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Employees' Manual
Title 7
Chapter F

FOOD ASSISTANCE

BUDGETING

Iowa Department of Human Services

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Overview

This chapter tells the income maintenance worker how to determine a household's countable income in order to compute Food Assistance eligibility and benefits. Policies include:

- How to make an income determination by anticipating (estimating) ongoing income and expenses at application, when a household has changes in circumstances, and at recertification,
- How to calculate benefits for the certification period.

Anticipating Income

Legal reference: 7 CFR 273.10(a)(2) and 273.10(c)(1)

Policy:
Anticipating (estimating) income is the process of making a reasonably certain estimate of the amount of income a household will receive in the future.

You must estimate a household's non-excluded income for each month of its Food Assistance certification period:

- At application,
- When changes occur, and
- At each recertification.

When computing Food Assistance benefits, count income only if you can make a reasonably certain estimate of the amount and the timing of its receipt. Do not count any income if you cannot estimate the amount or are uncertain when it will be received.

Comment:
See 7-E, *INCOME*, for each type of income a household receives in order to determine if it is countable or if the income type requires special treatment. For treatment of special income situations, see:

- 7-I, Migrants and Seasonal Farm Workers, when a household has a member who is a migrant or seasonal farm worker.
- 7-I, Annualized Income and Expenses, for self-employment income.
- 7-E, Contract Income, for treatment of contract income.
- 7-E, Interest Income, for treatment of interest income.
- 7-E, Annuity, for treatment of annuity income.

The procedures for anticipating income are described in the following sections:

- Income in the month received
- Past 30 days' income

Income in the Month Received

Legal reference: 7 CFR 273.10(c)(2) and 273.11(a); 441 IAC 65.23(1)

Policy:
Count income only for the month in which you can reasonably anticipate that it will be received.

Procedure:
When you compute Food Assistance benefits, count income in the months in which you anticipate that it will be received during the certification period.

When there are one-time variations in the normal receipt date, count the payment for the month for which it is intended. Examples:

- Mailing cycles for monthly payments like Family Investment Program (FIP) benefits, Supplemental Security Income (SSI) benefits, and Retirement, Survivors and Disability Insurance (RSDI) payments can occasionally cause households to receive two checks in a month.
- An employer may issue checks early when the normal payday falls on a weekend or holiday.

> The B household has a member who is in the military. The family chose to receive the military pay on the first of each month. The worker knows the household will receive two checks in December because a holiday falls on the first day of January. The check that will be issued at the end of December is considered as received the first of January.

If the employee asks the employer to hold back wages, you must count the wages as income in the month in which the wages would normally be received. If an employer holds wages without the consent of the employee, do not count the wages as income unless:

- The household anticipates that it will ask for and receive a wage advance; or
- The household anticipates that it will receive wages previously held by the employer and the wages have not previously been counted as income.

Count wage advances only when you can reasonably expect them to be received.

Comment:
Remember never to count income as a resource for the same month that you used it to compute Food Assistance benefits. For determining countable resources, see 7-D, What Resources to Count.

Income in the Application Month

Legal reference: 273.10(c)(1)(i), and (ii)

Policy:
Use the household's income for the entire calendar month in which the application was filed to determine the household's eligibility and benefits for the month of application.

Procedure:
To determine income for the month of application, use:

- The actual income the household has received up to the date of interview, and
- Any other income for which you receive verification before you process the case, and
- The income you and the household estimate will be received in the remaining pay periods in the application month.

If the application month income includes weekly or biweekly income and there is a third or fifth check in the month, see Conversion of Weekly and Biweekly Income.

Anticipated Changes at Application

Legal reference: 7 CFR 273.10(a)(3), 273.10(c)

Policy:
Because of anticipated changes, a household may be eligible for the month of application, but ineligible in the subsequent month. The household is entitled to benefits for the month of application even if the benefits are issued in the subsequent month.

Due to anticipated changes in circumstances, a household may be ineligible for the month of application but eligible in the subsequent month. The same application must be used for the denial for the month of application and the determination of eligibility for subsequent months.

Comment:
Any change anticipated at the time of interview or reported after the interview must be acted on according to the policies in 7-G, *CASE MAINTENANCE*.

