

SNAP Accuracy in Action

Volume I, Issue I

July 2015

Special points of interest:

- Narration
- Interviews
- Self employment
- When you don't need to ask for additional information

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Income Verification...How much is enough?

This is a frequent question in the SNAP policy box, "Do I have enough information to code the case or do I need to pend for more verification? It can be a difficult question—so a group of reviewers, Quality Control, Training and policy staff met to discuss some common issues that come up when determining eligibility. In this edition of Accuracy in Action you will get answers to this important question for most earned income situations.

In a later edition we will focus on unearned income.

Have a Question?

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Narration and Interviews

The conversation that you have with the customer is a key point in ensuring the earned income is calculated correctly on a case. Make sure you have a complete conversation about the current situation:

- Who is your employer?
- How many hours do you work?
- Do you expect your situation to change at work?

- Talk about the income verification that the customer has (look at how often they are paid, is there over time, bonuses or tips)

Your narration should reflect the conversation that you had with the customer. It needs to tell the story behind the decision that you made.

Tiny Tidbits and Tools

Use the Educational Income Calculation for ERDC and SNAP worksheet the DHS 7351 to help determine countable student income.

Seasonal employment should not be annualized

Educational Income

Students that have countable income (Scholarships, some grants, military benefits like the GI Bill) can take a little extra time to determine what income is going to count on their case. The educational income that is being used to cover allowable education expenses is excluded. Only what is left after allowing these exclusions is considered **Countable income**.

To determine if there is any countable income after exclusions you will need to use the

DHS 7351 Educational Worksheet. The sheet walks you through the allowable expenses to determine if there is countable income. If there is countable income then you need to request the award letter and if it is military benefits a letter from the VA verifying the amount they are receiving for the current term. If there is no countable income after using the DHS 7351—narrate how you made this determination and do not pend for the award letter.

Note: Students who do not meet student criteria are not in the filing group. None of their income counts and no credit is given for any expenses they pay.

Annualized Income

It is only appropriate to annualize earned income in a few scenarios for SNAP. Here are the two: self-employment income for businesses that have been in existence for at least 12 months **AND** that 12 months is representative of ongoing income, or a contract employee that is not working as an hourly employee. School district employees are a good example of when a contract employee could be paid hourly.

A good rule of thumb is to look at a month when school is not in session the full month (December, March etc.) to see if the pay is affected.

Seasonal employment should not be annualized. These earnings are not intended to cover a full year. The customer's current situation should be reviewed to determine the correct income to code on the

case. Changes in seasonal employment resulting in less or more hours may not need to be verified. For cases when the work situation is generally known in the community, it is acceptable to narrate the reduction in work hours without pursuing verification. The narration does need to support the decision to not request additional documentation.

Marginal Income

Marginal income is income that is minimal and difficult to verify. There is not an exact definition of what qualifies as "marginal" but here are some examples:

- Donating plasma
- Picking up pop cans
- Odd jobs—potentially

Marginal income does not need to be verified. Just narrate the discussion with the customer about how much they make

each month. If the customer is doing odd jobs the real question is are they doing this regularly. If it is happening as an ongoing thing then it is reasonable to request the individual provide records, or start keeping records. Provide the customer with a copy of the DHS 858 if the decision is made that this would not be a hardship for the customer to keep documentation for the next certification period. Customer's that are doing odd jobs for the

same person each month can get verification from the person they are working for or you could contact them to verify the amount that is being earned.

Child Care Providers Paid through Direct Pay Unit (DPU)

Child care providers paid through the DPU are considered self-employed based on OAR 461-145-0910. Since DHS has their billing information available by accessing screens on the computer system, you will rarely need to pend for income information in these situations.

When you are having a conversation with the customer during their interview review the amount that they are billing DHS for each child. This is the

starting place to calculate the income. If the customer states they are not collecting the full billed amount then you will need to verify with the person they are providing care for how much they are receiving.

For example:

Cindy is providing care for 1 child. When you look at the screen you verify that Cindy is billing above the DHS approved amount for the child. Cindy is billing \$700, and the DHS ap-

proved amount is \$500 since this is not a Child Care Center. Since Cindy states she is not collecting the extra \$200 you would need to verify this with the parent of the child before coding something less than the \$700 as self-employment income on the case.

Note: If there are any inconsistencies between the case for the provider and the Employment Related Day care (ERDC) recipient it is important to communicate with the other case worker.

Did you Know?

- **If a job has not started when you determine eligibility—the case should be coded with \$0 income**
- **It is very important to explain reporting requirements during the interview with the customer to ensure that the customer does not create an overpayment.**
- **The discussion with the customer during the interview and then your narration about that conversation is one of the best tools to ensure an accurate case!**

Regular Employment

For SNAP eligibility we look at income prospectively. To determine income prospectively, talk with the customer about their current situation. Take a look at the verification they have provided for the last month of income and determine with them if it is reasonable to consider this as representative of the ongoing income. If it is representative,

use the correct conversion method:

- 4.3 for weekly pay
- 2.15 for pay every other week
- 2 for twice a month

If the customer does not have a month's worth of income—

either because they have not been working long enough or the past is not representative then you need to request verification from the employer. This could be a phone call to the employer to verify the information, or it could be something that the customer gets from their employer in writing.

Situations Where You Don't Need to Pend

- Income verification and the amount on the application do not match—this should be addressed in the interview and only pend if necessary after the conversation.

Example: Customer reports on application \$1200, but pay stubs reflect \$1500. You talk with the customer and they reported net instead of gross.

- If you can, make contact with the employer to verify questionable or missing information—then document the conversation

with the employer. Narrate who you speak with.

