

FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS

– HOUSEHOLD CERTIFICATION TRAINING –



MODULE 5
Eligibility Determinations and
Assigning Certification Periods

Introduction:

- » The Food Distribution Program on Indian Reservations (FDPIR) is a federal program that provides USDA Foods to low-income households living on Indian reservations, in designated areas near reservations, and in the State of Oklahoma.
- » FDPIR Household Certification Training will help Indian Tribal Organization (ITO) and State agency certification workers and their supervisors successfully administer the program.
- » The training is comprised of nine modules, designed to be taken in any order. At the end of each module is a short quiz you may take to test your knowledge of the key learning points covered in the module. When you finish all nine modules, you may test your knowledge of the entire training by taking the post-test.
- » The knowledge gained in this training will help you provide the best support possible for current and potential FDPIR participants.

Acronyms Used in Module

The following acronyms appear in this module:

FDPIR – Food Distribution Program on Indian Reservations

FNS – Food and Nutrition Service

GA – General Assistance

ITO – Indian Tribal Organization

PA – Public Assistance

SNAP – Supplemental Nutrition Assistance Program

SSI – Supplemental Security Income

TANF – Temporary Assistance for Needy Families

USC – United States Code

USDA – United States Department of Agriculture

Learning Module 5:

Eligibility Determinations and Assigning Certification Periods

- » Refer to Chapters IV and V FNS Handbook 501 for more information about topics covered in this module.
- » On each slide in this module, you can find the specific section in the handbook where the topic is covered in greater detail.

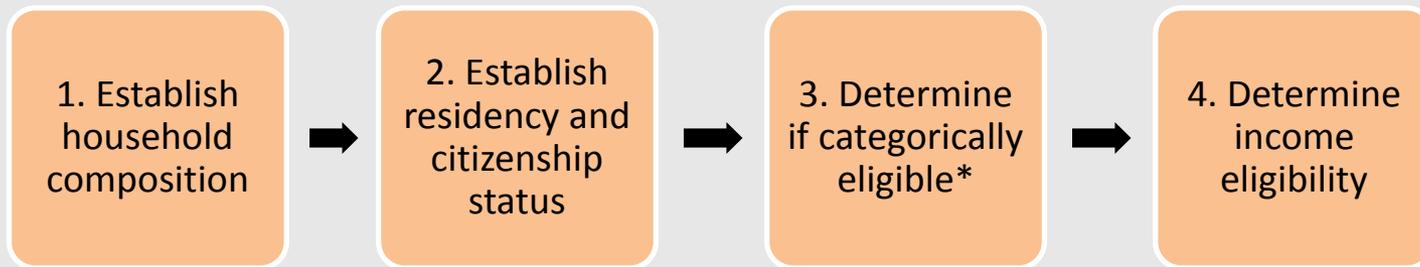
Learning Objectives:

After completing this module, learners will:

- » Be able to establish household composition.
- » Establish residency and citizenship.
- » Determine eligibility for expedited service and categorically eligible households.
- » Understand the steps for determining income eligibility.
- » Know how to assign certification periods.
- » Know how, and when, to provide applicants with a notice of eligibility or notice of denial.

General Steps for Determining Eligibility

Source: FNS Handbook 501, Section 4100



*If the household meets the financial eligibility requirements without testing income (PA, GA, and SSI households).

Establishing Household Composition

Source: FNS Handbook 501, Section 4220

- » Once a household submits a FDPIR application form, a certification worker must conduct an interview with a household member or authorized representative.
- » At the interview, the certifier must determine if all household members are listed on the application and if any individuals listed on the application are ineligible/non-household members, such as:
 - Foster children if the foster care payment is not counted as household income;
 - Boarders/roomers;
 - Disqualified individuals; or
 - Non U.S. citizens/unqualified aliens, if the ITO/State agency opts to not serve them.
- » The certifier must verify household composition, if questionable.

(continued on next slide)

Establishing Household Composition

Source: FNS Handbook 501, Section 4220

- » If the household states that another person or persons live with the household but purchase food and prepare meals separately, the certifier must accept the household's statement.
- » However, spouses and children under the age of 18 who are under the parental control of a member of the applicant household cannot be granted separate household status. Even if these individuals claim they are purchasing food and preparing meals separately, they must be considered members of the applicant household.
- » At the interview, the household must designate a head of household and authorized representative (if appropriate).
- » Please see Module 2 for a more detailed discussion of Household Composition.

