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August 30, 2013

Regulation Package No. 0513-04

CDSS MANUAL LETTER NO. EAS 13-02

TO: HOLDERS OF THE ELIGIBILITY AND ASSISTANCE STANDARDS MANUAL

Regulation Package # 0513-04

Effective 7/1/13

Sections 40-036, 40-038, 40-103, 40-105, 40-107, 40-119, 40-125, 40-128, 40-131, 40-173, 40-181, 40-188, 40-190, 41-405, 42-209, 42-213, 42-221, 42-302, 42-406, 42-407, 42-716, 42-721, 42-751, 42-769, 44-101, 44-102, 44-111, 44-113, 44-115, 44-133, 44-205, 44-207, 44-211, 44-304, 44-305, 44-313, 44-314, 44-315, 44-316, 44-317, 44-318, 44-325, 44-327, 44-340, 44-350, 44-352, 44-400, 44-401, 44-402, 44-403, 47-220, 47-320, 48-001, 80-301, 80-310, 82-612, 82-812, 82-820, 82-824, 82-832, 89-110, and 89-201

This manual letter has been posted on the Office of Regulations Development website at <http://www.cdss.ca.gov/ord/PG3153.htm>.

Assembly Bill (AB) 6 (Chapter 501, Statutes of 2011) replaces the Quarterly Reporting/Prospective Budgeting (QR/PB) system with a Semi-Annual Reporting (SAR) system in the California Work Opportunity and Responsibility to Kids (CalWORKs). AB 6 mandates that CalWORKs implement SAR in a cost-effective manner that promotes compatibility between the CalWORKs and CalFresh programs. The Food and Nutrition Service (FNS) will not allow CDSS to require a second semi-annual report in addition to the annual recertification of eligibility in the CalFresh Program. Consequently, CDSS has determined that rather than requiring two semi-annual reports in addition to the annual redetermination of eligibility, the annual redetermination/recertification will take the place of the second semi-annual report. In order to more closely align the treatment of income under federal Supplemental Nutrition Assistance Program (SNAP) prospective budgeting rules (as indicated in AB 6), recipients will no longer have to estimate their income for each month of the SAR Payment Period in order for their eligibility worker to average that income over the period. Instead, a monthly income amount will be determined for the SAR Payment Period based only on current income and reasonably anticipated changes. This policy change aligns CalWORKs with the federal SNAP prospective budgeting rules, will simplify the process of reasonably anticipating income for both recipients and county workers, and will alleviate one of the factors that has been found to be the most confusing and error-prone under QR.

In addition to the SAR provisions of AB 6, this regulation package also implements the CalWORKs restoration of aid provisions in Welfare and Institutions Code Section 11265.4 as added by AB 959 (Chapter 506, Statutes of 2011). This regulation package also contains numerous clean-up and technical changes, including repealing outdated MR regulations, and correcting outdated terms and references.

These regulations were adopted on an emergency basis and will be considered at the Department's public hearing to be held on September 4, 2013.

FILING INSTRUCTIONS

Revisions to all manuals are indicated by a vertical line in the left margin. The attached pages are to be entered in your copy of the Manual of Policies and Procedures. The latest prior manual letter containing Eligibility and Assistance Standards Manual changes was EAS-13-01.

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Attachment

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**ELIGIBILITY AND ASSISTANCE STANDARDS
RECEPTION AND APPLICATION**

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Implementation of Regulations Pursuant to Welfare and Institutions Code Sections 11454, 11454.5 and 11495.1, Enacted by Assembly Bill (AB) 1542, (Chapter 270, Statutes of 1997) and Welfare and Institutions Code Section 11454.5, amended by Assembly Bill (AB) 2772, Chapter 902, Statutes of 1998	40-035
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40-036	IMPLEMENTATION OF QUARTERLY REPORTING PROSPECTIVE BUDGETING FOR CalWORKs RECIPIENTS	40-036
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- .1 Effective Date All regulatory action implementing the provisions of Quarterly Reporting/Prospective Budgeting (QR/PB) as authorized by Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002), AB 692 (Chapter 1024, Statutes of 2002), and AB 1402 (Chapter 398, Statutes of 2003) shall become effective for recipient cases upon Quarterly Reporting becoming operative in the county in which they reside pursuant to the Director's QR/PB Declaration. Quarterly Reporting regulations include a unique regulation design which include a tandem format for the operation of both monthly and quarterly reporting systems to account for the staggered implementation dates. Regulations that become obsolete under Quarterly Reporting, are labeled as (MR). Regulations that are operative under Quarterly Reporting are labeled (QR). Regulations not labeled are applicable to both reporting systems and therefore remain unchanged. In addition, each regulation impacted by QR includes a disclaimer stating QR regulations will replace the MR regulations once QR is implemented by the county.
- .2 Divisions Impacted by Quarterly Reporting Division 22, 40, 42, 44, 47, 48, 80, 82, and 89.
- .3 QR/PB regulations will no longer be operative upon the date that Semi-Annual Reporting (SAR) becomes effective in that county, pursuant to the County's SAR Declaration (see Section 40-037).

Note: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; and Section 71, Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002), as amended by Section 3, AB 1402 (Chapter 398, Statutes of 2003); and AB 6 (Chapter 501, Statutes of 2011). Reference: Sections 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code; Section 70, AB 444 (Chapter 1022, Statutes of 2002); Section 71, AB 444 (Chapter 1022, Statutes of 2002), as amended by Section 3, AB 1402 (Chapter 398, Statutes of 2003); and AB 6 (Chapter 501, Statutes of 2011).

40-037	IMPLEMENTATION OF BENEFITS AND SERVICES TO NONCITIZEN VICTIMS OF HUMAN TRAFFICKING, DOMESTIC VIOLENCE, OR OTHER SERIOUS CRIMES	40-037
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|----|------------------|---|
| .1 | General | These regulations extend eligibility for certain public social services, including state-funded CalWORKS, to certain noncitizen victims of trafficking, domestic violence or other serious crimes, as defined, who can demonstrate their eligibility for these programs, and to trafficking victims who are taking steps to meet eligibility conditions for federal benefits. The time limit provision specified in Section 42-302.1 shall also apply to noncitizen victims of trafficking, domestic violence and other serious crimes as defined in Section 42-431.23. |
| .2 | Effective Date | All regulatory action implementing the provisions authorized by the federal Trafficking Victims Protection Reauthorization Act of 2003 (Public Law 108-193) as Senate Bill (SB) 1569 (Chapter 672, Statutes of 2006) shall become effective for applicants and recipients July 2008. (Welfare Institutions Code Sections 13283, 14005 and 18945) |
| .3 | Sections Adopted | 40-105.26, Social Security Number Exception 42-431.23 et seq., Eligibility Requirements 42-431.3 through .6, Determining Eligibility |

Note: Authorized cited: Sections 10553 and 10554, Welfare and Institutions Code; and SB 1569 (Chapter 672, Statutes of 2006). Reference: Sections 13283, 14005.2, and 18945, Welfare and Institutions Code; 8 United States Code 1182(d)(5)(B), 45 Code of Federal Regulations 400.43; The Trafficking Victims Protection Act of 2000 (P.L. 106-386), Sections 107(b)(1)(A), (B), and (C); The Trafficking Victims Protection Reauthorization Act of 2003 (Public Law 108-193).

40-038	IMPLEMENTATION OF SEMI-ANNUAL REPORTING FOR CalWORKs RECIPIENTS	40-038
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| .1 | Effective Date | All regulatory action implementing the provisions of Semi-Annual Reporting (SAR) as authorized by Assembly Bill (AB) 6 (Chapter 501, Statutes of 2011), shall become effective for recipient cases upon semi-annual reporting becoming operative in the county in which they reside pursuant to the County's SAR Declaration. The SAR Declaration is a letter submitted from the County Welfare Department Director to the Director of CDSS confirming SAR implementation in that county. Counties must implement semi-annual reporting as early as April 2013 and no later than October 2013. Semi-annual reporting regulations include a unique regulation design which includes a tandem format for the operation of both quarterly and semi-annual reporting systems to account for the staggered implementation dates. Regulations that become obsolete under Semi-Annual Reporting are labeled as (QR). Regulations that are operative under Semi-Annual Reporting are labeled (SAR). Regulations not labeled are applicable to both reporting systems and therefore remain unchanged. In addition, each regulation impacted by SAR includes a disclaimer stating SAR regulations will replace the QR regulations once SAR is implemented by the county. |
| .2 | Divisions Impacted by Semi-Annual Reporting | Division 22, 40, 41, 42, 44, 47, 48, 80, 82, and 89. |

Note: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; Assembly Bill (AB) 6 (Chapter 501, Statutes of 2011). Reference: Sections 11265.1, 11265.2, and 11265.3, Welfare and Institutions Code as amended by AB 6 (Chapter 501, Statutes of 2011).

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(QR) The following table illustrates how months are arranged in a QR cycle.

1st Quarter			2nd Quarter		
January	February	March	April	May	June
	QR Data Month	QR Submit Month	QR Payment Quarter		

(SAR) The following table illustrates how months are arranged in a SAR cycle. Note that the SAR cycles are based on the Beginning Date of Aid (BDA) in order to ensure the SAR cycle is aligned with the redetermination/recertification date.

First SAR Payment Period					
January BDA	February	March	April	May	June
SAR Payment Period Begins	Month 2	Month 3	Month 4	SAR Data Month	SAR Submit Month/ SAR 7 is due

Second SAR Payment Period					
July	August	September	October	November	December
SAR Payment Period Begins	Month 2	Month 3	Month 4	SAR Data Month	SAR Submit Month/ RD/RC is due

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(QR) .55 QR 7 Reporting Period – The QR Data Month and the two preceding months.

(SAR) .55 SAR Reporting Period – The SAR Data Month and the five preceding months. The SAR Reporting Period generally refers to the period of time since the last mandatory report (SAR 7 or SAWS 2) was completed.

.6 Inquiries -- An inquiry is a request for information or a general request which is not an application. It is usually made without the individual indicating he/she is in need. It may include a request for information from a potential applicant or any other person or agency who desires information regarding public assistance, eligibility requirements, points of agency policy, etc.

.7 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

.8 Aid Programs

The aid programs in these regulations are defined in terms of basic program purposes as follows:

.81 Has been deleted.

.82 Repealed by Manual Letter No. EAS-86-01 (effective 1/17/86).

.83 Has been deleted.

.84 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

.85 Medical Assistance Program -- to provide health care services on an individualized basis for recipients of aid under the assistance programs under Section .81 through .84 above and to other eligible persons thus promoting better health for those persons who are unable to pay in full for the cost of their medical care. Requirements and definitions for the California Medical Assistance Program are set forth in Medical Assistance Regulations, Title 22, California Administrative Code, Division 3.

.86 State Supplemental Program -- to provide money payments to eligible aged, blind, or disabled California residents. (See Division 46.)

.9 IEVS - Means the Income and Eligibility Verification System. (See Section 20-006.1.)

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10604, 11056, and 11265.1, Welfare and Institutions Code; and 45 CFR 206.10(a)(1)(ii).

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40-105	APPLICANT AND RECIPIENT RESPONSIBILITY	40-105
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.1 Assuming Responsibility Within His/Her Capabilities

During the determination of initial and continuing eligibility, the applicant or recipient shall assume as much responsibility as he/she can within his/her physical, emotional, educational, or other limitations. Within his/her capabilities, the applicant/recipient is responsible for:

- .11 Completing or participating in the completion of all documents required in the application process or in the determination of continuing eligibility.
- .12 Making available to the county all documents that are in his/her possession or available to him/her which are needed to determine eligibility or ineligibility.
- .13 Reporting all facts known to him/her which he/she believes to be material to his/her eligibility or which the county has identified to him/her as affecting eligibility.
- .14 Section 40-105.14(QR) shall become inoperative and Section 40-105.14(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Applicants shall report within five calendar days of the occurrence, any change in any of these facts (see Section 40-181.1(e)(1)(QR)) and recipients shall report within ten calendar days of the occurrence, any change required to be reported during the quarter (see Section 44-316(QR)).

(SAR) Applicants shall report within five calendar days of the occurrence, any change in any of these facts (see Section 40-181.1(e)(1)(SAR)) and recipients shall report within ten calendar days of the occurrence, any change required to be reported during the semi-annual period (see Section 44-316(SAR)).

- .15 Cooperating in a quality control review. Cooperation includes, but is not limited to, attending a personal interview with the quality control reviewer and answering questions and providing information necessary to complete the quality control review.

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See Chapter 40-200, Quality Control Cooperation Requirements.

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- .16 Identifying any third party who may be liable for care and services available under the state's Title XIX state plan on behalf of the applicant/recipient or any other family member required to be in the AU under Section 82-820.3.
 - .161 Applicants and recipients may be exempted from cooperation requirements under certain circumstances as specified in Section 82-512.
- .17 Failure to comply with these provisions shall result in a fraud penalty if the applicant or recipient is found to have committed an IPV.

.2 Social Security Number (SSN)

- .21 As a condition of eligibility, each CalWORKs applicant or recipient member of the AU shall:
 - .211 Furnish his/her Social Security Account Number (SSN) or numbers, if more than one, within 30 days following the date of the application for assistance; or
 - .212 If he/she cannot furnish an SSN:
 - (a) apply directly to a local office of the Social Security Administration (SSA); and submit verification of such completed application to the county within 30 days following the date of application for assistance before aid may be authorized. A completed application means an application that has been accepted by the SSA for processing; and,
 - (b) furnish the SSN to the county when received.
 - (c) See .221 below for a child(ren) who has been enumerated at birth through the Enumeration at Birth (EAB) Project.

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- .23 An applicant/recipient is ineligible for aid if he/she refuses to comply with the requirements of .21 above. Where the refusal relates to an otherwise eligible child, that child is ineligible for aid. (See Section 82-832.24.)

- .24 As a condition of eligibility, each AFDC-FC applicant or recipient shall have an SSN.
 - .241 For children applying for or receiving AFDC-FC, where a parent(s), legal guardian, or relative, is not available or not cooperating, the placing agency representative, on behalf of the child shall obtain or make application for the SSN.
 - (a) To satisfy the requirement specified in .24 above when the absence of identifying information prevents the placing agency representative from obtaining an SSN for an abandoned child, the eligibility case file shall contain documentation of the attempt to apply for an SSN for the child, including the date the attempt was made, and the reason the attempt was unsuccessful.

- .25 As a condition of eligibility, applicants for and recipients of CalWORKs shall cooperate in resolving any discrepancies regarding SSNs, such as discrepancies arising from a cross-check of agency SSN files with those of the SSA. When there is a failure to cooperate, aid shall be denied or discontinued only for the member(s) of the AU whose SSN(s) is in question.

- .26 Individuals identified in Section 42-431.23, who are state-funded, are not required to meet this requirement.

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- .251 Once a recipient has been discontinued for not cooperating, aid may not be granted until the recipient has demonstrated that he/she is cooperating.

- .3 Statewide Fingerprint Imaging System (SFIS) Requirements
 - .31 As a condition of eligibility, persons listed in Section 40-105.32 must supply through the SFIS two fingerprint images and a photo image at the time of application. Failure to provide the required images will result in ineligibility for the entire assistance unit.

