) Passamaquoddy Indian Tribe Payments	<b>Yes</b> <b>No</b>	<b>Earned</b>	1. Wage stub or check 2. Contact the source
Pay advances	<b>Yes</b>	<b>Earned</b>	1. Wage stub or check 2. Wage Verification Form <a href="#">DSS-8113</a> 3. Contact the employer
Pell Grants	<b>No</b>		1. Award letter 2. Contact educational institution
Penobscot Nation Indian Payments Pensions	<b>No</b> <b>Yes</b>	<b>Unearned</b>	1. Pension check or stub 2. Award letter 3. Contact the organization providing the benefits 4. Tax records
Private unemployment benefits	<b>Yes</b>	<b>Unearned</b>	1. Check or stub 2. Award letter 3. Contact the company paying the benefits

<b>Source of Income</b>	<b>Counted?</b>	<b>Income Type</b>	<b>Verifications</b>
Public Service Employment (PSE)	<b>Yes</b>	<b>Earned</b>	1. Wage stubs 2. Wage Verification Form <a href="#">DSS-8113</a> Contact the employer
Radiation Exposure Compensation Act Payments Railroad Retirement	<b>No</b> <b>Yes</b>	<b>Unearned</b>	1. Railroad Retirement check 2. Award letter 3. Contact a representative of the Railroad Retirement Board (See listing in RMDS.)
Reimbursements (for out-of-pocket expenses <b>other than</b> normal living expenses such as rent, mortgage, personal clothing, or food eaten at home.) Relocation payments Rental income (treat as self-employment income, see IX. below)	<b>No</b> <b>No</b> <b>Yes</b>	<b>Earned</b>	1. Tax records 2. Business records 3. Bills/receipts 4. Records from banks, suppliers, or other knowledgeable sources
Representative payment (payment received by one individual on behalf of another individual) – Income <b>is available</b> for the family. Representative payment (payment received by one individual on behalf of another individual) – Income <b>is not available</b> for the family. Restitution under the Civil Liberties Act Of 1988	<b>Yes</b> <b>No</b> <b>No</b>	<b>See specific income type</b>	See specific type of income for verifications
Retirement benefits	<b>Yes</b>	<b>Unearned</b>	1. Retirement check 2. Award letter 3. Contact the company or business paying the benefits
Retired Senior Volunteer Program (RSVP)	<b>No</b>		
Reverse mortgages	<b>No</b>		

<b>Source of Income</b>	<b>Counted?</b>	<b>Income Type</b>	<b>Verifications</b>
Roomers	Yes	Earned	<ol style="list-style-type: none"> <li>1. Tax records</li> <li>2. Business records</li> <li>3. Bills/receipts</li> <li>4. Records from banks, suppliers, or other knowledgeable sources</li> </ol>
Sale of blood or plasma (Considered self-employment)	Yes	Earned	<ol style="list-style-type: none"> <li>1. Tax records</li> <li>2. Business records</li> <li>3. Bills/receipts</li> <li>4. Records from banks, suppliers, or other knowledgeable sources</li> </ol>
Scholarships (For additional information on how to count scholarships, see <a href="#">XIV</a> . below.)	Yes	Unearned	<ol style="list-style-type: none"> <li>1. Award letter</li> <li>2. Contact the source</li> </ol>
Sea Duty Pay (military)	Yes	Earned	<ol style="list-style-type: none"> <li>1. Leave and Earnings Statement (LES)</li> <li>2. Wage stubs</li> <li>3. Completed Wage Verification Form <a href="#">DSS-8113</a></li> </ol>
Seasonal employment	Yes	Earned	If self-employed, see Self-employment verification If wages, see wage verification
Section 8 (HUD) Self-employment (For additional information on counting self-employment, see <a href="#">IX</a> . below.)	No Yes	Earned	<ol style="list-style-type: none"> <li>1. Tax records</li> <li>2. Business records</li> <li>3. Bills/receipts</li> <li>4. Records from banks, suppliers, or other knowledgeable sources</li> </ol>
Selling recyclables	Yes	Earned	<ol style="list-style-type: none"> <li>1. Tax records</li> <li>2. Business records</li> <li>3. Bills/receipts</li> <li>4. Records from banks, suppliers, or other knowledgeable sources</li> </ol>
Senior Companions Payment Program (Title II)	No		
<a href="#">Senior Community Service Employment Program (SCSEP), Title V</a>	No		
Separate Rations (military)	Yes	Earned	<ol style="list-style-type: none"> <li>1. Leave and Earnings Statement (LES)</li> <li>2. Wage stubs</li> <li>3. Completed wage verification Form <a href="#">DSS-8113</a></li> </ol>
Service Corps of Retired Executives (SCORE) Payments	No		
Severance Pay	Yes	Unearned	<ol style="list-style-type: none"> <li>1. Wage stub or check</li> <li>2. Wage Verification Form <a href="#">DSS-8113</a></li> <li>3. Contact the employer</li> </ol>