Establishing Residency

Source: FNS Handbook 501, Sections 3512; 4210

- » Only households that reside on a participating reservation, or in an approved service area outside a participating reservation or in Oklahoma may participate in FDPIR.
- » The certifier must verify residency, if questionable.
- » The following may be used to verify residency:
 - Documents with the household's address, or
 - A collateral contact or home visit, if documentary evidence is not available.

Establishing Citizenship

Source: FNS Handbook 501, Section 4211

- » ITOs and State agencies may choose to only serve U.S. citizens and qualified aliens.
- » For ITOs/State agencies that choose to serve only U.S. citizens and qualified aliens, citizenship must be verified, if questionable.
- » The following may be used to verify citizenship/qualified alien status:
 - Birth certificate;
 - Passport;
 - Hospital record of birth;
 - Baptism record when place and date of birth is shown;
 - Family Bible;
 - Military service papers;
 - Indian census records;
 - Voter registration card;
 - Naturalization papers from the Immigration and Naturalization Service.
- » A collateral contact may be used, if documentary evidence is not available

Determining Eligibility for Expedited Service Households

Source: FNS Handbook 501, Sections 3341; 3509

- » As covered in Module 3, a household may qualify for expedited service if the household reports no income in the current month or the certifier believes that household would likely be eligible for FDPIR and the household would otherwise suffer hardship if it had to wait longer to receive USDA Foods.
- » If a household qualifies for expedited service the certifier must verify the household's identity and address.
- » Other required verifications, such as income, may be postponed if they cannot be completed within the expedited service processing time frame of one calendar day, excluding weekends and holidays.
- » Same day service must be provided if it would be a hardship for the household to return the next day to pick up its USDA Foods.
- » Expedited service households are eligible to receive USDA Foods for one month. All regularly required verifications must be completed prior to any additional issuances of USDA Foods.

Determining Eligibility for Categorically Eligible Households

Source: FNS Handbook 501, Section 3200

- » After household composition and residency have been established, the next step is to determine if a household is categorically eligible for FDPIR.
- » Categorically eligible households are presumed eligible in regards to income based on the eligibility of all household members for a qualified mean-tested program. The certifier would not determine income eligibility for categorically eligible households.
- » All other eligibility criteria must be met.
- » To qualify for categorically eligibility under FDPIR, all household members must be participating in Public Assistance (PA), Supplemental Security Income (SSI), or General Assistance (GA), if the GA program is approved by the Regional Office.
- » Categorical eligibility is covered in more detail in Module 4, Financial and Non-Financial Eligibility Criteria.

Case Study 1 Scenario:

Brenda, her two children, and Brenda's mother apply for FDPIR as a four-person household.

Brenda and her two children receive TANF. Brenda's mother receives SSI.

Does this household qualify for categorical eligibility under FDPIR?

Case Study 1 Solution:

Yes. This household would be categorically eligible for FDPIR because all four household members receive either TANF or SSI, which are qualifying programs for categorical eligibility under FDPIR..

Determine Income Eligibility

Source: FNS Handbook 501, Sections 3504; 3509; 3530-3539; 4500-4554; 4600-4640; 4700-4740

- » If a household is categorically eligible to receive FDPIR, the certifier is not required to determine income eligibility.
- » Additionally, if the household qualifies for expedited service, the certifier may postpone determining income eligibility.
- » For all other households, the certifier must consider all income that is reasonably anticipated to be received on a monthly basis over the projected certification period.

Resources

Source: FNS Handbook 501, Section 4400

- » Household resources are excluded when determining household eligibility. Examples of resources include, but are not limited to:
 - » Cash on-hand
 - » Money in checking or savings accounts
 - » Stocks, bonds, saving certificates

Current and Past Income

Source: FNS Handbook 501, Sections 4600; 4611-4614

- » Household income includes all earned and unearned income from any source except for certain exclusions that will be covered later on in this module.
- » The certifier must consider the income received by the household in the past 30 days (or past year for self-employed households), as an indicator of the income that will be available to the household during the projected certification period.
- » The certifier must also consider anticipated changes in circumstances that would affect the household's income, such as the loss of employment or Public Assistance benefits.

Future Income

Source: FNS Handbook 501, Section 4615

- » In addition to current and past income, the certifier must also consider any income that can be reasonably expected to begin in the first month of the certification period, such as a new job or alimony from a pending divorce.
- » Income expected to begin after the first month of the certification period cannot be reasonably anticipated for the eligibility determination in progress, but would be addressed as a change in household circumstances when the income is received.

Case Study 2 Scenario:

Tom applies for FDPIR on April 10. He is unemployed, but was just hired for a seasonal job that will start in June. He expects to make minimum wage and work 20 hours per week in June through August.

