
**FOOD STAMP CERTIFICATION
ELIGIBILITY REQUIREMENTS
Resources**

**FS 250 Resources
Change #1-2006
April 1, 2006**

250.01 RESOURCES REQUIREMENTS

A. General Requirements

The maximum allowable resources, including both liquid and non-liquid assets, of all members of the food stamp unit (FSU) shall not exceed \$2,000 for the household except that for FSU s including a member or members age 60 or over, or a disabled member, such resources shall not exceed \$3,000. The disabled member must meet the criteria defined in Section 210.10, definition of Specified Person.

Categorically eligible FSU s containing a FSU member who is certified to receive Work First Family Assistance (WFFA), including Benefit Diversion, and/or authorized to receive Work First Employment Services are not required to meet the resource limits. Exclude resources of the entire FSU if at least one member of the FSU is authorized to receive WFFA and/or Work First Employment Services as defined in Section 620, Categorical Eligibility. A FSU that is certified to receive WFFA includes payment types 1 or 2 and Benefit Diversion cases. Categorical eligibility rules applicable to WFFA recipients only apply while the FSU is certified to receive WFFA. For example, WFFA Benefit Diversion recipients are categorically eligible for a maximum of three months. Supplemental Security Income (SSI) recipients are also categorically eligible; therefore, do not count resources of any SSI recipient. Refer to Section 620, Categorical Eligibility, for additional policy.

Resources that are included in a Bankruptcy Order are considered inaccessible and are, therefore, excluded.

NOTE: When determining use or exclusion of resources, ineligible aliens, ineligible ABAWDs, or disqualified individuals (including individuals who fail to provide or apply for a social security number) residing with the FSU are considered household members and all of the resources of these individuals are considered available.

B. Sponsor of an Alien

If the Affidavit of Support was signed (or re-signed) on or after December 19, 1997, the full amount of the resources of a sponsor and his spouse (if living together) is counted to the alien s FSU until:

1. The alien becomes a citizen; **or**
2. The alien has worked or can be credited with 40 qualifying quarters of social security coverage. Beginning January 1, 1997, a quarter in which the wage earner received federal means-tested assistance (Work First, Food Stamp benefits, Medicaid, North Carolina Health Choice, or SSI) does not count as a qualifying quarter; **or**
3. Until the alien or sponsor dies.

If the Affidavit of Support was signed prior to December 19, 1997, disregard \$1,500 of the total resources of the sponsor and his spouse (if living together) prior to counting the resources.

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250.02 VERIFICATION

Verification of resources is required at each application, recertification, and each reported change in resources as follows:

Verify a resource when its reported value, when added to the value of the FSU's other resources, is equal to or exceeds the allowable resource limit for the FSU.

Verify any resource that is questionable. A resource is considered questionable when there is reason to believe that the reported value is incorrect.

If verification is necessary, use the DSS-8650, Request for Information Needed to Complete Your Food Stamp Application, to request information. Give the FSU at least ten calendar days to provide the verification.

The value of the following items **must** be verified.

A. Vehicles

Verification through the State Titling and Registration System (STARS) on-line inquiry is required at application, each full recertification, or when a new vehicle is reported or is questionable for all FSU members age 16 and above not to exceed once every six months. Use VQ36 selection 08 to determine vehicle value. **Several Internet web sites also provide data on the valuation of used vehicles at no cost to the user. Some acceptable sites equivalent to the printed blue books include: CarPrices.com; AutoPricing.com; Intellichoice; Edmund's; and the Kelley Blue Book. The National Automobile Dealers Association (NADA) provides a fee-based electronic version of its print blue book, which may also be used.**

B. Jointly Owned Property

Verification of the value of jointly owned property is required at application. Subsequent verification is not required unless the joint ownership changes or becomes questionable.

C. Resulting Trust

Verification of a resulting trust is required at application. Subsequent verification is not required unless the resulting trust changes or becomes questionable.

D. Resources for Which Availability or Accessibility Must Be Established

Verification of the availability or accessibility of resources is required at application. Subsequent verification is not required unless the situation changes or becomes questionable.

NOTE: A resource is inaccessible if the FSU must petition or make an application to the clerk of court, judge, trustee, or financial institution for release of funds. When a trust fund can only be accessed for hardship, it is not considered accessible. Any funds released from the resource would be counted as income in the month received when it can be reasonably anticipated. Do not count the remaining funds as a resource. Resources included in a Bankruptcy Order are also excluded during the time in which they are part of the order.

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250.03 DOCUMENTATION

Document the following for each reported resource in the Food Stamp Workbook.

- A. Verification source and date verified; **and**
- B. Calculations used to determine the resource value; **and**
- C. Countable resource value.

Enter the total countable resource value in field 39 of the DSS-8590.

250.04 APPLICANT FSU'S

Applicant FSU s must meet the resource limit as of the date of the interview. Special procedures for determining resources at initial application are as follows. If an individual applies, is interviewed the same day, and reports excess resources, he is ineligible as of the date of application. The case should be denied unless the resource is rebuttable and the client wishes to rebut the value.

If the interview is held on a day other than on the date of application, follow these guidelines.

- A. If the interview is conducted in the month of application and the FSU is eligible by the date of interview, approve the application effective the date of application.
- B. If the interview is conducted in the month following the month of application, and the FSU had excess resources on the date of application but is eligible by the date of interview, deny assistance for the first month and approve the application effective the first calendar day of the second month.
- C. If the FSU was eligible on the date of application, but ineligible due to excess resources by the date of interview and the interview is conducted during the month of application, deny the application.
- D. If the interview is conducted in the month following the month of application, and the FSU is eligible on the date of application but ineligible due to excess resources by the date of interview, approve the application for the first month and deny assistance for the second month.

