

Commonwealth of Massachusetts  
Department of Transitional Assistance

# Supplemental Nutrition Assistance Program (SNAP) Benefits Training

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Healthy food, healthy you.

DEPARTMENT OF TRANSITIONAL ASSISTANCE



## Financial Eligibility Standards Special Situation Household

Commonwealth of Massachusetts  
Department of Transitional Assistance  
Division of Policy, Program and External Relations  
Training Unit

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## Objectives

### Today's Objectives

*At the end of today's session, you will be able to:*

- **LIST** countable and noncountable assets and **IDENTIFY** earned and unearned income to test for SNAP benefits eligibility;
- **APPLY** the major deductions from income to correctly calculate the SNAP benefits allotment; and
- **CALCULATE** benefits for special situation households such as students, roomers, boarders, and cases with rental income.

**Assets**

**Assets (363.100)**

When determining eligibility for the SNAP benefits Program, only Households that do **not** meet **Categorical Eligibility** qualifications will have their assets counted.

**Categorically Eligible SNAP Households**

<b>EAEDC SNAP Households</b>	Any SNAP Household in which all members are receiving or are authorized to receive cash assistance under the EAEDC program and are subject to the income/asset rules of the EAEDC program.
<b>SSI SNAP Households</b>	Any SNAP Household in which all members are receiving or are authorized to receive cash assistance under the SSI program and are subject to the income and asset rules of the SSI program.
<b>TAFDC SNAP Households</b>	Any SNAP Household in which all members are receiving or are authorized to receive cash assistance under the TAFDC program and are subject to the income and asset rules of the TAFDC program.
<b>SNAP-Only TANF Services Household</b>	An NPA SNAP Household which consists of: <ul style="list-style-type: none"> <li>◆ a pregnant woman living alone; or</li> <li>◆ a child(ren) under age 19 living with a parent or caretaker relative or and adult caretaker exercising SNAP parental control (<i>subject to the SNAP gross monthly test at 364.976</i>); or</li> <li>◆ adults between the ages of 19 and 59(<i>subject to the SNAP gross and net income tests at 364.950 and 364.970</i>); or</li> <li>◆ all non SSI elder (age 60 or over) members(<i>subject to the SNAP gross test at 364.976</i>)</li> </ul>

**\*These Categorically Eligible Households automatically satisfy the asset eligibility standards.**

Certain Households **cannot** be considered Categorically Eligible. A Household with a member currently disqualified due to:

- ◆ **An Intentional Program Violation (367.800); or**
- ◆ **Failure to Comply with SNAP Work Program requirements (362.320); or**
- ◆ **Failure to Comply with TAFDC Monthly Reporting requirements (366.110D) is not categorically eligible.\***

Also:

**A Non SSI elder or disabled household which has income in excess of the 200% poverty level is not categorically eligible.** Case Managers should screen all SNAP elder or disabled households at application or recertification to determine if household's gross income exceeds the 200% poverty level.

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**The total assets of these Noncategorical Households are counted when determining eligibility for the SNAP benefits Program.**

Asset Limits	
Assistance Unit	Limits
One Household member is <b>elderly</b> (age 60 or older) or <b>disabled</b>	<b>\$3,250</b>
Other Noncategorical Households	<b>\$2,000</b>

- **Assets** are items of value that may be converted into cash. All HOUSEHOLD assets shall be counted in determining eligibility (unless specifically exempted by 363.140).
- **Liquid assets** can be readily converted to cash and include, but are not limited to, cash on hand, bank deposits, securities, lump sum payments, IRAs and certain Keogh plans. The current value of all countable liquid assets shall be verified.
- **Nonliquid assets** are those that are not readily convertible to cash. These include land and buildings and any other property.
- There are two types of assets, **countable** and **noncountable**.

*\*NOTE: A household that failed to comply with TAFDC monthly reporting requirements may be considered categorically eligible once TAFDC or NPA/SNAP income reporting requirements are met.*

**Assets**

**Countable Assets (363.130)**

<b>Countable Assets</b>	
<b>Assets</b>	<b>Verifications</b>
<b>Cash (363.130[A])</b>	<ul style="list-style-type: none"> <li>• declaration of the amount</li> </ul>
<b>Bank Deposits (363.130[B])</b> <ul style="list-style-type: none"> <li>• Savings</li> <li>• Checking</li> <li>• Trusts</li> <li>• Term Certificates</li> <li>• Other Accounts</li> </ul>	<ul style="list-style-type: none"> <li>• bank books</li> <li>• statements from financial institutions dated within 45 days of application or recertification date</li> </ul>
<b>Joint Accounts (363.130[B][2])</b>	<ul style="list-style-type: none"> <li>• statement from financial institution - If the HH has access to only a portion of the asset, the value of that portion shall be counted toward the HH's asset level. The entire asset shall be deemed unavailable or inaccessible to the HH only when the asset cannot practically be subdivided and the HH's access to the value of the asset is dependent on the agreement of a joint owner who refuses to comply</li> </ul>
<b>Securities (363.130[C])</b> <ul style="list-style-type: none"> <li>• Stocks</li> <li>• Bonds</li> <li>• Options</li> <li>• Futures</li> <li>• Contracts, Mutual and Money Market Fund shares</li> <li>• Government, Bank, and Corporate Promissory Notes, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• statement from any bank or financial services institution able to verify current value</li> <li>• the number of securities/shares owned may be substantiated by the written statement of the case</li> <li>• statement from an individual, corporation, licensed stockbroker, bank or government agency</li> <li>• clipping from current daily newspaper or current financial publication showing date and closing bid price</li> </ul>
<b>IRA and Keogh Plans (363.130[D])</b> An IRA is a tax deductible savings program that sets aside money for retirement. A Keogh Plan is a retirement plan established by a self-employed individual.	<ul style="list-style-type: none"> <li>• statements from financial institutions dated within 45 days of application or recertification date</li> </ul>

**Assets**

**Countable Assets** (cont'd)

<b>Countable Assets</b>	
<b>Assets</b>	<b>Verifications</b>
<p><b>Nonrecurring Lump Sum Payments (363.130[D])</b>                      Money received in the form of a nonrecurring lump sum payment includes, but is not limited to, income tax refunds, rebates or credits, retroactive lump sum Social Security benefits, public assistance, and railroad retirement benefits, lump sum insurance settlements, and refunds of security deposits on rental property or utilities. These payments shall be counted as an asset in the month received (unless specifically exempt as an asset in 363.140).</p>	<ul style="list-style-type: none"> <li>• copy of award letter</li> <li>• copy of check or payment document</li> <li>• written statement from agency or person making payment</li> </ul>
<p><b>Land or Buildings (363.130[E])</b>                      • The fair market value and equity value of all countable land and buildings owned by the SNAP household except the home and lot the SNAP household resides in (defined in 363.140 [A]) shall be verified.</p>	<ul style="list-style-type: none"> <li>• Fair Market Value is verified by a copy of most recent tax bill or property tax assessment</li> </ul>