Does the certifier count the anticipated wages from Tom's job in determining his eligibility?

Case Study 2 Solution:

No. Since Tom does not expect to start his job until June, the certifier does not count his anticipated wages. Tom is otherwise eligible, therefore the certifier certifies Tom for two months (April and May) based on his current circumstances. The certifier tells Tom that he will receive a notice to apply for recertification for June. His new income (and any other changes in circumstances) will be considered at that time.

Wages/Work Study/Training Allowances

Source: FNS Handbook 501, Sections 3531; 4620-4621

- » When determining income eligibility, the certifier must count all gross wages, work-study wages, and training allowances.
- » To verify gross wages, use earning statements from the most recent 4-week period to verify gross wages (see FNS Handbook 501, Section 3531).
- » Convert stable weekly or biweekly earned income to a monthly amount by using one of the following options (see FNS Handbook 501, Section 4621):
 - Multiplying weekly earned income by 4.3;
 - Multiplying biweekly earned income by 2.15;
 - Tribal/State conversion standard; or
 - Actual amount, if it can be anticipated for each month of the certification period.
- » For unstable earned income, such as hourly or piece-work wages, consult with the household to determine the “normal” amount of earned income expected for one week’s work and if this amount can be reasonably expected on a regular basis during the certification period. Then convert the “normal” weekly amount to a monthly amount by using the appropriate conversion process above.

Case Study 3 Scenario:

Mary receives \$165.00 gross earnings every week.

What is her gross monthly earned income?

Case Study 3 Solution:

Mary's gross monthly earned income is \$709.50 This is before the 20 percent earned income deduction is applied.

The certifier calculates Mary's gross monthly income by multiplying \$165.00 times 4.3, which is the conversion factor for gross weekly wages.

Case Study 4 Scenario:

Tim brings his four most recent paystubs to the certification interview. Tim receives an hourly wage and his weekly income fluctuates because some days he works less than 8 hours and some days he works more than 8 hours.

The certifier asks Tim what the “normal” amount of his gross weekly earnings will be in the next few months. Tim reports that his gross weekly earnings should be about \$262.00.

What is Tim’s gross monthly income?

Case Study 4 Solution:

It is \$1,126.60. The certifier multiplies \$262.00 times 4.3, which is the conversion factor for gross weekly wages, to get a monthly gross income of \$1,126.60, before the 20 percent earned income deduction is applied.

Wages/Work Study/Training Allowances (continued)

Source: FNS Handbook 501, Section 4622

- » For some households their monthly earned income fluctuates significantly from month to month.
- » Monthly income that fluctuates may be averaged, as long as it does not disadvantage the household.

Case Study 5 Scenario:

Bob started working a construction job in April and his income fluctuates from month to month because some days he does not work due to bad weather.

On August 5 he applies for FDPIR for himself, his wife, and his 2 children.

Bob reports his gross wages as follows: \$1,735.35 in April; \$1,873.49 in May; \$1,628.18 in June; and \$1,340.52 in July.

What is Bob's average gross monthly earnings for April through July?

Case Study 5 Solution:

\$1,644.39. The certifier averages Bob's gross monthly earnings from April to July and determines that his average monthly gross earnings are \$1,644.39, before the 20 percent earned income deduction is applied.

Self-employment Income

Source: FNS Handbook 501, Sections 3532; 4614; 4623; 4720-4727

» Monthly gross self-employment income is determined by subtracting business expenses from business profit to determine net profit, and then prorating the net profit over the number of months the income is intended to cover.

Methods for Determining Self-employment Income

Source: FNS Handbook 501, Section 4727

» There are two methods for determining gross monthly self–employment income.

Method 1: uses the previous year’s Internal Revenue Service business tax return

» Step 1: Review the household’s prior year Internal Revenue Service tax return and consult with the household to determine a projected net profit for the upcoming year base on the household’s expectations for the current tax year.

» Step 2: Prorate the projected net profit over the number of months it is intended to cover. For example, 12 months for annual income; 3 months for seasonal income from June-August.

NOTE: Caution must be exercised when reviewing tax returns since the previous tax year may not be an accurate predictor of the income the household will receive in the current tax year.

Methods for Determining Self-employment Income (continued)

Source: FNS Handbook 501, Section 4727

Method 2: used if a tax return is not available for the self-employment enterprise.

» Step 1: Obtain documentation of recent self-employment income and business expenses from the household.