250.05 PARTICIPATING FSU'S

- A. The FSU must report receipt of resource within ten calendar days of receipt unless the FSU is in the Semi-Annual Recertification category.
- B. The FSU must meet the resource limit as of the date the resource is reported.
- C. If resources exceed the limit, send a Notice of Adverse Action, DSS-8553, to terminate.
- D. If the FSU meets the resource limit within ten working days (Notice of Adverse Action period), it must reapply.

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250.06 COUNTABLE/EXCLUDABLE REFERENCE LIST OF RESOURCES

Resource Item	Yes	No	Manual Section
Agent Orange Settlement payments or similar funds which are disbursed by the AETNA Insurance Company to veterans or surviving spouses and children. NOTE: Veteran's Administration (VA) benefits received for a service connected disability resulting from exposure to Agent Orange.		N	
Alaska Native Claims Settlement Act payments.		N	
Allowances paid under the law to Vietnam veterans child(ren) born with spina bifida <u>and other birth defects.</u>		N	250.17
Annuities		N	
Battered Women s Resources - Jointly owned with a former household member and access is dependent on the agreement of the joint owner		N	250.17
Bonds	Y		250.09
Buildings, regardless of location		N	
Burial Plans, Prepaid <ul style="list-style-type: none"> • Revocable (can be sold or "cashed in") One burial contract per household member of \$1,500 or less in equity is excluded. Count equity amount above \$1,500. • Irrevocable (cannot be sold or "cashed in") 	Y		250.13
Burial Plots/Spaces		N	
Business Liens (against property) <ul style="list-style-type: none"> • Liquid resources that are not accessible to the FSU • Non-liquid resources that the FSU is prohibited from selling as a part of the lien agreement 		N N	250.17
Business Resources <ul style="list-style-type: none"> • Incorporated • Unincorporated 	Y	N	250.17
Cash	Y		250.08
Checking Accounts	Y		250.09
Certificates of Deposit (CD)	Y		250.09
Combined Funds (commingled with excluded funds) <ul style="list-style-type: none"> • Combined less than or equal to 6 months • Combined more than 6 months 	Y	N	250.17
Contract Sales		N	250.17
Disaster Payments made by the Individual and Family Grant (IFG) Program or the Small Business Administration (SBA) designed for the restoration of a home damaged in a disaster. Such designation must state that the FSU is subject to a legal sanction if funds are not used as intended.		N	
Disaster Relief and Emergency Assistance payments, including Federal Emergency Management Assistance (FEMA), made as a result of a major disaster.		N	
Earned Income Tax Credit (EITC)		N	250.17
Energy Assistance		N	250.17

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Resource Item	Yes	No	Manual Section
Educational Aid		N	250.17
Escrow Account (Mortgage)		N	250.17
Excluded by Law		N	250.17
401(A), NC Teachers and State Employees Retirement Plan		N	250.10
401(K) Plans		N	250.10
403(B) Plans		N	250.10
457 Plans		N	250.10
501 (C18) Plans		N	250.10
Farm Equipment		N	250.17
Federal Employee Thrift Savings Plan		N	250.10
GI Bill Funds		N	250.17
Heir Property		N	250.17
Household Goods/Personal Effects		N	250.17
Housing and Urban Development (HUD) retroactive tax and subsidy payments issued pursuant to settlement of Underwood v. Harris.		N	
Individual Development Accounts (IDA) <ul style="list-style-type: none"> • Funds in IDA account including accrued interest up to \$10,000. • Funds withdrawn by a TANF individual as long as IDA is maintained • Funds withdrawn by a non-TANF individual 	Y	N	250.17
Income Producing Property		N	
Indian funds and lands.		N	
Indian lands held jointly with the tribe or land that can be sold only with the approval of the Bureau of Indian Affairs (BIA).		N	
Individual Retirement Account (IRA)	Y		250.10
Jointly Owned Resources, if inaccessible		N	250.17
Keogh Retirement Plans with no contractual relationship with other individuals	Y		250.10
Land, regardless of location		N	250.17
Land Payments for land held in trust by the U.S. for certain Indian tribes		N	250.18
Life Insurance (Cash Value)		N	
Lifetime Right (Life Estate)		N	250.17
Loans		N	
Lump sum, non-recurring	Y		250.16
Mobile Homes		N	250.17
Mutual Funds	Y		250.09
Payments made to individuals because of their status as victims of Nazi persecution.		N	
Payments Counted as Income		N	
National Flood Insurance Program (NFIP) Payments		N	