 - .32 The following persons must provide fingerprint and photo images:
 - .321 Each parent and/or caretaker relative of an aided or applicant child when living in the home of the child; and

 - .322 Each parent and/or caretaker relative receiving or applying for aid on the basis of an unaided excluded child; and

 - .323 Each aided or applicant adult; and

 - .324 The aided or applicant pregnant woman in an AU consisting of the woman only.

 - .33 The following persons are exempted from the rule in Section 40-105.32:
 - .331 The following persons shall be temporarily excused for a period of not more than 60 days:
 - (a) Persons with both hands damaged so as to preclude fingerprint imaging shall be excused from fingerprint imaging. A photo image will be taken as part of the normal SFIS process.

 - (b) Persons with other medically verified physical conditions which preclude them from coming into the office shall be excused from fingerprint and photo imaging.

 - .332 Persons missing all ten fingers shall be permanently excused from fingerprint imaging. A photo image will be taken as part of the normal SFIS process.

 - .34 SFIS information shall be considered confidential under Section 10850 of the Welfare and Institutions Code.

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- .341 The county shall not use or disclose the data collected for any purpose other than the prevention or prosecution of fraud.
 - .342 The county shall inform all persons required to provide fingerprint and photo images that the images will be used only for the purpose of prevention or prosecution of welfare fraud.
 - .35 The county shall not deny aid to an otherwise eligible AU because of technical problems with the SFIS.
 - .351 The applicant/recipient must agree to complete the process at a mutually agreed upon time within 60 days of the initial attempt.
- .4 Immunization Requirements
- (a) All applicants/recipients shall provide verification, as specified in Section 40-105.4(d), that all children under the age of six in the AU have received all age-appropriate immunizations.

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- (1) Applicants/recipients who have made a good faith effort to initiate immunizations for a child(ren) in the AU, but the child(ren) cannot complete the series because of a spacing requirement between vaccine doses, may be considered at that point to have received "all age-appropriate immunizations." Good faith effort may also apply in cases where the vaccine is not available.

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- (b) Age-Appropriate Immunizations

The age-appropriate immunizations for children under the age of six and for children not immunized in the first year of life that are listed in the following two charts are those suggested by the Childhood Immunization Schedule (United States), by the Advisory Committee on Immunization Practices, the American Academy of Pediatrics, and the American Academy of Family Physicians and are described in Welfare and Institutions Code Section 11265.8(b)(1). These charts are provided as an aid to the county in complying with the verification requirement of MPP Section 40-105.4(a) and are not intended to be mandatory in every case. Rather, they are recommended guidelines that would be applied as appropriate by each child's medical care provider.

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- (1) Immunizations currently recommended for children under the age of six.

<u>TYPE OF SHOT</u>	<u>DOSE</u>	<u>RECOMMENDED AT</u>
Polio (or OPV, TOPV, IPV, Sabin, Salk)	1st 2nd 3rd 4th	2 months 4 months 6-18 months Before starting school (4-6 years)
DTaP (DPT) (diphtheria, tetanus and pertussis)	1st 2nd 3rd 4th 5th	2 months 4 months 6 months 15-18 months Before starting school (4-6 years)
MMR (measles, mumps, and rubella)	1st 2nd	12-15 months Before starting school (4-6 years)
Varicella Virus Vaccine* (or VAR, VZV) (chicken pox)	1st	12-18 months
Hepatitis B	1st 2nd 3rd	At birth - 3 months 1-5 months 6-18 months
Hemophilus influenzae type b (or Hib)	1st 2nd 3rd 3rd or 4th	2 months 4 months 6 months (<i>may not be required</i>) 12-15 months (<i>if any dose is given after 12 mos. no further doses needed</i>)

Recommended Childhood Immunization Schedule (United States), approved (January, 1999) by the Advisory Committee on Immunization Practices (ACIP), and the American Academy of Pediatrics, and the American Academy of Family Physicians (AAFP).

(*The varicella virus vaccine is only required for susceptible children, i.e., those who have not had the chickenpox.)

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- (2) This schedule is recommended for children who have not received any immunizations in the first year of life. If the child has received some, but not all, of the recommended immunizations by his or her first birthday, the recommended schedule will depend on which immunizations the child is missing and the child's age. A health care provider should be consulted to determine the appropriate immunizations. After these immunizations have been completed, refer to Schedule I for immunizations to be completed.

**RECOMMENDED IMMUNIZATION SCHEDULE FOR CHILDREN
NOT IMMUNIZED IN THE FIRST YEAR OF LIFE**

<u>VISIT</u>	<u>WHEN</u>	<u>VACCINES WHICH MIGHT BE GIVEN</u>
First Visit		Hepatitis B DTaP (or DTP) Hib Polio (or OPV, TOPV, IPV, Sabin, Salk) MMR Varicella (or VAR, VZV) (chickenpox)
Second Visit	1 - 2 months after 1st visit	Hepatitis B DTaP (or DTP) Hib Polio (or OPV, TOPV, IPV, Sabin, Salk)
Third Visit	1 - 2 months after 2nd visit	DTaP (or DTP) Polio (or OPV, TOPV, IPV, Sabin, Salk)
Fourth Visit	6 months after 3rd visit	Hepatitis B DTaP (or DTP)

Approved by the Advisory Committee on Immunization Practices (ACIP), and the American Academy of Pediatrics and the American Academy of Family Physicians (AAFP). (Note: Delays between doses do not require repeating doses or re-starting series. Hib Schedules vary by age when series started.)

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(c) Informing Requirements

At the time of application and at redetermination, all applicants and recipients shall receive a notice informing them of their obligation to secure age-appropriate immunizations for all children in the AU under the age of six.

(1) The notice shall inform them of:

- (A) Their obligation to secure immunizations for all children in the AU under the age of six and the penalty for failure to comply;
- (B) The age-appropriate immunizations;
- (C) Their right to file an affidavit claiming that immunizations are contrary to their personal and/or religious beliefs or for medical reasons; and
- (D) How immunizations may be obtained through a fee-for-service provider that accepts Medi-Cal, a Medi-Cal managed care plan, a county public health clinic, or any other source that may be available to the county as appropriate.

(d) Verification

As specified in Section 40-105.4(e), verification of immunization is required at initial application, when adding a child under the age of six to the AU, and at redetermination. Verification of immunizations, as defined by the county, must be submitted until the child(ren) completes all age-appropriate immunizations or the child(ren) reaches the age of six. For intercounty transfer cases, an applicant/recipient, who has submitted verification of age-appropriate immunizations in the first county and that county has determined it to be adequate, shall not be required to resubmit duplicate verification in the second county. See Section 40-188.136.

(e) Time Frames

Applicants/recipients shall provide verification of immunization for all children in the AU under the age of six as follows:

- (1) Applicants, if applying for CalWORKs and Medi-Cal simultaneously, within 30 days of determination of eligibility for Medi-Cal; or, if applying for CalWORKs and already receiving Medi-Cal benefits, within 45 days;
- (2) Recipients, within 45 days of redetermination of eligibility; or
- (3) Children under the age of six being added to the AU if applying for CalWORKs and Medi-Cal simultaneously, within 30 days of determination of eligibility for Medi-Cal; or, if applying for CalWORKs and already receiving Medi-Cal benefits, within 45 days.

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(f) Exemptions

The immunization requirement does not apply if the parent(s)/caretaker relative submits:

- (1) An affidavit stating that the immunization requirement is contrary to his/her personal/religious beliefs and the reasons for his/her objection.
- (2) A written statement from a physician or health professional working under the supervision of the physician, stating that the child should not be immunized, which includes the prohibitive medical condition and the duration.

(g) Failure to Cooperate

If an applicant/recipient fails to submit timely verification of immunization of any child(ren) in the AU under the age of six (see Section 40-105.4(d)) and does not qualify for an exemption or have good cause (see Section 40-105.4(i)), the grant shall be reduced by the amount (MAP) allowed for the needs, as specified in Section 44-315.311, of the parent(s)/caretaker relative in the AU.

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(1) Immunization Penalty Computations

Examples:

- (A) An AU composed of a mother and her three children fails to submit verification of immunization and is not found to have good cause. The mother has total earned income of \$525 per month and no disability-based unearned income. The AU is nonexempt and resides in Region 2.

Grant Computation - Single Penalty:

AU size remains four, but due to the penalty, use the MAP for three.

\$	525	Gross Earned Income
-	<u>112</u>	\$112 Income Disregard
\$	413	Remaining Earned Income
-	<u>206</u>	50% Earned Income Disregard*
\$	206	Net Nonexempt Income*
\$	608	MAP for three (excluding the parent)
-	<u>206</u>	Total Net Nonexempt Income
\$	402	Aid Payment

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* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34.

- (B) This same AU also fails to cooperate with the District Attorney's office in establishing paternity for child support.

Grant Computation - Double Penalty

\$ 525	Gross Earned Income
- <u>112</u>	\$112 Income Disregard
\$ <u>413</u>	Remaining Earned Income
- <u>206</u>	50% Earned Income Disregard*
\$ 206	Net Nonexempt Income
\$ 608	MAP for three (excludes the parent)
- <u>206</u>	Total Net Nonexempt Income
\$ 402	Aid Payment with First Penalty Applied
- <u>100</u>	25% of Aid Payment - Second Penalty for Failure to Cooperate with DA*
\$ 302	Aid Payment with Both Penalties Applied

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: Welfare and Institutions Code Section 11017, MPP Section 44-315.34.

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- (h) Section 40-105.4(h)(QR) shall become inoperative and Section 40-105.4(h)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

Restoration of Aid

- (QR) Once verification of immunization is submitted the grant is increased to reflect the needs of the parent(s)/caretaker relative effective the first of the month following the month in which verification is received (see Section 44-316.331(d)(QR)).

- (SAR) Once verification of immunization is submitted the grant is increased to reflect the needs of the parent(s)/caretaker relative effective the first of the month following the month in which verification is received (see Section 44-316.331(d)(SAR)).

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(i) Good Cause

The county shall determine if good cause exists for not submitting verification due to lack of reasonable access to immunization services. If the county determines that good cause exists, the applicant/recipient has an additional 30 days to submit immunization verification.

- (1) Circumstances which may constitute good cause, due to lack of reasonable access to immunization services, may include but are not limited to the following: language barriers, physical distance, illness of a parent(s)/caretaker relative, bona fide transportation problems or a lack of available appointments.

(j) Documentation

The county shall document verification of immunization, determination of good cause or any exemption.

.5 School Attendance Requirements

- (a) All children in the AU for whom school attendance is compulsory, i.e., ages 6 through 17, must attend school "regularly" as defined by the county.

(b) Verification

Recipients shall cooperate in providing routinely available documentation of school attendance of all applicable school-age children in the AU when requested by the county. Applicants are not required to submit verification of school attendance prior to being granted cash aid.

(c) Exemptions

All children in the AU for whom school attendance is compulsory must regularly attend school with the following exceptions:

- (1) A pregnant or parenting teen eligible for Cal-Learn. See Section 42-763.1.
- (2) A child subject to participating in a county school attendance demonstration projects in Merced or San Diego counties.

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- (3) See Section 42-719 regarding welfare-to-work plans for children 16 through 17 years of age not regularly attending school and not exempted under Section 40-105.5(c).

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40-105	APPLICANT AND RECIPIENT RESPONSIBILITY (Continued)	40-105
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(d) Irregular Attendance Penalty

If the county determines that good cause does not exist and the child is not exempted under Section 40-105.5(c)(2), failure of a child in the AU, for whom school attendance is compulsory, to regularly attend school pursuant to Section 40-105.5(a), shall result in a reduction in the grant by an amount equal to the following:

- (1) The needs of the parent(s)/caretaker relative in the AU if the child(ren) is under the age of 16, or
- (2) The child's needs if the child(ren) is age 16 or older.

(e) Failure to Cooperate

Refusal or failure of a recipient to cooperate in providing documentation when requested shall result in aid being reduced in accordance with Section 40-105.5(b), unless the county determines good cause exists.

(f) Good Cause

The county shall determine what constitutes good cause for not attending school "regularly" and failure to cooperate.

(g) Section 40-105.5(g)(QR) shall become inoperative and Section 40-105.5(g)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

Restoration of Aid

(QR) The needs of the parent(s)/caretaker relative or child(ren) shall be restored effective the first of the month following the month in which verification of regular school attendance is received (See Section 44-316.331(d)(QR)).

(SAR) The needs of the parent(s)/caretaker relative or child(ren) shall be restored effective the first of the month following the month in which verification of regular school attendance is received (See Section 44-316.331(d)(SAR)).

NOTE: Authority cited: Sections 10553, 10554, 10604, 11209, 11253.5, 11265.2, 11265.3, 11265.8, 11266, 11268, 11450.5, and 11486, Welfare and Institutions Code, SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 10553, 10554, 10604, 11017, 11209, 11253.5, 11265.3, 11265.8, 11266, 11268, 11450, 11451.5, 11453, 11486, 13283, 14005.2, and 18945, Welfare and Institutions Code; Section 48200, Education Code; 45 CFR 205.42(d)(2)(v)(A) and (B), as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 205.52(a)(1) and (2); 45 CFR 233.10(a)(1)(iv) and 235.112(b); 45 CFR 400.43; 7 CFR 273.16(b); 8 United States Code (USC) 1182(d)(5)(B); 42 U.S.C. 402(a)(6) and 616(b); and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193); California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996; The Trafficking Victims Protection Act of 2000 (P.L. 106-386), Sections 107(b)(1)(A), (B), and (C); The Trafficking Victims Protection Reauthorization Act of 2003 (Public Law 108-193).

40-107	COUNTY RESPONSIBILITY	40-107
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(a) Assisting the Applicant

The county is responsible for assisting applicants or recipients in understanding their rights and responsibilities in relation to application for aid; for evaluating the capacity of the applicants or recipients to discharge their responsibilities as set forth in Section 40-105; for assisting them as needed in establishing their eligibility and helping them to realize the maximum personal independence of which they are capable, including self-care and self-maintenance.

(1) The applicant shall be informed at the time of application that the law requires furnishing an SSN (Section 40-105) and assignment of accrued support rights (Section 43-106) as conditions of eligibility. The applicant/recipient shall also be informed, in writing, at the time of application or redetermination, that the law requires cooperation in establishing paternity and securing support rights (Section 43-201) as conditions of eligibility.

(A) The county shall notify the applicant or recipient by means of the prescribed form of the right to claim good cause as an exception to the cooperation requirements.

(B) The county shall notify the applicant or recipient that upon request of the custodial parent, the county department shall provide information to that custodial parent on the amount of child and spousal support paid to the county by the absent parent. (See Section 43-201.3.)

(2) All forms pertaining to (a)(1) and (a)(1)(A) above shall be available for the applicant to complete at the initial interview when the CA 2.1 is completed, but need not be completed prior to granting emergency aid.

(3) Reserved

(4) The CWD shall provide the individual, in writing and orally as necessary, a description of the 48-month time limit requirements, including the exemptions from the time limit, as provided in Sections 42-302.11 and 42-302.21 and the process by which recipients can claim the exemptions, as provided in MPP Section 42-302.3. The description of the 48-month time limit requirements shall be provided at the time an individual applies for aid, at the time a recipient's eligibility for aid is redetermined, and any other time a notice of action establishing time on aid pursuant to this section is provided. In addition, counties are required to provide information on the number of months an applicant, recipient, or former recipient received aid as follows:

40-107	COUNTY RESPONSIBILITY (Continued)	40-107
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- (A) The applicant shall be informed, by notice of action, at the time that eligibility for aid is authorized, if the applicant received aid in California or any other state(s) on or after January 1, 1998. The notice shall include:
 - 1. The number of months the individual received aid as reported on the most recent notice of action, if any.
 - 2. The cumulative number of countable months that the individual received aid and the specific exempt months since the last notice of action, or the beginning of aid if there has been no prior notice of action.
 - 3. The remaining number of months that the individual may be eligible to receive aid. (See MPP Section 42-302.2 for definition of countable months.)