## Assets

### Noncountable Assets (363.140)

**The following are noncountable when determining total value of assets:**

✓	Home and lot where applicant/client lives or, if he/she does not already own a home, is the location to which he/she is planning to move
✓	Household belongings such as furniture and personal belongings such as jewelry
✓	Home produce
✓	Property to which the HH has no ready access
✓	Irrevocable trust funds placed in trust at least 12 months prior to application
✓	One burial plot per HH member; value of prepaid funeral arrangement up to \$1500
✓	Cash surrender value (CSV) of life insurance policies
✓	Pension funds (except IRA & Keogh Plans)*
✓	Licensed/unlicensed vehicles (363.140[D])
✓	Income-producing property (essential to employment or self employment)
✓	Inaccessible assets (363.140[E])
✓	Nonhousehold members' assets
✓	Assets of individuals for whom state and/or federal foster care maintenance payments are being made
✓	Assets of SSI and/or TAFDC HOUSEHOLD members who receive benefits under SSA: Titles I, X, XIV (aged, blind, disabled); Title IV-A (TANF); & Title XVI (SSI)
✓	State and federal earned income tax credits (EIC), whether received as an advance payment or an income tax refund, in the month of receipt and the following month
✓	Benefits received from the special supplemental food program for Women, Infants, and Children (WIC)
✓	Payments or allowances made to or on behalf of an HH for federal, state or local energy assistance (these payments or allowances must be clearly identified as energy assistance)
✓	Educational loans, grants, scholarships <b>not designated for living expenses</b>
✓	Other noncountable assets (363.140[G])

\*See Policy Online for the “Noncountable Assets - Retirement Accounts” Job Aid

**Assets****Exercise: Countable and Noncountable Assets**

**Which of the following resources are countable, noncountable or over the asset limit?**

- 1) Lynne Williams, age 60, purchased a burial plot for \$2,000. A stone was erected with her name and birth date engraved on it. She paid \$1,500 for the stone.
- 2) Henry Jones has a wealthy friend who gave him a big screen TV worth \$900.
- 3) Carmen has a savings account in the amount of \$1950.
- 4) Jimmy Peterson received an insurance settlement of \$3,000 as a result of an auto accident.
- 5) Farmer Brown has a dairy farm. He has just purchased a milking machine for \$3000.
- 6) Jackie Morris won a new Toyota Camry on a TV prize show. Its current value is \$24,000.
- 7) Samantha Miller, who receives RSDI disability payments, applies for SNAP benefits. She has \$1500 in a savings account and received an insurance settlement of \$1350 today.

**Income****Countable Income (363.220)**

**All income** to the case, from whatever source, is counted when determining an HH's eligibility and benefit level (unless specifically excluded). Income that is received during the certification period is countable.

- Income may be earned or unearned (363.220 (A), 363.220 (B), 363.300)
- Actual and Anticipated income is used to determine
  - eligibility; and
  - benefit level.
- Income is evaluated monthly
  - weekly amount times **4 1/3** or **4.333**
  - biweekly amount times **2.167**
  - yearly amount divide by **12**

**Income**

**Countable Income - Earned (363.220)**

<b>Earned Income</b>	
Type of income	Verifications
Wages	<ul style="list-style-type: none"> <li>• Pay Stubs</li> <li>• Pay Envelopes</li> <li>• Written Statement from Employer</li> <li>• Work Number match</li> </ul>
Self-employment (including payments from roomers and boarders; rental income if property managed at least 20 hrs/week) Note Sample of Schedule C (Appendix p 42)	<ul style="list-style-type: none"> <li>• Business Records</li> <li>• Tax Records</li> <li>• Other Documents (total gross and total business expenses)</li> </ul>
Non-federal (non-Title IV) work study	<ul style="list-style-type: none"> <li>• Designated on the EDUC-I Form as being used for living expenses</li> </ul>

**Income**

**Countable Income - Unearned (363.220[B])**

<b>Unearned Income</b>
Type of income
Assistance payments (TAFDC, EAEDC, or other programs based on need)*
Annuities, pensions, retirement, veterans' or disability benefits, Workers' or Unemployment Compensation, social security (RSDI), SSI benefits and strike benefits
Child support and alimony
Educational loans, grants and scholarships (portion designated for living expenses)
Rental income (if property managed less than 20 hrs/week)
Trust funds
Grants, interest payments
Deemed sponsor income for sponsored noncitizens
Managed income that is being diverted to a third party or to a protective payee for the purpose of managing the household's expenses
▶ This can be all or part of a PA grant normally provided as a money payment to an case

**\*NOTE:** No increase in SNAP benefits is allowed when benefits under another needs-based cash assistance program, such as TAFDC, EAEDC, or SSI, have been decreased due to failure to comply with a requirement of that program.

**Income****SSP – State Administration Portion of SSI**

Massachusetts currently offers a program of state-funded supplemental payments known as the State Supplement Program (SSP) to aged, disabled and blind residents who are eligible for Supplemental Security Income (SSI). SSP is authorized through the Department of Transitional Assistance (DTA). These payments are currently included as part of a client's monthly SSI benefits and many clients do not realize that they are receiving SSP in addition to SSI.

The SSI amount that is found on the Other Income page, the Verification page and the EBC Results page of BEACON is unchanged and has always been made up of both SSI and SSP amounts combined.

As of BEACON Build 44.6, the breakout of the Federal and State SSP and SSI amounts can be found (as separate amounts) on the SSI Tracking page.

**Note:** *The SSI/SSP benefits are not found on Benefit History.*

**Reference OM 2012-13**

## Income

### **The Work Number**

The Work Number is a Internet-based resource for verification of employment related information. Employment information for over 2500 employers, currently 30% of the U.S. employers, is available through The Work Number website.

All Case Managers must utilize the Work Number Real-Time Look-Up Service, available in BEACON, to obtain available employment information for applications, recertifications, and case maintenance for all HH members ages 16 and older. The last 10 pay periods for current or past employment (within the past 90 days) will display on the External Agency-Earned Income page.

**Employment and wage information obtained from the Work Number is considered “verified upon receipt”.**

The Work Number can be used to verify the employed client’s:

- Name
- Date of birth
- Social security number
- Employer name
- Employer phone number
- Federal Employer Identification Number (FEIN)

**Reference: OM 2013-33**

**Income****Anticipated Income (364.320)**

Because this period extends into the future, the income considered is usually income which is anticipated by the HH.

- To determine an HH's eligibility and benefit level, the case manager must count the income already received by the HH during the certification period and any anticipated income of the certification period.
- If the amount of income or portion of income to be received, or the time of its receipt, is uncertain, the HH's income that is uncertain shall not be counted by the case manager.

*Example:* A HH anticipating income from a new source, such as a new job or public assistance benefits, may be uncertain as to the amount and when it will be received. This income shall not be anticipated by the case manager as countable income **unless there is reasonable certainty of the amount of the payment and when it will be received.**

- Income received during the previous four (4) consecutive weeks is used as an indicator of anticipated income. Use the last four weeks prior to the application date when calculating this income.

