

ALASKA FOOD STAMP MANUAL

602-2 RESOURCES

Households must report all resources held at the time of application and any resources which the household anticipates receiving.

Maximum allowable values of nonexempt resources are:

- (a) \$2,000 per household; or
- (b) \$3,000 for Special Category (SPECAT) households with at least one member disabled or age 60 or older. See MS 600-2 for the definition of Special Category Household and Special Category Individual.

602-2A DEFINITION AND TYPES OF RESOURCES

Resources must be verified when questionable. See MS 601-6 for verification procedures. Sources of verification are described in the Administrative Procedures Manual. The following describes the definition of resources for purposes of the Food Stamp Program.

(1) Liquid Resources

- (a) Liquid resources are those that can be readily converted to cash. Examples of liquid resources include: cash on hand, uncashed checks, money in a checking/savings account, money in a credit union, U.S. savings bonds, lump-sum payments, funds held in individual retirement accounts (IRAs), funds held in Keogh plans (if the plan does not include individuals who are not household members), stocks and bonds, and monies held by third parties. Refer to MS 602-2B for a list of exempt resources.
- (b) The net value of liquid resources is the total amount of cash or liquid resources the household has. In counting resources of households with IRAs or countable Keogh plans, the case worker shall include the total cash value of the account or plan minus the penalty, if any, for early withdrawal of the entire amount.

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(2) **Non-liquid Resources**

(a) Non-liquid resources are those that cannot be readily converted to cash. Examples of non-liquid resources are real property such as houses, buildings and land, and personal property such as cars, trucks, boats, snow machines, planes, travel trailers, campers, business inventory, and livestock. Refer to MS 602-2B for a list of exempt resources.

(b) Calculate the equity value of non-liquid resources as follows:

Step 1: Determine the fair market value. The fair market value is how much the household could reasonably expect to receive for the property if it were sold.

Step 2: Subtract from the fair market value the amount the household owes on the property. The remainder is the equity value of the resource. Non-liquid resources with an equity value of \$1500 or less are excluded. Refer to MS 602-2B(27).

(3) **Determining Resource Eligibility**

(a) **Applicant Households:**

- Interview held during the month the application is filed - The total value of all household resources on the date of the interview is used to determine the eligibility for that household. If the household's total countable resources exceed the resource limit, the household is ineligible and the application is denied. The household can reapply anytime.
- Interview held during the month following the month the application is filed - The total value of all household resources on the date of the interview is used to determine eligibility for both the month of application and the following month. If household resources exceed the limit on the date of the interview, the household is ineligible for both the month of application and the following month.

(b) **Participant "Ongoing" Households:** For prospective eligibility determinations, the value of the resources anticipated to be held by the household on the first day of the issuance month will be used to determine ongoing eligibility. Countable resources are considered "held by the household" until such time as they are spent, sold, or otherwise disposed of and the household no longer has interest or ownership in the resource.

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(4) **Commingled Resources**

When any money considered an exempt resource is commingled or deposited into an account with countable resources, the exempt portion is disregarded for six months from the date funds were commingled. After the six months the entire account balance is counted toward the resource limit.

If only excluded money is in an interest bearing account, the interest earned does not constitute commingling with the excluded money. The interest, which must be counted as unearned income, is identifiable from the excluded funds through the account history of deposits.

602-2B **EXEMPT RESOURCES**

The following items are not included when determining the value of a household's countable resources.

(1) **Home**

The home occupied by the household and the surrounding property that is not separated from the home by intervening property owned by others. Public rights of way, such as roads that run through the surrounding property and separate it from the home, will not affect the exemption of the property. The home and surrounding property shall remain exempt when temporarily unoccupied for reasons of employment, training for future employment, illness, or being uninhabitable due to casualty or natural disaster if the household intends to return. Households which do not own a home but own or are purchasing a lot on which they intend to build or are building a permanent home will have the lot and/or home exempt.