- (B) The recipient shall be informed, by a notice of action, at redetermination of aid. The notice shall include information as required in MPP Section 40-107(a)(4)(A).

- (C) The recipient shall be informed, in writing, each and every time he or she is at the 42nd countable month on aid by using one of the following two methods:
 - 1. A notice of action which meets the requirements in MPP Section 42-107(a)(4)(C)1.
 - 2. A notice that informs the recipient of the cumulative number of countable months that the recipient received aid and the remaining number of months that the recipient may be eligible to receive aid. (See MPP Section 42-302.2 for definition of countable months.)

- (D) Each recipient shall be informed by a notice of action provided in one of the months falling during the period of the recipient's 42nd through 46th countable months on aid.
 - 1. A notice of action pursuant to MPP Section 40-107(a)(4)(A), (a)(4)(B), or (a)(4)(C)1. satisfies this requirement.
 - 2. Once the notice of action required in MPP Section 40-107(a)(4)(D) is sent, no further notice of action, pursuant to MPP Sections 40-107(a)(4)(A) through (a)(4)(D), shall be required until a total of six exempt months have passed.

- (E) No notice pursuant to MPP Sections 40-107(a)(4)(A) through (a)(4)(F) need be sent under the following circumstances:
 - 1. Within 3 calendar months from a previous notice of action, pursuant to MPP Sections 40-107(a)(4)(A) through 40-107(a)(4)(D), was provided.
 - 2. Once the exemption for individuals who are 60 years of age or older, as provided in MPP Section 40-302.21(e), is established.

40-107 COUNTY RESPONSIBILITY (Continued) 40-107

- (F) Upon a verbal or written request for time limit information, a current or former recipient shall be informed, in writing, within 30 calendar days from the date of receipt of the request. The county shall document the request and provide the recipient with a written notice that will include:
 - 1. The cumulative number of countable months that the recipient received aid,
 - 2. The specific months that were exempt from the 48-month time limit since the most recent notification (pursuant to MPP Sections 40-107(a)(4)(A), 40-107(a)(4)(B), 40-107(a)(4)(C)1. or 40-107(a)(4)(D)),
 - 3. The remaining number of months that the recipient may be eligible to receive aid.

 - (G) The recipient shall be informed by a notice of action at the 48th countable month on aid. The notice shall include:
 - 1. Information in accordance with Section 40-107(a)(4)(A).
 - 2. Notification of the reduction in the grant amount due to the expiration of the CalWORKs 48-month time limit or notification that the recipient will continue to receive aid beyond the 48-month time limit based upon the criteria for exceptions as provided in MPP Section 42-302.11.

 - (H) After the 48-month time limit notice of action, an adult who has reached the CalWORKs 48-month time limit and whose children remain on aid, shall be informed by notice of action pursuant to MPP Section 40-107(a)(4)(B) when child support or overpayment recoupment reimburses any month(s) on aid. (See MPP Section 42-302.21(g) for reimbursement of aid through child support recoupment and MPP Section 42-302.2 for overpayment months that are repaid.)

 - (I) After the 48-month time limit notice of action, an adult who has reached the CalWORKs 48-month time limit and whose children are no longer aided, shall be informed pursuant to MPP Sections 40-107(a)(4)(A) and (a)(4)(F).
- (5) When a former CalWORKs recipient applies for aid in another state and the other state requests information on the number of months of assistance provided by Temporary Assistance for Needy Families (TANF) funds, the county where the aid was last received shall promptly respond to the other state's request in writing.
- (A) The county shall also send a notice of action to the former CalWORKs recipient at her/his new address in the other state. The notice of action shall include information on the number of months of TANF-funded assistance that was provided to the other state.

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- (B) Months of assistance provided by TANF funds shall be reported to the other state. Assistance provided by California in its Segregated State Program for Legal Immigrants is not subject to the federal TANF 60-month time limit. Individuals who received aid provided by the state-only programs do not accrue months of assistance toward the federal TANF 60-month time limit and therefore, the months of aid shall not be reported to the other state.

- (C) Months that are exempt from the federal TANF 60-month time limit and months that are excluded from the federal definition of assistance and the federal regulations shall not be included in the cumulative number of months of assistance that is reported to the other state.

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(6) Applicants shall be informed:

- (A) that they may apply for CalFresh at the same time as they apply for CalWORKs.

- (B) that, if they apply for CalFresh at the same time as they apply for CalWORKs, they have the right to file a joint application and shall have a single interview for both programs.

- (C) in written form, and orally as appropriate, of the CalWORKs and CalFresh programs, explaining the rules regarding eligibility and benefits available from both programs, and that the application interview for CalWORKs is sufficient for applying for CalFresh.

- (D) of the availability of paid child care and be given an informing notice (see Section 47-301.2).

(7) Applicants/recipients shall receive written information at the time of application or at their first redetermination after implementation of GAIN regarding the GAIN Program as to the following:

- (A) A description of the program;

- (B) The availability of job training, employment, education and supportive services, including the types and locations of child care services and the assistance available to select and obtain such services, and Transitional Child Care (TCC) Program benefits;

- (C) The individual's rights and responsibilities;

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- (D) The consequences of failure or refusal to participate in the GAIN Program;
 - (E) The grounds for exemption from participation in the GAIN Program; and
 - (F) The obligations of the county welfare department (CWD) in providing GAIN services.
- (8) Applicants/recipients shall be informed by the CWD orally, as needed, to clarify written information regarding the GAIN Program and/or the requirement for cooperation in establishing paternity and securing support rights.
- (9) The CWD shall provide written notification of the opportunity to express a desire to participate in the GAIN Program and provide a clear description of how to enter the GAIN Program to:
- (A) Applicants, upon application, but not later than 30 days from the determination of eligibility for aid; and
 - (B) Recipients, at redetermination, but not later than 30 days after being informed in accordance with Section 40-107(a)(6).
- (b) Arrangement for Substitute Payee, Guardian or Conservator

When there is a need for a person to act as a substitute payee on behalf of a recipient or when there is need for protection in the form of a guardian or conservator for the recipient, the county is responsible for assisting in the development of a satisfactory plan.

In planning for selection and appointment of someone to act in behalf of a recipient as a substitute payee, guardian or conservator, every effort must be made to protect the interests of the recipient and to avoid any possible conflict of interest. The recipient has the right to select the substitute payee, guardian or conservator to the extent of his/her capability.

Aid may be paid on behalf of the recipient to such substitute payee, guardian or conservator subject to the requirements and limitations specified below and in Sections 44-303, 44-309, and 44-310.

(1) Substitute Payees

Because of the potential conflict of interest, aid payment may not be made on behalf of an individual to a person serving as substitute payee, if such person is also the administrator, operator or fiscal agent of a public or private facility providing care to the individual. A substitute payee also may not include the executive head of the agency administering public assistance, the person determining income eligibility for the family, special investigative or resource staff, or staff handling fiscal processes related to the recipient, landlords, grocers, or other vendors of goods or services dealing directly with the recipient.

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If it appears to be in the best interest of the individual, a staff person, preferably in a unit or division of the county welfare department or State Department of Health, Community Services Section, which is responsible for providing protective services, may serve as a substitute payee for the recipient. However, the county is responsible for taking all necessary precautions to prevent either potential or actual conflict of interest.

| (2) Guardian or Conservator

When there is need for protection of a recipient in the form of a guardian or conservator the county is responsible for assisting in the development of a satisfactory plan which includes initiating the necessary procedures for appointment of a guardian or conservator.

Because of the potential conflict of interest, a staff person may not serve as guardian or conservator of the recipient unless the appointment is based on a close personal relationship with the client which makes the staff member the most suitable guardian or conservator. If the guardian is guardian of the person only, (and not guardian of the estate) however, a staff person may serve as the guardian.

(c) Eligibility Determination

The county is responsible for determining that the applicant or recipient meets the requirements of all necessary eligibility factors. This determination shall be based upon an evaluation of all available evidence. The gathering of such evidence and the determination of eligibility shall be a separate operation from and precede that of computing the amount of grant an eligible applicant is entitled to receive. This section is not meant to prevent the county from granting immediate need under Section 40-129. The factors to be considered in determining eligibility are as follows:

| (1) Linking Eligibility Factors -- Definition

Linking eligibility factors are those single conditions that link an applicant to a categorical aid program. These factors are: blindness and deprivation of parental care or support.

(2) Nonlinking Eligibility Factors -- Definition

Nonlinking eligibility factors are those factors that establish whether an applicant is entitled to assistance under the program to which he is linked. Although the categorical aid programs have these nonlinking eligibility factors in common, the standards differ. The nonlinking eligibility factors are: age, property, residence, financial status and institutional status.

40-107 COUNTY RESPONSIBILITY (Continued)

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(d) Grant Determination

Once the applicant's eligibility is established, the county is responsible for determining the applicant's financial and medical needs. The county is further responsible for developing and carrying out plans for meeting such needs within the limitations of the W&IC, the Regulations of the California Department of Social Services and the Department of Health Care Services.

(e) Notification of the Right to a State Hearing

At the time aid is granted or denied and whenever there is a change in eligibility or amount of payment, the applicant or recipient shall be advised of the right to request a state hearing. If the applicant or recipient expresses dissatisfaction, the county shall make every effort to resolve the problem. However, if the applicant or recipient chooses to have a state hearing, the county shall assist the individual in preparation of the state hearing request, and advise the applicant or recipient of the right to be represented by counsel or other authorized representatives as set forth in Chapter 22-000.

(f) Provision of Informational Materials

(1) Informational materials required by CDSS shall either be given to applicants during the application interview or mailed with Notice of Action forms approving or restoring CalWORKs grants or Certifications for Medical Assistance (see 40-173).

(A) For CalWORKs, brochures describing benefits available under the Child Health and Disability Prevention (CHDP) program and how and where these benefits are provided within the county shall be given to the applicant during the application interview. Provision of CHDP informational materials shall be documented by notation upon the SAWS 2 form.

(B) For AFDC-FC, the placement worker shall assess the applicant child's need for CHDP services, and shall provide information to the foster care provider and/or, as appropriate, to the child. Provision of CHDP informational material shall be documented in the service case record, as specified in Section 30-209.66.

(2) The CWD shall inform all CalWORKs applicants/recipients of the availability of family planning services. For those CalWORKs applicants/recipients who voluntarily request such services, the CWD shall provide information and referral for family planning services. (See Section 40-131.3(h).)

(A) The CWD shall designate personnel who shall:

1. Be generally knowledgeable in the area of family planning.
2. Be responsible for the coordination of family planning services activities within the CWD and with family planning resources outside of the CWD.

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- (B) The CWD shall display in waiting rooms and make available to CalWORKs applicants/recipients, copies of notices, pamphlets and other written materials which contain information concerning the availability of family planning services.
 - (C) The CWD shall ensure that written notice of the availability of family planning services is sent to: (1) applicants for CalWORKs upon denial of CalWORKs benefits; or (2) all CalWORKs recipients upon termination of CalWORKs benefits.
- (3) Federal Earned Income Tax Credit (EITC)
- (A) The CWD shall ask each CalWORKs recipient at their annual eligibility redetermination if he or she is eligible for and utilizing the federal EITC. If the recipient may be eligible for the EITC and does not use it, the CWD shall give the recipient available EITC informational material and encourage him or her to access the EITC.

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- (B) To encourage CalWORKs recipients to maximize their use of the EITC, CWDs may inform them that:
 - 1. The receipt of earned income may make them eligible for the federal EITC, retroactive EITC credits, and the Advance EITC. It may also add credits toward their future social security income.
 - 2. The receipt of the federal EITC shall not affect their CalWORKs grants and is additional tax-free income.
 - 3. A CalWORKs recipient that receives the federal EITC may invest these funds in an individual development account, 401(k) plan, 403(b) plan, Individual Retirement Account, 457 plan, 529 college savings plan, Coverdell Education Savings Account, or restricted account. Investments in these accounts will not impact the recipient's CalWORKs eligibility or benefits.

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- (g) Social Security Number
 - (1) SSNs shall be confirmed by viewing SSN cards or SSA's form series OA-702. Any one of the following shall be acceptable evidence if the SSN card or SSA's form series OA-702 is not available:

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- (A) An award letter, Medicare card or a check from the SSA showing the applicant/recipient's name and SSN with the letters A, HA, J, T, or M following the SSN.
- (B) Other documentation from the SSA upon approval by the Department.
- (C) When an SSN card or other acceptable evidence is not available, the county shall accept the furnished SSN pending verification of the number through IEVS in accordance with (g)(2) of this section.
- (D) For those individuals who are unable to provide an SSN, the county shall assist the applicant by referring him/her to the local office of the SSA. This requirement may be met by furnishing the applicant with a referral notice, such as the SSA Referral Notice, form MC 194, or by providing the address of the local SSA office.
- (E) The county shall deny the application for assistance for any individual who refuses or fails to provide either an SSN or verification that an application for an SSN was completed within 30 days after the date of application for assistance. (See Section 82-832.24.)
 - 1. If the individual is the only eligible child, and the caretaker relative refuses or fails to provide either an SSN or verification that an application for an SSN was completed within 30 days after the date of the application for assistance, the entire AU is ineligible. (See Section 82-820.2.)
 - 2. The county shall discontinue aid for any member of the AU who refuses or fails to furnish the SSN as required in 40-105.212(b) and/or (c).

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- (F) The county shall inform the applicant/recipient of his/her responsibilities under this section. If the county receives verification of application directly from the SSA, the requirement in Section 40-105.212(a) is met. If the county receives the SSN directly from the SSA or from another federal or federally assisted program, the requirement in Section 40-105.212(b) is met.
 - (G) Counties shall document in the case record the fact that the applicant/recipient submitted a completed application for an SSN and the method of verification.
 - (H) The county shall obtain the SSN of a child who has been enumerated at birth within six months after receipt of the number or at redetermination, whichever occurs earlier.
- (2) Aid shall not be denied, delayed, or discontinued pending the issuance or verification of such number or numbers if the applicant/recipient has furnished his/her SSN or has submitted the necessary verification as required in Section 40-105.21. Immediate need cases are subject to the provisions of Section 40-129.214.
 - (3) All SSNs shall be verified by SSA through IEVS in accordance with Section 20-006.
 - (A) The county shall deny the application or discontinue assistance for any individual who fails to cooperate in resolving a discrepancy between the furnished SSN and SSA files in accordance with the requirement of Section 40-105.25.
 - (4) In AFDC-FC when there is no identifying information as specified in Section 40-105.241(a), the case file shall be reviewed at redetermination to determine whether any change occurred that would enable the Social Security Administration to issue an SSN. The eligibility worker shall document the date the review was completed and any changes that have occurred. If new information is available, the parent(s), legal guardian, or relative, (if now available and cooperating) or the placing agency representative shall forward the application for an SSN to the Social Security Administration.
- (h) WIC Referrals
- The county welfare department shall refer all pregnant recipients of aid to a local provider of the Women, Infants, and Children program.
- (i) Domestic Abuse
- For instructions on addressing domestic abuse, see Section 42-715.