**NOTE:** *If income fluctuates to the extent that a consecutive four (4) week period cannot provide an accurate indication of anticipated income, the case manager may use a longer period of past time as an indicator of future income.*



## Income

### Income from a terminated source

For TAFDC cases that are subject to TAFDC Monthly Reporting, the income received in the month from a terminated source shall be **disregarded** when calculating SNAP benefits in the payment month provided:

- The terminated income is reported in a timely manner; and
- The termination of income would result in an increase in the cash grant.

**SNAP, does not have a monthly reporting system. SNAP relies on computer matches and the client (via the mail-in Interim Report) to notify the case manager of any changes.**

### *Timely reporting of terminated income*

For HOUSEHOLDS subject to “standard” reporting rules (i.e., non-TBA and non-Annual Reporting cases), the client must report changes in income within 10 days; this is especially true when we are looking at terminated sources of income.

### ***Once it has been reported that there has been a termination of income:***

**At application:** Find out how much, if any, income can be reasonably expected to be received during the balance of the month (i.e., last pay stub or money owed to them). Count all income received in the cyclical month and then end the terminated income for the following month.

**Ongoing:** Make sure to end the income in BEACON so that the client’s SNAP benefits for the following month are based on zero income (from that source).

**Income**

**Income verification**

**When To Verify Income?**

✓	At initial application
✓	At recertification

**Methods of Verifying Income**

<b>Documentation</b>	
✓	written confirmation of HOUSEHOLD's circumstances
✓	wage stubs, SDX data, SVES, BENDEX data
<b>Collateral Contact</b>	
✓	verbal confirmation of HOUSEHOLD's circumstances
✓	in person, or by telephone
✓	employer, landlord, Social Service agencies, migrant service agencies, or neighbor

**Home Visits are used only if documentary evidence:**

- cannot be obtained; or
- is insufficient to make determination of eligibility or benefit level, and
- the visit is scheduled in advance.

**Income**

**Excluded Income (363.230)**

Type of income	Description
In-kind income	Any gain or benefit, not in the form of money and provided directly to the HH
Cash contributions from a non-legally responsible person	Any cash contributions from a non-legally liable person that are restricted for a specific purpose and provide for a portion of the rent, fuel, utilities, food, or other needs
Vendor payments	Money paid by a person or organization outside the HH directly to an HH's creditors; examples include: 1) a friend or relative (non-HH member) pays rent directly to the landlord; 2) housing subsidies made to landlords by HUD or state or local housing authorities; 3) EA program payments
Infrequent/irregular	Any income in the certification period that is received too infrequently or irregularly to be reasonably anticipated, but not in excess of \$30 per client in a quarter.
Educational loans, grants, scholarships	Examples include: 1) a grant or scholarship whose terms preclude its use to meet current living expenses; 2) Title IV grant or loan; 3) federal work study income
Other loans	Loans from commercial institutions, private individuals
Reimbursements	Payment for an identified expense, other than living expenses (food, clothing, rent)
Monies received for third parties	Payments used to care for a third party (non-HH member)
Earnings of Children	Children under 18, member of the case, at least half-time student with earned income
Nonrecurring Lump Sum Payments	Money received in the form of nonrecurring lump sum payments: tax refunds, rebates, retroactive lump sum SSA or SSI benefits, PA payments, RR benefits, retroactive insurance settlements, refunds of security deposits * These are all counted as <b>assets</b> in the month received unless exempt

**Income**

**Excluded Income (363.230) (continued)**

Type of income	Description
Certain payments to volunteers	Payments to volunteers serving as foster grandparents, senior health aides, senior companions, or in VISTA
Youthbuild, Americorps	Allowances, earnings, or payments
Earned income credit (EIC)	EIC payments whether received as advance payments or as an income tax refund
Income excluded by law	Payments received under programs such as: Alaska Native Claims Settlement Act; Agent Orange Settlement Fund; or Urban Renewal Assistance (363.230[K])
Income of non-HH members	Not counted when determining eligibility for remaining HH members, except when disqualified in accordance with 361.230 (D)
Payments made to SNAP/ET participants	Payments made to participants in SNAP/ET, ESP, WIA, or other agencies such as daycare costs, transportation, and other expenses related to work, training or education

## Income

### Riverside Rule

#### Riverside Rule Definition

- SNAP regulations prohibit an increase in SNAP benefits when a HH's benefits under another federal or state means-tested program as defined in **106 CMR 360.030 (G)** have been decreased (reduced or suspended, but not when a HH's cash benefits are terminated) due to fraud or a failure to comply with a requirement of the program that imposed the benefit decrease.
- The Riverside Rule means that when a case containing a member has been sanctioned (reduced, suspended, or terminated) in a cash category of assistance (TAFDC, EAEDC, SSI) he/she does not receive an increase in SNAP benefits due to the sanction-related reduction in the grant.

#### SNAP Attributed Amount

- SNAP clients sanctioned for failure to comply with certain cash program requirements are subject to the **SNAP Attributed Amount**.
- The SNAP Attributed Amount is the actual difference between the cash benefit amount the HOUSEHOLD should be receiving and the cash benefit amount the HH is actually receiving while sanctioned.
- This amount is applied as unearned income to the SNAP benefit calculation and prevents an increase in the SNAP benefits.

#### BEACON Actions

- When a sanction is imposed, BEACON automatically calculates and enters the appropriate SNAP Attributed Amount.
- BEACON will also automatically remove the SNAP Attributed Amount when the sanction is cured or no longer applies (as when the sanctioned individual is no longer in the case) or when the cash program case is closed.
- Other case changes - such as household size, income or shelter expenses - will continue to affect the SNAP benefit amount.

#### Sanctions Subject to the SNAP Attributed Amount

- Court convictions;
- Intentional Program Violations (IPV);
- Failure to comply with immunization requirements;
- Failure to comply with child support requirements;
- Failure to meet Learnfare requirements;
- Teen parent's failure to meet school and/or living arrangement requirements; and
- Failure to comply with TAFDC Work Program requirements

**Income****Exercise: Countable Income**

***In the following case examples, indicate whether the income is Countable or Noncountable.***

- 1) Priscilla Perkins receives TAFDC benefits for herself and two children and \$421 monthly for her foster child.
- 2) Alice Adams receives \$180 in monthly wages from her part-time job and \$200 monthly from her rental apartment.
- 3) Bruce Barton's 15 year-old son receives \$250 monthly from his online comics business.
- 4) Carrie Caroton receives \$280 monthly from a work-study plan at college, \$289 from a part-time job at Friendly's and \$170 in monthly child support payments paid directly to her.
- 5) Ernest Evans, age 18, receives \$130 monthly from the WIA Program as a training allowance.
- 6) Frank Farmer receives \$520 monthly from his job at Hewlett Packard. His son is 19 and a college student who receives \$256 monthly from a part-time job at a supermarket. His daughter, 17, earns \$150 monthly from her baby-sitting job. She is a full time high school student.
- 7) Gerald Granger receives \$100 monthly from Boston College under an educational loan program. Mandatory expenses are \$150.
- 8) Susan Swanson sends back her monthly report and lists 2 weeks of income totaling \$220. She has also indicated on the report that she is no longer working.