(2) **Personal Effects**

Personal effects (clothing, jewelry, etc.), and household goods (furniture, appliances, etc.) are exempt. Utility trailers, vehicle shells/toppers, detached engines and outboard motors are considered personal effects and are exempt.

(3) **Burial Plots/Life Insurance**

One burial plot per household member is exempt. The cash value of life insurance policies is exempt.

(4) **Retirement and Pension Plans**

Account balances in retirement plans are exempt as resources provided the household member couldn't withdraw the funds because of a contractual obligation with others that are not household members. Pension plans, such as government employee retirement plans and the State of Alaska Public Employees Retirement System (PERS), are exempt as long as the household member does not withdraw the funds, even if the member is no longer working. Funds in a State of Alaska Supplemental Benefits System (SBS) account are excluded as long as they remain in the account.

Individual retirement accounts (IRAs), including all such retirement accounts individually owned by the household member, are countable resources. The amount counted is the account balance minus any penalties and fees for early withdrawal.

(5) **Livestock**

Livestock that are pets or are used to produce income is exempt.

(6) **Income Producing Property**

Property producing income consistent with its fair market value is exempt even if used on a seasonal basis. This means that the property (e.g. land, rental housing, fishing boat) would be producing income consistent with the income produced by similar property in the area.

Income producing property will also be excluded when there are circumstances beyond the household's control why the property has not produced income for a period of time and the household anticipates the property will produce income in the future. Document the reasons the property is excluded.

(7) **Self-employment Assets**

Assets essential to self-support (tools of a tradesman, machinery, livestock, farmland, commercial fishing boat, commercial fishing permit) are exempt. Property essential to a fishing or farming self-employment operation will continue to be excluded for one year from the date the self-employed fisherperson or farmer ends his fishing/farming business.

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(8) **Inaccessible Resources**

The cash value of resources not accessible to the household is exempt, such as, but not limited to:

- (a) Property against which a lien that prohibits the sale of the property has been placed to provide collateral for a business loan;
- (b) Property in probate;
- (c) Security deposits on rental property;
- (d) Irrevocable trust funds. Any funds in a trust or transferred to a trust, and the income produced by that trust, is considered inaccessible to the household to the extent it is not available to the household if:
 - The trustee administering the funds is either a court, or an institution, corporation, or organization which is not under the direction or ownership of any household member; or an individual appointed by the court who has court imposed limitations placed on his/her use of the funds; and
 - The trust investments do not directly involve or assist any business or corporation under the control or influence of a household member; and
 - The trust arrangement will not likely cease during the certification period; and
 - No household member has the power to revoke the trust arrangement or change the name of the beneficiary during the certification period; and
 - The funds held in irrevocable trust are established from either:
 - ✓ The household's own funds, if the trustee uses the funds solely to make investments on behalf of the trust or to pay the educational or medical expenses of any person named by the household creating the trust; or
 - ✓ Non-household funds by a non-household member.

Medicaid Qualifying Income Trusts (MQIT) approved by the State of Alaska Division of Public Assistance are exempt resources for food stamp purposes. Since money deposited into a MQIT is considered income when received (i.e., prior to it being deposited into the trust account), money withdrawn from the MQIT is not counted as income.

Money withdrawn or dividends payable from trusts that are not Medicaid Qualifying Income Trusts count as income when the funds are received.

Verification that a resource is inaccessible is not required unless the information provided by the household is questionable.

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(9) **Federal Housing Payments**

Reimbursements from the Uniform Relocation Assistance and Real Properties Acquisition Act of 1970 are exempt.

(10) **Government Disaster Relief**

Governmental payments by HUD or the Small Business Administration designated for the restoration of a home damaged in a disaster are exempt. This exemption only applies to households subject to legal sanctions if funds are not used as intended.

(11) **Indian Assets**

Indian assets held jointly with the tribe or assets are exempt provided they can be sold only with the approval of the BIA.