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(j) Section 40-107(j)(QR) et seq. shall become inoperative and Section 40-107(j)(SAR) et seq. shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Establishing the Quarterly Reporting Cycle

Applicants shall be assigned a specific Quarterly Reporting (QR) cycle using the application date, the terminal digit of the case number, or other method determined by the county. To the extent possible, the county should align the CalWORKs annual redetermination of eligibility with the Food Stamp certification period and should also align the redetermination/recertification with the month the QR 7 is due (QR Submit Month). The county shall provide the QR 7 at the end of each QR Data Month, but no later than the first day of each QR Submit Month. The county must provide the recipient with a written notice that will include:

(SAR) Establishing the Semi-Annual Reporting Cycle

Applicants shall be assigned a specific Semi-Annual Reporting (SAR) cycle using their beginning date of aid. If the applicant has an existing CalFresh recertification period, the county shall align the SAR cycle with the existing recertification period. The county must align the CalWORKs annual redetermination of eligibility with the CalFresh certification period. The redetermination/recertification acts as the second semi-annual report so it must also be aligned with the SAR Submit Month. The county shall provide the SAR 7 or SAWS 2 to the recipient by the end of the SAR Data Month in the SAR Payment Period in which it is due. The county must provide the recipient with a written notice that will include:

(QR) (1) The AU's individual QR cycle,

(SAR) (1) The AU's individual SAR cycle,

(QR) (2) The month in which the initial QR 7 and subsequent QR 7s are due, and

(SAR) (2) The months in which the SAR 7 and the annual redetermination of eligibility (SAWS 2) are due, and

(QR) (3) The QR Data Month they will be responsible for reporting information.

(SAR) (3) The SAR Data Months they will be responsible for reporting information.

(QR) (A) Quarterly Reporting Cycle Based on Application Date

The county shall establish three QR cycles, each comprised of four QR Payment Quarters (see Section 40-103.5(QR)). The county shall assign the applicant to one of these cycles based on the month of application. The month of application shall be considered the first month of the QR Payment Quarter regardless of whether cash aid is issued in that month.

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(SAR) (A) Semi-Annual Reporting Cycle Based on Beginning Date of Aid

The county shall establish six SAR cycles, each comprised of two SAR Payment Periods (see Section 40-103.5(SAR)). The county shall assign the applicant to one of these cycles based on the beginning month of aid. Unless the SAR cycle is being established to align with an existing CalFresh recertification date, the beginning month of aid shall be considered the first month of the SAR Payment Period.

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(QR) This model requires CWDs to consider a client’s application month as the first month of the QR Payment Quarter. This month will begin the QR cycle for the new reporting system. Clients will be assigned to one of three cycles, based on their application date. For purposes of discussing months within the cycle, the following definitions will apply:

QR Payment Quarter – the quarter in which benefits are paid. The QR Payment Quarter will include three consecutive months. The month of application will be considered the first month of the “QR payment quarter” for purposes of identifying the appropriate client reporting cycle, regardless of whether benefits are issued in that month or as a supplemental payment in a subsequent month.

QR Data Month – the 2nd month of the quarter for which the client reports all information necessary to determine eligibility and

QR Submit Month – The third month of the quarter in which the QR 7 is required to be submitted to the CWD.

<u>January</u> (Application Month)	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
QR Payment Quarter Begins	QR Data Month	QR Submit Month	QR Payment Quarter Begins	QR Data Month	QR Submit Month

<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
QR Payment Quarter Begins	QR Data Month	QR Submit Month	QR Payment Quarter Begins	QR Data Month	QR Submit Month
					RV/RC due

<u>January</u> (13th month)
QR Payment Quarter Begins
New FS Cert Period

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The following cycles would be assigned to each applicant, based on application date.

Cycle 1:

Application/QR Payment Quarter	QR Data Month	QR Submit Month
January	February	March
April	May	June
July	August	September
October	November	December

Cycle 2:

Application/QR Payment Quarter	QR Data Month	QR Submit Month
February	March	April
May	June	July
August	September	October
November	December	January

Cycle 3:

Application/QR Payment Quarter	QR Data Month	QR Submit Month
March	April	May
June	July	August
September	October	November
December	January	February

This system enables the county to align the reporting/budgeting cycle with the FS recertification date. The month in which the certification period expires will always be the QR Submit Month, which will be when the recertification can be completed to set up the thirteenth month's allotment.

(SAR) This model requires CWDs to consider a client's beginning date of aid as the first month of the SAR Payment Period. This month will begin the SAR cycle for the new reporting system. Clients will be assigned to one of six cycles, based on their beginning date of aid. For purposes of discussing months within the cycle, the following definitions will apply:

SAR Payment Period – the six months in which benefits are paid. The SAR Payment Period will include six consecutive months. The beginning date of aid will be considered the first month of the "SAR Payment Period" for purposes of identifying the appropriate client reporting cycle.

SAR Data Month – the fifth month of the SAR period for which the client reports all information necessary to determine eligibility, and

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SAR Submit Month – the sixth month of the SAR period in which the SAR 7 is required to be submitted to the CWD or the annual redetermination is required to be completed.

January (Beginning Date of Aid)	February	March	April	May	June
SAR Payment Period Begins	Month Two	Month Three	Month Four	SAR Data Month	SAR Submit Month/ SAR 7 due

July	August	September	October	November	December
SAR Payment Period Begins	Month Two	Month Three	Month Four	SAR Data Month	SAR Submit Month
					RD/RC due

January (13th month)
SAR Payment Period Begins
New CalFresh Cert Period

The following cycles would be assigned to each applicant, based on the beginning date of aid.

Cycle 1:

Beginning Date of Aid/SAR Payment Period	SAR Data Month	SAR Submit Month
January	May	June
July	November	December

Cycle 2:

Beginning Date of Aid/SAR Payment Period	SAR Data Month	SAR Submit Month
February	June	July
August	December	January

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Cycle 3:

Beginning Date of Aid/SAR Payment Period	SAR Data Month	SAR Submit Month
March	July	August
September	January	February

Cycle 4:

Beginning Date of Aid/SAR Payment Period	SAR Data Month	SAR Submit Month
April	August	September
October	February	March

Cycle 5:

Beginning Date of Aid/SAR Payment Period	SAR Data Month	SAR Submit Month
May	September	October
November	March	April

Cycle 6:

Beginning Date of Aid/SAR Payment Period	SAR Data Month	SAR Submit Month
June	October	November
December	April	May

This system enables the county to align the reporting/budgeting cycle with the CalFresh recertification date. The month in which the certification period expires will always be the SAR Submit Month, which will be when the recertification is completed to establish the thirteenth month's allotment.

HANDBOOK ENDS HERE

(QR) (B) Quarterly Reporting Cycle Based on Terminal Digits

The county shall establish three QR cycles, each for a particular set of numbers. Counties shall determine the groupings. The county shall assign a cycle to an applicant/recipient based on the last digit of his/her case number.

(SAR) (B) Semi-Annual Reporting Cycles Based on Other Methods

Under SAR, counties may establish reporting cycles based on factors established or approved by the department; however, the SAR cycle must be aligned with the CalWORKs redetermination date and the CalFresh recertification date.

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40-107 COUNTY RESPONSIBILITY (Continued) 40-107

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This handbook section will become inoperative on the date that SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Following is one example of how a county might set up their QR cycle based on terminal digits:

Cycle 1 will be assigned to cases ending in 0, 1, 2, and 3.

Cycle 2 will be assigned to cases ending in 4, 5, and 6.

Cycle 3 will be assigned to cases ending in 7, 8, and 9.

HANDBOOK ENDS HERE

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10613, 11209, 11265.1, 11268, 11322.5, 11323.3, 11324.8(a), (b) and (c), 11454, 11454(b) and (e), 11454.2, 11495.1, and 11500, Welfare and Institutions Code; 42 USC Sections 608(a)(7), 45 CFR 205.42(d)(2)(v)(A) and (B) as printed in Federal Register, Vol. 57, No. 198, Tuesday, October 13, 1992, page 46808; 45 CFR 205.52(a)(1) and (2); 45 CFR 205.55; and California Department of Health Services Manual Letter 77-1; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

**40-109 APPLICANT RIGHTS WITH RESPECT TO APPLICATION FOR AID - 40-109
GENERAL**

.1 Right to Apply for Aid

Subject to the limitations set forth in Section 40-117, any person has the right to apply for aid, either on his/her own behalf or on behalf of another. An applicant who appears ineligible must still be allowed to exercise his/her right to make an application.

.2 Right to Choose Type of Aid

A person or his/her representative who believes the applicant meets the eligibility requirements for more than one category of aid has the right to choose the type of aid for which he/she will apply. For an exception, see the Diversion Services regulations found at Section 81-215.32. For children in or in need of foster care placement who are eligible to and/or receive AFDC-FC, see Sections 45-202.212(a) and 45-302.1.

40-109	APPLICANT RIGHTS WITH RESPECT TO APPLICATION FOR AID - GENERAL (Continued)	40-109
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.3 Right to be Considered for Another Program

If a recipient becomes ineligible for the type of aid he/she is receiving but appears eligible under another public social service program, his/her request for aid under such other program is to be recorded and any required additional investigation completed promptly so that there will be no interruption in aid payments to him/her (see Section 40-117). If an eligible recipient in one program appears to be eligible for aid in another program and wishes to take advantage of such eligibility, the same procedure shall be followed.

.4 Applicant's Right to Self-Determination

.41 The right to be self-determining is of paramount importance for the individual in clarifying when, how, and what the individual wants for him/herself. However, his/her freedom of choice may be limited by his/her capacity for self-determination and by the function of the agency as expressed in law and regulations.

.42 It is necessary to respect the individual's right to accept or reject what the agency has to offer him/her.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11266.5, Welfare and Institutions Code (Ch. 270, Stats. 1997).

40-115	THE APPLICATION PROCESS	40-115
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.1 Purpose

The basic purpose of the application process is to assist the individual in establishing his/her eligibility for aid and services.

.2 Steps in the Application Process

.21 Discussion of Circumstances Leading to Application

.211 The individual with the help of the worker tells why he/she is applying for aid or services, with the worker explaining agency requirements, program limitations, the applicant's rights and responsibilities and what he/she can expect from the agency.

40-115	THE APPLICATION PROCESS (Continued)	40-115
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- .212 If the applicant indicates on the SAWS 1 (Rev. 9/90) that he/she is in immediate need or indicates at any time during the application process that he/she is in an emergency situation where his/her resources are insufficient to meet the cost of the emergency situation, the county at that time shall make a determination of whether immediate need exists. (See Section 40-129, Immediate Need.) "Applicants" under this section include those who do not need to submit an application under Section 40-121.3.
- .213 At the time of application, all applicants shall be informed of the availability of lump-sum diversion services.

.22 Exploration of Eligibility

The applicant will be given a Statement of Facts (JA 2) to complete and sign under penalty of perjury. Acceptable evidence must be obtained concerning the linking and nonlinking factors of eligibility. (See each Eligibility Chapter for what is acceptable evidence.) When such evidence does not exist, the applicant's sworn statement under penalty of perjury will be considered sufficient, except in the areas of verification of U.S. citizenship or alienage status and/or medical verification or pregnancy. See Section 42-433 for verification of citizenship or eligible alien status and 80-300(m)(2) for verification of pregnancy.

- .221 Before additional evidence may be obtained, the applicant must agree to continue the process of attempting to establish his/her eligibility.
- .222 The applicant must participate in the gathering of evidence necessary to make an eligibility determination insofar as he/she has the capacity to do so.
- .223 The principles and methods set forth in 40-157.2 and 40-157.3 shall be observed when obtaining evidence.
- .224 The application process is not complete until all the evidence is in.
- .225 Income and eligibility information shall be requested through IEVS and shall be used, to the extent possible, in the determination of eligibility in accordance with the procedures specified in Sections 20-006.2 and 20-006.4. However, the county shall not delay the determination of eligibility pending receipt of IEVS information if other information establishes the individual's eligibility.
- .226 See Section 42-715 for the treatment of domestic abuse in the application process.

40-115	THE APPLICATION PROCESS (Continued)	40-115
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.23 Determination of Eligibility

.231 If eligibility is clearly established, aid is authorized and the eligible persons are certified for medical assistance.

.232 If it is determined the applicant is ineligible for a cash grant, determination of eligibility or ineligibility for certification as a medically needy person or family is required before action is taken on the application.

.24 Authorization of Assistance

.241 The next step in the application process concerns only approved applications. This step includes the following:

- a. Authorization of assistance to a person who has been determined to be eligible for a cash grant;
- b. The administrative procedure which assures prompt payment to a new recipient; and
- c. Certification for medical assistance.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 45 CFR 206.10(a)(1)(ii) and Sections 10553, 10554, 10604, 11056, 11266.5 (Ch. 270, Stats. 1997), and 11495.1, Welfare and Institutions Code.

40-117	WHO MAY APPLY	40-117
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.1 Repealed by Manual Letter No. EAS-86-01 (effective 1/17/86).

.2 Right to Initiate an Application for AFDC

Any person acting on behalf of a family or child or pregnant woman who believes the family or child or pregnant woman to be in need has a right to request aid; however, the county should make every effort to obtain the parent's or pregnant woman's signature on the application. Persons or agencies that may make application for a family or child or pregnant woman may include, but are not limited to:

.21 A guardian or relative with whom the child resides (see Section 82-808).

40-117 WHO MAY APPLY (Continued) 40-117

- .22 The person closest to the family or child or pregnant woman who has knowledge of the needs of the family or child or pregnant woman and knows of the desire of the family to apply, and who requests aid in behalf of the family, or child or pregnant woman with the knowledge and consent of the parent, guardian or relative.
- .23 The person or agency which placed the child in foster care.
- .24 The representative of a public agency.
- .3 The Family or Child Absent from the State -- A request for aid per the CA 1 cannot be approved unless the county determines that the continued absence of such family or child is beyond the family's or child's control. (See Chapter 42-400.)
- .4 Repealed by Manual Letter No. EAS-86-01 (effective 1/17/86).

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

40-118 WHO MUST BE INCLUDED ON THE STATEMENT OF FACTS (FILING UNIT) 40-118

- .1 Mandatory Inclusion The applicant shall include the following persons if living in the home on the applicable Statement of Facts:
- .11 Applicant Child An applicant child, and
- .12 Siblings Children who are siblings or half-siblings of the applicant child, and
- .13 Parents The parents of any child listed above, or
- .14 Pregnant Woman A pregnant woman, in a one-person AU, or
- .15 SSI/SSP Child The caretaker relative, stepparent, California domestic partner of the SSI/SSP child's parent and second parent of an SSI/SSP child when aid is requested.
- .16 GAIN Sanctioned Child The caretaker relative, stepparent, California domestic partner of the child's parent, and second parent of a child who is sanctioned by the GAIN program.
- .17 Senior Parent.