<b>Source of Income</b>	<b>Counted?</b>	<b>Income Type</b>	<b>Verifications</b>
Shared expenses	No		
Shelter, utilities, and household furnishings made available at no cost	No		
Sick pay	Yes	Earned	<ol style="list-style-type: none"> <li>1. Wage stub or check</li> <li>2. Wage Verification Form <a href="#">DSS-8113</a></li> <li>3. Contact the employer</li> </ol>
Social Security Benefits - Count the net social security benefit amount that appears on the BENDEX record. <b>NOTE:</b> When the payment is being reduced due to federal offset to repay a federal debt, offset information will not appear on BENDEX, but may appear on an individual's award letter. Use the BENDEX record as verification of the correct net benefit amount. (If a Medicare premium is being deducted, add the premium amount to the net benefit amount. Count this total as unearned income.)	Yes	Unearned	<ol style="list-style-type: none"> <li>1. BENDEX Inquiry</li> <li>2. Third Party Query (TPQY)</li> <li>3. BENDEX Data Exchange Report</li> <li>4. Current Social Security check</li> <li>5. Current award letter</li> </ol>
Spousal support	Yes	Unearned	<ol style="list-style-type: none"> <li>1. 230-EOM Report</li> <li>2. Contribution Form <a href="#">DSS-8176</a></li> <li>3. Contact the Clerk of Court</li> <li>4. Contact the spouse</li> </ol>
Sponsor Income	No		
State Earned Income Tax Credit (SEITC)	No		
SSI (Supplemental Security Income)	No		
Stipends for students	Yes	Unearned	<ol style="list-style-type: none"> <li>1. Check or stub</li> <li>2. Award letter</li> <li>3. Contact the educational institution</li> </ol>
Surplus Commodities	No		
Tax intercept payments (support) (For more information on child support, see <b>XII.</b> below.)	Yes	Unearned	<ol style="list-style-type: none"> <li>1. ACTS Inquiry</li> <li>2. Contribution Form <a href="#">DSS-8176</a></li> <li>3. Contact the Clerk of Court</li> <li>4. Contact the spouse</li> </ol>
Telamon Payments	Yes	Earned	<ol style="list-style-type: none"> <li>1. Check or stub</li> <li>2. Contact the Telamon Office</li> <li>3. Wage Verification Form <a href="#">DSS-8113</a></li> </ol>

<b>Source of Income</b>	<b>Counted?</b>	<b>Income Type</b>	<b>Verifications</b>
Tips	<b>Yes</b>	<b>Earned</b>	1. Wage stubs 2. Wage Verification Form <a href="#">DSS-8113</a> Work First Family Assistance Report
Trade Readjustment Benefits	<b>Yes</b>	<b>Unearned</b>	4. Contact the employer 5. Client's records 1. Current check 2. Current award letter 3. Contact the local Employment Security Commission (ESC) Office
Travel reimbursement paid from an employer to an employee for travel expenses while working for the employer	<b>No</b>		
Unemployment Insurance Benefits (UIB)	<b>Yes</b>	<b>Unearned</b>	1. ESC/UIB Inquiry 2. Current UIB check 3. Current award letter
Uniform Relocation Assistance and Real Property Acquisition Act Of 1970	<b>No</b>		
Vacation Pay	<b>Yes</b>	<b>Earned</b>	1. Wage check or stub 2. Completed Wage Verification Form (DSS-8113) 3. Contact the employer
Variable Housing Allowance (VHA) [military]	<b>Yes</b>	<b>Earned</b>	1. Leave and Earnings Statement (LES) 2. Wage stubs 3. Wage Verification Form <a href="#">DSS-8113</a>
Vendor payments	<b>No</b>		
Veteran's Administration Educational Assistance Program/ G.I. Bill (only what is used for educational purposes)	<b>No</b>		
Veterans Administration (VA) Benefits	<b>Yes</b>	<b>Unearned</b>	1. Contact the VA Regional Office Claims Division at 1-800-827-1000 2. Current VA benefit check 3. Current award letter 4. Contact the local VA service office
Vocational Rehabilitation (VR) Incentive Payments (if a training program is in effect.	<b>No</b>		
Volunteers in Service to America (VISTA)	<b>No</b>		
Wages	<b>Yes</b>	<b>Earned</b>	1. Wage stubs 2. Wage Verification Form <a href="#">DSS-8113</a> 3. Work First Family Assistance Report 4. Contact the employer

Source of Income	Counted?	Income Type	Verifications
Witness pay	Yes	Unearned	1. Check or stub 2. Contact the Clerk of Court
Workforce Investment Opportunity Act (Formerly, JTPA) paid to an <i>adult</i>	Yes	Earned	1. Check, or stub, or <a href="#">DSS-8113</a> 2. Contact WIOA
Workforce Investment Opportunity Act ( <i>WIA</i> ) (Formerly, JTPA) paid to a child, Work First Employment Services payments made to someone other than the participant but made on the participant's <i>behalf</i> (Example, <i>childcare</i> payments made to the participant's sister who is also receiving Work First Cash Assistance – Count the <i>childcare</i> as income for the sister.)	No  Yes	  Earned	  If self-employed, see Self-employment verification If wages, see wage verification
Work Release (For additional information on how to count Work Release, see <i>XIV</i> . below.)	Yes	Unearned	1. Check or stub 2. DC-190 from the Dept. of Correction 3. Work Release Check List 4. Contact the Dept. of Correction
Worker's Compensation provided through a private insurer or the individual is no longer employed	Yes	Unearned	1. Award letter 2. Current check 3. Contact the provider or insurance company
Worker's Compensation that is <b>totally</b> employer funded <b>and</b> the individual remains employed	Yes	Earned	1. Check or wage stub 2. Award letter 3. Contact the company where the person is employed or its insurance company 4. Contact the lawyer

Following is a list of potential sources of educational assistance and whether they are counted in Work First Cash Assistance. Possible sources of verifications for the educational assistance listed below include award letters, contacts with the agency that administers the assistance, and contacts with the educational institution. See *XVI*. below for additional information regarding countable educational assistance.