(12) **Alaska Native Claims Settlements**

Stock, land, and cash payments received under the Alaska Native Claims Settlement Act (ANCSA) are exempt. Most current corporation dividend payments to shareholders are exempt. If the household uses the cash payment to buy items like a boat, car or real property, these items must be examined to determine if they are exempt for reasons identified elsewhere in this section. If the item is not exempt, it must be counted when determining the household's total available resources. Exempt ANCSA cash payments that are kept in a separate account containing only exempt monies retain their resource exemption indefinitely. ANCSA land distributions are exempt. Income derived from exempt land is considered.

(13) **Real Property up for Sale**

Real property that the household is making a good faith effort to sell at a reasonable price is exempt.

(14) **Installment Contracts**

Installment contracts for the sale of land or buildings are exempt, provided the contract produces income consistent with its fair market value. The income produced by these contracts is countable unearned income in the month received.

(15) **WIC - Special Supplemental Food Program for Women, Infants and Children**

Benefits from WIC, a special supplemental food program, are exempt.

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(16) **Grand River Band of Ottawa Indian Income**

Income from the disposition of funds to the Grand River Band of Ottawa Indians is exempt.

(17) **Prorated Income for Students or Self-employment**

Resources of students or self-employed persons counted as income and prorated over the period of intended use are exempt.

(18) **Federal/State Heating Assistance Payments**

Any federal or state heating assistance payments are exempt.

(19) **HUD Retroactive Tax and Utility Payments**

HUD retroactive tax and utility cost subsidy payments for the month in which payment was received and for the following month are exempt. After the above period, any remaining portion of the payment will be treated as a resource.

(20) **Vehicles**

Most vehicles are exempt as addressed at MS 602-2C.

(21) **Property for Vehicle Maintenance and Use**

Property, real or personal, is exempt provided it is directly related to the maintenance or use of a vehicle excluded as a resource because it is used primarily for income producing purposes. Only that portion of real property determined necessary for maintenance or use is excludable. For example, a household owns a produce truck and that truck cannot be parked in a residential area. The household owns a one-acre field and uses a quarter acre to park/service the truck. The value of the quarter acre would be excludable.

(22) **Wartime Relocation of Civilians Payments**

Payments under this law to eligible U.S. citizens of Japanese ancestry and resident Japanese aliens up to \$20,000 each and to eligible Aleuts up to \$12,000 each are exempt.

(23) **Agent Orange Disability Payments**

Payments to eligible veterans and survivors of deceased veterans from the Agent Orange Settlement Fund, or any other fund established in connection with settling Agent Orange liability claims are exempt. This exemption does not include VA disability payments for disease attributed to Agent Orange exposure. These VA payments are treated the same as other VA disability payments. See MS 602-3B(2).

(24) **Resources Held by TANF, SSI, and APA Recipients**

Resources held by recipients of Temporary Assistance to Needy Families (TANF), including the Alaska Temporary Assistance Program (ATAP) and the Native Family Assistance Program are exempt. Resources held by recipients of Supplemental Security Income (SSI) are exempt. Resources held by recipients of the State of Alaska Adult Public Assistance Program, including Aid to the Disabled, Aid to the Blind, and Old Age Assistance, but not including recipients of Interim Assistance benefits are exempt.

(25) **Resources Excluded by Federal Law**

Resources excluded by federal law. A partial listing of these resources is at Addendum 5 to this manual.

(26) **Earned Income Tax Credits (EITC)**

Retained federal earned income tax credit payments are excluded for the month of receipt and the following month. Retained earned income tax credit payments from any source (federal, state, local) are excluded up to one year from the date of receipt if the payments were received at the time the person also received food stamps. This resource exclusion is allowed up to 12 months, provided the person continues to receive food stamps. Refer to MS 602-2A(4) for procedures to follow when excluded funds are commingled with countable resources.

