

Chapter 8

Resource Eligibility Standards

(Non-Categorically Eligible Households)

800 Maximum Allowable Resources

The total value of countable liquid resources owned by all household members shall not exceed \$2250 or \$3500 for a household containing at least one elderly or disabled member.

801 Countable Resources¹¹

Only certain liquid resources owned by a household member will be used to determine the household's countable resources.

Income counted to the household for a month cannot be counted as a resource for that same month.

The resources of a household member who is categorically eligible (receives SSI and/or FA benefits), with the exception of lottery and gambling winnings of \$3500 or more, will not be included in the resource determination for the household.

The resources of a household member that is determined categorically eligible based on expanded categorical eligibility rules, with the exception of lottery and gambling winnings of \$3500 or more, will not be included in the resource determination for the household. The resources of the household members who are disqualified or ineligible will be included as detailed in [Section 1102](#).

The resources of household members who are disqualified or ineligible will be included as detailed in [Section 1102](#).

The resources deemed to a sponsored alien will be included as detailed on [Section 1108](#).

The following liquid resources will be counted:

1. Cash on hand.
2. Money in a checking account.
3. Money in a savings account.
4. Certificates of deposit (value minus any penalty for early withdrawal).
5. Stocks
6. Bonds
7. US Savings bonds (redeemable value).

8. Vacation pay of a laid-off employee that is received in a single payment or that the employee can but chooses not to receive.

(If these funds are received in more than one payment the payments are counted as income.)

9. Loans (other than deferred payment loans for education).
10. Trust funds to which the household has access.
11. Non-recurring lump sum payments including but not limited to:
 - a) Income tax refunds, rebates, or credits.
 - b) Retroactive lump-sum payments for Social Security, SSI, FA, UCB, and other programs.
 - c) Funds from a guardian or conservator account which are limited to use in emergency situations.
 - d) Child support payments received from income tax intercept.
12. The total value of any of the above listed resources that are jointly owned with a non-household member.

If a jointly-owned resource is accessible but the household member claims not to be the owner of the resource, it is the household's responsibility to establish non-ownership of the funds. The following will be considered in determining non-ownership: 1) reason for establishment of the account and 2) account activity (withdrawals and deposits) and 3) the person responsible for the account activity.

Documentation to establish non-ownership may include written statements from all account holders or a third party with knowledge of the circumstances, statements from a bank official, monthly account statements, cancelled checks, deposit slips, or information to establish the source of the funds such as check stubs, employer statements, etc.

13. Lottery and gambling winnings of \$3500 or more.

802 Excluded Resources^[3]

The value of all non-liquid resources, including personal property, buildings, and land, will be excluded from the resource determination. The value of all vehicles will be excluded from the resource determination (as allowed under PL 106-387 by adoption of Alabama's Family Assistance vehicle policy).

There are certain liquid resources that will not be counted in the resources determination. These include:

1. Resources jointly-owned by a categorically eligible household member and another member of a participating household that is not categorically eligible.^[4]

2. Resources owned individually or jointly, that are determined to be inaccessible to the household. Such resources will be considered inaccessible to the household if the household must petition or make application to a court official, official of a financial institution or other outside individual who controls the funds. If another owner must agree to the access of the funds and refuses to cooperate, the funds are considered inaccessible. If inaccessibility is not readily apparent, it is the household's responsibility to establish the inaccessibility.
3. Resources, such as a checking or savings account, which are actually income which has been prorated over a period of time; for example: educational grants for students or self-employment income.
4. Equity value of a bona fide funeral agreement.
5. Resources excluded by express provision of federal statute. The following is a listing of some of these resources:
 - a) Value of assistance provided to children under the National School Lunch Act and the Child Nutrition Act of 1966 (Programs include the School Lunch Program, Summer Food Services Program for Children, Commodity Distribution Program, The Child and Adult Care Program, Special Milk Program, Special Breakfast Program & WIC. (This exclusion does not apply to assistance paid to providers for children other than any portion for the providers' own children.)
 - b) Reimbursements from the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970.
 - c) Payments made through the Disaster Relief Act of 1974 as amended by the Disaster Relief and Emergency Assistance Amendments of 1988.
Disaster Unemployment Assistance (Public Law 100-707).
 - d) Payments made through Section (e), Low-Income Home Energy Assistance Act.
 - e) Payments received by U.S. citizens of Japanese ancestry and permanent resident Japanese aliens or their survivors and Aleut residents of the Pribilof Islands and the Aleutian Islands West of Unimak Island.
 - f) Payments under the Agent Orange Compensation Exclusion Act.
 - g) Payments made through the Radiation Exposure Compensation Act.
 - h) Earned Income Tax Credits (EITC) (see [POE Section 902](#) for income exclusion - same stipulations apply for resource exclusion).
 - i) Payments made to individuals because of their status as victims of Nazi persecution.
 - j) Compensation paid by an eligible crime victim compensation program.
 - k) Payments made to a child of a Vietnam veteran for any disability resulting from spina bifida.
 - l) Compensation through the Alaska Native Claims Settlement Act and Amendments of 1987.