- Seasonal employment—it is ok to take a customer's statement about a reduction in hours as long as it is an expected change and in line with the industry.
- Marginal income—no exact definition of this term, but if it would be a hardship for an individual to get or keep documentation then it is not required
- Excluded income—

educational income that is deducted from the cost of attending school when the cost of attending is more than the income that is received

- Terminated source of income
- Job has not started yet—not on the schedule yet
- Verification was available on the Work Number or one of the screens available to us.
- Employer verification provided by letter or phone



Self employment Income

Income verification for self employed customers should always start with tax records. If the person has been in business for more than 1 year, and the last year's tax records are representative then that is what you should use to determine the income for the household.

If the customer does not have tax records then determine if they have enough information for you to annualize their income (ledgers or something similar for a year).

For individuals who have not been employed long enough use a period of time that is reasonable. This could be the last couple of months or whatever is determined to be reasonable.

For households that don't have records, the policy unit developed a form the DHS 858 . The DHS 858 gives the customer some guidelines about records that need to be kept in order to verify their income at the next certification. It is important to document that you gave the customer the form and discuss with the customer why you are giving them the form.

At the next recertification, the customer is then required to provide some records to verify their self-employment income. The case can be denied if they do not have any records.

At Interim Change Report, if the income was annualized at certification it should not be changed. If it wasn't annualized then you need to determine what is the best information to use to anticipate the income, and it will most likely be more than one month.

For self employed cases , it is really important to have a good discussion with the customer about their business. Here are some questions that you should keep in mind when interviewing a customer:

- What type of business do you have?
- How long have you been in business?
- What type of records do you have? (Taxes, ledgers etc.)
- Do you have at least one cost for your business?

Policy References

SNAP G 6 Prospective eligibility and budgeting

SNAP G 7 Annualizing income

Multiple Program

Worker Guide #22 Prospective Income Calculations

Counting Client Assets

C 1 Self-employment; general

Secretary of State Business Registry

Accuracy Activity

1. Jim works for Greenscapes INC which is a local landscape company. The employer pays weekly. Jim brings 2 pay stubs with him to the interview because this is a new job and that is all he has received. Can you determine the income based on these two pay stubs?
2. Jim tells you during the interview that you can call his supervisor and gives you the phone number. When you speak with the manager he won't provide any additional information. How should you calculate the income?
3. Jane is working for a call center. She is paid every other week. She brings her last two pay stubs to her interview, but tells you that her position changes and she is now working for the same company but in a different position. The second pay stub does reflect the new position. Can you use the one pay stub to verify the income?
4. George works for McDonald's and he is paid weekly. He brings in 3 checks, but doesn't know where his check from 2 weeks ago is. Do you have enough information to anticipate his income? What if year to date income shows on the checks?
5. Josie has started her own business "Tasty Cakes" a few months ago. At this point, she hasn't sold many cakes but she has been doing a lot of advertising and she really hopes that her business will take off soon. What verification will you request from her?
6. True or False Joe has been hired by Lowe's and he will be going to 2 days of training next week, but he doesn't know when he will be put on the schedule. Since he has not been put on the schedule yet, his case should be coded with \$0 income.
7. True or False Terminated income must be verified.
8. Give 2 examples of when it is ok to take a customer's statement for income.
9. Gerry has been having a really rough time. He has been doing odd jobs for people in the neighborhood by the shelter where he is staying. He doesn't have any records, but thinks he is making between \$300—\$400 a month, but he isn't really sure. Can you take his statement or do you need proof?
10. Gerry comes in at the next recert and is no longer doing odd jobs. Now he is donating plasma once or twice a month. Do you need verification?

POLICY REFERENCES

[SNAP B. 10 Verification](#)

[Multiple Program Worker Guide
#14 Educational Income](#)

[Counting Client Assets B. 24
Educational Income](#)

[SNAP G. 6 Prospective eligibility
and budgeting](#)

[SNAP G. 7 Annualizing Income](#)

[Multiple Program Worker Guide
#22 Prospective Income
Calculations](#)

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Accuracy Activity Answers (No Peeking!)

1. Since this is less than a month of income, the worker needs to verify with the employer that this is representative of the ongoing income. The verification can be a phone call with the employer or a written statement from the employer. Do not pend for pay stubs that the employee has not received yet.
2. Narrate the conversation that you had with the employer, and use the 2 pay stubs that you have. Since this is the only information that you can get to verify the income it is the best information that we have to make the determination.
3. No because you do not have a month of representative income. You need to verify with the employer that the second check is representative of ongoing income.
4. No because you do not have a month of representative income. You need to verify the amount of the last check with the employer, unless the YTD amount is on the pay stub and then you can calculate the missing check based on the one before and the one after the missing check.
5. Since Josie's business has only been open for a few months you won't be able to ask for tax records, so start by asking for her records. Explain that she needs to provide records for the next certification period and give her a DHS 858.
6. True. Since he does not have a schedule yet, there is not a way to anticipate the ongoing income. Make sure Joe knows what his reporting requirement is before the end of his interview.
7. False. Take the customers statement for the amount they have received from a terminated source of income. It is always important to make sure the customer has reported all of the income they will receive from the employer. For example, if they quit the job on May 15th and the employer pays on the 1st and the 15th of the month they will have an additional check after the 15th of May.
8. Here are the examples discussed in this issue:
 - A new job that has not started yet
 - Self-employment when the individual does not have any records
 - Terminated income
 - Educational income that is excluded, which includes a countable source of income (scholarships or grants) that do not exceed the cost of attending school
 - Marginal income
 - Seasonal employment that has changed and the change is in line with the industry
9. This would be considered self employment and you would need to give him a DHS 858 and discuss keeping records, but take his statement for this application.
10. Donating plasma is considered marginal income and no verification is needed.

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