**Determining Financial Eligibility**

**Gross Income/Net Income Households**

**When Determining Assistance Unit Eligibility:**

<b>Eligibility Based on Gross Income (364.370)</b>	
Compare gross income to Maximum Gross Monthly Income Standard according to HH size.	
✓	If the gross income is <b>greater</b> than the standard - <b>The case is Ineligible*</b> .
✓	If the gross income is equal to or less than the standard - <b>Determine the Net</b>

<b>Eligibility Based on Net Income (364.550) - Waived for SSI, TAFDC, EAEDC HOUSEHOLDS</b>	
Compare net income to Maximum Allowable Monthly Net Income Standard according to HH size.	
✓	If the net is <b>greater</b> than the standard - <b>The case is Ineligible.</b>
✓	If the net income is <b>equal to or less than</b> the standard - <b>The case is Eligible.</b>

	<b>Households without children between the ages of 19-59</b>	<b>Cases that are elderly or disabled are subject to the net income standard</b>	<b>Special Circumstances Regarding the income of a caretaker(s) of an Elderly and Disabled Individual</b>	<b>Families with dependent children under 19 and pregnant woman living alone</b>
<b>HH Size</b>	<b>Gross Effective 10/1/2012</b>	<b>Net Effective 10/1/2012</b>	<b>165% Effective 10/1/2012</b>	<b>200% Effective 1/26/2012</b>
<b>1</b>	\$1,211	\$931	\$1,536	\$1,915
<b>2</b>	\$1,640	\$1,261	\$2,081	\$2,585
<b>3</b>	\$2,069	\$1,591	\$2,625	\$3,255
<b>4</b>	\$2,498	\$1,921	\$3,170	\$3,925
<b>5</b>	\$2,927	\$2,251	\$3,714	\$4,595
<b>6</b>	\$3,356	\$2,581	\$4,259	\$5,265
<b>7</b>	\$3,785	\$2,911	\$4,803	\$5,935
<b>8</b>	\$4,214	\$3,241	\$5,348	\$6,605
<b>ADD</b>	\$429	\$330	\$545	\$ 670

**\*NOTE:** Cases that are elderly or disabled are not subject to the Gross Income Standard in determining SNAP eligibility, however they are subject to the net income standard.

**Determining Financial Eligibility**

**Deductions (364.400)**

**There are seven (7) deductions from income. No other deductions are allowed.**

<b>1. 20% Earned Income Deduction</b>	
✓	multiply gross monthly earned income by 80%
<b>2. Standard Deduction</b>	
✓	Households are allowed a standard deduction based on the number of HH members: 1-3 members- <b>\$149</b> ; 4 members- <b>\$160</b> 5 members- <b>\$187</b> 6 or more members- <b>\$214</b>
<b>3. Excess Medical Deduction</b>	
✓	Only deduct <b>incurred</b> medical expenses in excess of <b>\$35 for elderly or disabled HH members</b>
✓	Households that verify allowable medical expenses greater than \$35 per month but no more than \$125 will be allowed the medical expense deduction of <b>\$90</b>
✓	Households that verify medical expenses greater than \$125 per month will continue to be allowed the actual costs minus the <b>\$35</b> threshold
✓	Special diets are <b>not</b> an allowable medical expense
<b>4. Dependent Care Deduction</b>	
✓	Allowed for actual costs (Cap lifted re: 2008 Farm Bill effective 10/01/08)
<b>5. Legally Obligated Child Support*</b>	
✓	Subtract from the monthly income the amount <b>obligated to be paid</b>
✓	Verify the <b>legal obligation</b> , and the <b>obligated amount (including arrearages)</b>
✓	<b>Alimony</b> payments are not allowed as a child support deduction.
✓	Verification of child support may include but is not limited to, canceled checks, wage withholding statements, verification of withholding from unemployment compensation or statements from the custodial parent regarding direct payments (or third party payments) that the noncustodial parent pays. <b>Note:</b> <i>Households that fail or refuse to obtain necessary verification of their legal obligation or of their child support payments shall have their eligibility and benefit level determined without consideration of a child support deduction.</i>
<b>6. Shelter Deduction</b>	
✓	<b>Shelter Expenses</b> = rent/mortgage/condo fees
✓	<b>Standard Utility Allowance:</b> <u>Heating/Cooling (\$586)</u> HH incurs heating, cooling, cooking, electricity, water, sewerage, garbage collection, basic telephone fee are included in the heating SUA <u>Nonheating (\$360)</u> HH incurs no heating cost separate from rent/mortgage incurs at least one of the following: cooking, electricity, water, garbage collection, and sewerage <u>Telephone (\$41)</u> HH incurs only the telephone cost basic telephone service fee for one telephone
<b>7. Homeless Shelter / Utility Deduction</b>	
✓	HH where all members are homeless get a <b>\$143</b> deduction (see below for details)

\*NOTE: *Child support payments are also excluded from income when applying the appropriate Gross Income Standard test.*



## Determining Financial Eligibility

### Homeless Shelter/Utility Deduction

- Cases in which all members are homeless, whether residing in a homeless facility or the home of someone else, and that incur **any** shelter and/or utility expenses are eligible to receive the **\$143** per month Homeless Shelter/Utility deduction.
- Cases in which all members are homeless, who reside in the home of someone else, and can verify shelter and/or utility expenses greater than **\$143** during a month are eligible to receive the Shelter Deduction and the applicable Standard Utility Allowance (SUA).
- When the shelter expenses (i.e. rent and SUA) total more than the **\$143** standard homeless shelter/utility deduction, BEACON will automatically determine whether the AU receives the homeless shelter/utility deduction or the actual shelter deduction, whichever is higher.

*NOTE: A household containing a legal noncitizen ineligible for SNAP benefits is entitled to the standard deduction and the homeless deduction. The earned income deduction of a legal disqualified noncitizen shall not be applied to the remaining household members, nor shall any other deductions paid for by a legal disqualified noncitizen be applied to the remaining household members.*

### Standard Utility Allowance (364.400)

**Definition - allowance for the household's costs of utilities used when computing net available income**

#### **No Allowance for Actual Utility Expenses in Excess of SUA**

- The appropriate SUA will be used in calculating the shelter costs for an HH even when the actual expenses incurred by the HH exceed the mandated amount.

### Determining the Shelter Deduction

- Shelter Amount + SUA = Total shelter expense – ½ of the PANI\* = excess shelter
- Excess shelter amount for HH's **cannot exceed the "cap" amount of (\$469)**
- Unless the HH contains an individual who is elderly or disabled, then the **"cap" is lifted**

**\*Note: PANI (Preliminary Adjusted Net Income)** subtract deductions from the total countable income

**Determining Financial Eligibility**

**Low Income Home Energy Assistance Act (LIHEAA)**

If a HH does not incur the cost of any of these utilities, the HOUSEHOLD is ineligible for a utility allowance, except:

- Households receiving payments made under **Low Income Home Energy Assistance Act (LIHEAA)** Known commonly as **Fuel Assistance**. The Low Income Home Energy Assistance Program (LIHEAP) provides low income eligible households with help in paying a portion of winter heating bills or when heat is included in the cost of the rent. These households are eligible for the **Heating/Cooling SUA**. Fuel assistance payments must be verified.
- DTA, in collaboration with the Department of Housing and Community Development (DHCD), provides H-EAT benefits to eligible SNAP households each year. These households receive \$1.00 in Heat Fuel Assistance each year and are eligible for the **Heating/Cooling SUA**.

