



FDPIR CERTIFICATION II Workshop

NAFDPIR Conference – Niagara Falls, NY

Financial Eligibility Criteria



Financial eligibility is determined by a review of a household's resources and anticipated income.

Categorical eligibility is the presumption of eligibility in regard to income and resources based on a household's eligibility for another program for low-income households. Programs that qualify a household for this under FDPIR are:

- Public Assistance (PA), which includes Temporary Assistance to Needy Families (TANF).
- Supplemental Security Income (SSI), which are monthly payments to low-income elderly, blind and disabled persons.
- General Assistance (GA), a State-funded program for low-income individuals, provides assistance to individuals that do not qualify for other assistance, such as TANF or SSI. Many states offer GA, but some do not.



To be categorically eligible, all members of the household must participate in at least one of the qualified programs. True

Notes: Combination of programs (e.g., TANF, PA, SSI, FNS-approved GA) would count if all members covered by at least one.



A two-person household applies for FDPIR. Joe is a Social Security recipient, Debbie receives TANF. Is the household categorically eligible for FDPIR?

Answer: No. Social Security is not a qualifying program as it does not have a means test.



Resource eligibility is determined by a review of the household's cash assets and other readily available resources that could be used to pay for normal household expenses, such as food purchases. The household's resources at the time the application is filed must be used to determine the household's eligibility. Eligibility must be denied or terminated if the value of nonexempt resources for the household exceeds the resource standards established for FDPIR.

The FDPIR resource standards are updated annually in Exhibit M of FNS Handbook 501. The current resource standards are (subject to change) \$3,250 for households that contain at least one elderly or disabled person; and \$2,000 for all households without the above referenced individuals.



What are considered resources which must be counted against the monthly limit?

Answer: Cash on hand, checking and savings accounts; readily negotiable and accessible certificates or instruments (e.g., certificates of deposit, stocks, bonds, etc.); nonrecurring lump sum payments (e.g., income tax refunds, lump-sum insurance settlements, security deposit refunds, etc.), which are treated as a resource beginning in the month of receipt;
The total non-excluded resources of a disqualified household member.



DOUBLE POINTS George applies for FDPIR for himself and his elderly father. The application form and the interview reveal the following resources:

Checking account balance is \$797
Savings account balance is \$2,700
Life insurance policy valued at \$5,123
Individual Retirement Account balance is \$25,128

What are the total countable resources? Does George's household qualify for FDPIR?

Answer: \$3,497, including the checking and savings account balances. George's household does not qualify for FDPIR.

Excluded resources are as follows:

- Cash value of life insurance policies and up to \$1,500 of the equity value of one prepaid funeral arrangement per household member.
- Retirement accounts and pension funds (as long as the funds remain in the pension fund).
- Disaster payments, when the household is liable if the funds are not used as intended (see FNS Handbook 501, Section 4432).
- Prorated income, such as student and self-employment income (see FNS Handbook 501, Section 4433).
- Resources excluded by law (see FNS Handbook 501, Section 4434). Certain federal payments are excluded as income and as a resource by the legislation that authorizes the payments.

NOTE: Resources must only be verified if questionable.



Income eligibility is determined by a review of all income that is reasonably anticipated to be received by the household during the certification period. In general, you'll want to look at the last 30 days as a guide (past year (in general) for self-employed households), unless change in income anticipated. The FDPIR net monthly income standards by household size are listed online at the FDPIR website, and are adjusted on October 1 of each year. Unless excluded by law, income is considered either earned or unearned.

Earned income includes:

- Wages;
- Gross self-employment income, minus allowable business expenses;
- Training allowances to the extent that they are not a reimbursement;
- Work study earnings, unless excluded by law (e.g., wages from a work study program authorized by Title VI of the Higher Education Act are excluded).

