

FOOD STAMP PROGRAM RESTRICTED ACCOUNT COVERSHEET

IMPORTANT TO KNOW

A RESTRICTED ACCOUNT IS:

An account in a bank, credit union, etc. where a family who is receiving food stamps can keep money to be spent for only the following allowable expenses:

- Buying a home to live in;
- Starting a business; or
- Education or job training for the account holder and his/her dependents. (Dependents are those who are or could be claimed as dependents on the account holder's federal income taxes.)

Before opening a restricted account, you may want to have cash and other resources (such as bank accounts, stocks, real estate, etc.) not exceeding your resource limit available for your use. Here's why:

If you use any of the funds in your restricted account(s) to pay for emergencies, even when the emergency is due to a death or life-threatening situation, the withdrawal will count towards the resource limit of \$2,000 or \$3,000 (if there is at least one person in the household who is disabled or who is age 60 or older).

RULES FOR A RESTRICTED ACCOUNT:

- You must be receiving food stamp benefits at the time you set up the account.
- More than one restricted account is allowed.
- There is not a limit on the maximum amount of savings in a restricted account.
- Funds in all restricted accounts do not count against your family's resource limit.
- You must sign a Restricted Account Agreement **before** an account can be considered a Restricted Account.
- You can only spend the funds on an allowable expense.
- You must keep the funds, and any interest earned in a restricted account(s) **separate** from any other account.
- Interest earned on the Restricted Account(s) must be deposited directly into the account(s).
- You must complete a Restricted Account Agreement for each Restricted Account.
- If you have a restricted account and go off food stamp benefits, the funds may be counted against your property and resources if you reapply for benefits.

REPORTING WITHDRAWALS

- **Quarterly Reporting Households**
 - Withdrawal of funds during the quarter, do not have to be reported until your next income report is due.
 - The county will reassess your resources with receipt of the quarterly report and decide if the withdrawal was for an allowable expense. If your resources are below the resource limit (\$2,000/\$3,000), you will remain eligible for benefits if otherwise eligible.
- **Change Reporting Households**
 - A withdrawal made from your Restricted Account must be reported within 10 days of the date the funds were withdrawn.
 - The county will look at the resource limit within 10 days of the report.
 - The reason for your withdrawal will determine continuing eligibility.
 - If your resources are below the resource limit (\$2,000/\$3,000) you will remain eligible for benefits if otherwise eligible.

EXPENSES

- **Purchase Of A Home To Live In:**

You can spend Restricted Account funds on:

 - Deposits, fees, down payment, principal payment
 - Closing costs
 - Repairs and fixtures

You cannot spend Restricted Account funds on:

 - Furniture purchases
 - Household goods
- **Education Or Job Training For The Account Holder(s) And His/Her Dependent(s):**

You can spend Restricted Account funds on:

 - Fees, tuition, books, school supplies, equipment, special clothing needs
 - Student housing and meals
 - Cost of transportation to and from school/vocational training
 - Child care services needed to attend school

EXPENSES CONTINUED:

- **Starting Up A New Business:**

You can spend Restricted Account funds on:

 - Purchase, repair, and upkeep of business equipment
 - Tools, uniforms, other protective or required clothing, and shoes
 - Payment on loan principal and interest for business assets or durable goods
 - Rent and utility payments for office or floor space
 - Employee salaries
 - Inventory, shipping, and delivery costs
 - Business fees, taxes, insurance, bookkeeping or other professional services

You cannot spend Restricted Account funds on:

 - Personal expenses, such as entertainment

PROOF

You must give proof to the county when setting up a Restricted Account and withdrawal of funds from the Restricted Account(s).

- **Some Examples Of Proof Of Establishing And/Or Withdrawing Funds Include The Following:**
 - Passbook, bank statement or receipt from a bank, credit union etc. that shows the name and address of the bank and the names on the account(s), account number(s), and
 - All account balances and activity since the date you signed the Restricted Account Agreement
- **Some Examples Of Proof To Show How You Spent The Funds Include:**
 - Cancelled check
 - Signed statement from the provider of goods or services that shows the type and amount of expense(s) paid
 - A receipt
 - Restricted Account bank balance statement