» Step 2: Subtract allowable business expenses from the gross self-employment income to determine the net profit. Business expenses are unique to every business, but might include:

- Fishing equipment and boat repairs for fisherman;
- Tools, materials, and protective clothing/shoes for building contractors;
- Tools and materials for artisans, for example, wool for weavers.

» Step 3: Prorate the net profit over the number of months it is intended to cover. For example, 12 months for annual income or 3 months or seasonal income from June-August.

Unearned Income

Source: FNS Handbook 501, Sections 3534; 4530

- » When determining income eligibility, unearned income must be counted in the household's income.
- » Unearned income can include, but is not limited to:
 - Federal, State, and local assistance payments;
 - Pensions and Social Security benefits;
 - Foster care, child support and alimony payments;
 - Educational assistance;
 - Monthly per capita payments.
- » The monthly amounts of such payments as TANF, SSI, and Social Security can be verified through award letters.
- » The gross amount of unearned income is always counted, even if taxes and/or other amounts are withheld. However, recoupments, which are monies withheld from an assistance payment, earned income, or other income source, to repay a prior overpayment, are not counted as income (see section 4549 of FNS Handbook 501).

Educational Income

Source: FNS Handbook 501, Sections 3537; 4543; 4544; 4710-4711

- » In determining monthly educational income, only non-excluded educational income is considered. Note: Education assistance provided under Title VI of the Higher Education Act and funds received under a Bureau of Indian Affairs student assistance program authorized by 20 U.S.C.1087uu are excluded as income.
- » Income received by a student from other sources, such as Public Assistance or a job (other than work study), is not considered educational income.
- » The portion of the educational income that is used or earmarked for allowable educational expenses such as tuition, mandatory fees, books, supplies, transportation and miscellaneous personal expenses, other than normal living expenses, is subtracted from the educational income and not counted as income.
- » The remaining non-excluded educational funds are prorated over the number of months they are intended to cover. For example, 4 months for the fall semester covering September–December.

Case Study 6 Scenario:

Dave applied for FDPIR as a one-person household.

He received a \$5,000 scholarship from the Veteran's of Foreign Wars for the fall semester of his sophomore year of college. He is attending classes September through December.

His allowable educational expenses include tuition and mandatory fees, books, supplies, and transportation costs, and total \$3,748.54

What is Dave's monthly educational income for the months of September through December?

Case Study 6 Solution:

The certifier determines that Dave has monthly educational income of \$312.87 for the months of September through December (see calculation below).

Total education income	\$5,000.00
Tuition, mandatory fees, books, supplies , and transportation costs	<u>-\$3,748.54</u>
	\$1,251.46
	<u>÷ 4 months</u> (# of months in semester)
	= \$312.87

Zero Income

Source: FNS Handbook 501, Section 3533

- » Some households report zero income month after month but are not considered hardship cases and do not qualify for expedited service.
- » In these instances, the certifier must question the household as to how its members are able to sustain themselves on zero income, and the household's response must be documented in the case file.

Income Deductions

Source: FNS Handbook 501, Section 3539; 4550-4555; 4630-4633

» Once you have determined the household's monthly income, there are several income deductions you may need to apply before coming up with the final net monthly income amount. These deductions were discussed in more detail in Module 4: Financial and Non-Financial Eligibility Criteria.

» Allowable income deductions are:

- 20 percent earned income deduction;
- Dependent care income deduction;
- Child support income deduction;
- Medical expense income deduction; and
- Shelter and utility expense income deduction.

Income Deductions: 20 Percent Earned Income Deduction

Source: FNS Handbook 501, Section 4551

- » The 20 percent earned income deduction is applied to gross monthly earned income and gross monthly self-employment income.
- » This deduction is not applied to unearned income, even if taxes and/or other amounts are withheld from the unearned income.

Income Deductions: Dependent Care

Source: FNS Handbook 501, Section 4552

- » The dependent care income deduction is allowed when needed for work or training.
- » To receive the deduction, a non-household member must provide the dependent care.
- » The certifier must verify the amount of the dependent care, if questionable.
- » The cap on the dependent care deduction was eliminated via the 2008 Farm Bill – households may now deduct the full cost of their dependent care.

Income Deductions: Child Support

Source: *FNS Handbook 501, Sections 3539; 4553*

- » If a household member is legally required to make child support payments to a non-household member, the monthly amount paid may be deducted from the household's income.
- » The certifier must verify legal obligation, amount of obligation, and the monthly amount actually paid.
 - If the child support payments fluctuate from month to month, the certifier may average the payments to determine an average monthly amount.
 - Overdue payments, or arrearages, may be counted as part of the deduction, if they are paid on a regular basis.