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Resource Item	Yes	No	Manual Section
Pension Plans/Retirement listed below. <ul style="list-style-type: none"> • 401(A) Plans • 401(K) Plans • 403(B) Plans • 457 Plans • 501C (18) Plans • Simplified Employer Pension (SEP) Plans that are not considered to be IRAs • KEOGH Plans that involve a contractual obligation with a non-household member 		N	250.10
Promissory Note	Y		250.15
Property in Probate		N	250.17
Radiation Exposure Compensation Act payments These payments are provided to individuals for injuries or death resulting from nuclear testing or uranium mining in Arizona, Nevada, and Utah.		N	
Real Property (Land or Buildings) including mobile homes		N	250.17
Remainder Interest		N	250.17
Resulting Trust		N	250.21
Reverse Resulting Trust	Y		250.22
Retirement <ul style="list-style-type: none"> • Accessible • Inaccessible 	Y	N	250.10
Savings Account	Y		250.09
Security Deposit being held (Rent/Utilities)		N	
Simplified Employer Pension (SEP) Plans that are not considered to be IRAs		N	250.10
Significant Return - Cannot Be Sold for a Significant Return		N	250.17
Special Supplemental Food Stamp Program for Women, Infants, and Children (WIC) benefits.		N	
Stocks	Y		250.09
Time Share Contracts	Y		250.14
Title I of the Domestic Volunteer Services Act of 1973 payments for such programs as VISTA, University Year for Action, and the Urban Crime Prevention Program.		N	
Transferred Resources	Y		250.19
Trust Funds <ul style="list-style-type: none"> • Accessible • Inaccessible 	Y	N	250.11
Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 Reimbursements		N	
UTTA (Uniform Transfer to Minors) Account	Y		250.12

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Resource Item	Yes	No	Manual Section
Vehicles <ul style="list-style-type: none"> • Income Producing • Home • Leased • Long Distance Travel/Equipment • Transport Physically Disabled FSU Member • Used to carry the FSU s main source of water or heating fuel for home use • Each (licensed or unlicensed) vehicle that will net the seller less than \$1,500 when or if sold. • One vehicle per adult household member (regardless of use) • Others See 250.07 	Y	N N N N N N N	250.07
Wartime Relocation of Civilian Law payments which are provided to certain citizens of Japanese ancestry, Japanese aliens, and Aleuts.		N	

250.07 VEHICLES

- A. Determine if any FSU member owns a vehicle such as, but not limited to, a car, van, truck, boat, motorcycle, or camper. See Section 3300 for definition of vehicle.
- B. Exclude from resources, the value of one motor vehicle (licensed or unlicensed and regardless of use) per adult (age 18 or older) or emancipated minor food stamp unit (FSU) member. This includes ineligible FSU members, such as (but not limited to) ineligible aliens, students, or ABAWD s.

A motor vehicle (for this exclusion) is defined as an automobile or other vehicle used for transportation. This may include a boat if it is the primary mode of transportation.

EXAMPLE: FSU consists of two adults (one is an ineligible student) and one child. One FSU member has two motor vehicles, but the others have none. Exclude from resources the value of both vehicles because there are two adults in the FSU.

- C. If the vehicle is not excluded based on the criteria in B. above, ask whether the vehicle is licensed. If the vehicle is licensed, determine if it will be excluded as a resource under one of the following provisions.

A vehicle (for these exclusions) is defined as any device by which a person or property is or may be transported upon the highway, water, or airways.

The entire value of a licensed vehicle shall be excluded as a resource if the vehicle is:

- 1. An income producing vehicle. A vehicle is income producing if:
 - a. The licensed vehicle is used for income producing purposes (such as, but not limited to, a taxi, truck, or fishing boat) regardless of the amount of time the vehicle is used for such a purpose; **or**
 - b. The licensed vehicle is used for deliveries, to call on clients or customers, or required by the terms of employment (such as a realtor transporting customers); or
 - c. The licensed vehicle produces income annually consistent with its fair market value, even if used on a seasonal basis; or

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NOTE: Do not count the income-producing vehicle as a resource when the FSU member is temporarily unemployed or it belongs to a former self-employed farmer for one year after he stops farming.

2. A vehicle used as a home.
3. A leased vehicle.
4. A vehicle used for long distance travel essential to the employment of a FSU member.

For example, a vehicle is not a countable resource if used by a traveling salesperson or a migrant worker following the job stream.

This exclusion does not apply to a vehicle if the long distance travel is only for commuting daily to and from work.

5. A vehicle used to transport a physically disabled FSU member (exempt from work registration or a specified person based on disability, but not solely due to age 60 or older); **or**

A vehicle used to transport a physically disabled ineligible alien or physically disabled disqualified person whose resources are being considered available to the household.

Exclude only one vehicle per physically disabled FSU member. The vehicle does not have to be a special type or be specially equipped, and the vehicle does not have to be used solely for the disabled household member.

6. A vehicle used to carry the FSU's main source of water or heating fuel for home use. For example:
 - a. The home is heated by a wood stove, and the family pickup truck is used to obtain wood.
 - b. The home is in the city and has a city water hookup. However, the family cannot pay the water bill, and there is no water to the home. The family uses the family car to get water in jugs.

NOTE: Apply the licensed vehicle exclusions in 1.-6. above for an unlicensed vehicle owned by Indians living on reservations in Jackson, Graham, or Swain Counties. The reservation does not require a vehicle driven by tribal members to be licensed if the vehicle is driven only on the reservation.

- D. Exclude from resources the value of each (licensed or unlicensed) vehicle, which when sold, will net the seller less than \$1,500.

EXAMPLE 1: Fair Market Value: \$5,000
Minus Amount Owed: \$4,000
Equity Value: \$1,000 (This vehicle will be excluded.)

EXAMPLE 2: Fair Market Value: \$5,000
Minus Amount Owed: \$2,000
Equity Value: \$3,000 (This vehicle will not be excluded)

- E. If vehicle is not excluded entirely under the provisions in B., C., or D. above, count the equity value of the vehicle towards the resource limit.