- m) Funds held in trust or per capita distributions of \$2000 or less (per payment) appropriated in satisfaction of judgments of the Indian Claims Commission or Claims Court in favor of any Indian tribe (including those specifically listed below).
- n) Per capita payments of \$2000 or less (per payment) from funds held in trust by the Secretary of Interior for an Indian tribe (including those specifically listed below).
- o) Relocation assistance payments to members of the Navajo and Hopi tribes.
- p) Income derived from certain sub marginal land held in trust for tribes including the following.
 - ❖ Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin
 - ❖ Blackfeet Tribe
 - ❖ Cherokee Nation of Oklahoma
 - ❖ Cheyenne River Sioux Tribe
 - ❖ Crow Creek Sioux Tribe
 - ❖ Lower Brule Sioux Tribe
 - ❖ Devils Lake Sioux Tribe
 - ❖ Fort Belknap Indian Community
 - ❖ Assiniboine and Sioux Tribes
 - ❖ Lac Courte Oreilles Band of Lake Superior Chippewa
 - ❖ Keweenaw Bay Indian Community
 - ❖ Minnesota Chippewa Tribe
 - ❖ Navajo Tribe
 - ❖ Oglala Sioux Tribe
 - ❖ Rosebud Sioux Tribe
 - ❖ Shoshone-Bannock Tribes
 - ❖ Standing Rock Sioux Tribe
- q) Per capita distributions or funds held in trust for the Sac and Fox Indians.
- r) Payments from the disposition of funds to the Grand River Band of Ottawa Indians.
- s) Indian Claims Commission payments to the Confederated Tribes and Bands of the Yakima Indian Nation and the Apache Tribe of the Mescalero Reservation.
- t) Payments made to the Passamaquoddy Tribe, the Penobscot Nation and the Houlton Band of Maliseet under the Maine Indians Claims Settlement Act of 1980.
- u) Payments made to the Turtle Mountain Band of Chippewa's, Arizona.
- v) Payments to the Blackfeet, Gros Ventre and Assiniboine tribes, Montana, and the Papago, Arizona.
- w) Funds distributed to members of the Red Lake Band of Chippewa Indians.
- x) Per capita and interest payments made to members of the Assiniboine Tribe of the Fort Belknap Indian Community, Montana, and the Assiniboine Tribe of the Fort Peck Indian Reservation, Montana.
- y) Funds made to heirs of deceased Indians under the Old Age Assistance Claims Settlement Act, except for per capita shares in excess of \$2000.
- z) Funds distributed per capita or held in trust for members of the Chippewa's of Lake Superior including the following reservations:

Wisconsin: Bad River Reservation, Lac du Flambeau Reservation, Lac Courte Oreilles Reservation, Sokaogon Chippewa Community, Red Cliff Reservation, St. Croix Reservation

Michigan: Keweenaw Bay Indian Community (L'Anse, Lac Vieux Desert, and Ontonagon Bands)

Minnesota: Fond du Lac Reservation, Grand Portage Reservation, Nett Lake Reservation (including Vermillion Lake and Deer Creek), White Earth Reservation

- aa) Money paid to members of the White Earth Band of Chippewa Indians in Minnesota.
- ab) Payments to the Saginaw Chippewa Indian Tribe of Michigan.
- ac) Funds distributed per capita or held in trust for members of the Chippewas of the Mississippi, divided by reservation affiliation for the Mille Lac Reservation, White Earth Reservation and Leech Lake Reservation, all in Minnesota.
- ad) Any type of benefits resulting from the Payallup Tribe of Indians Settlement Act of 1989, the Seneca Nation Settlement Act of 1990 or the Michigan Indian Land Claims Settlement Act, Section 111 for the Ottawa and Chippewa Indians of Michigan.
- ae) Payments made as a result of the Confederated Tribes of the Colville Reservation Grand Coulee Dam Settlement Act, Section 7(b).
- af) Payments made under the National Flood Insurance Program Act of 1968 as amended by P. L. 109-64, enacted on September 20, 2005.
- ag) All tax- preferred education accounts and retirement accounts. These include:
 - 401 Traditional Defined Benefit plan: employer-based retirement plan that promises retirees a certain benefit upon retirement, regardless of investment performance
 - 401(a) plans, which are commonly referred to as "tax qualified retirement plans," and which include qualified cash or deferral arrangements. These include: Cash Balance Plan, Employee Stock Ownership Plan, Keogh Plan, Money Purchase Pension Plan, Profit-Sharing Plan, And 401(k)
 - 403(a) plans which are similar to 401(a) plans but are funded through annuity insurance
 - 403(b) plans which are retirement plans for certain employees of public school and tax-exempt organizations or ministers
 - 408 plans which are traditional Individual Retirement Accounts and Annuities (IRA)
 - 408A plans which are Roth IRAs where qualified distributions are tax free
 - 408(p) plans which are simple retirement account IRAs only available to small businesses where employers and employees contribute
 - 408(k) plans which are simplified Employee Pension Plans (SEP). These are Employer-sponsored plans available only to small businesses that allow the employer to contribute to employee accounts that function as IRAs and are subject mostly to IRA rules.
 - eligible 457(b) plans which are deferred compensation plans established by state and local governments and other employers that are non-governmental
 - 501(c) (18) trusts that were created before June 25, 1959 for union members who make contributions to their retirement plan
 - a plan under Section 8439 of Title 5 USC which is the Federal Thrift Savings Plan a 401(k) type plan offered by the federal government to its employees
 - other retirement programs or accounts included in any successor or similar provisions that may be enacted and determined to be exempt from tax under the Internal Revenue Code of 1986