Source of Income	Counted?
Basic Educational Opportunity Grants (BEOG and PELL Grants)	No
Bilingual Materials, Methods, and Techniques Program	No
Bilingual Vocational Instructor Training Program	No
Bilingual Vocational Training Program	No
Blue Ribbon Vocational Education Program	No

Business and Education Standards Program	No
Carl D. Perkins Vocational and Applied Technology Education Act	No
College Assistance Migrant Program (CAMP) for students whose families are engaged in migrant and seasonal farm work	No
Community Education Employment Center Program	No
Cooperative Demonstration Programs	No
Demonstration Centers for the Training of Dislocated Workers Program	No
<b>Education Lottery Scholarship (ELS) (Grant)</b>	<b>No</b>
Educational Programs for Federal Correctional Institutions	No
Federal Family Education Loan Program (formerly GSL)	No
Grants Administered by the Bureau of Indian Affairs	No
High School Equivalency Program (HEP)	No
Income Contingent Loan (Eff. 7/1/87) (Title IV)	No
Indian Vocational Education Program	No
Internships for Gifted and Talented Vocational Education Students Program	No
Materials Development in Telecommunications Program	No
Model Programs of Regional Training for Skilled Trades (Carl Perkins)	No
National Center or Center For Research in Vocational Education	No
National Early Intervention Scholarship and Partnership Program	No
National Network for Curriculum Coordination in Vocational and Technical Education	No
National Tech-Prep Education Program	No
Native Hawaiian Vocational Education Program	No
PELL Grants	No
PLUS Loans for Parents	No
Presidential Access Scholarships (Super PELL Grants)	No
<b>Source of Income</b>	<b>Counted?</b>
Robert E. McNair Post-Baccalaureate Achievement	No
Robert T. Stafford Student Loans	No
Scholarships Offered by Civic Groups	Yes
Scholarships Offered by Institution	Yes
Sports Scholarships	Yes
State Student Incentive Grants	No

State Vocational and Applied Technology Education Program which contains the:	<b>No</b>
<ul style="list-style-type: none"> <li>• State Program and State Leadership Activities;</li> <li>• Program for Single Parents, Displaced Homemakers, and Single Pregnant Women; Sex Equity Program;</li> <li>• Programs for Criminal Offenders; Secondary School Vocational Education Program; Post secondary and Adult Vocational Education Program;</li> <li>• State Assistance for Vocational Education Support Programs by Community-Based Organizations; Consumer and Homemaking Education Program; Comprehensive Career Guidance and Counseling Program; and</li> <li>• Business-Labor-Education Partnership for Training Program</li> </ul>	
State-Administered Tech-Prep Education Program	<b>No</b>
Student Support Services (Title IV)	<b>No</b>
Supplemental Educational Opportunity Grants (SEOG)	<b>No</b>
Supplemental Loans for Students (Title IV)	<b>No</b>
Supplementary State Grants for Facilities and Equipment and Other Program	<b>No</b>
Improvements Activities (Carl Perkins)	
<b>- T -</b>	
Tribally Controlled Post-Secondary Vocational Institutions Program	<b>No</b>
TRIO Grants (Go to organizations or institutions for students from disadvantaged backgrounds.)	<b>No</b>
<b>Upward Bound (some stipends go to students)</b>	
	<b>No</b>
Vocational Education Dropout Prevention Program	<b>No</b>
Vocational Education Leadership Development Awards Program	<b>No</b>
Vocational Education Lighthouse Schools Program	<b>No</b>
Vocational Education Research Program	<b>No</b>
Vocational Education Training and Study Grants Program	<b>No</b>
Vocational Educator Training Fellowships Program	<b>No</b>

**V. BUDGETING INCOME**

When a family reports income, verify and document the income and determine the payment amount by projecting income following the instructions below.

When projecting income, the worker will use income that represents the client's anticipated income. Representative income means that there are no anticipated changes, and the verification represents the budget unit's expected income during the certification period.

**A. Prospective Budgeting**

Budget all prospective income when determining the Work First **Cash Assistance** payment. The payment for a month is based on the income projected to be received in that month and, therefore, reflects as accurately as possible the family's need for that month.

**For example,** July's Work First **cash assistance** payment is based on the income projected to be received in July.

**B. Base Periods**

Base periods are the periods of time that are the basis for determining income eligibility. The base period:

- establishes a set time period for workers to create a “snapshot” of a budget unit’s income
- should be an accurate representation of the income the household is expected to have available during the certification period.

Budget ongoing income using information from the base period to estimate the projected income for future months. Use the following base periods:

1. **One Month:** The base period for most income is the month prior to the month of application or recertification.
2. **Three Months:** The base period for the following types of income is three months prior to the month of application, recertification, or the quarterly report:
  - child support,
  - spousal support and alimony

For Work First Cash Assistance, add the months together and divide by 3.

3. **Twelve Months:** If the income is received annually or from self-employment, the base period is 12 months.

Exception: If client has been self-employed for less than 12 months, use months in business, if representative.

**NOTE:** If a full month of actual income is available for any month, budget the actual income for that month. (This may happen at application or administrative reopen.) Enter this income as actual income in the budget. NC FAST does not convert this income. For guidance on entering income evidence refer to the FAST Help Income & Expense Evidence Wizards-Income Support Job Aid.