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Determine the equity value of a licensed vehicle by taking the following steps:

1. Use the fair market value (wholesale value or average trade-in value) from the on-line STARS inquiry. If the vehicle is not listed, use the tax value; the FSU's written estimate of the value, unless questionable; or allow the FSU to provide other evidence such as, a dealer statement.
 2. Subtract the amount necessary to pay off the vehicle's loan. Ask the FSU to provide a statement of the pay off from the lienholder, or you may call the lienholder if the FSU requests assistance and provides the necessary information. (Do not use a payment book to determine pay off because this includes interest.); **and**
- F. If the equity value of a licensed or unlicensed vehicle alone or the equity value of a licensed or unlicensed vehicle when added to other resources results in ineligibility, take the following steps to give the FSU the opportunity to rebut the value assigned the vehicle.
1. Use the DSS-8650 to notify the FSU of the verification method and the determined value (of all vehicles that will be counted toward the resource limit), **and**
 2. Inform the FSU member that if he disagrees with the determined value, he has the right to contact a dealer and provide within ten calendar days a signed and dated statement from that dealer indicating:
 - a. The make, model, year, and general description of the vehicle, **and**
 - b. The value of the vehicle.
 3. If the FSU member disagrees with the determined value and provides a written statement from a dealer within ten calendar days, accept the car dealer's statement. Count the new verified amount (equity value) of the vehicle as a resource. Proceed with the application.
 4. If the FSU member responds within the ten calendar days and states the vehicle is inoperable and/or junked and the STARS inquiry does not indicate the vehicle has been junked, take the following steps.
 - a. Have the FSU member sign and date a statement which indicates the equity value of the vehicle **and** that it is inoperable and/or is junked.
 - b. If the FSU member provides his written statement verifying the information requested within ten days, count the stated equity value (if greater than \$1,500) as a resource. File the statement in the case record. Proceed with the application.
 5. If the FSU member does not reply or fails to provide verification within 30 calendar days of the date of application, count the assigned equity value of the vehicle in resources. Deny the case due to excess resources. If the rebuttal is part of the postponed verification, the FSU has until the end of the month following the month of application to provide verification.
 6. If a recipient FSU member does not provide a dealer's statement to rebut the determined value within ten calendar days, send a Notice of Adverse Action,

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DSS-8553, to terminate the case for excess resources counting the assigned equity value.

NOTE: Since you must notify the FSU member of the determined value of the vehicle when it becomes apparent the verified value will result in the FSU's ineligibility, the STARS on-line inquiry should be performed during the interview or as soon as possible after the application is taken. Internet web sites also provide information to determine the fair market value of licensed vehicles at no cost. Such sites include: Car Prices.com, Intellichoice, Edmunds, and the Kelly Blue Book. The National Automobile Dealers Association (NADA) provides a fee-based electronic version of its print blue book, which may also be used.

250.08 CASH

- A. Determine how much cash all FSU members have. Accept the applicant's statement, unless questionable.
- B. Count as resources all cash except money that is counted as income in the month received or income that has been prorated and counted as monthly income.

250.09 CHECKING ACCOUNTS, SAVINGS ACCOUNTS, CERTIFICATES OF DEPOSIT (CD'S), STOCKS/BONDS, AND MUTUAL FUNDS

- A. Determine if anyone in the FSU has any of the above. Accept the applicant's statement, unless questionable.
- B. Document the name of the financial institution, the account number if known, who owns the account, and the account value.
- C. Subtract from the account value any money which was counted as income in the month and any penalties or fees for early withdrawal. Subtract any outstanding checks. This is very crucial if a FSU is close to the resource limit. Count the remainder as the resource.
- D. If verification is necessary:
 - 1. Use the DSS-8650 to request information.
 - 2. If the FSU states that verification of **any financial account** is not readily available or requests assistance, explain the Financial Privacy Act.
 - 3. Request the FSU to provide within ten calendar days a DSS-3431 signed by all account holders. When the signed DSS-3431 is provided, contact the bank or financial institution to verify account balances.

250.10 INDIVIDUAL RETIREMENT ACCOUNTS (IRA'S), KEOGH PLANS, 401(K) PLANS, AND REGULAR RETIREMENT PLANS

- A. The following types of retirement savings are included as a resource, regardless of whether there is a penalty for early withdrawal:
 - 1. Keogh Plans that involve no contractual relationship with other individuals;
 - 2. Individual Retirement Accounts (IRA's); and
 - 3. Simplified Employer Pension Plans (SEPs) that are considered IRAs.

NOTE: If the case value of an excluded type of plan is rolled over into an IRA, the cash value loses its exclusion and becomes an included resource following the roll over.

- B. The following types of retirement savings and pension plans are excluded from consideration as resource:

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1. 457 plans (plans for State and local governments and other tax-exempt organizations, which includes the 401(A), the North Carolina Teachers and State_Employees retirement plans);

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2. 401(k) plans (generally a cash-or-deferred arrangement and generally limited to profit-making firms);
3. Federal Employee Thrift Savings plan;
4. Section 403(b) plans (tax-sheltered annuities provided for employees of tax-exempt organizations and State and local educational organizations);
5. Section 501- C (18) plans (retirements plans for union members consisting of employee contributions to certain trust that must have been established before June 1959); and
6. Keogh plans that involve a contractual obligation with someone who is not a household member.
7. Simplified Employer Pension Plans (SEPs) that are not considered IRAs.

250.11 TRUST ACCOUNTS

- A. Determine if anyone in the FSU has trust accounts. Accept the applicant's statement of the value, unless questionable.
- B. Verify accessibility of the account through the administrator of the trust, the Clerk of Court's Office, the bank or financial institution in which the trust is invested, or by seeing the trust agreement.
- C. If verification of the value is necessary, use the DSS-8650 to request information. If the FSU states the information is not readily available or requests assistance, contact the trustee or administrator to request verification. Count as resources the value of an accessible trust account (less any fees by the trustee or administrator).

