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**From:** Chase, Joan  
**Sent:** Friday, April 13, 2001 2:05 PM  
**To:** ALL DPA Statewide Staff  
**Subject:** FS Policy: Separate Households?

**From the Food Stamp Policy IN BOX:**

**A caseworker writes** - Where do I find the "sleep together/eat together" rule in the Food Stamp Manual? Isn't it true that we are required to include two persons in one food stamp household if we find out during the application process that they are in fact a couple?

**FS policy says...**

This is not a Food Stamp Program rule.

In determining the separate household status of individuals living together, the Food Stamp Program policy is limited to investigating the household's food purchase and food preparation habits. If the individuals purchase their food and prepare their meals together, they are considered one household for food stamp purposes. Relationships (parent/child, spouse/spouse) are considered when determining separate household status. In most cases, if the parental or marital relationship exists, they are one food stamp household even if they do not purchase and prepare together.

Other household circumstances, such as the household's financial habits (money is pooled and/or they are paying bills together) can be considered. For example, if they pool their money, they are likely to shop together. If they shop together, they are likely to buy their food together and prepare their meals together. However, social or personal relationships between unrelated individuals is not the consideration when determining if two people should apply as one food stamp household.

**FS MS 602-1A(1) and (2)**

**If you have any questions concerning this clarification, please contact Joan Chase, FS Policy Specialist, via e-mail at [Joan\\_Chase@health.state.ak.us](mailto:Joan_Chase@health.state.ak.us).**

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**From:** Chase, Joan  
**Sent:** Wednesday, April 11, 2001 12:50 PM  
**To:** ALL DPA Statewide Staff  
**Subject:** FS Policy: TANF Supportive Services

**From the Food Stamp Policy IN BOX:**

**A caseworker writes** - Are supportive service payments made to Temporary Assistance and Native Family Assistance families countable income for food stamp purposes?

**FS policy says...**

TANF supportive service payments made through the Temporary Assistance and Native Family Assistance programs are not countable income for food stamps. Since these supportive service payments meet the food stamp definitions of "excluded vendor payments" or "excluded reimbursements" they do not count as income.

Most of these supportive service payments are vendor payments. Since these payments are not made with funds that would otherwise be paid to the client, they meet the definition of an excluded vendor payment at FS MS 602-3D(3).

Some supportive service payments are made directly to clients, such as for bus passes or gas allowances. These payments are reimbursements, and so are excluded as income for food stamps under FS MS 602-3D(13).

For FS, if we don't count the income, we don't allow the expense. FS MS 602-4. For example, if the household's rent is covered by a Temporary Assistance supportive service payment (i.e., an excluded vendor payment) the household is not incurring a rent expense. Therefore, we cannot allow the shelter deduction. The only exception to this rule is Heating Assistance payments. We exclude the Heating Assistance payment as income, yet allow the utility expenses covered by the payment as a shelter deduction.

**FS MS 602-3D(3)**  
**FS MS 602-3D(13)**  
**FS MS 602-4**

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**From:** Chase, Joan  
**Sent:** Tuesday, April 10, 2001 12:13 PM  
**To:** ALL DPA Statewide Staff  
**Subject:** FS Policy: TA Diversion Payments

**From the Food Stamp Policy IN BOX:**

**A caseworker writes** - Help! I'm confused. I was always under the impression that DEMH deductions (shelter, child care, utility payments) were not allowed if paid with a TA Diversion grant. Now I hear that we can allow them! Please give me the straight scoop.

**FS Policy says...**

FS policy on Diversion payments has been all over the board. In the beginning, the payments were countable income. Then, the FS feds reversed their original decision and said the payments were exempt income. No wonder you were confused!

**Policy on Diversion Payments:**

- The diversion payment is exempt income. (Code it DR - EIS will exempt the income for food stamps.)
- The expenses the diversion payment covers (shelter, utilities, child care) are allowed.

Rationale - Expenses incurred by the household are allowed. The only time a household does not incur an expense is when the expense is covered by an excluded reimbursement, an excluded vendor payment or inkind income. Diversion payments do not fit any one of these definitions, so we consider the household incurs the expense that is paid for with the diversion payment.

The actual money used by the household to pay for an allowable expense is irrelevant. For example, a household has earnings of \$300 and a Native corporation dividend payment of \$1000, and they pay their \$800 rent. We count the \$300 earnings, exempt the \$1000 dividend, and allow the full \$800 rent expense, even though the household probably used part of the exempt dividend income to cover the rent expense. The same is true for diversion payments. The payment is exempt, yet the expense the diversion payment covers is allowed.

**FS MS 602-4 - Deductions**

**FS MS 602-3D(32) - Exempt Income/TA Diversion Payments**

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**From:** Chase, Joan  
**Sent:** Monday, April 09, 2001 8:01 AM  
**To:** ALL DPA Statewide Staff  
**Subject:** FS Policy: Counting Tip Income

**From the Food Stamp Policy IN BOX:**

**A caseworker writes** - I have a client who works as a waitress. Her tips are reported on her weekly pay stubs. I made sure I included the tip income in her food stamp budget. However, a case review was done, and I got an error! What did I do wrong?

**FS policy says...**

Tip income, just like any other income, is counted in the month it is received. An employee typically receives tips during the month they work, not in the month the tips are reported on the pay stub. By using the tips reported on the client's pay stub, you counted tip income that had been received in the prior month.

For example, the employee's pay period covers 1/16/01 through 1/31/01 and she is paid on 2/5/01. The tips reported on this pay stub were received in January, but reported by the employer on the February pay stub. This tip income should be considered January income, not February income.

The amount of tips an employee reports as their tip income to their employer is not always what they have earned. The caseworker needs to find out the amount of the tips received and the date the tips were actually received. You may want to provide your client a Tip Log to record her tips each day. She can then turn it in to you with her monthly report.

**FS MS 602-3**

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