NOTE: Alimony payments do not qualify for an income deduction under FDPIR.

Case Study 7 Scenario:

At his October 18 certification interview, Ray reports that he is required to pay \$800 a month to his ex-wife for child support for his two children. The certifier requests a copy of the court order for the child support and cancelled checks showing how much Ray has been paying. The court order verifies that the amount Ray is required to pay is \$800 per month.

However, the cancelled checks that Ray provides reflect that he paid:

April	\$800
May	\$650
June	\$775
July	\$900
August	\$700
September	\$850
October	\$625

What is the amount of the child support income deduction that Ray's household will receive?

Case Study 7 Solution:

\$757.14 per month. Since Ray's child support payments fluctuate from month to month, the certifier averages the payments and allows Ray a child support deduction of \$757.14 per month.

Income Deductions: Medical Expenses

Source: FNS Handbook 501, Sections 3539; 4554

- » If an elderly or disabled household member incurs allowable medical expenses in excess of \$35 per month, the monthly amount paid in excess of \$35 may be deducted from the household's income.
- » The deduction is not allowed if someone outside the household, such as the State Department of Social Services, pays the expenses on behalf of the elderly or disabled household member. Only out-of-pocket medical expenses may be counted towards this deduction.
- » The certifier must verify that the cost is **both** incurred by the elderly or disabled household member **and** an allowable medical expense. See FNS Handbook 501, Section 4554 for a list of allowable medical expenses.

Case Study 8 Scenario:

Sam's elderly mother recently moved in with him and his family. During his certification interview he brings in several medical receipts. His son has asthma and they spend \$150 monthly on his treatments. Sam's mother does not have any income, but spends \$250 per month on treatment for diabetes. The certifier has verified with receipts that both of these amounts represent out-of-pocket costs to Sam's household.

What is the amount of the medical expense income deduction that Sam's household can receive?

Case Study 8 Solution:

\$215. The medical expense deduction applies only to elderly and/or disabled household members. Since Sam's son is not elderly or disabled, his medical expenses must be excluded and may not be counted toward the medical expense deduction.

There is no cap on the amount for the medical expense deduction, regardless of income received by the elderly and/or disabled household member. However, households receive an income deduction for all allowable medical expenses in excess of \$35 per month incurred by an elderly and/or disabled household member.

Therefore, the certifier must subtract \$35 from Sam's mother's medical expenses in order to get the final amount of the medical expense deduction.

Income Deductions: Shelter and Utility Expenses

Source: FNS Handbook 501, Sections 3539; 4555

- » A standard deduction for shelter and utility expenses is allowed if the household incurs at least one allowable shelter or utility expense.
- » Households that incur at least one allowable shelter or utility expense will receive a region-specific standard income deduction. The deduction amounts are set and adjusted annually by FNS on a regional basis. FNS Handbook 501, Exhibit M has the current standard deduction amounts.
- » The certifier must verify that the household incurs, on a monthly basis, at least one allowable shelter or utility expense in order to qualify for the full standard income deduction. FNS Handbook 501, Section 4555 contains a list of allowable shelter and utility expenses.

Case Study 9 Scenario:

Alice lives in New Mexico, but her central administrative office is located in the state of Arizona. She brought in a receipt for the gas bill that she pays monthly for her house. The certifier verifies that it is an allowable shelter and utility expense.

Does Alice's household qualify to receive the standard shelter and utility expense deduction?

Case Study 9 Solution:

Yes. Households that incur at least one allowable shelter or utility expense will receive a region-specific standard income deduction.

Please note, Alice will have the option to receive the shelter/utility expense deduction based on the Southeast/Southwest regional grouping (household resides in the state of New Mexico) or the shelter/utility expense deduction amount based on the West regional grouping (central administrative office is located in the state of Arizona).

Steps for Determining Income Eligibility

Source: FNS Handbook 501, Sections 4640; 4727

- » There are eight steps for determining income eligibility.
- » Step 1: Calculate the household's net monthly earned income (gross wages, work study, training allowances).
 - a. Convert each source of gross earned income to a monthly amount using the appropriate conversion factor;
 - b. Total all monthly gross earned income;
 - c. Subtract 20 percent for the earned income deduction.
 - d. Do not round at this point.
- » Step 2: Calculate the household's monthly unearned income by totaling all monthly gross unearned income. Remember to use the gross amount even if taxes and/or other amounts are withheld from the unearned income. Do not round at this point.