At reapplication or reinstatement, case managers must check for a 04/2013 or 10/2013 H-EAT-related BEACON Narratives tab entry. Based on the Narrative entry the case manager will know when the case was authorized or reauthorized for H-EAT and must allow H-EAT benefits to continue for a one-year period ending in either April 2014 or October 2014.

**Maximum Benefit Levels**

Maximum Benefit Levels Chart	
HH Size	Maximum Allotment Levels
1	\$200
2	\$367
3	\$526
4	\$668
5	\$793
6	\$952
7	\$1,052
8	\$1,202
<b>Each Additional HH member will increase by \$150</b>	

**Determining Financial Eligibility****Exercise: SUA**

**Determine in the following examples which SUA (if any) should be used**

- 1) An EAEDC individual rents a studio apartment with all utilities included; the only other expense is a cell phone.
- 2) A family owns its own home. Their payments include mortgage (principal & interest), taxes, insurance, oil, gas, electricity, water, and telephone.
- 3) A family rents an all-electric utility apartment. The rent is all inclusive. The family pays for its water and telephone.
- 4) Two friends live together. Because they work different shifts, they usually purchase and prepare their food separately. However, they share shelter and utility expenses. The rent includes heat, but one pays the gas bill, and the other pays the electricity, water, and telephone bills. They apply for SNAP benefits separately.
- 5) A TAFDC family rents an apartment which includes heat, but they must pay for their own electricity and telephone.
- 6) A TAFDC family shares an apartment with an SSI client and they each pay half of the utilities, which are gas and electricity.
- 7) A family rents an apartment which includes all utilities except gas for cooking.

**Determining Financial Eligibility**

**Calculating Net Income**

Scenario:

- A 2 person case, both of whom are elderly
- \$200 per month in earned income
- \$300 per month in unearned income
- \$75 in medical expenses
- \$400 for rent
- Non-heating SUA (\$360)

**Step 1:**

Countable Earned Income	\$200	
	<u>x 80 %</u>	Apply the 80% deduction.
	\$160	Countable Earned Income
Countable Unearned Income	\$300	Do not apply any deductions to Unearned Income

**Total Countable Income after Step 1 = \$460**

**Step 2:**

Standard Deduction	- \$149	
--------------------	---------	--

**Step 3:**

Medical Deduction	\$75	
	- <u>\$35</u>	Allow a \$90 deduction for verified expenses in excess of \$35.
	-\$90	<b>Subtract this as a medical deduction.</b>

**Step 4:**

Dependent Care Deduction	\$0	There are no dependent care expenses in this example, but if there were, you would subtract them here.
--------------------------	-----	--

**Step 5:**

Legally Obligated Child Support (if any)	\$0	There are no child support expenses in this example, but if there were, you would subtract them here
--	-----	--

Subtract these deductions from the total countable income (Step 1), to get the PANI.

**Preliminary Adjusted Net Income (PANI) = \$221**

**Determining Financial Eligibility**

**Calculating Net Income**

**Step 6:**

Shelter Deduction	\$400	Rent
	<u>\$360</u>	Non-heating SUA
	\$760	Total Shelter

To determine the shelter deduction, you subtract 1/2 of the Preliminary Adjusted Net Income (PANI) from the total shelter expense.

\$221 (PANI), divided by 2 = 110.50

\$760.00	Total Shelter
<u>-\$110.50</u>	1/2 of the PANI
\$649.50	Excess Shelter

The result of \$649.50 is deducted as the excess shelter expense. This is a “no cap” situation, i.e., an elderly or disabled HOUSEHOLD. If this was not an elderly or disabled case, there would be a \$469 cap on the amount we could deduct (as an example, in this case, if they were not elderly, you would only count \$469 as a shelter expense, because the \$649.50 exceeds the \$469cap).

After Steps 1- 6, subtract the total excess shelter from the full PANI.

**Preliminary Adjusted Net Income (PANI) = \$221.00**  
**Total Excess Shelter = - \$649.50**

**\$0 Monthly Net Income**

**In this example the net income used to determine the cases eligibility is \$0.**

**Determining Financial Eligibility**

**Manual SNAP benefits Calculation\***

John Lewis works at Star Market and makes \$75 weekly. His monthly rent for a room is \$150. Heat and utilities are included in his monthly rent.

Income		
<b>Countable Earned Income</b>		325
	x	= 260
<b>80%</b>		
<b>Countable Unearned Income</b>		0
<b>Total Countable Income</b>		260
Deductions		
<b>Standard</b>		<b>-149</b>
Total Medical Deduction (Elderly/Disabled HHs only) Total Medical Deduction <u>  0  </u> - \$35		
<b>Countable Medical Deduction</b>	<u>  0  </u>	<b>0</b>
<b>Dependent Care Deduction</b>		<b>0</b>
<b>Child Support Deduction</b>		<b>0</b>
<b>Preliminary Adjusted Net Income (PANI)</b>		<b>= 111</b>
Rent/Mortgage	150	<b>Shelter Deduction</b> (No Cap applies to Elderly/Disabled HHs)
Utilities/SUA	0	
½ of the PANI	-55.50	
<b>Excess Shelter</b>	94.50	
<b>Preliminary Adjusted Net Income (PANI)</b>		<b>111</b>
<b>Excess Shelter/Shelter Deduction</b>		<b>-94.50</b>
<b>Monthly Net Income</b>		<b>= 16.50</b>
	<b>x 30 %</b>	<b>= 4.95</b>
<b>Maximum Coupon Allotment for an HH of 1</b>		<b>200</b>
	Minus the 30 % amount	<b>4.95</b>
<b>MONTHLY ALLOTMENT</b>		<b>= 195.05 Round to 195</b>

\*Round \$0.01-\$0.49 down & \$0.50-\$0.99 up for Monthly Allotment Only

**Determining Financial Eligibility****Exercise: Calculations**

***In the following case scenarios, calculate the monthly net income and the monthly SNAP allotment.***

- 1) Theresa Chadwick and her 3 children receive unearned income in the amount of \$668.00 per month. This is their only income. Theresa pays \$300 for her heated apartment. She is responsible for electric and telephone expenses. There are no elderly or disabled HOUSEHOLD members.
- 2) Ruth and John Ellis each receive RSDI of \$300 per month. They live in subsidized housing for the elderly and pay \$60 per month for rent. The only additional shelter expense which they have is a telephone. The family verified receipt of fuel assistance
- 3) Mr. and Mrs. Michael Campbell, both 35, have 5 children under 13. Mr. Campbell works and makes \$350 weekly. The family has no other income or resources. Their monthly rent is \$400 monthly, not including their heating bill.
- 4) Douglas Harvey, his spouse and 4 children under 12 are applying for SNAP benefits. Mr. Harvey receives \$160 a week in Unemployment Compensation Benefits and \$40 a week in Veterans Benefits. The family has no other source of income. The Harvey's rent is \$450 a month and includes everything but their phone. He has \$20 weekly deducted from his check and sent to his ex-wife for the support of his minor child from that marriage.