250.12 UNIFORM TRANSFER TO MINORS ACCOUNT

These accounts are custodial accounts for minors. A donor (who may or may not be the custodian) gives money irrevocably to set up an account for a minor (under 21). The custodian of the account has complete access and may withdraw money (though it is to be used to benefit the minor) at any time. The bank or credit union does not verify the purpose of the withdrawal; therefore, the account is a countable resource to the FSU of the custodian.

250.13 PREPAID BURIAL PLANS

- A. Count the equity value in excess of \$1,500 in a revocable prepaid burial plan for each FSU member.
 1. Document the number of plans owned, where they are located, and the value of each. Accept the applicant's statement, unless questionable.
 2. If verification of the value is necessary, use the DSS-8650 to request information.
 3. If the FSU states the information is not readily available or requests assistance, contact the funeral home, church, caretaker of the property, or burial trust company.
 4. If the FSU changes a prepaid burial plan to an irrevocable plan, do not count its value.

250.14 TIME-SHARE CONTRACTS

Determine if any member of the FSU has any time-share contracts.

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- A. A time-share is the joint ownership or lease of vacation property which persons can occupy individually for set periods of time.
- B. A time-share contract indicates that a person purchased the right to occupy a property, usually for vacation purposes, for stipulated periods of time each year.
- C. A time-share contract is not considered real property. A good faith effort to sell does not apply.
- D. Determine the following:
 - 1. Who owns the time-share contract;
 - 2. The value of the time-share contract;
 - 3. Where the property is located; **and**
 - 4. The amount owed (encumbrances) on the time-share.
- E. Ask the FSU to verify the value and encumbrances of the time-share contract at application and each recertification.
 - 1. Request this information using the DSS-8650, Notice of Information Needed to Complete Your Food Stamp Application, giving the FSU at least ten calendar days to provide the verification.
 - 2. Verification of the time-share value, as well as encumbrances, may be obtained from the:
 - a. Real estate broker or sales agent;
 - b. Lending institution; **or**
 - c. Sales contract.
- F. If the FSU states the verification is not readily available or requests assistance, assist the FSU in obtaining the verification.
- G. Calculate the countable value of the time-share contract.
 - 1. Obtain the value of the time-share.
 - 2. Subtract the encumbrances (if any).
 - 3. Count the remainder as the equity value of the time-share contract.
- H. Document on the workbook:
 - 1. The responses from the applicant;
 - 2. Verification of the time-share;
 - 3. Calculations of the equity value; **and**
 - 4. The countable equity value of the resource.

EXAMPLE: The applicant states he has a time-share contract to use a beachfront condominium for two weeks out of the year. The value of the time-share is \$10,000. He owes \$2,000 on it. The equity value is \$8,000, which is counted as a resource.

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250.15 PROMISSORY NOTES

Determine if any FSU has any promissory notes. Accept the applicant's statement, unless questionable.

- A. A promissory note is a written promise made by one or more persons to pay another a specified amount of money at a specified time or on demand.

- B. Document who owns the promissory note and how much is owed on the note.
 - 1. Use the DSS-8650 to request verification of what is owed.
 - 2. If the FSU states the information is not readily available or requests assistance, provide assistance.

250.16 NON-RECURRING LUMP-SUM PAYMENTS

Determine if any FSU member has received any non-recurring lump-sum payments. Accept the applicant's statement, unless questionable.

- A. Non-recurring lump-sum payments are payments received in one payment rather than recurring payments. Non-recurring lump-sum payments include, but are not limited to:
 - 1. Income tax refunds (excluding Earned Income Tax Credits [EITC]);
 - 2. Rebates or credits;
 - 3. Gifts, awards, and prizes;
 - 4. Retroactive social security payments;
 - 5. Retroactive SSI payments (exclude if current SSI recipient);
 - 6. Retroactive unemployment insurance benefits (UIB);
 - 7. Retroactive TANF payments;
 - 8. Retroactive Railroad Retirement benefit; **and**
 - 9. Lump-sum insurance settlements.

Document who received the lump sum, the source, the amount, when received, and how much of the lump sum is still available to the FSU. Use the DSS-8650 to request verification. If the FSU states the information is not readily available or requests assistance, contact the source. Count the amount that is still available as a resource.

250.17 EXCLUSIONS FROM RESOURCES

In determining the resources of a FSU, the following shall be excluded.

- A. Household goods and personal effects, including clothing, furniture, jewelry, kitchen items, household appliances, pets, etc.