Steps for Determining Income Eligibility (continued)

Source: FNS Handbook 501, Sections 4640; 4727

- » Step 3: Calculate the household's self-employment income, if applicable. Repeat steps 3a-d, below, for all sources of self-employment income, if the household is engaged in more than one type of self-employment enterprise.
- a. Determine gross business income for the year, or total months of operation if the business operated less than 12 months;
 - b. Subtract allowable business expenses from the gross business income;
 - c. Subtract 20 percent for the earned income deduction;
 - d. If amount represents income for more than one month, prorate over applicable number of months to determine a monthly amount (e.g., 12 months for annual income; 3 months for seasonal income from June-August).
 - e. Do not round at this point.

Steps for Determining Income Eligibility (continued)

Source: FNS Handbook 501, Sections 4640; 4727

- » Step 4: Calculate the household's educational income, if applicable.
 - a. Total all non-excluded educational income;
 - b. Subtract all allowable educational expenses;
 - c. Prorate remaining education income over the applicable number of months (for example, school year, semester) to determine a monthly amount.
 - d. Do not round at this point.

- » Step 5: Combine amounts resulting from Steps 1-4, above. Do not round at this point.

- » Step 6: Subtract the applicable income deductions from the total in Step 5, including:
 - a. Dependent Care (verify, if questionable);
 - b. Child Support (must be verified);
 - c. Medical Expenses (in excess of \$35, must be verified);
 - d. Shelter and Utility Expenses (standard regional amount, must be verified).

Steps for Determining Income Eligibility (continued)

Source: FNS Handbook 501, Sections 4640; 4727

- » Step 7: If the total amount resulting from Step 6 is not a whole dollar amount, use either of the following rounding procedures:
 - a. Round down to the nearest whole dollar if the amount ends in 1 through 49 cents, or round up to the next whole dollar if the amount ends in 50 through 99 cents; or
 - b. Apply the rounding procedure that is currently in effect for the Tribe's/State's TANF program.

The rounded amount from step 7 is the household's net monthly income amount.

- » Step 8: Compare the household's net monthly income from Step 7 to the appropriate net monthly income standard by household size in Exhibit M of the FNS Handbook 501.

»Please note that there are two sets of income standards—one for ITOs and State agencies in the 48 contiguous United States and one for ITOs in Alaska.

Assigning Certification Periods

Source: FNS Handbook 501, Sections 5110-5112

- » When a household has met all eligibility requirements, ITOs and State agencies must certify the household to receive USDA Foods for a specific number of months. This is the household's certification period.
- » Certification periods must conform to calendar months.
- » Generally, with initial applications the certification period will begin the month that the eligibility determination is completed.
 - » For example, if a household files an application on January 29, and the household is determined eligible on February 2, the household's certification period would begin in February.
 - » In some instances, the certification period will begin the month after the eligibility determination has been completed. For example, a household that terminates its eligibility in SNAP in July will not be able to participate in FDPIR until August, although the FDPIR eligibility determination may have been completed in July.
- » Within the established maximum time limits, certifiers must use their best judgment in assigning certification periods.

Certification Period Limits

Source: FNS Handbook 501, Sections 5110-5112

» Elderly/Disabled Households

- For households in which all members are elderly or disabled, certification periods may vary between one and 24 months depending on the period of time that the household's circumstances, such as income and composition, are expected to remain stable.
- If the assigned certification period is more than 12 months, the certifier must contact the household (not the authorized representative) at the end of the first 12 months. The certifier must note in the case file:
 - The date of contact;
 - Method of contact (for example, by telephone or in person);
 - Name of person contacted;
 - Whether the household wishes to continue to participate; and
 - Whether changes in household circumstances would warrant a redetermination of eligibility or a change in benefit level.

» Other Households

- For all other households the certification period cannot exceed 12 months.

General Guidelines for Assigning Certification Periods

Source: FNS Handbook 501, Section 5112

- » Within the established maximum limits, the length of the certification period assigned to a household is determined by the period of time that the household's circumstances (income and household composition) are expected to remain stable.
 - » Households with stable income and stable membership that are not expected to change might be given a longer certification period such as 12 months.
 - » Households with anticipated changes in membership or anticipated changes in sources of income might be given a shorter certification period such as 2-3 months.
 - » Households reporting zero income but with circumstances that are verified to be stable and not likely to change soon should be assigned certification periods consistent with their circumstances, but generally no less than three months.
 - » Households reporting zero income with unstable circumstances, for example households who could receive income soon, must be assigned one- or two-month certification periods.