40-118	WHO MUST BE INCLUDED ON THE STATEMENT OF FACTS (FILING UNIT) (Continued)	40-118
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| .19 | | |
| .2 | Optional Persons | Applicants shall include optional persons, including an ASP, on the applicable Statement of Facts when aid is requested for them. |
| .3 | Relinquishment | Biological relatives of a child are not required to be included on the Statement of Facts when the child has been relinquished for adoption or parental rights are terminated, but the child has not been adopted. |
| .4 | County Responsibility | The county shall determine whether the appropriate persons are included on the applicable Statement of Facts. |
| .41 | Deny Application | The county shall deny the application, redetermination, request to add a person, or request for restoration whenever the applicant refuses to include any persons listed in .1 on the applicable Statement of Facts. |
| .42 | Deny Persons | The county shall deny aid for optional persons whenever the applicant refuses to include the optional person on the applicable Statement of Facts. |

NOTE: Authority cited: Sections 10553, 10554 and 10604, Welfare and Institutions Code. Reference: 45 CFR 206.10(a)(1)(vii), 45 CFR 206.10(a)(5)(i), and 45 CFR 233.90(c); SSA-AT-86-01; Civil Code 224m and 229; 42 USCA 602(a); Zapata v. Woods (1982) 187 Cal. Rptr 351, 137 C.A. 3d 858; and Sections 297 and 297.5(a), Family Code.

40-119	HOW AND WHERE APPLICATION IS MADE	40-119
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| .1 | New Applications | The county shall accept an application made by the applicant in writing on the SAWS 1 when made in the county in which the applicant lives. When an applicant applies in another county, the county receiving the SAWS 1 shall forward the SAWS 1 to the county in which the applicant lives. The beginning date of aid is the date the first county received the completed SAWS 1. The first county shall date stamp the completed SAWS 1 upon receipt. |
| .2 | Optional Persons | Section 40-119.2(QR) shall become inoperative and Section 40-119.2(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration. |
| | (QR) | The county shall consider either the SAWS 1, QR 3, or the QR 7 the application for adding an optional person. |
| | (SAR) | The county shall consider either the SAWS 1, SAR 3, or the SAR 7 the application for adding an optional person. |
| .3 | Person Added to AU | The applicant or recipient joining an existing AU shall complete one of the following, prior to aid being granted: |
| | .31 CW 8A | A CW 8A "Statement of Facts to Add a Child Under 16 Years," or |
| | .32 CW 8 | A CW 8 "Statement of Facts for Additional Persons." |
| .4 | Statement of Facts | The applicant/recipient shall complete the appropriate Statement of Facts when the county determines that additional eligibility factors need review and/or the annual redetermination is due. |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: 45 CFR 206.10(a)(1)(ii), (a)(8), and (b)(2); 45 CFR 233.10(a)(1)(ii)(A) and (B); 45 CFR 233.100(a)(3)(iii) and (vi)(A); and Sections 11265.1, 11265.3, and 11450(b), Welfare and Institutions Code.

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For farm laborers applying for CalWORKs on the basis of part-time employment, if the family has accompanied the employed member to a county, whether or not there is a home base in some other county, the county in which the family is presently located is responsible for accepting the application, determining eligibility, paying aid and providing services until the family returns to their home base, or if they have no home base, until the family remains in one county for a period of time at least 60 days. The employed member need not remain with the family, but may go to work in one or more other counties.

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.2 Definitions

.21 Applicant -- See Section 40-103.5.

.22 County A -- County in which the individual "lives" or where the individual makes his home.

.23 County B -- County in which the individual is physically present when other than the county in which he lives.

.24 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

.25 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.

.3 Determining County of Responsibility -- County Where Applicant Lives

The county where the applicant is physically present when an application is filed is considered to be the county in which the applicant "lives". This includes an applicant who is a caretaker relative of a child receiving AFDC-FC from a county other than the county in which the caretaker relative lives. Exceptions are specified in Sections .31 and .35. However, counties may, by mutual written agreement, consider for purposes of aid that the applicant "lives" in the county that has jurisdiction of the child receiving foster care.

.31 Applicant in County "B" Maintaining Living Place in County "A"

An applicant in County "B" is considered to live in County "A" if he plans to return to County "A" within 45 days of the date of application and is maintaining a living place in County "A".

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In CalWORKs, if the family remains in an established home in County "A" while one or more members are in County "B" for temporary employment, including farm labor, the entire family is considered to be living in County "A."

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- .32 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.
- .33 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.
- .34 Repealed by Manual Letter No. EAS-91-14, effective 10/1/91.
- .35 Applicant Absent from State Retaining California Residence

An applicant who is absent from the state but retaining California residence is considered to "live" in the county in which he was living immediately prior to leaving the state. (See Sections 40-105 and 40-181.)

.4 Applicant is in County B but lives in County A

- .41 Responsibility of County B

County B shall assist in completing the application Form SAWS 1 and in securing the Statement of Facts (SAWS 2), and shall also obtain pertinent information and immediately send the application, the Statement of Facts and supporting documents and information to the county in which the applicant lives (County A).

Upon the request of County A, County B shall assist in determining initial and continuing eligibility, developing a service plan, and in providing needed services to the applicant.

When the applicant or recipient in a state hospital is to be released and will reside in a County B (see .32 above), County B shall also upon request of the State Department of Health Care Services or State Department of Social Services liaison staff, provide any needed assistance to expedite the application process or to determine continuing eligibility. This county shall also assist, as needed, in planning for care of the applicant outside the hospital, keeping County A informed promptly of its activities on behalf of the applicant.

40-125	REAPPLICATIONS, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued)	40-125
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.42 Responsibility of County A

County A shall accept the application, complete the determination of eligibility and grant aid if eligibility is established.

.5 Applicant or Recipient Moves After Signing Application or Requesting Restoration

When an applicant moves from one county to another to make his/her home (see Section 40-189) after application has been signed or restoration requested in the first county, the first county shall complete the determination of eligibility or ineligibility. If eligibility exists, this county shall authorize aid and certify the applicant for medical assistance, or if indicated, certify him/her as a medically needy person eligible for medical assistance. Intercounty transfer is then initiated with the county in which the recipient is making his/her home. (See Section 40-189.)

.51 For cases in which an application has been signed in the first county, and the applicant requests homeless assistance (see Section 44-211.5) in a second county prior to eligibility being established and/or authorization of aid in the first county, the procedure outlined in Section 40-125.5 shall apply. The beginning date of aid shall be the date of application in the first county.

.6 Repealed by Manual Letter No. EAS-91-02, effective 2/1/91.

.7 California Youth Authority Parolees

In CalWORKs the cost of care of California Youth Authority (CYA) parolees in foster homes is normally the responsibility of the CYA even though the child may be eligible for CalWORKs. However, the CYA does not have the means of providing support for the children of a parolee mother even though she is living in a boarding home. In such cases, the county should accept and process the application for the parolee mother's children. If they are found eligible, the caretaker mother is included in the CalWORKs grant as a needy parent.

Financial responsibility for eligible Youth Authority wards who are living in their own homes or with relative is also carried by the county under the CalWORKs program.

.8 Child Receiving AFDC-FC

.81 A child residing in a family home or group home as a result of placement by a public agency, or by a private agency which has legal custody because the child has been relinquished to them or a court has given them legal custody, is considered to make his/her home in the county in which the agency is located, regardless of whether the family home or group home is situated in that county.

40-125	REAPPLICATIONS, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued)	40-125
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- .811 For purposes of this section, a public or private agency shall be considered to have placed the child in a family home or group home if the agency:
 - a. Actively participated in making the decision as to whether or not the child was to be placed; and
 - b. Initiated the placement of the child, either through direct negotiations with the family home or group home or by requesting help in making the placement from the county in which the family home or group home is located.

- .82 The county of responsibility for a child accepted for voluntary placement by a county welfare department or a licensed public or private adoption agency is the county in which the agency which accepted the voluntary placement is located.

- .83 The agency making or desiring to make a placement in a county other than the one in which the responsible agency is located, may request a service evaluation of the placement home by the county in which the home is located.

- .84 Where an agency has placed a child in foster care, and at time of placement or subsequent thereto a court of competent jurisdiction in a county other than that in which the placing agency is located accepts responsibility for the child, the county shall initiate an intercounty transfer of the child's AFDC-FC case to the county in which the court is located.

- .841 The receiving county accepts responsibility for the child when it receives and files the order to transfer in its respective court.

.9 Request for Restoration of Aid

When a county receives a request for restoration of aid, all provisions of Chapter 40-100 shall apply except as modified below.

- .91 The county may require that the applicant complete a new Statement of Facts (SAWS 2) as specified in Sections 40-115.22 and 40-128.1, except as specified in Section 40-125.94.

- .911 The county shall determine on a case-by-case basis the need for completion of a new SAWS 2. Reasons for requesting a new SAWS 2 may include but are not limited to, the following:

40-125 REAPPLICATIONS, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued) 40-125

(QR) When a recipient who has been discontinued for failure to submit a complete QR 7 requests restoration of CalWORKs during the calendar month following discontinuance, but after the first working day of the next QR Payment Quarter, the county shall determine if the recipient had good cause (Section 40-181.23(QR)) for failure to submit a complete report.

(SAR) When a recipient who has been discontinued for failure to submit a complete SAR 7 requests restoration of CalWORKs during the calendar month following discontinuance, but after the first working day of the next SAR Payment Period, the county shall determine if the recipient had good cause (Section 40-181.23(SAR)) for failure to submit a complete report.

.942 Section 40-125.942(QR) shall become inoperative and Section 40-125.942(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) If the recipient had good cause for failure to submit a complete report, the discontinuance action shall be rescinded, eligibility redetermined and the grant amount computed based on information contained on the complete QR 7 submitted by the recipient.

(SAR) If the recipient had good cause for failure to submit a complete report, the discontinuance action shall be rescinded, eligibility redetermined and the grant amount computed based on information contained on the complete SAR 7 submitted by the recipient.

.943 Section 40-125.943(QR) et seq. shall become inoperative and Section 40-125.943(SAR) et seq. shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) When a recipient who has been discontinued for failure to submit a complete QR 7 requests restoration of CalWORKs during the calendar month following discontinuance, and is not found to have good cause, the CWD shall redetermine eligibility based on the information contained on the complete QR 7 submitted by the recipient as follows:

(QR) (a) Eligibility will be based on recipient rules. The recipient will not be subject to applicant eligibility criteria.

(QR) (b) An application (SAWS 1), Statement of Facts (SAWS 2), and intake interview are not required.

**40-125 REAPPLICATIONS, RESTORATIONS, AND
COUNTY OF RESPONSIBILITY (Continued)****40-125**

- (QR) (c) If found eligible, aid will be restored, prorated, effective the date that the recipient submitted the complete QR 7. (See Section 44-315.72 for instructions on how to calculate prorated benefit amounts.)
- (SAR) When a recipient who has been discontinued for failure to submit a complete SAR 7 requests restoration of CalWORKs during the calendar month following discontinuance, and is not found to have good cause, the CWD shall redetermine eligibility based on the information contained on the complete SAR 7 submitted by the recipient as follows:
- (SAR) (a) Eligibility will be based on recipient rules. The recipient will not be subject to applicant eligibility criteria.
- (SAR) (b) An application (SAWS 1), Statement of Facts (SAWS 2), and intake interview are not required.
- (SAR) (c) If found eligible, aid will be restored, prorated, effective the date that the recipient submitted the complete SAR 7. (See Section 44-315.72 for instructions on how to calculate prorated benefit amounts.)

.95 Restorations Based on Excess Property

When a former recipient requests restoration of cash aid after a discontinuance due to excess property, the county shall verify that the AU did not transfer assets for less than fair market value (see Section 42-221).

- .951 If an AU requests restoration of cash aid before the effective date of discontinuance, the county shall evaluate the property spend down and if the AU is verified property eligible, the county shall rescind the discontinuance.
- .952 Section 40-125.952(QR) shall become inoperative and Section 40-125.952(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
- (QR) If a former recipient requests restoration after the effective date of discontinuance, the county shall determine the AU's eligibility and grant amount based on the information provided at the time of request for restoration. Beginning date of aid rules will apply (see Section 44-317). The AU may be assigned to the previous QR cycle or a new QR cycle based on the date cash aid is restored.

40-125	REAPPLICATIONS, RESTORATIONS, AND COUNTY OF RESPONSIBILITY (Continued)	40-125
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(SAR) If a former recipient requests restoration after the effective date of discontinuance, the county shall determine the AU's eligibility and grant amount based on the information provided at the time of request for restoration. Beginning date of aid rules will apply (see Section 44-317). The AU may be assigned to the previous SAR cycle or a new SAR cycle based on the date cash aid is restored; however the SAR cycle must remain aligned with the redetermination and recertification date.

.96 Restorations Based on Excess Income

When an AU is discontinued due to excess income, the recipient may request restoration of cash aid if the AU experiences a loss or reduction of reasonably anticipated income that was used to determine financial ineligibility.

.961 If an AU requests restoration of cash aid before the effective date of discontinuance, the county shall determine income eligibility and rescind the discontinuance if the AU is found eligible.

.962 Section 40-125.962(QR) shall become inoperative and Section 40-125.962 (SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) If a former recipient requests restoration after the effective date of discontinuance, the county shall determine the AU's eligibility and grant amount based on the information provided at the time of request for restoration. Beginning date of aid rules will apply (see Section 44-317). The AU may be assigned to the previous QR cycle or a new QR cycle based on the date cash aid is restored.

(SAR) If a former recipient requests restoration after the effective date of discontinuance, the county shall determine the AU's eligibility and grant amount based on the information provided at the time of request for restoration. Beginning date of aid rules will apply (see Section 44-317). The AU may be assigned to the previous SAR cycle or a new SAR cycle based on the date cash aid is restored; however the SAR cycle must remain aligned with the redetermination and recertification date.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 45 CFR 233.60, Section 3510 (October 1961), Federal Handbook of Public Assistance Administration; Section 11349, Government Code; Sections 10553, 10554, 10604, 11008, 11023.5, 11056, 11102, 11265.1, 11265.2, 11450.12, and 11451.5, Welfare and Institutions Code; and ACF-AT-94-5; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

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40-126 PROCESSING APPLICATIONS 40-126

- .1 Promptness Requirement

The determination of eligibility, including the gathering of any necessary evidence, shall be completed promptly. One of the following must be mailed within 45 calendar days starting with the first day after the filing of the application: an aid payment, a notice of denial, or a notice that the applicant is eligible.

- .11 Inability to Complete
the Determination of
Eligibility

Inability to complete the determination of eligibility within the 45-day period shall not be a basis for denying the application unless the delay is caused by the refusal of the applicant to participate in the gathering of evidence in accordance with Section 40-157. (See Section 40-171.11.) The specified time limit may be exceeded in situations where completion of the determination of eligibility is delayed because of circumstances beyond the control of the agency, in which instances the case record shows the cause for delay. These instances include:

- .111

Inability on the part of the recipient to provide necessary clarification.

40-126	PROCESSING APPLICATIONS (Continued)	40-126
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- .112 Failure or delay on the part of an examining physician to provide all needed information.

- .113 Application is made prior to the date on which the applicant meets the eligibility requirements and the 45-day period terminates before the applicant meets such requirements. (See Section 40-171 regarding application held pending eligibility.)

- .2 (Reserved)

- .3 Requirements for Obtaining Evidence
 - .31 Require Only Evidence of Eligibility
The county shall require only evidence necessary to determine past or present eligibility for the amount or delivery of aid.