(27) **Resources that Cannot be Sold for a Significant Return**

Non-liquid resources with an equity value of \$1500 or less are exempt. This policy shall not apply to liquid resources such as stocks, bonds or negotiable financial instruments.

(28) **Energy Employees Occupational Illness Compensation Payments**

The Energy Employees Occupational Illness Compensation Act provides compensation to individuals who develop illnesses as a result of employment at certain federally owned facilities in which radioactive materials were used. These payments, if retained, are exempt resources.

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602-2C VEHICLES

Most vehicles are exempt based on their use by the household. If a vehicle is not exempt, its equity value counts in the resource determination.

A vehicle is any passenger car or other motorized vehicle used to provide transportation of persons or goods. This includes cars, trucks, recreational vehicles (RVs), boats, snow machines, all-terrain vehicles (ATVs), motorcycles, airplanes, or other motorized vehicles.

(1) Exempt Vehicles

The vehicle is exempt if it is necessary and used:

- (a) For family transportation to meet the household's basic needs, such as getting food, medical care or other essentials. This includes vehicles used:
 - For subsistence hunting and fishing (see MS 600-2).
 - To carry the household's primary source of heating fuel or primary source of water.
- (b) To go to and from work, school, training, or a work activity such as community work service or job search.
- (c) As the household's home.
- (d) To produce self-employment income.
- (e) To transport a disabled household member or disabled excluded household member whose income and resources are considered available to the household. "Disabled", in this section, covers both permanent and temporary disabilities. For instance, it includes disabilities caused by chemotherapy, a broken leg, and respiratory illnesses. The vehicle need not have special equipment or be used primarily for transportation of the disabled person.

Note: The vehicle is exempt regardless of use when its equity value (fair market value minus amount owed) is \$1,500 or less. Refer to MS 602-2B(27).

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(2) **Countable Vehicles**

A vehicle that is not exempt under this section counts against the resource limit. The countable amount is the owner's equity (fair market value minus the amount owed on the vehicle.)

The vehicle value does not include optional equipment, nor does it include shells or campers that are mounted on the vehicle. Shells are excluded as personal effects - see MS 602-2B(2). Campers are countable resources – see MS 602-2A(2).

Find the fair market value of countable vehicles by using the NADA Appraisal Guides on the Internet at www.NADAguides.com. (See Administrative Procedures Manual section 105-15 for procedures for using the NADA web site.) The fair market value is the base amount quoted as "Average Trade-in" or "Low Retail".

The fair market value of a countable vehicle may also be determined using:

- Appraisal from a local dealer;
- Local newspaper ads, community bulletin boards or other local advertisements giving the selling price for similar vehicles; or,
- In remote areas, collateral contacts from a disinterested knowledgeable source, such as a bank, village council, storeowner, merchant or dealer.

If the household questions the value assigned to their vehicle, discuss with them the reason they think the vehicle is worth less and document this information in the case file. For example, they may explain that the vehicle is not running or needs significant repairs. Accept the household's stated value unless the explanation provided is questionable.

If the claimed value is questionable, the household must be given an opportunity to verify the lower value. See MS 601-4C for the definition of "questionable information."

(3) **Vehicles in Remote Areas**

Used vehicles such as boats, snow machines, and ATVs that might be salable in urban Alaska may not be salable in remote areas. This does not make such vehicles exempt from consideration as a resource, but it may result in a determination that a vehicle has little or no market value in the community.

Caseworkers will determine fair market and equity values for vehicles in remote areas based on:

- (a) The local market conditions and circumstances that exist in the community, including the presence or absence of a significant cash economy. (How much would the vehicle sell for as is, where is? What are other vehicles of its type selling for in the community?);
- (b) Accessibility of parts and repair service; and,
- (c) Information provided by the household.

If the caseworker determines that a countable vehicle is not salable in the community, the vehicle's resource value is zero.