> A household applies in October. The household has received October benefits in another state so is ineligible in Iowa for the month of application. The household meets all eligibility requirements and is eligible in Iowa for November benefits.
>
> The worker denies October benefits for already having received benefits for the month of application and determines the household's eligibility for November and subsequent months of the household's certification period.

Past 30 Days' Income

Legal reference: 441 IAC 65.23(2), 7 CFR 273.10(c)(1)(ii) and 273.10(c)(3)(i)

Policy:
Use income the household received in the past 30 days to project income for future months unless changes have occurred or are anticipated.

Procedure:
For initial applications, use income received in the 30 days before the interview to estimate income for the household's certification period.

For recertifications, use the 30-day period of income the household provides with the *Review/Recertification Eligibility Document* (RRED) form. This does not apply if the household reports a change in income on the RRED.

1. Obtain verification of the household's past 30 day's income. See 7-E, INCOME VERIFICATION REQUIREMENTS, for what is acceptable as verification. Estimate future income from tips using verification provided as stated in 7-E, Tips.

2. If the household says that its income is not expected to stay the same, estimate income using the household's statement and any information available from the employer.

3. If the past 30-days' income includes a third or fifth check, see Conversion of Weekly and Biweekly Income to estimate a monthly amount.

4. You may receive verification that is more recent than the 30 days before the interview or that is provided with the RRED. If this happens, use a new 30-day period that includes the more recent verification if it is indicative of future income.

5. When income fluctuates seasonally, use the most recent season's income as an indicator of income for the same months of the new certification period. If the household's seasonal income has changed or a change is anticipated, determine income using the best information available. For example, people who are employed by lawn care or snow removal businesses are seasonally employed.

Comment:

1. At his May application interview, Mr. B says that he expects to receive $600 in the month of August for working at the State Fair. Because Mr. B is certain he will be working again and certain he will earn at least $600, that amount is used to determine August eligibility and benefits.

2. Ms. M works in a restaurant and receives tips. The manager records tips and reports them on the restaurant's pay stubs. Ms. M provides the pay stubs as verification of the tips she has received in the past 30 days. The worker uses the amount shown on the pay stub to estimate what tips Ms. M will receive in the future.

3. Mr. R is a bartender and receives tips. The bar owner records tips and reports them on the pay stubs. Mr. R provides the pay stubs he received in the past 30 days. He tells the worker that he does not get as many tips as shown on the pay stub and gives a reasonable explanation as to why.

   Mr. R has kept a record of his tips. The worker uses his record to estimate what tips he will receive in the future. Because the worker is not using the pay stubs, the worker documents the amount of tips estimated and why that amount was used.

4. Mr. H files his application on April 28. His interview is held on May 1. Mr. H does not bring his last 30 days' pay stubs, those received April 3, 10, 17, and 24. Mr. H has until May 11 to provide this verification. On May 11, Mr. H drops off pay stubs for April 3, 10, 17, and 24. Even though he was not asked, he provides pay stubs for May 1 and May 8.

   Actual earnings for April 2, April 10, April 17, and April 24 are used to determine April eligibility and benefits.

   Since Mr. H provided May pay stubs, those must be used to determine May eligibility benefits. First, the three payments that Mr. H has yet to receive in May must be estimated.

   To do this, average the most recent last 30 days of income to produce a weekly amount: April 10 for $160 + April 17 for $160 + April 24 for $150 + May 1 for $150 + May 8 for $200 = $820 ÷ 5 = $164 averaged weekly pay.

May 1	$150	Actual
May 8	+200	Actual
May 15	+164	Anticipated
May 22	+164	Anticipated
May 29	+164	Anticipated
	$842	(Total May actual income plus estimated income)

   Mr. H will get five payments in May. Therefore, it is necessary to convert. $842 ÷ 5 paydays = $168.40 x 4 paydays = $673.60, which will be used for May eligibility and benefits.

   For the remaining months of the certification period, the last 30 days' averaged income is used:
   April 10 for $160 + April 17 for $160 + April 24 for $150 + May 1 for $150 + May 8 for $200 = $820 ÷ 5 = $164 averaged weekly pay.

   $656 ($164 X 4 = $656) is used to calculate benefits for June and ongoing months.