**Base Periods for Nonrepresentative Income**

When determining a base period for nonrepresentative income:

1. Explore alternative budgeting methods for projecting or averaging income.
2. Determine which budgeting method is the most representative estimate of the budget unit’s income over the certification period.
3. Project income using the best available information about the number of hours, rate of pay, and frequency of pay expected to be received over the certification period.
4. If you use an alternate budgeting method, you must document why the base period is not representative and how you determined what is.

All income shall be counted in the calendar month the household receives the income unless otherwise stated.

**C. Evaluating Base Period Income**

Income received in the base period must be verified. Once income information from the base period has been identified and verified, the case manager must determine whether this income is representative of the income expected to be received during the month(s) for which eligibility is being determined.

**If the base period income is not representative, do not use it to project income.** If there is new, terminated or changed income during or after the base period, the base period income may not be representative, and the case manager must move the base period forward and adjust the income. See VI. below.

If a pay period in the base period is uncharacteristically high or low, determine how often such occurrences can be expected and document the decision whether to count the nonrepresentative pay period in budgeting.

**Example:** A Work First applicant is paid weekly and has pay stubs for July, the base period, as follows:

Pay:	Date:
\$ 80.00	July 5
\$ 0.00	July 12
\$ 75.00	July 19
\$ 100.00	July 26

The applicant states she received no income the week of July 12 due to the annual closure of the company which is not expected to occur again until next July. The applicant also states that the variation between the \$75.00 and \$100.00 amounts is typical of the variation that normally occurs from week to week. Document the reason for the zero-pay period in the case record and use the other three payment amounts to project ongoing income beginning in August.

$\$ 80.00 + 75.00 + 100.00$	$= \$255.00$	Actual July Income
$\$255.00 \div 3$	$= \$85.00$	Weekly Average
$\$85.00 \times 4.3$	$= \$365.50$	Projected Monthly Income

**NOTE:** To determine when income that is mailed is received, give three mailing days. To determine when income that is paid by electronic fund transfer (EFT) is received, give two business days from the date of authorization by the payer. However, for income that is mailed or transferred by EFT; accept the family's statement of when they received the income if they state they received the income earlier.

**D. Computation of Income**

Enter the income received in NC FAST to calculate a family's projected income. NC FAST averages the income from each pay or benefit period and converts it to a monthly amount. The income is converted to a monthly amount according to the frequency of receipt. The automated budget multiplies the averaged amount by:

- 4.3 if the income is received weekly.
- 2.15 if the income is received biweekly (every two weeks).
- 2 if the income is received twice a month.
- 1 if the income is received monthly.

For guidance on how to enter income in NC FAST refer to Income & Expense Evidence Wizards-Income Support Job Aid.

To compute a monthly income amount, enter the base period amounts and the correct indicator for the frequency of receipt into NC FAST. Enter this income in NC FAST until the next Work First Family Assistance Report or change in income, whichever occurs first.

**EXAMPLE 1:** Ongoing Case - The following earned income is reported on the Work First Family Assistance Report.

Pay:	Date:
\$ 125.00	April 2
130.00	April 9
110.00	April 16
150.00	April 23
100.00	April 30

Enter **each** amount in NC FAST and the indicator for weekly income. The automated budget averages the income and multiplies it by 4.3 to get a monthly amount. Continue to count this income until the next Work First Cash Assistance Report or change in income, whichever occurs first.

**EXAMPLE 2:**

Family is receiving ongoing Work First Cash Assistance. The family has ongoing UIB. The family reports on the Work First Family Assistance Report returned in May that they received \$150 on April 12 and \$150 on April 26. This is verified by viewing OVS. Enter both amounts in NC FAST along with the indicator reflecting payment is received weekly. Continue to count this income until the next Work First Family Assistance Report or change in income, whichever occurs first.

**VI. BUDGETING NEW OR CHANGED INCOME**

When a family has new or changed income during or after the base period, the base period income is not representative of expected income. Do not use base period income to determine eligibility or payment amounts.

**A. Changed versus Fluctuating Income**

Income is fluctuating when it changes slightly but the fluctuation does not represent an ongoing change and is not representative of a change in income anticipated during the period for which eligibility is being determined. For example, if an employee's weekly income fluctuates due to variations in the number of hours scheduled and the scheduled hours are as likely to go up as to go down, the income is fluctuating. Do not re-budget income based on normal fluctuations in income.

## **B. Changed Income**

A change in income is:

1. A change in the rate of pay.
2. An increase or a decrease in the award, court ordered, or agreed-upon amount for unearned income (child support, contributions, SSA, VA, etc.) or a change in the actual amount received for contributions or child support).

**NOTE:** When there is a change in the award, court ordered, or agreed-upon amount of child support, the case manager must evaluate whether it is reasonable to expect the actual amount received to change.

3. An ongoing change in the number of work hours for earned income.
4. A new source of earned or unearned income.
5. A terminated source of earned or unearned income.

When a family experiences a change in income, reflect the change in the payment as early as the month following the month of change, but no later than the second month following the month of change.

## **C. Special Instructions Regarding Temporary Agency Employment**

Individuals employed by temporary agencies may begin, end, and change assignments on a sporadic basis. Although they may work at different locations and perform different duties, they remain employed by the same employer—the temporary agency. The case manager will have to decide on a case-by-case basis whether to treat the situation as a change in income, terminated income, or new income.

Temporary workers may experience a period between assignments when they have no income. If they begin a new assignment within a few days of an assignment ending, the case manager might consider the days without pay as a fluctuation that does not require action.

However, if an assignment ends and a new assignment appears unlikely, or cannot be expected within a short period, then the income that is projected in the ongoing budget is not representative of what the family can expect in the upcoming month(s). In this situation, adjust the Work First income budget to reflect a reduction in anticipated income.