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- B. Mortgage Escrow Accounts
- A mortgage escrow account is a bank account held generally in the name of the depositor and the escrow agent (usually the mortgage holder) which is used to pay taxes, mortgage insurance, fire insurance, etc.
- C. Installment contract sales which are producing income consistent with the fair market value.
- D. Resources of an incorporated business.
- E. Payments counted as income, such as those of students or self-employed persons, which were prorated as income for the period intended to cover. Exclude from resources the portion of any resource counted as income.
- F. Payments or allowances made under federal, state, and local laws for the purpose of energy assistance.
- G. EITC is a credit subtracted from the amount of tax withheld to help offset increased living expenses for low-income families. The credit can be received either as a yearly lump sum or with the payroll earnings.
1. Exclude these payments for 12 months from the month of receipt (Month of receipt is month 1 of the 12-month exclusion period.).
 2. To allow this exclusion, the individual who received the EITC payment must:
 - a. Have been a food stamp participant when the payment was received;
and
 - b. Continue to participate in the Food Stamp Program throughout the 12-month exclusionary period. (Breaks in participation of one month or less due to administrative reasons, such as delayed recertification or missing or late quarterly reports, shall not be considered as non-participation in determining the 12-month exclusion.)
 3. Count as a resource any of the EITC payments left at the end of the 12-month exclusion period. Use the Review for Change field of the DSS-8590 to track the exclusionary period. Flag the case for review in the 11th month of exclusion.
- H. GI Bill funds set aside as a mandatory salary reduction for military personnel which is used to fund the Veteran's Educational Act of 1984. This can be verified by viewing the Leave and Earnings Statement (LES) of the military personnel.
- I. Resources of Battered Woman
1. If the applicant resides in a shelter for battered spouses and children, exclude resources owned jointly with a former household member if the shelter resident's access to the value of the resource is dependent on the agreement of a joint owner who still resides in the former household.
 2. A battered spouse s shelter is a public or private non-profit residential facility that serves battered spouses and children. If the facility serves other individuals, a portion of the facility must be set aside on a long-term basis to serve only battered spouses and children.

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- J. Property That Cannot Be Sold for a Significant Return
- This resource is unlikely to produce any significant amount of funds for the support of the household if sold or disposed of. This can occur if the household's interest is relatively slight or because the costs of selling the household's interest would be relatively great. (The expected cost to sell the resource must be at least 50 percent or more of the applicable resource limit of the household and the full value of the resource is less than \$2,000.) This does not apply to vehicles or financial instruments such as stocks, bonds or negotiables.
- K. Combined Funds
- Exclude from resources excluded funds that are kept in a separate account.
1. Exclude these funds when combined in an account with countable funds for six months from the date of commingling the funds. For example: Disaster-related funds deposited into the FSU's savings account.
 2. The excluded resources of students and self-employed members which were prorated as income and are then commingled with countable funds retain their exclusion for the period of time over which they were prorated.
 3. After the exclusion period, all funds in the commingled account are counted as a resource.
- L. Asset(s) With a Business Lien
- If a business lien has been placed against non-liquid assets as a result of taking out a business loan and the FSU is prohibited by the security or lien agreement with the lien holder (creditor) from selling the asset, exclude from resources. If a liquid asset is not accessible due to a business lien, do not count in resources. (**EXAMPLE:** Savings account or CD used as collateral)
- M. Individual Development Accounts
- Exclude as a resource up to \$10,000 including accrued interest deposited in an Individual Development Account (IDA). Continue to exclude funds withdrawn by a Work First individual as long as the IDA is maintained. Exclude withdrawals used for education, job training, to start a business, or to purchase a home. Funds withdrawn by a non-Work First individual are countable resources.
- N. Payments made to child(ren) of Vietnam veterans who are born with spina bifida.
- O. Heir Property conveyed to any FSU member at death of the property owner.
- P. All Burial Plots/Spaces owned by FSU member.
- Q. Lifetime Estate
- A person has a lifetime right when he has a claim or interest in real or personal property limited to his lifetime but does not actually own the property.
- R. Remainder Interest
- A person has remainder interest in property when he owns the property and another individual has the lifetime right.
- S. All land and buildings, including mobile homes.

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**250.18 CERTAIN PAYMENTS OR FUNDS FOR CERTAIN INDIAN TRIBES ARE EXCLUDED.
THESE INCLUDE:**

- A. Payments received by certain Indian tribe members from certain submarginal land held in trust by the United States. These tribes and Bands include:
1. Bad River Band of the Lake Superior Tribe of Chippewa Indians of Wisconsin
 2. Blackfeet Tribe
 3. Cherokee Nation of Oklahoma
 4. Cheyenne River Sioux Tribe
 5. Crow Creek Sioux Tribe
 6. Lower Brule Sioux Tribe
 7. Devils Lake Sioux Tribe
 8. Fort Belknap Indian Community
 9. Assiniboine and Sioux Tribes
 10. Lac Courte Oreilles Band of Lake Superior Chippewa Keweenaw Bay Indian Community
 11. Minnesota Chippewa Tribe
 12. Navajo Tribe
 13. Oglala Sioux Tribe
 14. Rosebud Sioux Tribe
 15. Shoshone-Bannock Tribes
 16. Standing Rock Sioux Tribe
- B. Payments received from the disposition of funds to the Grand River Band of Ottawa Indians.
- C. Payments received by the Confederated Tribes and Bands of the Yakima Indian Nation and the Apache Tribe of the Mescalero Reservation.
- D. Payments to the Passamaquoddy Tribe, the Penobscot Nation, and the Houlton Band of Maliseet or any of their members received pursuant to the Maine Indian Claims Settlement Act of 1980.
- E. Relocation assistance to members of the Navajo and Hopi Tribes.
- F. Payments to the Turtle Mountain Band of Chippewas, Arizona.
- G. Payments to the Blackfeet, Grosventre, and the Assiniboine Tribes (Montana) and the Papago (Arizona).
- H. Per capita and interest payments to the Assiniboine Tribe of the Fort Belknap Indian Community and the Assiniboine Tribe of the Fort Peck Indian Reservation (Montana).