**Special Situation Households**

**Rental Income**

HH member manages property  
at least 20 hours per week

**Considered earned income**

HH member manages property  
less than 20 hours per week

**Considered unearned income**

<b>Determination of Income from Rental Property</b>	
<b>1. Determine monthly rental income received from tenants</b>	
<b>2. Subtract Cost of Doing Business (C.O.D.B.)</b>	
✓	<b>Allowable C.O.D.B. expenses</b> taxes, interest, insurance, utilities and water (365.940)
✓	<b>Non-allowable C.O.D.B. expenses</b> principal payments (mortgages or loans on capital goods), federal, state and local tax depreciation, personal expenses and commuting costs (365.950)
✓	Prorate C.O.D.B. (remainder allowed as shelter expense)
<b>3. The Result is Countable Income</b>	

*Example: In a three unit owner-occupied home, 2/3 of the interest, real estate taxes, insurance, and utilities paid by the owner are allowable costs of doing business, and the remaining (1/3) is allowed as shelter expense.*



**Special Situation Households**

**Rental Income Example**

Client owns a two family house. She occupies the first floor and rents the second floor for \$400 per month. The tenant is responsible for her own heat and utilities. The client’s mortgage is \$600 month, which includes principal of \$100, interest \$300, taxes \$150, and insurance \$50.

<u>Rental Income</u>	<u>Cost of Doing Business (C.O.D.B.)</u>
\$400.00	\$300 - Interest
<u>-250.00</u> - C.O.D.B.	\$150 - Taxes
\$150.00 - Countable Rental Income	<u>\$ 50</u> - Insurance
	\$500 - divide by 2=\$250 C.O.D.B. # of Units in Building

The amount which the client pays on her **principal** (\$100) is **not allowed as a cost of doing business**.

The client’s shelter costs consist of the amount she pays on the principal, the allowable SUA, and a prorated portion of the interest, taxes, and insurance.

**Shelter Costs**

Principal	\$100
1/2 of int., taxes, ins.	<u>\$250</u>
	<b>\$350 Shelter</b>
	<b>\$586 SUA</b>
	<b>\$936 total shelter costs</b>

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**NOTE:** When the owner provides the utilities:

- C.O.D.B. includes **all shelter costs** when calculating the rental income.

When calculating the **shelter costs of owner** use the mortgage principle and interest, taxes, and home owner insurance.

**Special Situation Households****Exercise: Rental Income**

**Given the following information, determine monthly rental income.**

- 1) Mary Wilson owns a two family home. She receives rental income of \$300 per month. Her expenses are: principal \$250, taxes \$150, and interest \$100 a month; insurance \$250 a year; water \$72 for 6 months. Her tenant pays for her own heat.
  
- 2) Linda Loss is employed as a part-time actress. She resides with her three children in the 2-family building she owns. Linda works around the property only a couple of hours each week. She pays for oil heat because one furnace heats the entire building, and she also pays the water bill.

**Income**

\$ 165 weekly wages  
\$ 700 monthly rent

**Monthly Expenses**

\$ 144.60 principal  
\$ 311.91 interest  
\$ 206.21 taxes  
\$ 20.00 insurance  
\$ 285.00 fuel oil  
\$ 22.50 water

## Special Situation Households

### Student Income (365.740)

#### Student Income From Educational Grants and Reimbursements

The regulations concerning countable income from educational grants, loans, and scholarships are in accordance with provisions of the 2002 Farm Bill.

The EDUC-I captures only the amount of living expenses awarded under Non-Title IV funds. The total amount **designated for living expenses** is the countable amount of income for both cash and SNAP purposes.

If the amount designated for living expenses on the EDUC-I totals \$1100, the Case Manager should divide \$1100 by 9 (the number of months in the school year), which results in \$122.22 monthly unearned income. This amount should be entered in the Other Income Status page in BEACON and marked as countable for SNAP.

**NOTE:** Title IV Federal work study income of undergraduate students is noncountable. State Work study which is designated for living expenses on the EDUC-I is still countable as income.

**NOTE:** Please refer to **Field Operations Memo 2010-28 SNAP Eligibility for Certain Community College Students** if the student is enrolled in a community college that is identified in the memo.

## Instructions Educational Income and Expense Form EDUC-I

**These instructions are to be used for completing the EDUC-I form, which is used to share information about the student financial aid awards that may affect the receipt of Transitional Assistance benefits.**

Part A. Completed by the student for submission to the Financial Aid Office. The Financial Aid Office must verify that the information is correct. The student must also sign and date the authorization for the exchange of information. Forms without this information will be returned to the student not completed.

*Note: The "Return To" section will be completed by the Department. The worker's name is requested, but it is not necessary for the completion of the EDUC-I by the FAO.*

Part B. Completed by the school, college or university. Be sure to indicate the enrollment status of the student.

1.
  - A. Please list the actual direct expenses for tuition, fees, loan origination fees and health insurance charges, if any. If the student has contracted to live in campus housing, enter the cost as "other (specify)."
  - B. Indicate the other student financial aid budget allowances that apply to the student's enrollment status.
  - C. If the Financial Aid Office knows the actual amount of dependent care expenses and has adjusted the financial aid budget to include those dependent care costs, please enter the appropriate amount; otherwise leave blank.
  - D. Do not enter any allowances for the cost of off-campus living expenses, such as room and board, rent, mortgage, food or personal items.
2.
  - A. Enter the various awards from non-Title IV sources.
  - B. If any of the non-Title IV aid is designated by the grantor to be used for living expenses, please indicate in the appropriate column. If there is no specific use designated, enter the amount of the award only in the Total Amount column.
  - C. The Institution (nonfederal) Work-Study award authorization is defined as having no portion of federal funds.
3. Be sure to sign and date the form. Return the original to the appropriate Department of Transitional Assistance office. If you wish, a copy can be retained for the Financial Aid Office.
4. If the student has additional educational expenses not included on this form, encourage the student to provide documentation of these expenses with the Transitional Assistance worker.

EDUC-1 (Rev. 3/2004)  
02-122-0304-05

Department of Transitional Assistance  
Educational Income and Expense Form  
EDUC-I

Return to: (Department must complete)

Transitional Assistance Office

Worker Name (Printed, please)

Transitional Assistance Office Address

Telephone

Please Print Throughout

Part A: Student must complete and bring or mail to the appropriate Financial Aid Office.

Information about Student Financial Aid covering the enrollment period indicated below:

Academic Year \_\_\_\_\_ Fall \_\_\_\_\_ Other (From \_\_\_\_\_ To \_\_\_\_\_)  
\_\_\_\_\_ Spring \_\_\_\_\_ Summer

To: Financial Aid Officer \_\_\_\_\_ Date \_\_\_\_\_  
Name of School/College

Name \_\_\_\_\_ SSN \_\_\_\_\_  
Print Student Name

Address \_\_\_\_\_  
City State ZIP Code

Degree Status \_\_\_\_\_ Undergraduate \_\_\_\_\_ Graduate  
\_\_\_\_\_ 1 year Certificate \_\_\_\_\_ Other  
\_\_\_\_\_ Associate's Program (specify)  
\_\_\_\_\_ Bachelor's Program

Student's Authorization for Exchange of Information

I, the undersigned student, hereby authorize the exchange of information between the Department of Transitional Assistance and the Office of Financial Aid of the above-named school, college, or university regarding student financial aid awarded to me, my financial status and/or that of my family for the purpose of determining the combined amount of financial aid I am receiving. I also understand that the Department of Transitional Assistance and the Financial Aid Officer may continue to discuss aspects of my case throughout the year as they pertain to my particular situation, my application for and receipt of student financial aid, and the effect on my receipt of public assistance.