General Guidelines for Assigning Certification Periods (continued)

Source: FNS Handbook 501, Section 5112

- » Self-employment households that have fluctuating income might be given shorter certification periods.
- » Self-employed households that receive their income over a short period of time, might be given certification periods that best match the households' income cycle, which is the period in which the household normally receives all or a majority of its income. For example, if a self-employed household primarily has seasonal income, the certification period would match that seasonal period.
- » Since regularly scheduled per capita payments or other tribal revenue sharing payments may affect eligibility for PA/SSI (or GA, if applicable), the ITO/State agency should consider the timing of those payments in determining the length of certification periods assigned to categorically eligible households.

Case Study 10 Scenario:

Carolyn applies for FDPIR and during her interview does not report any earned or unearned income.

The certifier questions how Carolyn is able to sustain herself and other household members. Carolyn states that her household receives quarterly per capita payments that sustain the household. The certifier verifies the receipt of these payments.

What is an acceptable certification period for Carolyn's household to receive?

Case Study 10 Solution:

A certification period of no less than 3 months would be acceptable for Carolyn's household. Since per capita payments received less frequently than monthly (for example, quarterly, semi-annually, annually) are excluded from consideration as income, Carolyn's household would be considered a zero-income household and is subject to shorter certification periods.

However, since the certifier can verify the household's circumstances to be stable, the household can be assigned a certification period consistent with their circumstances, but generally no less than 3 months.

Notice of Eligibility/Notice of Denial

Source: FNS Handbook 501, Sections 5130-5132; 5200-5211

- » Each FDPIR applicant must receive a written notice of eligibility or notice of denial as soon as the eligibility determination is made:
- For expedited service households, this notice must be provided no later than one calendar day, excluding weekends and holidays, after the initial date of application.
 - For all other households, the notice must be provided no later than seven calendar days, excluding weekends and holidays, after the initial date of the application.

Notice of Eligibility

Source: *FNS Handbook 501, Sections 5131; 5132*

- » The notice of eligibility must include the following information:
- The level of benefits the household will receive;
 - The beginning and ending dates of the certification period;
 - The household's right to request a fair hearing;
 - The telephone number of the FDPIR office and the name and address of the person to contact for additional information;
 - Contact information for an individual or organization that provides free legal representation, if available in the area;
 - A reminder of the household's responsibility to report changes in circumstances and of the need to reapply for continued participation at the end of the certification period.

Notice of Denial

Source: *FNS Handbook 501, Section 5210*

» The notice of denial must include the following information:

- The basis for the denial;
- The household's right to request a fair hearing;
- The telephone number of the FDPIR office and the name and address of the person to contact for additional information;
- Contact information for an individual or organization that provides free legal representation, if available in the area.

Conclusion:

Determining Eligibility

Household Composition

» At the certification interview, the certifier must determine if all household members are listed on the application and must determine if any individuals listed on the application are ineligible for FDPIR or non-household members.

Residency

» Only households that reside on a participating reservation, in an approved near area outside a participating reservation, or in an approved FNS service area in the state of Oklahoma may participate in FDPIR.

Citizenship

» ITOs and State agencies may opt to only serve U.S. citizens and qualified aliens. In those ITOs and State agencies, certifiers must verify the household's citizenship if it's questionable.

Conclusion (continued):

Expedited Service Households

- » Identity and address must be verified for all expedited service households. Other required verifications may be postponed if they cannot be completed within the expedited service processing time.
- » Expedited service households may be certified for one month. All required verifications must be completed prior to any additional issuances of USDA Foods.

Categorically Eligible Households

- » Income eligibility is presumed for categorically eligible households, but other eligibility criteria must be met.
- » To qualify, all household members must be participating in PA, SSI or GA, if the GA program is approved by the Regional Office

Conclusion (continued):

Certifiers are required to determine income eligibility for all households, except for households that qualify for categorical eligibility for FDPIR.

Income Eligibility

- » Certifiers must consider income received in the past 30 days (or past year for self-employment households), anticipated changes to that income, and any new income that can be reasonably expected to begin in the first month of the projected certification period.
- » Weekly and biweekly gross income must be converted to monthly income using one of the conversion factors or approved alternative methodologies.
- » If earned income fluctuates from month-to-month, the income may be averaged if it doesn't disadvantage the household.

Conclusion (continued):

Income Eligibility

- » Self-employment income is determined by subtracting business expenses from gross business profit to determine net profit, and then prorating the net profit over the number of months the income is intended to cover.
- » The gross amount of unearned income is always counted, even if taxes and/or other amounts are withheld.
- » When determining monthly education income, allowable educational expenses are subtracted from the non-excluded educational income, and the remaining amount is prorated over the number of months the income is intended to cover.