Averaging Fluctuating Income

Legal reference: 441—65.23(2), 7 CFR 273.10(c)(1)(ii) and 273.10(c)(3)(i)

Policy:
Average fluctuating income to determine future income when it is reasonably certain the income will be received. When income fluctuates to the extent that the past 30 days does not provide a reasonable basis to anticipate future income, use the period of time that is most appropriate, such as:

- A shorter period of income (see New Income Source or Change in Hours or Rate of Pay.)
- A longer period of income, or
- A different 30-day period.

Procedure:
Use whatever period of time that you believe is necessary to project future income accurately.

1. Accept the client's statement as to how long a period is a good indicator of future income; or, if the client is not sure what period to use, get an income estimate from the source of the income.

2. Determine the number of times the client expects to receive income in that period. (See Income in the Month Received.)

3. If the income is received weekly or biweekly, add the checks together and divide by the number of checks added to come to a weekly or biweekly amount. Then see Step 3 of Conversion of Weekly and Biweekly Income to get a monthly amount.

4. Clearly document what income you use in the Food Assistance benefit computation. Show your calculations in the case record and explain the reason you used a different period than the last 30 days to estimate income.

Comment:
Use this method to estimate future income when the income varies from month to month due to:

- ♦ Fluctuating hours of work;
- ♦ Variances in the amount of work if paid by the job; or
- ♦ Irregular income from the same source.

People who work for temporary employment or spot-labor agencies often have income that varies from month to month. Use this policy to estimate this kind of income.

Conversion of Weekly and Biweekly Income

Legal reference: 441 IAC 65.23(1)

Policy:
Convert weekly or biweekly income to monthly amounts using the same method as the Family Investment Program.

Procedure:

1. Total the payments you are using to make your estimate.

2. Divide the total by the number of payments you used in Step 1.

3. Multiply the result in Step 2:

   - ♦ By four if the income is weekly, or
   - ♦ By two if the income is biweekly.

4. The result of Step 3 is the monthly amount to use when you compute the household's Food Assistance eligibility and benefits.

Ms. G is paid biweekly. During the 30 days before her interview, she has received three paychecks. Her future income is estimated using the conversion policy as follows:

$ 653.45	August 3 pay
+ 628.89	August 17 pay
+ 637.44	August 31 pay
$1,919.78	Total income for the 30-day period
÷ 3	
$ 639.92	Average biweekly pay
X 2	
$1,279.84	Projected monthly income

Ms. G's income is converted to a monthly amount. $1,279.84 will be used as projected income for each month of Ms. G's certification period.

New Income Source or Change in Hours or Rate of Pay

Legal reference: 7 CFR 273.10(c)(1)(i) and 273.2(f)

Policy:
Get the best estimate of future income directly from the income source when:

- The past 30 days are not representative of future income, or
- The income is from a new source, or
- The rate of pay or hours worked have changed.

Do not count income from a new source until the amount and the date of the first payment is reasonable established.

Comment:
"Best estimate" means the income source's estimate of future income. "Best available information" means the best information you have after you have exhausted all attempts to get verification from the source.

Procedure:
You must obtain verification from the source when the past 30 days is not representative or the income is new. If the income is earned, ask the employer:

- How many hours per week will the employee work?
- What is the hourly rate of pay?
- Can overtime or extra pay be anticipated?
- What is the pay schedule?

When you are using the generic release and you cannot get verification, see 7-G, Third Party Fails to Provide Verification. After exhausting all attempts to verify, determine an amount based on the best available information. You must clearly document this in the case record.

Determining Assistance

Legal reference: 7 CFR 273.9(a), 273.10(e)(2) and (e)(3)

Policy:
Determine Food Assistance eligibility prospectively each month for all households.

- Categorically eligible households do not need to meet either gross or net income guidelines.
- Households with at least one elderly or disabled person must meet only the net income guidelines. This includes households with a member who is 59 on the date of application but who will become 60 before the end of the month of application.
- All other households must meet both the gross and net guidelines.

For migrant or seasonal farm worker households, first calculate gross and net income according to policies in 7-I, Migrant and Seasonal Farm Workers. Then compare the household's gross income (if it does not contain an elderly or disabled member) and its net income to the corresponding monthly income standards.

Household Composition and Resources

Legal reference: 7 CFR 273.1(a) and 273.10(b)

Policy:
Base household composition as it was on the date of the interview. Count resources that are available to the household at the time of the interview.