 - .32 Notice of Required Evidence
Within ten calendar days of application, the county shall provide written notice to the applicant of the required evidence and examples of alternative evidence, if any, to determine eligibility.
 - .321 The ten-day requirement shall be waived if the applicant fails to attend the scheduled interview or if the applicant requests that the interview be delayed beyond ten calendar days following application.

 - .33 Assist the Applicant in Obtaining Evidence
 - .331 Good Faith Effort
The county shall assist the applicant in obtaining evidence of eligibility from a third party when the county has determined that the applicant has made a good faith effort to obtain the evidence and the third party fails or refuses to provide the evidence.
 - (a) A "good faith effort" means that the applicant has attempted to comply within the limits of his/her resources.

40-128	APPLICANT'S STATEMENT OF FACTS	40-128
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.1 Filing the Statement of Facts

.11 The applicant, in support of his/her application, shall complete, sign, and file with the county the Statement of Facts (SAWS 2) supporting his/her eligibility for assistance. The statement may be filed with the county at the time of application or at any subsequent time prior to completion of the determination of eligibility. In case of an applicant in "immediate need," see Section 40-129.

.111 A copy of the completed Statement of Facts is to be given to the applicant if he/she so desires or to the guardian, conservator, or other person who completed the original.

.112 Two copies of the Statement of Facts shall be available to applicants and recipients on request, but only one copy of the Statement of Facts shall be required to be completed, signed, and returned to the county welfare department.

.12 Minor Parent Residing with Unaided Senior Parent(s).

.121 Section 40-128.121(QR) shall become inoperative and Section 40-128.121(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) The minor parent (see Section 44-133.71) who applies for aid while residing in the same household as his/her unaided senior parent(s) must report the income of his/her parent(s).

(QR) In addition to the form CA 2 or CA 20, the minor parent shall submit a complete Supplement to the Statement of Facts (CA 23) to the county welfare department. The minor parent is responsible for obtaining all information necessary to complete the CA 23 and for obtaining the necessary verification from the senior parent(s). The information and the submitted verification must provide the county welfare department with the facts necessary to make a correct eligibility and grant determination.

(SAR) The minor parent (see Section 44-133.51) who applies for aid while residing in the same household as his/her unaided senior parent(s) must report the income of his/her parent(s).

(SAR) In addition to the SAWS 2, the minor parent shall submit a Senior Parent Statement of Facts (SAR 23) to the county welfare department. The minor parent is responsible for obtaining all information necessary to complete the SAR 23 and for obtaining the necessary verification from the senior parent(s). The information and the submitted verification must provide the county welfare department with the facts necessary to make a correct eligibility and grant determination.

.122 Section 40-128.122(QR) shall become inoperative and Section 40-128.122(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

40-128	APPLICANT'S STATEMENT OF FACTS (Continued)	40-128
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(QR) Failure to provide a complete CA 23 (as defined in .121 above) shall result in the denial of aid to the minor parent and child in accordance with Section 40-105.1.

(SAR) Failure to provide a complete SAR 23 (as defined in .121 above) shall result in the denial of aid to the minor parent and child in accordance with Section 40-105.1.

.13 Aliens Sponsored by Agencies or Organizations

.131 Section 40-128.131(QR) shall become inoperative and Section 40-128.131(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) An alien sponsored by an agency or organization (See Section 43-119.3) who applies for aid shall provide the County Welfare Department (CWD) with a statement of the ability of the sponsor to meet his/her needs. As a part of his/her application for aid on the form CA 2 or CA 20, the sponsored alien shall submit a complete Form CA 24 (Sponsoring Agency or Organization's Statement of Facts Regarding Ability to Meet the Alien's Needs) to the CWD. The alien is responsible for ensuring that the CA 24 is complete.

(SAR) An alien sponsored by an agency or organization (See Section 43-119) who applies for aid shall provide the County Welfare Department (CWD) with a statement of the ability of the sponsor to meet his/her needs. As a part of his/her application for aid on the form SAWS 2, the sponsored alien shall submit a complete Form SAR 22 (Sponsor's Statement of Facts) to the CWD. The alien is responsible for ensuring that the SAR 22 is complete.

.132 Section 40-128.132(QR) shall become inoperative and Section 40-128.132(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Failure to provide a complete CA 24 (as defined in .131 above) shall result in the denial of aid to the alien.

(SAR) Failure to provide a complete SAR 22 (as defined in .131 above) shall result in the denial of aid to the alien.

.14 A change in an aid recipient's status from that of a medically needy person certified for medical assistance to that of a grant recipient requires a new application. A Statement of Facts (SAWS 2) is required before a cash grant is authorized for such person only in circumstances described in Section 40-183.5.

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.2 Who May Sign the CalWORKs Statement of Facts

Every effort should be made to obtain the parent's or guardian's signature on the Statement of Facts (SAWS 2) regardless of who signs the application (SAWS 1). However, a relative or the social service agency representative who has responsibility for the care and supervision of the child may sign the SAWS 2 in the following instances:

- .21 The child has been relinquished for adoption.
- .22 There is no parent or guardian.
- .23 The parent has been legally deprived of the child's custody.
- .24 The parent cannot be located or is not available to sign. The parent may be deemed unavailable to sign if he/she is physically or mentally incapable of signing. In all situations where the child is living with someone other than the parent, then the parent may be deemed unavailable to sign if (1) his/her whereabouts are unknown, (2) he/she refuses to sign, or (3) he/she refuses to cooperate in providing necessary information.

(See Section 40-131 regarding interview requirement.)

- .25 At county option, the placement worker shall have the authority to complete an FC 2 in place of the SAWS 2 under the following circumstances:
 - .251 The child is relinquished for adoption.
 - .252 The parent is unavailable to sign, as described in .24 above.
 - .253 There is no parent or guardian.

.3 Repealed by Manual Letter No. EAS-86-01 (effective 1/17/86).

.4 When the Statement of Facts and other documents are to be completed by a representative of the county on behalf of the applicant or recipient, that representative shall be the person with responsibility for the care and supervision of the applicant or recipient, and another representative of the county shall then countersign and approve any recommendation for authorization of aid payments. (See Section 40-131 regarding interview requirement.)

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: 45 CFR 205.50(a)(1)(i)(A); 42 USC 602(a)(39); Family Support Action Transmittal 91-15 dated April 23, 1991; and Section 5053 of the Omnibus Budget Reconciliation Act (OBRA) of 1990.

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.1 Definitions

- .11 "Apparent Eligibility" means that the information provided on the Statement of Facts and information otherwise available to the county indicates that the applicant would be eligible for aid if the information on the Statement of Facts were verified.
- .12 "Applicant" means the person or family making, or on whose behalf is made, a request for AFDC by filing an application.
- .13 An "Emergency Situation" means one or more of the following exist:
 - .131 Lack of Housing - The applicant is homeless as defined in MPP 44-211.511.
 - .132 Pending Eviction - The applicant has received any type of eviction notice, including a three-day notice to pay or quit, evicting the family from its current residence.
 - .133 Lack of Food - The applicant does not have enough food to sustain the family for a period of three calendar days.
 - .134 Utility Shutoff Notice - The applicant has received a notice of termination of utility service or such service has been terminated.
 - .135 Transportation - The applicant is unable to meet essential transportation needs such as those relating to food, medical care, or job opportunity.

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- .136 Clothing - The applicant lacks essential clothing such as diapers or clothing needed for inclement weather.
- .137 Other - The applicant has other emergencies of similar importance to the family's immediate health and safety.
- .14 "Home" means any location where a family resides.
- .15 "Liquid Resources" means exempt and nonexempt items of value belonging to persons who would be included in the assistance unit which are immediately available and reasonably convertible to cash in time to meet the emergency situation.
 - .151 Liquid resources shall include but are not limited to cash, negotiable securities, and similar resources.
 - .152 Liquid resources do not include the cash surrender value of insurance policies, trust deeds, household items and furnishings, personal effects, motor vehicles, or real property.
- .2 Eligibility for an Immediate Need Payment
 - .21 Eligibility for an Immediate Need payment exists when the applicant meets all of the following conditions:
 - .211 Is apparently eligible for AFDC.
 - (a) An alien applicant who does not provide verification of his/her eligible alien status is not apparently eligible.
 - (b) A woman with no eligible children who does not provide medical verification of pregnancy as specified in MPP 44-205.642 is not apparently eligible.
 - .212 Has an emergency situation, without regard to whether it could have been anticipated, which cannot be addressed by the issuance of food stamps or homeless assistance or by referral to a community resource as specified in MPP 40-129.6.
 - .213 Has resources that do not exceed the resource limitation as specified in MPP 40-129.22.

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- .214 Has complied with the following technical conditions for AFDC:
 - (a) Social security enumeration, application for unconditionally available income (including UIB), work registration of the principal earner who is exempt from GAIN due to remoteness, work registration of the nonfederal principal earner, and cooperation with the District Attorney in accordance with MPP 43-201.1.
 - (1) AFDC and Immediate Need case processing shall continue pending the applicant's verification of his/her completion of any technical condition of eligibility required.

- .22 Resource Limitation
 - .221 When the emergency situation involves transportation, liquid resources must be less than the cost of the emergency.
 - .222 When the emergency situation is a pending eviction, liquid resources together with income must be less than the rent owing.
 - .223 For all other emergency situations, liquid resources must be less than \$100.

- .23 If eligible, the Immediate Need payment is:
 - .231 The amount of the grant to which the applicant family would be entitled for the month of application computed in accordance with MPP 44-315.5 or \$200, whichever is less.

- .24 The family shall be eligible for a second Immediate Need payment when:
 - .241 A second request is made; and
 - .242 The applicant remains apparently eligible; and
 - .243 The AFDC check has not yet been issued; and
 - .244 The family emergency continues or a new emergency has arisen; and
 - .245 The Immediate Need payment issued in the previous month was approved for an amount less than \$200.

- .25 In no event shall the combined amount of the Immediate Need payments exceed \$200.

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.3 Immediate Need Payment Requests

- .31 A family may request an Immediate Need payment any time during the application process.
 - .311 The application process begins the date the county receives a completed application and continues until the AFDC application is approved and aid is issued or until the application is denied or withdrawn.
- .32 At the time of application, every applicant shall be given the opportunity to request an Immediate Need payment by completing the Immediate Need section of the application.
 - .321 The county shall encourage applicants who indicate that they are in an emergency situation to complete the Immediate Need section of the application.
 - .322 If an applicant indicates verbally or in writing that he/she has an emergency situation, after the application has been submitted, the county shall provide the applicant with the Immediate Need Payment Request (CA 4, 9/90).
 - .323 The Immediate Need Payment Request (CA 4, 9/90) shall only be required for applicants who request an Immediate Need payment after the initial application.
- .33 The county shall not complete the Immediate Need section of the application or the Immediate Need Payment Request (CA 4, 9/90), except at the applicant's specific request.
- .34 All Immediate Need payment requests received during regular business hours shall be accepted on that date.
 - .341 In no event shall any person wishing to file a request for an Immediate Need payment be denied the right to do so.
 - .342 The county shall not ask an applicant to withdraw an Immediate Need payment request.
- .35 The applicant shall be given a copy of the application or the Immediate Need Payment Request (CA 4, 9/90) when it is received by the county indicating the date of receipt.

.4 The Immediate Need Interview

- .41 If the applicant indicates on the initial application or the Immediate Need Payment Request (CA 4, 9/90) that the family has an emergency situation as defined in MPP 40-129.13, the county shall conduct an Immediate Need interview no later than the next working day following the date the Immediate Need request is received.

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- .411 When feasible, the county should conduct the interview the same day the Immediate Need payment is requested, but no later than the next working day.

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- .412 The face-to-face interview shall be conducted in accordance with MPP 40-131.

- .413 During the Immediate Need interview, the county shall review:

- (a) The completed Statement of Facts; and
- (b) The application or, if applicable, the completed Immediate Need Payment Request (CA 4, 9/90).

- .414 To the extent that it is reasonable for the county to expect the applicant to do so within the Immediate Need time frame, the applicant shall provide all documentation necessary to verify the family's eligibility for AFDC.

- (a) The county shall not deny an Immediate Need payment because the applicant failed to provide verification/documentation of eligibility for AFDC except as required under MPP 40-129.211(a) and (b) or when such verification is in the applicant's possession.

.5 Action on The Immediate Need Payment Request

- .51 A determination of eligibility for an Immediate Need payment shall be made no later than the next working day following receipt of the request.

- .52 When eligibility to an Immediate Need payment exists:

- .521 And eligibility for AFDC is verified within the Immediate Need time frame specified in MPP 40-129.51, the county shall issue the regular aid payment to which the applicant is eligible in lieu of the Immediate Need payment.

- (a) The aid payment shall be issued in the same manner as the Immediate Need payment in MPP 40-129.8.

40-129	IMMEDIATE NEED (Continued)	40-129
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- .522 And eligibility for AFDC is not verified within the Immediate Need time frame, the county shall issue the Immediate Need payment in accordance with MPP 40-129.8 unless the emergency situation is pending eviction and the applicant has requested an expedited determination of eligibility in accordance with MPP 40-129.7.

- .523 The county shall notify the applicant in writing in accordance with MPP 22-001a.(1).

- .53 When eligibility for an Immediate Need payment does not exist:
 - .531 The Immediate Need payment request shall be denied and the applicant notified in writing in accordance with MPP 22-001a.(1). Where notification is hand-delivered, a new Immediate Need Payment Request (CA 4, 9/90) shall also be given to the applicant.

 - .532 The AFDC eligibility determination process shall continue unless the family fails to meet financial eligibility or deprivation standards, in which case the AFDC application and the request for an Immediate Need payment may be denied concurrently.

 - .533 A denial of an Immediate Need payment request shall not constitute a basis for denial of the application for aid.

 - .534 The county shall deny the Immediate Need request in the following situations:
 - (a) The applicant is eligible for Immediate Need based on the need for food as defined in MPP 40-129.133 and the need for food has been met through the issuance of food stamps within one working day from the date of the Immediate Need request.

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- (1) In order for the request for an Immediate Need payment to be denied based on the issuance of food stamps to meet a food need, the applicant must be able to use the food stamps to feed the applicant and the applicant's family.

- (2) For example, a family is living in a hotel which prohibits the family from bringing food into the room. In this situation, the food stamps will not meet the family's need for food unless the food stamps can be used to purchase prepared meals at a location reasonably accessible to the hotel. If such prepared meals are not available, the request for an Immediate Need payment cannot be denied based on the issuance of food stamps.

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- (b) The applicant is eligible for an Immediate Need payment based on homelessness as defined in MPP 44-211.511 and a homeless assistance payment has been issued within one working day of the Immediate Need request.

- (c) The applicant is not apparently eligible in accordance with MPP 40-129.211.

- (d) The county has concluded, based upon all available information, that the applicant does not have an emergency situation.

- (e) The applicant is eligible for an Immediate Need payment based on an eviction as specified in MPP 40-129.132 and the applicant chooses an expedited eligibility determination for aid.

- (f) The need has been met through a referral to a community resource made in accordance with MPP 40-129.6.

- (g) The applicant is currently receiving AFDC or Refugee Cash Assistance.

- (h) The Immediate Need request was made by an individual being added to an existing assistance unit.

- (i) The Immediate Need request was made on behalf of a child placed in foster care.