Student's Signature

Date



Student's Name \_\_\_\_\_ SSN \_\_\_\_\_

Enrollment Status \_\_\_\_\_ Full-time \_\_\_\_\_ 3/4 time \_\_\_\_\_ 1/2 time \_\_\_\_\_ less than 1/2 time

**Part B: Breakdown of Student Financial Aid Awards and Allowable Educational Expenses**

**I. Allowable Educational Expenses**

for

<b>Actual:</b>	
Tuition	\$
Fees	\$
Loan Origination Fee*	\$
Health Insurance*	\$
Other (specify)	\$
	\$
	\$
<b>Allowances/Expenses:</b>	
Books/Supplies	\$
Transportation	\$
Other Course Related Expenses	\$
Dependent Care**	\$
Other (specify)	\$
	\$
	\$
<b>Total</b>	<b>\$</b>

**2. Non-Title IV Student Financial Aid**

(Please indicate amount of funds that are designated living expenses)

Source	Total Amount	Amount Designated for living expenses
MA Part-time	\$	
MA Cash Grant	\$	
Institution Grants	\$	
Institution Work-Study***	\$	
MASS Grant (Non-SSIG)****	\$	
MA Perf. Bonus	\$	
MA No Int. Loan	\$	
Gilbert Grant	\$	
Other (specify)	\$	
Federal Work-Study	\$	
	\$	
<b>Total Designated for living expenses</b>		<b>\$</b>

Notes:

- \* list only if the charge will be paid by the student or financial aid.
- \*\* provide a response only if the amount is known and used as part of the financial aid budget.
- \*\*\* Institution Work-Study amount is the authorized amount of earnings for the reporting period, not the actual amount of earnings.
- \*\*\*\* any year there is no SSIG contribution to the MASSGrant Program, all funds should be entered as Non-Title IV aid.

College \_\_\_\_\_ Date \_\_\_\_\_ Telephone \_\_\_\_\_

Financial Aid Office Signature \_\_\_\_\_ Print Name \_\_\_\_\_

<b>Dept. Use Only</b>	
<b>For Cash &amp; SNAP Benefits:</b>	
Part 2 Designated for living expenses total \$ _____	
<b>This is the total countable amount of income for cash and SNAP benefits.</b>	
<b>For Cash Only:</b>	
Dependent Care	\$ _____
Transportation	\$ _____

**Special Situation Households****Income from Roomers (365.910)**

Roomers are individuals to whom the Household furnishes lodging, but not meals, for compensation.

**Determination of Roomer Income**

- Total payment counted as earned income
- Add to any other earned income

Example: Robin Daniels pays Sara Larson \$30 weekly for a room in her home.

$\$30.00 \text{ times } 4.333 = \$130.00 \text{ monthly Earned Income}$

**Special Situation Households**

**Income from Boarders (365.200)**

**Determination of Income**

<b>1. Determine monthly gross income from boarders (room/meals)</b>	
✓	Considered Earned Self-employment Income(SNAP case)
<b>2. Subtract Cost of Doing Business</b>	
✓	Maximum Benefit Level (number of boarders) or documented, actual cost of providing meals/lodging
<b>3. Result is countable earned income</b>	
✓	Excess is the amount of earned boarder income

**Example:**

Household of 1 with \$224 monthly board

\$ 224 (Monthly Board)  
 - 200 (Maximum Benefit Level for One)  
 \$ 24 (Countable Earned Income)

The excess of \$ 24 is countable earned income.



**Special Situation Households****Exercise: Roomer and Boarder Income**

**Given the following information, determine the monthly earned income.**

- 1) Mr. Sherwood, grantee of the HOUSEHOLD, has income from a roomer, Johnny Hill, and a boarder, Brenda Brooks. Johnny Hill pays \$45 weekly for a room; Brenda Brooks pays \$60 weekly for room and meals.
  
- 2) Grant and Lee Green receive Social Security retirement benefits. Their elderly uncle, Sherman, lives with them, and pays \$60 every two weeks for his room and board.
  
- 3) Lori Dover, age 62, is applying for SNAP benefits. Her son John, age 34, lives with her. John is employed and earns \$185 per week. He pays his mother \$75 per week for room and board.

## **Important Points**

1. Categorically eligible HH's automatically satisfy the asset eligibility standards.
2. When determining eligibility for SNAP, only Households that do **not** meet **Categorical Eligibility** qualifications will have their assets counted.
3. In SNAP, 20% of an HH's earned income is disregarded.
4. Countable income is usually anticipated income.
5. Legally obligated child support payments are excluded from income when applying the first test of eligibility and used as a deduction when determining the benefit amount.

**SCHEDULE C  
(Form 1040)**

Department of the Treasury  
Internal Revenue Service (99)

**Profit or Loss From Business**  
(Sole Proprietorship)

► For information on Schedule C and its instructions, go to [www.irs.gov/schedulec](http://www.irs.gov/schedulec).  
► Attach to Form 1040, 1040NR, or 1041; partnerships generally must file Form 1065.

OMB No. 1545-0074

**2012**  
Attachment  
Sequence No. **09**

Name of proprietor		Social security number (SSN)
<b>A</b> Principal business or profession, including product or service (see instructions)	<b>B</b> Enter code from instructions	
<b>C</b> Business name. If no separate business name, leave blank.	<b>D</b> Employer ID number (EIN), (see instr.)	
<b>E</b> Business address (including suite or room no.) City, town or post office, state, and ZIP code		
<b>F</b> Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____		
<b>G</b> Did you "materially participate" in the operation of this business during 2012? If "No," see instructions for limit on losses <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>H</b> If you started or acquired this business during 2012, check here <input type="checkbox"/>		
<b>I</b> Did you make any payments in 2012 that would require you to file Form(s) 1099? (see instructions) <input type="checkbox"/> Yes <input type="checkbox"/> No		
<b>J</b> If "Yes," did you or will you file required Forms 1099? <input type="checkbox"/> Yes <input type="checkbox"/> No		

**Part I Income**

<b>1</b> Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked <input type="checkbox"/>	<b>1</b>	
<b>2</b> Returns and allowances (see instructions)	<b>2</b>	
<b>3</b> Subtract line 2 from line 1	<b>3</b>	
<b>4</b> Cost of goods sold (from line 42)	<b>4</b>	
<b>5</b> <b>Gross profit.</b> Subtract line 4 from line 3	<b>5</b>	
<b>6</b> Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	<b>6</b>	
<b>7</b> <b>Gross income.</b> Add lines 5 and 6	<b>7</b>	

**Part II Expenses**

Enter expenses for business use of your home only on line 30.