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- I. Payments to the Red Lake Band of Chippewas.
- J. Payments to the Saginaw Chippewa Indian Tribe of Michigan.
- K. Per capita payments to the Chippewas of Mississippi.
- L. Payments to heirs of deceased Indians under the Old Age Assistance Claims Settlement Act except for per capita shares in excess of \$2,000.
- M. Per capita payments of \$2,000 or less, under the Indian Judgment Fund Act and per capita payments from funds held in trust by the Secretary of the Interior.
- N. Per capita payments or funds held in trust for the Sac and Fox Tribes of Oklahoma and the Sac and Fox Tribes of Mississippi in Iowa.
- O. Payments to the Seminole Nation of Oklahoma, Seminole Tribe of Florida, the Miccosukee Tribe of Indians in Florida, and the independent Seminole Indians of Florida except for per capita shares in excess of \$2,000.
- P. Payments received under the White Earth Reservation Land Settlement Act to members of the White Earth Band of Chippewa Indians in Minnesota.
- Q. Payments or funds received under the Seneca Nation Settlement Act.
- R. Payments made to the Puyallup Tribe of Washington.
- S. Per capita payments or funds held in trust for members of the Chippewas of Lake Superior on the following reservations:
 - 1. Wisconsin:
 - a. Bad River Reservation
 - b. Lac du Flambeau Reservation
 - c. Lac Courte Oreilles Reservation
 - d. Sokaogon Chippewa Community
 - e. Red Cliff Reservation
 - f. St. Croix Reservation
 - 2. Michigan:

Keweenaw Bay Indian Community (L Anse, Lac Vieux, Desert, and Ontonagon Bands)
 - 3. Minnesota:
 - a. Fond du Lac Reservation
 - b. Grand Portage Reservation Neff Lake Reservation (including Vermillion Lake and Dear Creek)
 - c. White Earth Reservation

250.19 TRANSFER OF RESOURCES

- A. Determine if any member of the FSU has transferred any countable resource in the last three months. Accept the applicant's statement, unless questionable.
- B. Document when the transfer took place and why the member transferred the resource.

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NOTE: If the FSU states the resource was transferred for any reason other than to obtain food stamp benefits, the FSU is not subject to the transfer of resource disqualification.

- C. If the FSU states the resource was transferred solely to receive food stamp benefits, evaluate to determine if the transfer of resource disqualification must be applied.
1. Determine what resource was transferred and whether it must be counted or excluded.
 2. Determine which FSU member transferred the resource and to whom it was transferred.
 3. If the resource was transferred between FSU members or excluded unit members whose resources are countable to the FSU, the household is not subject to the disqualification for transfer.
 4. If the FSU is subject to the transfer of resource disqualification, determine the value of the transferred resource.
- D. If the resource, when added to other countable resources, exceeds the allowable resource limit for the FSU, determine if the resource was sold or traded at, or near, fair market value.
1. If yes, the FSU is not subject to the transfer of resource disqualification.
 2. If the amount received is less than the fair market value, follow these procedures to disqualify the FSU.
 - a. Applicant FSU s
 - (1) Obtain a signed statement from the applicant regarding the facts of the transfer.
 - (2) If the applicant refuses to sign a statement, document the applicant s verbal response in the case file.
 - (3) Determine the length of the disqualification period according to instructions below.
 - (4) Send the FSU a denial notice explaining the reason for the denial as well as the length of the disqualification period.
 - (5) Disqualify the FSU beginning with the month of application.
 - b. Participating FSU s
 - (1) Obtain a signed statement from the recipient regarding the facts of the transfer.
 - (2) If the recipient refuses to sign the statement, document the recipient s verbal statements in the case file.
 - (3) Determine the disqualification period according to the instructions in 250.23 E..
 - (4) Send the FSU a DSS-8553, Notice of Adverse Action, to terminate it s food stamp benefits.

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- (5) Explain the reason for the termination as well as the length of the disqualification period.
 - (6) Unless the FSU requests a hearing and receives continued benefits, disqualify the FSU beginning with the month after the DSS-8553 expires.
- E. Determine the length of the disqualification period.
- 1. Add the value of the transferred resource to the other resources of the FSU.
 - 2. Subtract the resource limit from the amount calculated, and use this amount to determine the disqualification period from the chart below.
 - 3. The maximum disqualification period is 12 months.

Amount in Excess of The Resource Limit	Length of Disqualification
0.00 - 249.99	1 month
250.00 - 999.99	3 months
1,000.00 - 2,999.99	6 months
3,000.00 - 4,999.99	9 months
5,000.00 up	12 months

EXAMPLE: An applicant FSU with \$1,260 in a savings account transfers ownership of stock worth \$1 000 for less than fair market value. When added together, they total \$2,260. The resource limit for the FSU is \$2,000. When \$2,000 is subtracted from \$2,260, the result is \$260. According to the chart, \$260 results in a three-month disqualification.

250.20 JOINTLY OWNED RESOURCES

- A. The value of resources jointly owned by separate households will be considered available to each household, unless inaccessibility can be proven. The following are considered inaccessible:
 - 1. Resources in probate proceedings;
 - 2. Resources in divorce litigation; **and**
 - 3. Resources subject to a legal separation agreement.
- B. If the household can demonstrate that it has access to only a portion of the resource, the value of that portion will be counted toward the household's resource level.
- C. If a legally binding agreement specifying division exists, divide the resource according to the terms of the agreement.
- D. Jointly owned bank accounts in North Carolina are accessible by all joint owners in their entirety unless there is a trust (including a resulting trust, see 250.24, Resulting Trust) or legal agreement indicating otherwise. These accounts are not excluded. This also applies to accounts jointly owned with a spouse.
- E. Divide the equity value of the property (does not apply to vehicles) by the number of owners to determine the FSU's share, unless inaccessibility is established.
- F. Vehicles jointly owned by a FSU member and an individual who does not live with the FSU may be excluded only if:
 - 1. The FSU does not have possession of, or use of, the vehicle; **and**

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2. The FSU is unable to sell the vehicle because the signature of the co-owner is needed, and they will not sign.