- Achieving a Better Life Experience (ABLE) Accounts. These accounts are tax-favored savings accounts for people with disabilities.
- section 529 qualified tuition programs
- section 530 Coverdell education savings accounts. These are trusts created to pay the education expenses of the designated beneficiary.

803 Handling of Excluded Funds

Excluded funds that are kept in a separate account, and that are not commingled in an account with non-excluded funds, shall retain their resource exclusion for an unlimited period of time.

Resources which are excluded because they were counted as income prorated over a specific period of time retain their exclusion for the period of time over which they have been prorated as income, even if commingled with other non-excluded funds. (This generally applies to students and self-employed members). All other excluded moneys which are commingled in an account with non-excluded funds shall retain their exemption for six months from the date they are commingled. After six months from the date of commingling, all funds in the commingled account shall be counted as a resource.

Interest on accounts with commingled funds would be counted as unearned income in the month received and after that month, the interest would become a resource.

804 Transfer of Resources

At the time of application, households shall be asked to provide information regarding any liquid resources which any household member (or ineligible alien or disqualified person whose resources are being considered available to the household) had transferred within the 3-month period immediately preceding the date of application. Households which have transferred liquid resources knowingly for the purpose of qualifying or attempting to qualify for food assistance benefits shall be disqualified from participation in the program for up to 1 year from the date of the discovery of the transfer.

This disqualification period shall be applied if the resources are transferred knowingly in the 3-month period prior to application, or the resources are knowingly transferred after the household is determined eligible for benefits (assets which the household acquires after being certified which are then transferred in order to prevent the household from exceeding the maximum resource limit).

For those households that have been previously determined ineligible because of lottery and gambling winnings in the amount of \$3500 or more, the transfer of resources to become eligible for food assistance benefits must be discussed the next time the household applies for food assistance benefits. If these households are found to have transferred resources within the 3-month period immediately preceding the date of application to become eligible for food assistance benefits, the household must be disqualified from receiving food assistance benefits.

Transfer of Resources Not Affecting Eligibility

In the following situations of the transfer of resources disqualification policy will not apply:

1. Resources which would not otherwise affect eligibility, for example, resources consisting of money that, when added to other nonexempt household liquid resources, totaled less at the time of the transfer than the allowable resource limits.
2. Resources which are sold or traded at, or near, fair market value
3. Resources which are transferred between members of the same household (including ineligible aliens or disqualified persons whose resources are being considered available to the household).
4. Resources which are transferred for reasons other than qualifying or attempting to qualify for food assistance benefits, for example, a parent placing funds into an educational trust fund which has been determined to be exempt from resources.

Disqualifying the Household

In the event the county department establishes that a household knowingly transferred resources for the purpose of qualifying or attempting to qualify for food assistance, the county department shall take the following actions:

1. For an applicant household, the household shall be sent a Notice of Denial explaining the reason for and length of the disqualification. The period of disqualification shall begin in the month of application.
2. For a participating household when the transfer is discovered, the household shall be sent a Notice of Adverse Action explaining the reason for and length of the disqualification. The period of disqualification shall be effective with the first allotment issued after the Notice of Adverse Action period has expired, unless the household has requested a fair hearing and continued benefits.

Determining the Disqualification Period

The length of the disqualification period shall be based on the amount by which non-exempt transferred resources, when added to other countable resources, exceeds the allowable resource limits.

For example, if a one-person household with \$1,750 in a bank transferred ownership of stock worth \$1,000, \$750 of that transfer would be considered because the first \$250 of the stock's value would have been applied toward the (\$2,250) resource limit.

The following chart shall be used to determine the period of disqualification:

Amount in Excess of the Resource Limit		Period of Disqualification
0	to \$249	1 month
\$250	to \$999	3 months
\$1,000	to \$2,999	6 months
\$3,000	to \$4,999	9 months
\$5,000	and up	12 months

^[1] [Admin Letter # 7323](#)

^[2] Revised 1-14-10

^[3] [Admin Letter # 7323](#)

^[4] Revised 1-14-10