Factors to consider are the employee's history with the temporary agency, overall work history, and marketable skills and experience. The case manager may want to contact the agency and ask about the number of placements they expect to have soon that might match the employee's skills.

When a temporary worker reports a new assignment that reflects a change in the ongoing number of hours or rate of pay, treat this as a change in income as described in B. above.

**D. What to do when a family reports New or Changed Income?**

If the family reports new or changed income, verify, and document the new income. To determine and document the new income, follow the instructions below.

**NOTE:** The family is required to report all changes within 10 calendar days of knowing of the change.

1. Verify the amount the family expects to receive each pay or benefit period.
  - a. The family is responsible for providing verification of income. If the family needs assistance in obtaining verification because of a disability, this assistance must be provided as a reasonable accommodation. To be entitled to a reasonable accommodation for a disability, a caretaker need not be receiving or be eligible for SSI or other disability benefits.
  - b. Set a deadline for families to return verification of earned and unearned income. See the chart in III. above for possible sources of verification.
  - c. For ongoing cases, if the family does not provide verification of earned or unearned income by the deadline set, send a timely notice to terminate assistance.
  - d. For applications, if the family does not provide verification of earned or unearned income by the deadline, see Cash Assistance Application Process and Procedures (Manual Section 104) for instructions.
2. Project the new income.
  - a. To project earned income, take the following steps.
    - (1) Determine the:
      - Hourly rate of pay;
      - Number of hours per pay period;
      - Frequency of pay, i.e., weekly, biweekly, semimonthly, or monthly; and
      - Expected date of pay.

- (2) Multiply the hourly rate by the number of hours in the pay period. Use this total to project the income.
- b. To project unearned income, take the following steps.
- (1) Determine:
- The benefit amount;
  - Frequency of the benefit; and
  - Expected date of receipt.
- (2) Use the expected benefit amount to project the income.
3. Enter the projected income into the automated budget in NC FAST.
- a. If a full month of income will not be received, enter the projected amount in the automated budget the number of times it is expected to be received. Enter the actual monthly income in NC FAST. NC FAST does not convert this to a monthly amount.
- b. If a full month's income is going to be received, enter the projected amount and the frequency of receipt in the automated budget. NC FAST converts this to a monthly amount.

**EXAMPLE**

Ongoing Work First Cash Assistance case with a family member who goes to work in March. The employer verifies the family member is paid \$8.00 an hour and is expected to work 25 hours in the first pay period. The family member will receive his first pay April 5. The family member will normally work 40 hours a week. The family member is paid weekly and will be paid four times in April.

<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right; padding-right: 10px;">1.</td> <td style="text-align: right; padding-right: 10px;">\$8.00</td> <td style="width: 20px;"></td> <td style="text-align: right; padding-right: 10px;">2.</td> <td style="text-align: right; padding-right: 10px;">\$8.00</td> </tr> <tr> <td></td> <td style="text-align: right; padding-right: 10px;"><u>x25</u></td> <td></td> <td></td> <td style="text-align: right; padding-right: 10px;"><u>x40</u></td> </tr> <tr> <td></td> <td style="text-align: right; padding-right: 10px;">\$200</td> <td style="padding-left: 10px;">(projected 1<sup>st</sup> pay)</td> <td></td> <td style="text-align: right; padding-right: 10px;">\$320</td> </tr> </table>	1.	\$8.00		2.	\$8.00		<u>x25</u>			<u>x40</u>		\$200	(projected 1 <sup>st</sup> pay)		\$320	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right; padding-right: 10px;">3.</td> <td style="text-align: right; padding-right: 10px;">\$320</td> <td style="width: 20px;"></td> <td style="text-align: right; padding-right: 10px;">4.</td> <td style="text-align: right; padding-right: 10px;">\$200</td> </tr> <tr> <td></td> <td style="text-align: right; padding-right: 10px;"><u>x3</u></td> <td></td> <td></td> <td style="text-align: right; padding-right: 10px;"><u>+9600</u></td> </tr> <tr> <td></td> <td style="text-align: right; padding-right: 10px;">\$960</td> <td style="padding-left: 10px;">(projected remaining April pay)</td> <td></td> <td style="text-align: right; padding-right: 10px;">\$1160</td> </tr> </table>	3.	\$320		4.	\$200		<u>x3</u>			<u>+9600</u>		\$960	(projected remaining April pay)		\$1160
1.	\$8.00		2.	\$8.00																											
	<u>x25</u>			<u>x40</u>																											
	\$200	(projected 1 <sup>st</sup> pay)		\$320																											
3.	\$320		4.	\$200																											
	<u>x3</u>			<u>+9600</u>																											
	\$960	(projected remaining April pay)		\$1160																											

Use \$1160 for April's budget. Enter this amount as actual income in the NC FAST. NC FAST does not convert this income.

Enter \$320 for May's budget and ongoing months until a Work First Family Assistance Report is received, or the family reports a change. Enter the indicator for wages received weekly. NC FAST converts this income to a monthly amount.

**VII. BUDGETING TERMINATED INCOME**

If the family reports that income has terminated or is scheduled to terminate during or after the base period, follow the instructions below.

- A.** Verify the family member's terminated income.
- B.** If the income has terminated and the last pay or benefit was received prior to the date of application, **do not count the income.**
- C.** Do not count terminated income in any month following the month in which the last income is received. (For example: If the last pay is received in August, do not include the income in a budget for September or October.)
- D.** If actual income is available for the month income terminates, budget the actual income for that month. Enter this as actual income in NC FAST. NC FAST does not convert this income.
- E.** If a full month's income is not expected to be received, budget the amount that is expected, and document that this is actual income.