<b>8</b> Advertising	<b>8</b>		<b>18</b> Office expense (see instructions)	<b>18</b>	
<b>9</b> Car and truck expenses (see instructions)	<b>9</b>		<b>19</b> Pension and profit-sharing plans	<b>19</b>	
<b>10</b> Commissions and fees	<b>10</b>		<b>20</b> Rent or lease (see instructions):		
<b>11</b> Contract labor (see instructions)	<b>11</b>		<b>a</b> Vehicles, machinery, and equipment	<b>20a</b>	
<b>12</b> Depletion	<b>12</b>		<b>b</b> Other business property	<b>20b</b>	
<b>13</b> Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	<b>13</b>		<b>21</b> Repairs and maintenance	<b>21</b>	
<b>14</b> Employee benefit programs (other than on line 19)	<b>14</b>		<b>22</b> Supplies (not included in Part III)	<b>22</b>	
<b>15</b> Insurance (other than health)	<b>15</b>		<b>23</b> Taxes and licenses	<b>23</b>	
<b>16</b> Interest:			<b>24</b> Travel, meals, and entertainment:		
<b>a</b> Mortgage (paid to banks, etc.)	<b>16a</b>		<b>a</b> Travel	<b>24a</b>	
<b>b</b> Other	<b>16b</b>		<b>b</b> Deductible meals and entertainment (see instructions)	<b>24b</b>	
<b>17</b> Legal and professional services	<b>17</b>		<b>25</b> Utilities	<b>25</b>	
			<b>26</b> Wages (less employment credits)	<b>26</b>	
			<b>27a</b> Other expenses (from line 48)	<b>27a</b>	
			<b>b</b> Reserved for future use	<b>27b</b>	
<b>28</b> <b>Total expenses</b> before expenses for business use of home. Add lines 8 through 27a	<b>28</b>		<b>28</b>		
<b>29</b> Tentative profit or (loss). Subtract line 28 from line 7	<b>29</b>		<b>29</b>		
<b>30</b> Expenses for business use of your home. Attach <b>Form 8829</b> . Do <b>not</b> report such expenses elsewhere	<b>30</b>		<b>30</b>		

**31 Net profit or (loss).** Subtract line 30 from line 29.

- If a profit, enter on both **Form 1040, line 12** (or **Form 1040NR, line 13**) and on **Schedule SE, line 2**. (If you checked the box on line 1, see instructions). Estates and trusts, enter on **Form 1041, line 3**.
- If a loss, you **must** go to line 32.

**32** If you have a loss, check the box that describes your investment in this activity (see instructions).

- If you checked 32a, enter the loss on both **Form 1040, line 12**, (or **Form 1040NR, line 13**) and on **Schedule SE, line 2**. (If you checked the box on line 1, see the line 31 instructions). Estates and trusts, enter on **Form 1041, line 3**.
- If you checked 32b, you **must** attach **Form 6198**. Your loss may be limited.

**31**

**32a**  All investment is at risk.  
**32b**  Some investment is not at risk.

For Paperwork Reduction Act Notice, see your tax return instructions.

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Schedule C (Form 1040) 2012



**Appendix**

**Household Size One to Eight (364.600[A])**

The SNAP Issuance Tables (364.980) provide the monthly SNAP benefit based on HH income and size.

The minimum monthly allotment for one-person and two-person assistance units (noncategorically eligible cases whose income is within the net income standards and all categorically eligible cases) is \$16.

Categorically eligible HHs with 3 or 4 members which do not qualify for a benefit due to excess income cannot be denied; they are, instead, suspended according to 365.180.

Determination of Benefit Levels*	
1.	Determine the HH's monthly net income (remember to round the result).
2.	Multiply the monthly net income (with cents) by 30%.
3.	Determine the <b>Maximum Benefit Level (MBL)</b> for the HH size by adding \$150 for <b>each person</b> in excess of 8 to the MBL for an eight person HOUSEHOLD.
4.	Subtract the 30% amount from the MBL for the HH size. The resulting amount is the HH's monthly allotment.

\* Round \$0.01-\$0.49 **down** & \$0.50-\$0.99 **up**

**Appendix**

**Household Size Over Eight**

The Green family, an HH of 9, receives \$800 in unearned income and pays \$600 for rent, which includes all utilities.

**Manual SNAP Benefit Calculation - HOUSEHOLDS Over Eight**

Income		
<b>Countable Earned Income</b>		0
	x	= 0
<b>80%</b>		
<b>Countable Unearned Income</b>		800
<b>Total Countable Income</b>		800
Deductions		
<b>Standard</b>		<b>214</b>
Total Medical Deduction (Elderly/Disabled HHs only) Total Medical Deduction <u>    0    </u> - \$35		
<b>Countable Medical Deduction</b>	<u>    0    </u>	<b>- 0</b>
<b>Dependent Care Deduction</b>		<b>0</b>
<b>Child Support Deduction</b>		<b>0</b>
<b>Preliminary Adjusted Net Income (PANI)</b>		<b>= 586</b>
Rent/Mortgage	600	<b>Shelter Deduction</b> (No Cap applies to Elderly/Disabled HOUSEHOLDS)
Utilities/SUA	0	
1/2 of the PANI	-293	
<b>Excess Shelter</b>	<b>307</b>	
<b>Preliminary Adjusted Net Income (PANI)</b>		<b>586</b>
<b>Excess Shelter/Shelter Deduction</b>		<b>- 307</b>
<b>Monthly Net Income</b>		<b>279</b>
	x 30 %	= 83.70
<b>*Maximum Benefit Level for an HH of 9</b>		<b>1,352</b>
Minus the 30 % amount		<b>- 83.70</b>
<b>MONTHLY ALLOTMENT</b>		<b>= 1268.30 Round to 1268</b>

* Maximum Benefit Level for an HH of 8		1,202
Add \$150 for each additional person	+	<u>150</u>
		1352

**Appendix**

**Non-Categorical Households Transferring Assets (363.150)**

**Disqualification for transferring assets occurs when the applicant/client:**

- knowingly transfers assets three months before applying; or,
- knowingly transfers assets during the certification period to keep the case eligible.

Transferred by:

- HH member;
- ineligible noncitizen; and/or
- Disqualified nonhousehold member.

**Transferring of assets may result in HH disqualification**

Period of Disqualification	
1	determine amount transferred
2	add transferred amount to countable assets
3	determine if total countable assets exceed the asset limit
4	if over the asset limit, determine the period of disqualification

*Example: John Doe has a bank account with \$1,750. However, you discover that he Transferred ownership of a Certificate of Deposit with a value \$850.*

	\$1,750	bank account
+	\$ 850	Certificate of Deposit
	\$2,600	
-	\$2,000	asset limit
	\$600	excess

Amount in Excess of Asset Limit	Period of Disqualification
\$ 0 - \$ 249.99	1 month
\$ 250 - \$ 999.99	3 months
\$ 1,000 - \$ 2,999.99	6 months
\$ 3,000 - \$ 4,999.99	9 months
\$ 5,000 - and up	12 months