NOTE: Count half the value of the vehicle if item 1 or 2 above are not met.

- G. The resource shall be considered totally inaccessible to the household if it cannot be practically subdivided (The value realized from selling the parts would be significantly reduced from the value of selling the entire resource.), and the household's access is dependent on the agreement of a joint owner who refuses to comply.
- H. Determine if the resource is available to the FSU and the FSU member can dispose of the resource or his interest in the resource without the consent of the other owner(s), including a spouse or former spouse.
 1. If yes, count the resource as available to the FSU.
 2. If no, contact the other owner(s) regarding their agreement to dispose of the resource.
 - a. If consent is granted, count the resource as available to the FSU.
 - b. Do not count if the other owner refuses to dispose of the resource.
 - c. If the other owner fails to respond, do not count the FSU member's share.
- I. Resources jointly owned by residents of shelters for battered women and children and a former household member are considered inaccessible if access to the value of the resource is dependent on the agreement of the joint owner who still resides in the former household
- J. Request verification of the value of jointly owned resources at application and when there is reason to believe the joint ownership has changed.

250.21 RESULTING TRUST

When the FSU states that it is party to a resulting trust, use this section to determine if the value of the property must be counted or excluded.

- A. A resulting trust exists when a person:
 1. Has resources in his name for the benefit of another person; **and**
 2. Did not contribute his own funds to the resource; **and**
 3. Retains no legal interest in the resource; **and**
 4. Would not benefit from the use or the disposal of the resource.
- B. A resulting trust can be established for any type of resource, including, but not limited to:
 1. Stocks and Bonds
 2. Vehicles
 3. Bank Accounts

EXAMPLES OF A RESULTING TRUST: A vehicle appears on the STARS Inquiry in the name of a food stamp applicant. The food stamp applicant states that, although the vehicle is titled in his name, it really belongs to his brother who purchased the vehicle. The only reason the vehicle is in his name is so that his brother could obtain insurance. Since a resulting trust exists, do not count the vehicle's value as a resource to the applicant.

A FSU member has his name on his mother's checking account because his mother is in a nursing home. The money in the account is his mother's money and is used to pay her

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- bills. Since a resulting trust exists, do not count the money in the account as a resource to the applicant.
- C. These procedures also apply if a resulting trust exists between a FSU member and a WFFA and SSI recipient. If the resulting trust is between spouses and there has been no legal divorce, count the value of the property since a resulting trust cannot exist between spouses.
- D. At application and when there is reason to believe the situation has changed, verify availability and ownership of the resource. Use the DSS-8650 to request information. If the FSU requests assistance, assist in obtaining the verification.
- E. Document the resulting trust by a written agreement between the FSU member and other resulting trust parties, or
1. Canceled checks or receipts for payment on a mortgage, loan, etc. that verify the terms of the agreement;
 2. Signed statements from a lending institution, loan office, automobile salesperson, insurance company;
 3. Other knowledgeable source who can verify the resulting trust; **or**
 4. Signed statements from at least two knowledgeable individuals who can verify the resulting trust.
- F. If the FSU does not provide the verification necessary to determine if a resulting trust exists, count the entire value of the property in the FSU s resources. If verification is provided and a resulting trust exists, exclude the entire value of the property as inaccessible to the FSU.

250.22 REVERSE RESULTING TRUST

- A. A reverse resulting trust exists when a non-FSU member:
1. Has a resource in his name for the benefit of a FSU member;
 2. The non-FSU member did not contribute his own funds to the resource;
 3. The non-FSU member retains no legal interest in the resource; **and**
 4. The non-FSU member would not benefit from the use or disposal of the resource.

EXAMPLE OF REVERSE RESULTING TRUST: A vehicle used by a FSU member appears on the STARS inquiry under a non-FSU member's name. The FSU member could not obtain insurance for the vehicle so the car was licensed in his brother s name. The brother does not reside with the FSU member. Since this is a reverse resulting trust, count the vehicle as a resource for the FSU unless excluded fewer than 250.07.

- B. A reverse resulting trust can be established for any type of resource, including, but not limited to:
1. Stocks and Bonds
 2. Vehicles
 3. Bank Accounts
- C. These procedures also apply if a reverse resulting trust exists between a FSU member and a WFFA and SSI recipient. If the reverse resulting trust is between spouses and

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there has been no legal divorce, count the value of the property since a resulting trust cannot exist between spouses.

- D. Verification is required at application and when there is reason to believe the situation has changed.
 - 1. Verify availability and ownership of the resource.
 - 2. Use the DSS-8650 to request information.
 - 3. If the FSU requests assistance, assist in obtaining the verification.

- E. Document the reverse resulting trust by a written agreement between the FSU member and other reverse resulting trust parties, or
 - 1. Canceled checks or receipts for payment on a mortgage, loan, etc. that verify the terms of the agreement;
 - 2. Signed statements from a lending institution, loan office, automobile salesperson, insurance company;
 - 3. Any other knowledgeable source who can verify the resulting trust;
 - 4. Signed statements from at least two knowledgeable individuals who can verify the resulting trust.

- F. If the FSU does not provide the verification necessary to determine if a reverse resulting trust exists, count the entire value of the property in the FSU's resources based on the client's written statement. If verification is provided and a reverse resulting trust exists, count the entire value of the property as accessible to the FSU.