Use the information provided on the application with the following exceptions:

- If a member leaves or joins the household after the application is filed, use the household composition as of the date of interview when determining eligibility and benefits.
- The resources available as of the date of interview are countable, even if different than what was reported on the application form.

If recertifying without an interview, use household composition and resources reported on the *Review/Recertification Eligibility Document* (RRED) when determining eligibility and benefits for the new certification period.

Procedure:
Apply this policy both to initial applications and to recertifications.

Gross Income Limit

Legal reference: 7 CFR 273.10(e)(1)(i)(a) and 273.10(e)(2)

Policy:
Determine the household's gross monthly income. Gross income includes all income before any deductions.

Procedure:

1. Add the total countable gross monthly earnings of all household members and people whose income is considered. See 7-I, Ineligible Household Members. Include all income before any deductions.

   Exception: If the household is paying legally obligated child support for which a deduction will be given (see 7-E, Child Support Payment), this amount is subtracted from the total gross monthly income when comparing to the maximum gross monthly income.

   > Household A has one member, who has gross monthly income of $1,400 and pays legally obligated child support of $400 per month.
   >
   > When comparing the household's income to the gross income limit, only $1,000 is counted as gross income. This household is under the maximum gross monthly income limit.

2. Count cents in all calculations. Drop the third digit after the decimal point.

3. For households that do not have an elderly or disabled member or are not categorically eligible, compare the household's total gross monthly income with the maximum allowable for the applicable household size. Do not include ineligible members when determining household size.

Household Size	Maximum Gross Monthly Income
1	$1,245
2	$1,681
3	$2,116
4	$2,552
5	$2,987
6	$3,423
7	$3,858
8	$4,294

For each additional person, add $436

4. Go on to compare income to the net income limit if:

   - The household's income is equal to or less than the gross income limit, or
   - The household has an elderly or disabled member.

   If neither of these conditions is met, the household is ineligible.

Deductions

Legal reference: 441 IAC 65.23(1)

Policy:
For policies on handling deductions, see 7-E, DEDUCTIONS.

Procedure:

1. Estimate the household's monthly expenses for each month of the certification period.

2. If the household has expenses that are billed on a weekly or biweekly basis, convert them to a monthly amount. To convert the expenses, follow the same method as you do to convert weekly or biweekly income. See Conversion of Weekly and Biweekly Income.

Net Income Limit

Legal reference: 7 CFR 273.10(e)(1)(ii) and (2) and 273.9(a)

Policy:
Determine a household's net monthly income. Count cents in all calculations. Drop the third digit to the right of the decimal point.

Procedure:

1. Gross earned income. Start with the household's gross earned income. NOTE: This includes all gross income. Any child support payments that were subtracted to determine if the household met the gross income limit should be added back in.

For a household that has gross monthly income of $1,400 and pays legally obligated child support of $400 per month, the entire $1,400 is the amount used at the start of this calculation.

2. Earned income deduction. Multiply the total gross earned income by 20% and subtract that amount from Step 1. (Or multiply the total gross earned income by 80%.)

3. Unearned income. Add to the result of Step 2 the total nonexcluded unearned income from all household members and people whose income is considered.

4. Standard deduction. Subtract the standard deduction (listed under 7-E, Standard Deduction) from the total in Step 3.

5. Medical expenses. Total the allowable medical expenses (see 7-E, Medical Expenses of Elderly or Disabled Household Members) and subtract this from the result in Step 4.

6. Child support payment deduction. Total the allowable child support payments and subtract from the result in Step 5. See 7-E, Child Support Payment.

7. Dependent care costs. Total the allowable dependent care costs, and subtract the amount from the result in Step 6. See 7-E, Child and Dependent Care.

8. Excess shelter expenses. Total the allowable shelter costs, then subtract 50% of the monthly income after allowing all previous deductions. The remaining amount, if any, is the excess shelter cost.

Subtract the excess shelter costs from the result in Step 7. (If the household is subject to the maximum shelter deduction, subtract the excess shelter cost up to the allowed maximum. If the household is not subject to the maximum shelter deduction, subtract the total excess shelter cost.) See 7-E, Shelter Expenses.