**EXAMPLE 1**

A family applies for Work First Cash Assistance March 15. A family member is receiving UIB of \$100 every week. The family reports the UIB is terminating and that they will receive one more UIB payment of \$100 in April.

The application is processed on March 25. Use the actual income of \$200 in March's payment calculation. Use the actual income of \$100 in April's payment calculation. Do not count any UIB for May or for any ongoing months.

**EXAMPLE 2**

A family is receiving ongoing Work First Cash Assistance. The family reports April 15 that a family member's employment ended April 12. The family member expects to receive his last pay May 6. He will receive only one pay in May. The employer verifies that the family member is paid \$8.00 an hour and will be paid for 20 hours in his last pay.

$$\begin{array}{r} \$ 8.00 \\ \times 20 \\ \hline \$ 160.00 \end{array}$$

Budget \$160 for the month of May.

**VIII. BUDGETING CONTRACT INCOME**

Contract income is money paid to an individual, such as a teacher, based on a verbal or written agreement.

- A. **Prorate the contract income over the period the contract is intended to cover.** Divide the contract amount by the number of months it is intended to cover. Enter this amount as actual income. It is not converted. Continue to count this income if the contract is in effect.

**EXAMPLE**

Teachers generally sign a 12-month contract with the school system by which they are employed. Divide the income specified in the current contract by 12 to determine the monthly gross income. Use 12 months to annualize income even if the teacher receives the income over only 10 months. If the income has been averaged over 12 months and the employment ends after he or she has been paid the full contract amount, continue to count the average monthly amount as income for the remainder of the 12-month period. This may also apply to other school employees.

- A. **If the contract income is paid on an hourly or piecework basis, verify the income received during the base period.** Use this income as a monthly amount. Do not convert the income.

**NOTE:** For school employees not on contract, the case manager should read the end of the school year as a change in hours of employment. If they return to the same job at the beginning of the next school year, treat this as another change in hours of employment (not as a new job).

**IX. ANNUALIZED SELF-EMPLOYMENT INCOME**

Annualized self-employment is defined as self-employment where the income is received less often than monthly and is intended to be the annual support for the family. Examples include farming and certain fishermen.

**A. To project this income:**

1. Obtain income verification for the previous 12 months or, if the business has been in operation less than 12 months, the number of months the business has been in operation.
2. Obtain verification of business expenses for the previous 12 months or, if the business has been in operation less than 12 months, the number of months the business has been in operation.
3. Enter the income and expenses for each month in NC FAST.
4. Continue counting this income until the next review unless there is a change. If there is a change, follow instructions in B. below.

**NOTE:** For Work First Cash Assistance reporting cases with annualized self-employment **do not recalculate the gross countable income at each Work First Family Assistance Report.** As Work First Family Assistance Reports (DSS-8127) are received,

review for completeness and timeliness and act on them at the next review.

## **B. Changes to Annualized Self-Employment**

Change in annualized self-employment is defined as beginning or terminating employment or a substantial increase or decrease in income.

### **1. Beginning Employment or Substantial Increase or Decrease**

- a. Verify the amount the family is expected to receive each pay period.
- b. If actual income and expenses are available for any month, budget the actual income and expenses for that month.
- c. If the family will not receive a full month's income, use actual (if available) plus projected income in that month.
- d. Use projected income and expenses for ongoing months of eligibility until the next review.

### **2. Terminated Employment**

- a. Verify the family member's terminated income.
- b. If the income has terminated and the last pay or benefit was received prior to the date of application, **do not count**.
- c. If actual income is available for any month, budget the actual income for that month.
- d. If a full month's income is not expected to be received, use actual (if available) plus projected income for the last month the terminated income is expected to be received.
- e. Budget as ongoing income if a full month's income is expected to be received.
- f. Do not count terminated income in any month after the last income is received.

**NOTE:** For self-employment that is not annualized, follow budgeting procedures in V., VI., and VII. above. Examples of non-annualized self-employment include baby-sitting, selling Avon, or doing carpentry.

## **X. JOB BONUS**

The Work First Job Bonus is a fixed payment that assists families as they transition from cash assistance to employment. Job Bonus is limited to once per lifetime for each cash assistance household and individual. It is a \$100.00 payment per month, for three consecutive months. It replaces the Work First Cash Assistance payment.

Each Work First household whose new earned income results in their monetary ineligibility to receive a cash assistance payment may be eligible to receive Job Bonus. The new earnings may be a result of full or part time employment if it is new earned income, or the employment is considered permanent. If there are increased earnings from existing employment and the household becomes monetarily ineligible; the household may be eligible for Job Bonus.

There is not an established definition for what is considered permanent employment. For example, there are some jobs with temporary agencies that are long term assignments and, therefore, may be considered permanent for purposes of the Job Bonus. It is important that the case manager carefully evaluates the type of employment with temporary agencies as well as other employment situations. Failure to accurately evaluate these criteria may negatively impact the household. Also, it is important to ensure fair and equitable standards are applied to all households who are evaluated for Job Bonus.

If the participant's new earnings change before the expiration of the three-month Job Bonus period, the participant may reapply for Work First cash assistance. Once a Job Bonus is applied, even if received for less than three months, the household has met their lifetime limit for Job Bonus.