Unearned income includes, but isn't limited to:

- Needs-based assistance payments (e.g., TANF, SSI, GA, etc.);
- Annuities and pensions; old age, survivor's or Social Security benefits; retirement account withdrawals; veteran's or disability benefits; workman's or unemployment compensation; strike benefits; alimony and child support payments from non-household members; adoption subsidies received on a regular basis; and foster care payments (if the foster child/adult is counted as a household member);
- Student financial assistance (e.g., scholarships, grants, fellowships, deferred student loans, veteran's educational benefits, etc.) **not excluded by law**. 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. NOTES:
 - The portion of the educational income that is used or earmarked for allowable educational expenses (i.e., tuition, mandatory fees, books, supplies, transportation and miscellaneous personal expenses, other than normal living expenses) is subtracted from the educational income and **not counted**.
 - The remaining non-excluded educational funds are prorated over the number of months they are intended to cover (e.g., 4 months for the fall semester covering September–December).
- Government-sponsored grant programs, such as the Federal Housing Administration's "Family Living Plan" (for monthly household expenses);
- Interest, dividends, and royalties;
- The income of a disqualified household member less the pro-rata share for the disqualified person;
- All other direct money payments from any source that can be construed to be a gain or benefit to the household.

Note: Monthly income that fluctuates may be averaged, as long as it does not disadvantage the household (see FNS Handbook 501, Section 4622).



DOUBLE POINTS What are the income deductions that can be applied to gross income?

20% earned income deduction: Applies to wages and self-employment income, but not to unearned income, such as unemployment compensation (see FNS Handbook 501, Section 4551).

Dependent care deduction: Applies when the dependent care is needed for work or training and it is provided by an individual outside the household (see FNS Handbook 501, Section 4552).

Child support deduction: Applies to legally obligated child support paid for a child outside the household (see FNS Handbook 501, Section 4553).

Premiums for Medicare Parts B and D: Applies when the premium payments are paid by a household member (see FNS Handbook 501, Section 4554).



So where can you look to figure out what's NOT counted as income, such as vendor payments?

Answer: FNS Handbook 501, Section 4540.



How do you calculate monthly income if someone gives you their weekly income? How do you calculate monthly income if they give you their pay for every two weeks?

Answers: 1st Question – multiply by 4.3, or use Tribal/State conversion standard. 2nd Question – multiply by 2.15, or use Tribal/State conversion standard.



DOUBLE POINTS Cynthia brings her four most recent paystubs to the certification interview. She gets paid hourly wage and her weekly income fluctuates because some days she works less and some days she works more. Usually, though, she lets the certifier know that she makes a normal income /averages about \$325 per week. What's her monthly income? Answer: \$325 multiplied by 4.3 equals \$1,397.50 for her monthly income.

NOTES:

- Gross income must be verified. 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, unless changes have occurred or can be anticipated (e.g., expected loss of job or Public Assistance). Income that can be reasonably expected to begin in the first month of the certification period (e.g., wages from a new job, alimony, etc.) must be counted.
- 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.



DOUBLE POINTS James applies for FDPIR on June 3. He is unemployed, but was just hired for a job that won't start until August. He expects to make minimum wage and work 20 hours per week in August through October. Should the certifier consider John's new job when calculating income? What should the certifier do if he's otherwise eligible? No. The certifier should certify James for June and July; James would receive notice to recertify to receive benefits beginning in August.

- Monthly gross self-employment income is determined by subtracting allowable 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. How do you verify self-employment income? Tax returns, other documentation of recent self-employment income and business expenses from the household.



What business expenses can be deducted from self-employment income?

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 (e.g., wool for weavers).

Putting It All Together - Eligibility Determinations

BIG PICTURE:

1. Establish Household Composition
2. Establish Residency and Citizenship Status
3. Determine Resource Eligibility
4. Determine Income Eligibility

10 Steps to Determine 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, 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.

NOTE: See Handbook 501 for further details on how to calculate at each step.

Remember – categorically eligible households don't need to meet the income and resource tests!

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 or disabled. Those households may be assigned certification periods up to 24 months.

GENERAL RULE: 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 6-month certification period. FALSE

Notes: Households reporting zero income are generally given a one-month certification period. In rare instances, a household reporting zero income may be assigned a two-month certification period, if its circumstances are verified to be stable.

Self-employed households should be given certification periods that match their household's income cycle. TRUE

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. TRUE

Notes: All required verifications must be completed prior to any additional issuances of USDA Foods.



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 business day after the application date. All Other Households: no later than 7 business days after the application date.

Want full online training? Go to http://www.fns.usda.gov/fdd/programs/fdpir/fdpir_hhcert_training.htm.

THANK YOU