Conclusion (continued):

Income Deductions

» When calculating net income, households may be allowed to take the following income deductions.

- A 20 percent earned income deduction, which can be applied to gross earned income (including self-employment income);
- A dependent care deduction when dependent care is needed for work or training and the care is provided by an individual outside the household;
- A child support deduction for legally obligated support for a child outside the applicant household;
- A deduction for allowable medical expenses, in excess of \$35, incurred by elderly or disabled household members;
- A standard deduction for households that incur at least one allowable shelter and utility expense on a monthly basis.

Conclusion (continued):

Eight Steps for Determining Income Eligibility

- » Step 1: Calculate the monthly earned income and apply the 20 percent earned income deduction
- » Step 2: Calculate the monthly unearned income
- » Step 3: Calculate the monthly self-employment income (if applicable) and apply the 20 percent earned income deduction
- » Step 4: Calculate the monthly educational income (if applicable)
- » Step 5: Add together all results from Step 1 through 4
- » Step 6: Subtract remaining income deductions (if applicable)
- » Step 7: Round the net monthly income amount from Step 7, if not a whole number
- » Step 8: Compare the household's rounded net monthly income amount to the applicable net monthly income standard in Exhibit M of FNS Handbook 501.

Conclusion (continued):

Assigning Certification Periods

- » Certification periods must conform to calendar months. They must be based on the period of time that the household's circumstances are expected to remain stable.
- » No certification period may exceed 12 months, except for households in which all members are elderly and/or disabled. Those households may be assigned certification periods up to 24 months.
- » Households with stable circumstances may be given longer certification periods; while households with unstable circumstances should be given shorter certification periods.
- » Households reporting zero income are generally given a one or two month certification period unless circumstances are verified to be stable, in which case the household should be assigned a certification period consistent with their circumstances, but generally no less than three months.
- » Self-employed households should be given certification periods that match their household's income cycle.

Conclusion (continued):

Notice of Eligibility/Notice of Denial

» The ITO or State agency must provide each applicant with a written notice of eligibility or notice of denial as soon as the eligibility determination is made.

- Expedited Service Households: no later than 1 calendar day (excluding weekends and holidays) after the application date.
- All Other Households: no later than 7 calendar days (excluding weekends and holidays) after the application date.

For more information about eligibility determinations and assigning certification periods, please review the FNS Handbook 501. If you have further questions, please speak with your supervisor.

Module 5 Quiz

Instructions:

The following quiz will test your knowledge of FDPIR Eligibility Determinations and Assigning Certification Periods.

1. Which of the following is NOT a step in determining eligibility for FDPIR?

- A. Establish household composition**
- B. Establish residency and citizenship status**
- C. Determine income eligibility**
- D. Assign a certification period**

2. True or False? If a spouse in the applicant household claims to purchase food and prepare meals separately from the other household members, he or she will not be counted as a household member when determining eligibility.

A. True

B. False

3. Which of the following may NOT be used to establish citizenship or qualified alien status?

- A. Hospital record of birth**
- B. Family bible**
- C. Bill or other piece of mail with the individual's name and address**
- D. Indian census records**

4. True or False? Households receive an income deduction amount for the total of all allowable shelter and utility expenses.

A. True

B. False

5. If Joan receives \$247 gross earnings every week, what is her gross monthly earned income?

- A. \$741.13**
- B. \$988.00**
- C. \$1,062.10**
- D. \$1,062.00**

6. Stan is self-employed and, based on the previous year's tax return, expects to receive \$4,000 in net profit over the next three months. What is Stan's anticipated monthly self-employment income for the next three months?

- A. \$1,333.33**
- B. \$4,000.00**
- C. \$1,333.00**
- D. \$12,000.00**

7. Margaret received a \$7,000 scholarship for January through May of her freshman year of college. Her allowable educational expenses for the semester total \$5,564.55. What is her monthly educational income for the months of January through May?

- A. \$287.00**
- B. \$287.09**
- C. \$1,435.45**
- D. \$1,435.00**

8. If James has a court order to pay \$400 a month in child support but only pays \$350, can he get a child support income deduction for \$400?

A. Yes

B. No

9. True or False? If a two-person household with no elderly or disabled members anticipates unemployment for the next 18 months, the certifier can assign an 18-month certification period.

A. True

B. False

10. True or False? If a household does not meet the eligibility requirements, the ITO or State agency may notify the household of denial via telephone as soon as the determination is made.

A. True

B. False