(4) **Jointly Owned Vehicles**

Jointly owned vehicles are treated like other jointly owned resources as described at MS 602-2D(1).

If the joint owner does not live with the household, has possession of the vehicle, and is unwilling to sell the vehicle, it is considered an unavailable resource.

(5) **Verification**

For countable vehicles, the fair market value and amount owed must be determined. Acceptable evidence of the amount owed includes a statement from the lien holder or other reasonable evidence of the current debt on the vehicle.

The case record must be documented to show how the caseworker determined the exemption or countable value of each vehicle.

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602-2D OTHER HOUSEHOLD RESOURCES

The following resources are considered when determining eligibility.

(1) **Jointly Held Resources**

Resources held jointly by separate households are considered available in total to each household unless it can be demonstrated to the satisfaction of the case worker that such resources are inaccessible or only a portion of the resources is available. The value of the accessible portion is counted towards the resource limit. If the jointly held resource cannot be practically subdivided and the joint owner is uncooperative, the resource is considered inaccessible.

(2) **Nonrecurring Lump-Sum Payments**

Nonrecurring lump-sum payments are one-time cash payments that generally represent monies owed to the household from the past. These payments are excluded as income and counted as a resource. They may include one-time cash payments or retroactive benefits from such sources as insurance policies, sale of property, social security or railroad retirement benefits, public assistance or UIB back payments, income tax refunds, etc. It is the household's responsibility to report and provide verification of the nonrecurring lump-sum payment. **Exception:** SSI retroactive lump-sum installment payments are excluded as income even when there are multiple payments.

(3) **Disqualified/Excluded Household Member Resources**

The resources of a household member disqualified for an intentional program violation, failure to comply with work program requirements, failure to provide an SSN, or for being an ineligible alien or ineligible drug convict will be counted to the household. See MS 605-2B.

(4) **Resources of an Alien's Sponsor**

Resources of the sponsor and sponsor's spouse will be counted in their entirety minus \$1,500 to the household. See MS 605-2A for further information on budgeting.

(5) **Nonexempt Resources**

Liquid and non-liquid resources not specifically exempt must be counted toward the household's total resource limit.

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602-2E TRANSFER OF RESOURCES

Households whose members (including excluded household members) have knowingly transferred resources for the purpose of qualifying or attempting to qualify for food stamps shall be disqualified for up to one year from the discovery of the transfer. The disqualification applies if resources were transferred in the three-month period prior to application, or any time during the certification period to prevent the household from exceeding the maximum resource limit.

(1) Transfers not Resulting in Disqualification

Eligibility for the program will not be affected by transfer of resources when:

- (a) Exempt resources and other resources which when added to all other countable assets would not have resulted in the household exceeding the maximum allowable limit;
- (b) Resources were sold or traded at or near fair market value;
- (c) Resources were transferred between members of the same household;
- (d) Resources were transferred for a reason other than attempting to qualify for food stamps.

(2) Disqualification Period

The length of the disqualification period is based on the amount the assets would have exceeded the resource limit if the transfer had not occurred.

Example: A household, with \$700 in the bank, transferred ownership of a piece of property with an equity value of \$3000. The countable value of the transferred resource is \$3000. Adding the \$3000 transferred value to the \$700 in the bank makes a resource balance of \$3700, \$1700 over the \$2000 limit. This household is disqualified for six months.

The following chart is used to determine the period of disqualification:

Amount in Excess of the Resource 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

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(3) **Disqualification Procedures**

In the event that a case worker establishes that a household knowingly transferred resources in order to qualify for food stamp benefits, one of the following two procedures is applicable:

- (a) **For Applicant Households:** Send the household a notice of denial explaining the cause and length of the disqualification period which shall begin effective with the month of application.
- (b) **For Participating Households:** Send the household a notice of adverse action explaining the cause and length of the disqualification. It is effective with the first allotment that would have been issued after the adverse notice period expires, unless a fair hearing is requested.