**Note:** For Work First Benefit (WFB) cases, the Job Bonus payment is not issued until after compliance with the Mutual Responsibility Agreement/Outcome Plan, unless the case manager determines good cause for the non-compliance.

**A. Eligible Households**

1. Job Bonus is only offered to households that receive ongoing cash assistance; it is not available to applicant households.
2. Participants are not eligible to receive Job Bonus during a Job Quit penalty period or if the cash assistance case is closed.
3. Job Bonus is offered to the adult members that are included in the budget unit. The budget unit may include financially responsible individuals who are excluded from the assistance unit for failure to meet other eligibility requirements. Because their income is counted in determining eligibility, these individuals may qualify for the Job Bonus.
4. Job Bonus can be received once in the lifetime of a cash assistance case.
5. If the household composition changes, a different household member may be eligible to receive an additional Job Bonus.

**EXAMPLE 1**

Parent A, of a two-parent household, becomes employed and the increased earnings terminates the household from cash assistance. The household receives the Job Bonus. If Parent B becomes

employed, the household is ineligible for an additional Job Bonus because Parent A previously received Job Bonus.

### EXAMPLE 2

Parent B from Example #1 moves into the household of Parent C and their child. Parent C obtains employment, and the new earned income terminates the household from cash assistance. Parent C never received Job Bonus; the household is eligible to receive the Job Bonus.

### EXAMPLE 3

Parent B becomes employed while living in the household of Parent C from Example #2. The household is ineligible for Job Bonus. Although Parent **B** has never received Job Bonus, Parent **C** previously received Job Bonus.

## B. Evaluating for Job Bonus

When the household reports increased earnings or the case manager becomes aware of increased earnings, discuss with the household their potential eligibility for Job Bonus. The Work First Family Assistance Job Bonus form, DSS-8222/8222sp is used to notify the household of their potential eligibility for Job Bonus.

### 1. Increased Earnings Reported Timely

- a. Determine the impact of the increased earnings on the household's cash assistance payment. The case manager may accept the household's statement of the increased earnings pending third party verification.
- b. If the increased earnings do not terminate the household from cash assistance, follow the defined procedures for processing changes in income.
- c. Evaluate the household's eligibility for Job Bonus if the increased earnings will terminate the household from cash assistance.
- d. If the household is eligible for Job Bonus, send the DSS-8222/8222sp to notify them of their potential eligibility for Job Bonus.
- e. The DSS-8222/8222sp also serves as the Timely notice of termination for the household and includes Hearing Rights. The recipient must sign and return the form acknowledging they accept or decline the Job Bonus. Maintain a copy of the form for the case file.

- f. The form must be returned within 10 calendar days for the household to be eligible for Job Bonus. The case manager must include the return by date on the form.
  - g. If the change is reported during an office visit and the eligibility for Job Bonus can be determined, provide the DSS-8222/8222sp to the household at that time.
  - h. If the form is not returned by the tenth (10<sup>th</sup>) calendar day, follow Work First policy to terminate the cash assistance case. The DSS-8222 serves as the Timely notice, therefore the household may be terminated without further notice. Once the case terminates, a Notice of Termination, DSS-8110 Adequate notice must be sent to the recipient to inform them of the action taken on their case. See Work First Manual Section 264.
  - i. If the form is returned by the tenth (10<sup>th</sup>) calendar day and the household has chosen to accept the Job Bonus, refer to the FAST Help Job Aid: Job Bonus for Cash Assistance for processing instructions. Once the case terminates at the end of the Job Bonus period, a Notice of Termination (DSS-8110 Adequate) must be sent to the recipient to inform them of the action taken on their case. See Work First Manual Section 264.
  - j. If the DSS-8222/8222sp is returned by the tenth (10<sup>th</sup>) calendar day and the household declines the Job Bonus, follow Work First policy to terminate the cash assistance case. The DSS-8222 serves as the Timely notice, therefore the household may be terminated without further notice. Once the case terminates, a Notice of Termination (DSS-8110 Adequate) must be sent to the recipient to inform them of the action taken on their cash assistance case. See Work First Manual Section 264.
  - k. Families that decline the Job Bonus, may be eligible in the future for Job Bonus.
2. Increased Earnings Not Reported Timely
    - a. If the household fails to report the increased earnings timely, it is considered non-compliance with the Mutual Responsibility Agreement (MRA). The household is ineligible for Job Bonus and the case manager must follow policies related to MRA noncompliance.
    - b. Review the case to determine if there is a potential overpayment. If so, refer the case to the Program Integrity Unit.
  3. Evaluating for Job Bonus at the End of a Certification Period

A household may report increased earnings at their Cash Assistance Review or at a time nearing the end of their certification period. Job Bonus is applied to the cash assistance case once in a lifetime for a concurrent period of three (3) months.

- a. The Job Bonus months must occur within the same certification period. It cannot be applied over multiple certification periods. If determined eligible for Job Bonus, and there are less than three months remaining in the current certification period, the household will receive Job Bonus only for the remaining months in the current certification period.
- b. If eligible for Job Bonus, determine how many months are remaining in the household's current certification period. Provide the household with the DSS-8222/8222sp and explain to the household the abbreviated Job Bonus period.
- c. The household must be informed that any months used for Job Bonus will meet the definition of the lifetime limit. Document that this information was shared with the household.

## **XII. CHILD SUPPORT**

Child support is considered unearned income for the dependent child. If child support is received by the household for a child who is not a required household unit member, determine whether it is to the household's advantage to exclude that child from the Work First assistance unit. (Remember, the income of non-assistance unit members is not countable income).