40-129	IMMEDIATE NEED (Continued)	40-129
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- (j) The entire assistance unit is currently being sanctioned.
 - (k) The county is unable to establish the applicant's eligibility in the following circumstances:
 - (1) The applicant fails to cooperate as specified in MPP 40-129.214 or refuses to cooperate as specified in MPP 40-129.414(a).
 - (2) The applicant fails to keep the scheduled face-to-face interview.
- .6 Referral to Community Resources
- .61 The county shall have the option to refer the applicant to another public program or private resource to meet an emergency situation other than the need for shelter or food and the request for an Immediate Need payment may be denied, when all of the following conditions are met:
 - .611 During the application period not more than one referral is made and the referral, when made, is to meet no more than one need.
 - .612 The county has verified in advance that the specific need will be fully met by the public program or private resource by the end of the working day following the request for an Immediate Need payment. The case record shall be documented to show that the county has verified in advance that such need will be met.
 - .613 The family has the mental and physical capabilities to travel to the public program or private resource. Counties will complete the referral with due regard to the situation of the family as a whole.
 - .62 The county shall not refer the applicant to the public program or private resource when travel will create another emergency situation.
 - .63 When a referral to another public program or private resource is made, the county shall provide the applicant the following information in writing:
 - .631 The name, contact person, address and phone number of the public program or private resource, and
 - .632 The applicant's specific need that will be met by the referral to the public program or private resource, and
 - .633 If the other public program or private resource does not fully meet the applicant's need and the applicant returns within the Immediate Need time frame and remains eligible for an Immediate Need payment, the payment will be issued no later than the next working day following the date the county received the Immediate Need request.

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- .64 When the other public program or private resource does not fully meet the applicant's need and the applicant returns within the Immediate Need time frame, the county shall provide the applicant with an Immediate Need payment, providing the applicant remains eligible.

- .65 When the other public program or private resource does not fully meet the applicant's need and the applicant returns after the Immediate Need time frame, the county shall provide the applicant with a new Immediate Need Payment Request (CA 4, 9/90).

- .7 Expedited Determination of Eligibility
 - .71 If the emergency situation is an eviction, and the applicant is found to be eligible for an Immediate Need payment, the applicant shall be permitted to choose in writing either the Immediate Need payment or an expedited determination of AFDC cash aid eligibility when all of the following conditions are met:
 - .711 The applicant is in receipt of a notice of eviction, including a three-day notice to pay or quit; and
 - .712 The applicant has insufficient funds to pay the rent owing; and
 - .713 The applicant is currently residing in his/her home.

 - .72 Before the applicant chooses between the two options, the county shall inform the applicant in writing of the information and verification known to be necessary to determine eligibility for aid.

 - .73 The applicant's decision shall be documented in writing and retained in the case record.

 - .74 The expedited eligibility determination shall be completed and payment issued within three working days from the date of the Immediate Need payment request.

 - .75 The county shall issue the Immediate Need payment no later than the third working day if the eligibility determination cannot be completed.

40-129 IMMEDIATE NEED (Continued)

40-129

.8 Payment Issuance

.81 If AFDC eligibility has not been verified, the county shall issue the Immediate Need payment as follows:

.811 If the office where the Immediate Need payment request is received has in-house payment issuance capabilities for AFDC FG and U, then the Immediate Need payment shall be hand-delivered to the applicant in that office.

(a) The county shall deliver the payment no later than the next working day following the day the county received the Immediate Need request.

.812 If the office where the Immediate Need payment request is received does not have in-house payment issuance capabilities, the applicant shall be given the choice of having the Immediate Need payment hand-delivered either at another specified location or to the applicant at the office where the application was filed.

(a) When an applicant chooses to receive payment at another specified location, the county shall deliver the payment no later than the next working day following the day the county received the Immediate Need request.

(b) When an applicant chooses to receive payment at the office where the application was filed, the county shall deliver the payment no later than the third working day following the day the county received the Immediate Need request.

(c) When the applicant fails to pick up the payment, the county shall deposit it in the mail no later than the end of the next working day.

(d) The applicant's choice of payment method shall be documented in the case record.

.9 Completion of the AFDC Eligibility Determination Process

.91 When an Immediate Need payment has been issued, the county shall verify the applicant's eligibility for aid within 15 working days from the date of receipt of the Immediate Need payment request.

.911 The 15-working-day time frame shall apply to an Immediate Need request that was denied because the need was met by another public program or private resource.

40-129 IMMEDIATE NEED (Continued) 40-129

- .912 The 15-working-day time frame shall apply to an Immediate Need payment request that was denied because the emergency situation was a lack of housing and the need was met by the issuance of a homeless assistance payment.
- .913 When the 15-working-day time frame cannot be met, the eligibility verification process shall continue.
- .92 If verification of eligibility is completed, and the applicant determined eligible, the county shall compute the aid payment in accordance with the beginning date of aid rules at MPP 44-317.13.
- .93 The amount of aid payment shall be the grant amount less any Immediate Need payment the county issued for that month.
- .94 The county shall issue the payment as soon as administratively possible.
- .95 When an Immediate Need payment has been issued, and the applicant family is determined to be ineligible for AFDC benefits, the application shall be denied.

NOTE: Authority cited: Sections 10553, 10554, and 11209, Welfare and Institutions Code. Reference: Sections 11056, 11266, and 11270, Welfare and Institutions Code; and 45 CFR 205.52, 206.10 and 233.10(a)(1)(iv).

40-131 INTERVIEW REQUIREMENT 40-131

- .1 Interview Required Prior to Granting Aid
 - .11 A face-to-face interview with the applicant is required prior to the granting of aid. For the home visit requirement in CalWORKs, see Section 40-161.
 - .12 For any applicant who chooses to apply for both CalWORKs and CalFresh, as specified in Section 40-107(a)(6)(B), the CWD shall conduct a single interview for both programs. CalWORKs applicants shall not be required to see a different eligibility worker or otherwise be subjected to two interview requirements to obtain the benefits of both programs.

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- .121 Following the single interview, the application may be processed by separate workers to determine the eligibility and benefit levels for CalWORKs and CalFresh.

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40-131 INTERVIEW REQUIREMENT (Continued)**40-131****.2 Inability of Applicant to Participate in Interview**

When the applicant's appropriate Statement of Facts is to be completed on his/her behalf by a guardian, conservator, or other person as provided in Section 40-128, the application interview must be with such guardian, conservator, or other person and also with the applicant unless the applicant is unable to participate because of his/her physical or mental condition or is a child in foster care. The applicant's inability to participate in the interview must be determined by the county through personal contact with the applicant. Such personal contact is required before aid is authorized.

.3 Content of Application Interview

The application interview shall include discussion of the following as pertinent:

- (a) The meaning of the eligibility requirements for both cash grant and medical assistance.
- (b) The applicant's responsibility for reporting all facts and for notifying the county immediately of all changes of circumstances material to a correct determination of eligibility and grant.
- (c) The joint responsibility which the county and the applicant have for exploring all the facts concerning eligibility, needs and income, and the circumstances under which the applicant will be held responsible for presenting records or documents in his possession to support his statements.

This includes the circumstances under which the applicant will be asked to secure statements of their earnings and deductions from their employers and to report both to the county.

- (d) The confidential nature of all information disclosed to the CWD including circumstances under which information may be released to law enforcement officials. See Section 19-004.4.
- (e) The kinds of evidence which may be needed to establish eligibility. (See Section 40-157.)
- (f) The fact that an investigation may be undertaken with the full knowledge and consent of the applicant.
- (g) The purpose and provisions of appropriate public social service programs. (See Services Regulations.)
- (h) The availability of appropriate services and resources within the agency, including family planning (See Section 40-107(f)(2)).
- (i) The availability of assistance or service under some other program either public or private if the needed assistance or service cannot be met by the county department.

40-131	INTERVIEW REQUIREMENT (Continued)	40-131
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- (j) The right to request a state hearing in relation to any action or inaction of the county, including a verbal explanation, in a manner and language which the applicant understands, of the nature of the state hearing process.
- (k) The purpose, provision, and availability of early and periodic screening, diagnosis and treatment services for children under the Child Health Disability Prevention (CHDP) program.
- (l) The responsibility of a parent to support his or her children and the right of the parent or caretaker relative living with the child for whom aid is requested to claim exemption from the cooperation requirements as provided in Section 82-512. The law requires as conditions of eligibility:
 - (1) the assignment of accrued spousal and child support rights for himself or herself and for all children required to be in the AU, and that the receipt of public assistance operates as an automatic assignment unless there is a written refusal to assign such rights; and
 - (2) cooperation in the identification and location of the absent parent, establishment of paternity, and establishment and enforcement of the support obligation unless exempted in accordance with the provisions of Section 82-512.
- (m) The furnishing of the Social Security Number (SSN) is a condition of eligibility required by 42 U.S.C. Section 1320b-7(a)(1) of the Social Security Act, and that the SSN will be utilized in the administration of the CalWORKs Program.
- (n) The fact that information regarding his/her eligibility will be requested through the automated Income and Eligibility Verification System (IEVS) and will be used to aid in determining their eligibility for assistance.
- (o) The applicant's responsibility to apply for and take all appropriate steps to obtain specific benefits for which he/she appears to be potentially eligible.
- (p) Reserved

40-131 INTERVIEW REQUIREMENT (Continued) **40-131**

- (q) The applicant's responsibility to cooperate in a quality control review.

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See Chapter 40-200, Quality Control Cooperation Requirements.

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- (r) The availability of transitional child care benefits and transitional Medi-Cal benefits for recipients who are discontinued from CalWORKs due to certain employment-related circumstances.
 - (1) The county shall be permitted to discuss this information either at application or at time of approval.
- (s) The availability of program activities and supportive services of the WTW Program for which applicants and recipients may be eligible. (See Sections 40-107(a)(6) and (a)(7).)
- (t) The actions which constitute an IPV and the penalties to be applied to an individual who committed an IPV.
- (u) At application and each annual redetermination, applicants/recipients shall receive an informing notice regarding the availability of Stage One child care (see Section 47-301.2).

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- (v) Reserved

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- (w) The applicant's responsibility for identifying and providing information about third parties who may be liable for medical care and services.

40-131 INTERVIEW REQUIREMENT (Continued) 40-131

- (x) The applicant's responsibility, as specified in Section 40-105.4(c), to secure age-appropriate immunizations for all children in the AU under the age of six. Applicants shall also be informed of any county-specific immunization requirements. This informing shall include but is not limited to the criteria for what constitutes good cause.
- (y) The requirement that all school-age children in the AU must regularly attend school as specified in Section 40-105.5(a). Applicants shall also be informed of any county-specific school attendance requirements. This informing shall include but is not limited to: what constitutes irregular school attendance, the criteria for what constitutes good cause, time frames for complying, and the penalties for not complying.
- (z) See Section 42-715 for instructions in handling the discussion of domestic abuse in the application interview process.

NOTE: Authority cited: Sections 10553, 10554, 10604, and 18904, Welfare and Institutions Code. Reference: Sections 10613, 11209, 11253.5, 11265.8, 11268(a), 11280, 11323.3, 11324.8(a), AB 312, Chapter 1568, Statutes of 1990, 11495.1, 11500(b), and 11511(a), Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); 7 U.S.C. 2020(i), 7 CFR 273.2(j), 42 U.S.C. 616(f), 682(c)(2), (3) and (4), and 1320b-7(a)(1), 45 CFR 205.52(a)(1), 45 CFR 250.20, 45 CFR 250.40(a) and (b); 45 CFR 255.1; 45 CFR 256.1(b), and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193): California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996.

40-157 PRINCIPLES AND METHODS OF DETERMINING ELIGIBILITY 40-157

- .1 Principles of Gathering Evidence
 - .11 All information secured in the process of determining eligibility shall be evaluated in light of its internal consistency.
 - .12 Each piece of evidence shall be evaluated in light of the motives and adequacy of knowledge of the person completing the record or document or making the statement.
 - .13 Evidence shall be evaluated qualitatively rather than quantitatively.
 - .14 When evidence is conflicting, inconsistent or incomplete, the investigation shall be pursued to the point that the preponderance of evidence supports the determination regarding the applicant's eligibility.
- .2 Methods of Gathering Evidence
 - .21 The gathering of evidence necessary to make an eligibility determination of an applicant is a joint responsibility of the applicant and the county.

40-157	PRINCIPLES AND METHODS OF DETERMINING ELIGIBILITY (Continued)	40-157
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- .211 The county shall inform the applicant what evidence is desired, why it is needed and how it will be used.
- .212 The applicant shall cooperate with the county in the evidence gathering process to the fullest extent possible.
- .213 When it is not possible for the applicant to obtain necessary evidence, the county shall obtain it for him.

- .22 When needed in the evidence gathering process, and as evidence of the applicant's consent thereto, a specific consent form, signed by the applicant and, if necessary, by the spouse (by both parents in AFDC when this is possible) shall be obtained for each such contact. The consent form should cover the purpose of the specific contact as well as the individual or agency to be consulted. Form 228, Applicant's Authorization for Release of Information, may be used for this purpose. A signed consent form is not required when public records are used or for the purposes of verifying information obtained through IEVS in accordance with Section 20-006.5.

- .3 Participation by the Applicant

If the applicant is able to assist in resolving incomplete, unclear or inconsistent statements on the Form CA 2 or is able to assist in the evidence gathering process but refuses to do either or both, the application shall be denied.

40-159	SPECIAL PROVISIONS FOR DETERMINING ELIGIBILITY	40-159
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.1 Aid Received Previously in Another County

When aid was received previously in another county, the county to which the recipient has moved will be responsible for determining the recipient's continued eligibility for payment of aid.

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For Medi-Cal eligibility, see Medi-Cal Eligibility Manual Section 50136.

HANDBOOK ENDS HERE

.2 Aid Received Previously in Another Program

When aid was received previously under another public social services program, or as medically needy only, the determination of eligibility made under such other program is to be used, to the maximum extent possible, in determining eligibility under this program. (See Section 40-185 and Beginning Date of Aid sections.)

40-161	HOME VISIT	40-161
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A home visit prior to approval of aid and prior to completion of periodic redetermination of eligibility pursuant to 40-181.1 is required when living arrangements or other factors affecting eligibility, or apparent eligibility in cases of immediate need or diversion, cannot be satisfactorily determined without such a visit. However, the recipient's failure to comply with the provisions of Section 40-181.22 will result in the termination of the recipient's grant without the requirement of a home visit.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11266.5 (Ch. 270, Stats. 1997), Welfare and Institutions Code.

40-167	APPLICATION AND DETERMINATION OF ELIGIBILITY PROCEDURE FOR APPLICANTS IN STATE HOSPITALS WHO ARE TO BE RELEASED	40-167
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Repealed by Manual Letter No. EAS-86-01 (effective 1/17/86).

40-169	GAIN PARTICIPATION OR EMPLOYMENT REGISTRATION REQUIREMENTS FOR PERSONS APPLYING FOR AFDC OR INCLUDED IN THE ASSISTANCE UNIT	40-169
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Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

40-171	ACTION ON APPLICATIONS, INTERPROGRAM TRANSFERS AND INTRAPROGRAM STATUS CHANGES	40-171
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.1 Application Held Pending

.11 Action Deferred

When the individual, family, or child is ineligible at the time of application as provided in W&IC 11052 but it appears there will be eligibility within 60 days, action on the application is withheld. The applicant is notified of the withholding and of the date when action is to be taken. If the applicant is subsequently determined to be eligible, the beginning date of aid is determined as provided in the Aid Payment Chapter of these regulations.