9. Net monthly income. This final amount is the household's net monthly income. For households that are not categorically eligible, compare this amount to the maximum allowable for the applicable household size. Do not include ineligible members when determining household size.

Household Size	Maximum Net Monthly Income
1	$ 958
2	$1,293
3	$1,628
4	$1,963
5	$2,298
6	$2,633
7	$2,968
8	$3,303

For each additional member, add $335

10. Go on to determine the household's benefit level as directed under Calculating Benefit Level if:

- The household's income is equal to or less than the net income limits, or
- The household is categorically eligible

If neither of these conditions is met, the household is ineligible.

Changing Income Guidelines

Legal reference: 7 CFR 273.10(e)(2)(v)

Policy:
When a household member becomes 60 or begins receiving SSI or a disability payment or an elderly member moves out, this change may affect which income guidelines the household must meet.

Procedure:
Start using the new income guidelines at the next recertification or whenever action is taken on the case.

A four-member household is certified, and eligibility is determined by using both the gross and net income guidelines. The household reports that a member now receives SSI. In the desk review that must be done to include the SSI income, the household must meet only the net monthly income standard.

Calculating Benefit Level

Legal reference: 7 CFR 273.10(e)(2) and (4)

Policy:
Determine the amount of the household's monthly benefits based on the household's net monthly income.

Procedure:

1. Multiply the household's net monthly income by 30 percent.

2. Round the answer up to the next whole dollar (1 through 99 cents round up).

3. Determine the maximum Food Assistance allotment for the applicable household size by using the following chart:

Household Size	Maximum Net Monthly Allotment
1	$ 189
2	$ 347
3	$ 497
4	$ 632
5	$ 750
6	$ 900
7	$ 995
8	$1,137

For each additional member, add $142

4. Next, subtract the 30 percent figure (from Step 1) from the maximum net monthly allotment (from Step 2). The amount after this calculation is the net monthly allotment.

NOTE: For other than the initial month, when households with three or more members have an allotment based on their net monthly income amount that equals zero, deny the household for that month. The reason for denying households that have a zero allotment is that the household's net income exceeds the minimum level for which benefits are issued.

See Exceptions to Benefit Level for minimum benefits in certain circumstances and Prorating Initial Month's Benefits for payment for a partial month.

Exceptions to Benefit Level

Legal reference: 7 CFR 273.10(e)(2) and (4)

Policy:
If the household's allotment is not being prorated as an initial month's benefits and is \$1, \$3, or \$5, certify the household for \$2, \$4, or \$6, respectively. For an initial month's prorated benefits, see the next section.

The minimum net monthly allotment for all eligible one-member and two-member households is \$15. In an initial month, prorate this minimum net monthly allotment from the date of application.

Prorating Initial Month's Benefits

Legal reference: 7 CFR 273.10(a)(1) and 273.2(h)(2), 441 IAC 65.35(1)

Policy:
An "initial month" is the first month a household is certified following any break in certification. EXCEPTION: For migrant or seasonal farm worker households, "initial month" means the first month the household is certified following a break in participation of at least one month.

In the initial month of certification, prorate the amount of net monthly allotment (Step 4 of Calculating Benefit Level), from the date of application through the end of the month.

Determine the amount of the prorated allotment by using the following formula:

Net Monthly Allotment (from Step 4) × (31 - date of application) ÷ 30 = Initial Prorated Allotment

Procedure:
When using the prorating formula, do the following steps:

1. Subtract the date of application from 31
2. Multiply the result of Step 1 times the full month's allotment
3. Divide the result of Step 2 by 30
4. Round the result of Step 3 down to the whole dollar (drop the cents).

> A monthly allotment of $64 is prorated as follows if the date of application was the second of the month:
>
> [64 X (31-2)] ÷ 30 =
> (64 X 29) ÷ 30 =
> 1856 ÷ 30 =
> 61.86 = $61 = Prorated allotment

If application is made on the thirty-first of the month, enter it into the formula as the thirtieth day.

If the proration results in benefits of less than $10, the household will not receive an issuance for the initial month. In these situations, the initial month is still the first month of the household's certification period as long as the household is entitled to benefits in the following months.

When the application is not processed until the second 30 days because of a delay caused by the household, prorate benefits for the initial month of certification from the date the household takes the necessary action to allow the application to be processed. See 7-B, Delays in Processing.