If an applicant/recipient is receiving child support for an adult child (over age 18) or a child who no longer lives in the household, the child support is countable unearned income to the applicant/recipient.

**Note:** For ongoing cases, if the child is age 18 or older and is a student in high school who is expected to graduate no later than the month of their 19th birthday, budget the child support as unearned income to the child.

## **XIII. CONTRIBUTIONS**

If the household's statement and the third-party contributor's statement disagree on the amount of the contribution, try to resolve the discrepancy using the DSS-8176, Contribution Form. If the case manager cannot resolve the difference, use the lower amount.

## **XIV. SCHOLARSHIPS AND OTHER EDUCATIONAL ASSISTANCE**

Once the case manager determines that the scholarship or other educational assistance is countable, they must determine how much to count. This includes work-study programs not funded by Title IV of the Higher Education Act or Bureau of Indian Affairs student assistance programs.

A. Subtract from the scholarship or other educational assistance the portion that is used for the following items.

- ◆ Tuition and fees
- ◆ Books and supplies

- ◆ Equipment
- ◆ Special clothing needs
- ◆ Required school insurance
- ◆ Childcare needed for school attendance

**B.** Divide the remaining portion by the number of months the scholarship or educational assistance is intended to cover. Count this amount as unearned income for each month the scholarship or educational assistance is intended to cover.

## **XV. WORK RELEASE FUNDS**

A household may be potentially eligible for Work Release funds if a child in the household is deprived of parental support and care due to the absence of a parent who is in prison. A household member may receive these funds from an inmate who is employed under the Department of Public Safety's Work Release Program.

Budget Work Release funds received by the household as child support income.

If the Department of Public Safety sends a Work Release Action Form, DC-190, to the agency, the county director must designate who is responsible for contacting the inmate's dependents, whether known to the agency or not, to determine their needs.

### **A. Contact Dependents**

1. For this purpose, a dependent is defined as a spouse, child, parents of the inmate, or other relatives for whom the inmate has assumed responsibility in the past. The case **manager** must also consider any other legal dependents whom the inmate has not acknowledged.
2. Do not consider as dependents a remarried spouse or the parent of the dependent children if the parents were never married.

### **B. Determine Dependent Needs**

1. To accomplish this, add the monthly needs for the number of dependents in the household using the table in E. below plus the dependents' monthly payments on health and life insurance, medical expenses not covered by Medicaid, school lunches, and expenses for college and vocational training courses not met by loans, grants, or scholarships.
2. Disregard all the dependents' income.

### **C. Report to the Department of Public Safety**

1. Within two weeks of receiving the DC-190, report the dependent information to the Department of Public Safety using the Report on Aid Needed by Inmate's Dependents (DSS-1664). Attach a copy of any court order concerning the inmate's dependents.
2. If there is no court order for support or if the court order indicates support will be paid through the county, return only the DSS-1664 listing all dependents.

3. If there is a valid court order that indicates a specific amount to be paid for some of the dependents, complete and return two copies of the DSS-1664. (Complete item 4 on the [DSS-1664](#) and attach a copy of the court order.) The Department of Public Safety will pay the specified amount directly to the Clerk of Court. Any remaining monies will be sent to the county for other dependents.

**D. Notification to Child Support Enforcement Office**

Notify the Child Support Enforcement Office that the household unit is receiving Work Release funds. Any court order for support **must** be amended due to Work Release funds. If there is no order for support, the Child Support Enforcement Office may find it appropriate to pursue court action.

**E. Needs Chart for Dependents**

Use this chart to determine the monthly needs based on the number of dependents.

NEEDS OF DEPENDENTS							
Number of Dependents	1	2	3	4	5	6	7
Monthly Needs	\$362	\$472	\$544	\$594	\$648	\$698	\$746
Number of Dependents	8	9	10	11	12	13	14
Monthly Needs	\$772	\$812	\$860	\$896	\$946	\$992	\$1,042
For each additional dependent, add \$50.							

**XV. LUMP-SUM PAYMENTS**

A lump sum is a one-time payment that is not expected to reoccur.

- A. For applications: Lump sum payments received during the month of application are counted as income during that month. Count any remaining balance as a resource beginning the month after the month of receipt.
- B. For on-going cases: Count the remaining balance as a resource in the month after the month of receipt.
- C. Do not recoup assistance received the month the lump sum is received.
- D. Do not count the following types or portions of lump sum payments:
  - Lump sum settlement paid directly to the provider, such as a doctor or attorney
  - SSI
  - Payments received as compensation for a loss of resources or a lump sum earmarked for a specific purpose

**XVI. SPECIAL INSTRUCTIONS FOR BANK ACCOUNTS**

Money deposited into a bank account to which the Work First household has access is income in the month it is deposited. Examples include direct deposit of earnings by an employer; direct deposit of Social Security benefits; child support payments deposited by absent parents; etc. Use the policies in in this section to determine how to count the income just as if it were paid directly to the household.

This includes money deposited into a joint account by a non-household unit member (such as an absent parent), unless there is an explicit agreement specifying how the deposit is to be divided among the individuals who have access to the account. Unless there is documentation of such an agreement, count the full amount deposited as income in the month it is deposited.

**EXAMPLE**

A Work First recipient is separated from her husband, who is not included in the Work First budget unit. She has full access to a joint bank account with her husband. Her husband's pay checks are deposited into the account bi-weekly. The deposits are countable income to the Work First household. Treat the income as a contribution. This is not earned income because the husband is not in the budget unit.