.2 Actions -- General

Actions on applications consist of approvals, denials, withdrawals, or cancellations.

.21 Application or Request for Restoration Approved

40-171	ACTION ON APPLICATIONS, INTERPROGRAM TRANSFERS AND INTRAPROGRAM STATUS CHANGES (Continued)	40-171
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.211 Application Granted -- General

If eligibility is established aid to begin at a specified time shall be authorized on the date the determination of eligibility is completed.

(See Section 40-129 regarding applications granted on the basis of "immediate need" prior to the completion of the determination of eligibility.)

.212 Certification for Medical Assistance

Every applicant who is determined to be eligible shall be certified for medical assistance. If eligibility for medical assistance only is determined, the application is granted but is designated as "medically needy" and the applicant is certified for medical assistance. Certifications are to be made as provided in Medical Assistance Regulations, Title 22, California Administrative Code, Division 3, (W&IC 14017). The effective date of certification is determined as provided in Section 44-317.

.213 Restoration Following Discontinuance Due to Confinement in an Institution

Under this circumstance the county may elect to effect an "automatic restoration." To do this, two authorization documents shall be approved at the time aid is discontinued. On one form discontinuance is authorized. On the second form restoration of aid is authorized with no effective date specified. Upon release of the recipient from the institution the second authorization is completed by entering the effective date for restoration. (See Aid Payment Chapter.)

When aid is restored to a former recipient who has not during the period of discontinuance been known to the agency, the CA 2 shall be secured and any indicated determination of eligibility completed before aid is paid.

.22 Application or Request for Restoration Denied

.221 County action shall be taken to deny aid if:

- a. Proof of ineligibility for public assistance or for certification for medical assistance as medically needy is obtained. This does not apply when the applicant will become eligible with 60 days of his application. (See Section 40-171.11.)
- b. All reasonable facts concerning eligibility are examined without establishing eligibility.

40-171	ACTION ON APPLICATIONS, INTERPROGRAM TRANSFERS AND INTRAPROGRAM STATUS CHANGES (Continued)	40-171
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| | c. | The applicant's whereabouts is unknown. | |
| | d. | The applicant fails to complete the Form CA 2. | |
| | e. | Reserved | |
| | f. | Reserved | |
| | g. | Ineligibility occurs after the legal beginning date of aid but before action is taken to grant aid. | |
| | h. | The applicant establishes residence in another state before the determination of eligibility is completed. | |
| | i. | Failure to cooperate in providing evidence of eligibility in accordance with Section 40-126.344(b). | |
| | j. | Refusal to cooperate in accordance with Section 40-105.1. | |
| | k. | Any person required to provide fingerprint and photo images refuses or otherwise fails to do so. | |
| .23 | Application or Request for Restoration Withdrawn | | |
| .231 | An application can be withdrawn only upon the voluntary initiative of the applicant or person applying on his behalf. The request for withdrawal shall be in writing. | | |
| .232 | There is no requirement that denial action be taken on an application which has been withdrawn. | | |
| .233 | The Notice of Applicant Who Withdraws Application form is mailed or given to the applicant unless the county elects to take denial action, when the notification is by means of the appropriate Notice of Action form or its equivalent. | | |

40-171	ACTION ON APPLICATIONS, INTERPROGRAM TRANSFERS AND INTRAPROGRAM STATUS CHANGES (Continued)	40-171
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.24 Application or Request for Restoration Cancelled

.241 An application or request for restoration of a cash grant is considered cancelled if the applicant dies before the determination is completed.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10830, 11201 (Ch. 270, Stats 1997) and 11275, Welfare and Institutions Code; and 42 USC 402(a)(6).

40-173	COUNTY DEPARTMENT RESPONSIBILITY FOR NOTIFYING APPLICANTS AND RECIPIENTS	40-173
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Prior to county action (except as provided in .7 below), the applicant or recipient shall be (a) notified of any county action which relates to his application, affects aid payment to him or his certification for medical assistance, or affects aid payments to him or his family, and (b) informed of his responsibility for reporting facts material to the determination of his eligibility. Such notification, advice, etc., shall be in simple understandable language. Required notifications are:

.1 Section 40-173.1(QR) shall become inoperative and Section 40-173.1(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Notice of County Action Granting Aid, Changing the Amount of the Grant, Changing the Recipient's Status or Not Changing the Amount of the Grant Following the Submittal of a Recipient Mid-quarter Report.

(SAR) Notice of County Action Granting Aid, Changing the Amount of the Grant, Changing the Recipient's Status or Not Changing the Amount of the Grant Following the Submittal of a Recipient Mid-Period Report.

Use appropriate Notice of Action form. Use appropriate Notice of Action form to report county action authorizing a supplemental grant or changing status from a cash grant to MN. (See Section 40-183.)

.2 Notification When Application is Held Pending Eligibility

Use appropriate Notice of Action form.

40-173	COUNTY DEPARTMENT RESPONSIBILITY FOR NOTIFYING APPLICANTS AND RECIPIENTS (Continued)	40-173
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- .3 Notice of County Action Denying, Cancelling or Discontinuing Aid

Use appropriate Notice of Action form. (See Sections 22-021 and 22-022.)

- .4 Notification When Application is Withdrawn

Use the Notice to Applicant Who Withdraws Application form. If the county elects to deny the application, use appropriate Notice of Action form.

- .5 Notice to Recipient of His/Her Responsibility

Use the SAWS 2 instruction sheet to notify the recipient of his/her responsibilities according to Section 40-181. The notification shall be given at least the following times:

 - .51 At the time of the initial application on new cases or restorations.
 - .52 At the time of annual redetermination of eligibility.

- .6 Confirmation of Guidance and/or Suggestions Regarding Sale of Property

Regarding the sale of his real or personal property, written confirmation given to the applicant or recipient. Such written confirmation shall include a statement regarding the effect of the proposed sale on eligibility. A copy of such confirmation shall be filed in the case record.

- .7 Notification of Child/Spousal Disregard Payment

.71 An informational notice must be sent no later than concurrently with each child/spousal support disregard payment issued under Section 82-520.4. The notice language developed by the California Department of Social Services for this purpose shall be used.

- .8 Section 40-173.8(QR) et seq. shall become inoperative and Section 40-173.8(SAR) et seq. shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Notification of Income Reporting Threshold (IRT)

(QR) Counties must inform each AU in writing of their individual IRT at least once per quarter. Informing shall also occur when MAP amount changes, when the AU or family MAP size changes, when there is a change of persons who are required to report income, at redetermination, or upon recipient request. The informing notice shall include:

40-173	COUNTY DEPARTMENT RESPONSIBILITY FOR NOTIFYING APPLICANTS AND RECIPIENTS (Continued)	40-173
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(SAR) Notification of Income Reporting Threshold (IRT)

(SAR) Counties must inform each AU in writing of their individual IRT at least once per SAR period. Informing shall also occur when the AU or family MAP size changes, when there is a change of persons who are required to report income, when the amount of income used to calculate the grant changes, at redetermination, when the federal poverty levels are updated, upon recipient request and any other time the AU's IRT amount changes. The informing notice shall include:

(QR) .81 The requirement to report the receipt of gross monthly income that exceeds the IRT;

(SAR) .81 The requirement to report the receipt of gross monthly income that exceeds the IRT;

(QR) .82 The dollar amount of gross monthly income for the family MAP that exceeds the IRT; and

(SAR) .82 The dollar amount of the IRT for the AU; and

(QR) .83 The consequences of failing to report.

(SAR) .83 The consequences of failing to report.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10613, 11209, 11265.3, 11500(b), 11502(a) and (b), and 11511(a), Welfare and Institutions Code; 45 CFR 250.20; 45 CFR 250.40(b); 45 CFR 255.1; 45 CFR 256.1(b); 45 CFR 256.2(b)(1); 45 CFR 256.4(c); and Administration for Children and Families-Action Transmittal-91-1, dated June 16, 1992; and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193); California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996.

40-181	CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY	40-181
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.1 General County Responsibility

(a) Section 40-181.1(a)(QR) shall become inoperative and Section 40-181.1(a)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

40-181 CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY 40-181
(Continued)

(QR) The county paying aid shall be responsible for continuing to determine eligibility to insure payment only to eligible recipients in the correct amount, to assist recipients to meet their financial and service needs as full as possible, and to make maximum use of their resources and capabilities. For CalWORKs cases, eligibility shall be established by the use of the SAWS 2 at the time of application and then at one-year intervals, and also by the QR 7, and by recipients mid-quarter reports (see Section 44-316(QR) also see Section 82-832.3(QR)).

(SAR) The county paying aid shall be responsible for continuing to determine eligibility to insure payment only to eligible recipients in the correct amount, to assist recipients to meet their financial and service needs as fully as possible, and to make maximum use of their resources and capabilities. For CalWORKs cases, eligibility shall be established by the use of the SAWS 2 at the time of application and then at one-year intervals, and also by the SAR 7, and by recipient mid-period reports (see Sections 44-316(SAR) and 82-832.3(SAR)).

(1) Section 40-181.1(a)(1)(QR) shall become inoperative and Section 40-181(a)(1)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Eligibility regarding deprivation, household/AU composition, property, and the transfer of assets for less than fair market value shall only be determined on a quarterly basis based on the information reported on the QR 7. The county shall compare the information reported on the QR 7 with mid-quarter recipient reports (see Section 44-316(QR)) for accuracy. (Also see Section 82-832.3(QR).)

(SAR) Eligibility regarding deprivation, household/AU composition, property, and the transfer of assets for less than fair market value shall only be determined on a semi-annual basis based on the information reported on the SAR 7 or the SAWS 2. The county shall compare the information reported on the SAR 7 or the SAWS 2 with any mid-period recipient reports for accuracy. (See Sections 44-316(SAR) and 82-832.3(SAR).)

(2) Section 40-181.1(a)(2)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(SAR) The SAR 7 only asks for the recipient to report any changes since he or she last reported in regards to property, deprivation, and household/AU composition. If a recipient reports on the SAR 7 that there have been no changes since they last reported, the information on the last verified report (the SAWS 2 or any verified mid-period report) shall be used to determine continuing eligibility.

40-181 CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY 40-181
(Continued)

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- (3) Handbook Section 40-181.1(a)(3)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(SAR) **Example:** A recipient is in a March through August SAR Payment Period. They make a voluntary mid-period report in April that they received an inheritance in the amount of \$5,000 and provide verification. The county sends the recipient a "no-change NOA" informing them that property is only evaluated once per SAR Payment Period. On the July SAR 7 submitted in August, the recipient reports that there have been no changes to their property since they last reported. The county discontinues the AU at the end of the SAR Payment Period for being over the property limit.

HANDBOOK ENDS HERE

(b) Reserved

(c) AFDC-FC and Kin-GAP cases

- (1) For AFDC-FC cases, eligibility shall be established by use of the SAWS 2 at the time of application if the parent or legal guardian is available and cooperating. If the parent or legal guardian is unavailable or not cooperating, eligibility shall be established by use of the SAWS 2 or FC 2. AFDC-FC eligibility shall be reestablished by use of the SAWS 2 or FC 2 at six-month intervals.

- (2) For children receiving Kin-GAP, eligibility shall be established by use of the KG 2 at the time of application. Kin-GAP eligibility shall be reestablished by use of the KG 2 at one-year intervals.

(d) Section 40-181.1(d)(QR) shall become inoperative and Section 40-181.1(d)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Additional determinations shall be made as necessary if unexpected changes in income or other circumstances occur which affect the eligibility or grant level of the recipient in accordance with Section 44-316(QR).

(SAR) Additional determinations shall be made as necessary if unexpected changes in income or other circumstances occur which affect the eligibility or grant level of the recipient in accordance with Section 44-316(SAR).

40-181	CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY	40-181
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(Continued)

- (e) Issuance of aid in the correct amount is a primary program objective. To achieve this objective it is essential that the county shall:
 - (1) Section 40-181.1(e)(1)(QR) shall become inoperative and Section 40-181.1(e)(1)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
 - (QR) Give applicants and recipients at the time of application and at least once every 12 months thereafter complete explanations in writing regarding factors which may cause ineligibility, underpayments or overpayments, penalties due to an IPV, and their responsibility to report changes as prescribed by Section 40-105.14(QR) (Applicant and Recipient Responsibility). The factors which are to be explained shall include changes in income and resources, changes in need, etc. These requirements are met by the use of the SAWS 2A-QR in CalWORKs. These requirements are met by the use of the KG 2A in Kin-GAP. Verbal explanations shall also be given when necessary to assure understanding. The recipient shall signify his/her understanding of his/her responsibilities in writing.
 - (SAR) Give applicants and recipients at the time of application and at least once every 12 months thereafter complete explanations in writing regarding factors which may cause ineligibility, underpayments or overpayments, penalties due to an IPV, and their responsibility to report changes as prescribed by Section 40-105.14(SAR) (Applicant and Recipient Responsibility). The factors which are to be explained shall include changes in income and resources, changes in need, etc. These requirements are met by the use of the SAWS 2A in CalWORKs. These requirements are met by the use of the KG 2A in Kin-GAP. Verbal explanations shall also be given when necessary to assure understanding. The recipient shall signify his/her understanding of his/her responsibilities in writing.
 - (2) Section 40-181.1(e)(2)(QR) shall become inoperative and Section 40-181.1(e)(2)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
 - (QR) In CalWORKs, the quarterly redetermination of eligibility shall follow the procedures described above. This requirement is met by the use of the QR 7. The QR 7 shall be carefully checked each quarter upon its receipt so that correct grant computations are made. Special care should be taken to correct grant adjustments for overpayments when income/resources change.
 - (SAR) In CalWORKs, the semi-annual redetermination of eligibility shall follow the procedures described in Section 40-181.1(a). This requirement is met by the use of the SAR 7 or the SAWS 2. The SAR 7 and SAWS 2 shall be carefully checked each semi-annual period upon receipt so that correct grant computations are made. Special care should be taken to correct grant adjustments for overpayments when income/resources change.

40-181	CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY	40-181
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(Continued)

- (3) All applicants for, and recipients of, assistance shall be notified in writing at the time of application, and at each redetermination that information available through IEVS will be requested, used, and may be verified through collateral contact when discrepancies are found by the CWD, and that such information may affect his or her eligibility and level of benefits.
- (4) In reunification cases, as defined in Section 80-301(r)(4), the parents shall be subject to a six-month CalWORKs eligibility redetermination based on the criteria in Section 40-181.2. The six-month period shall coordinate with the court's review of the reunification plan.
- (5) An eligibility redetermination shall be required to restore cash aid to the CalWORKs case when a family is reunified.
- (f) Aid shall not be discontinued nor a warrant cancelled without compliance with Section 22-022.
- (g) Section 40-181.1(g)(QR) shall become inoperative and Section 40-181.1(g)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
- (QR) Aid shall not be discontinued due solely to circumstances beyond the control of the recipient which prevents reporting changes that are required to be reported within ten calendar days of the change or prevents the prompt return of the SAWS 2 or QR 7 eligibility redetermination forms.
- (SAR) Aid shall not be discontinued due solely to circumstances beyond the control of the recipient which prevents reporting changes that are required to be reported within ten calendar days of the change or prevents the prompt return of the SAWS 2 or SAR 7 eligibility redetermination forms. (See Section 40-181.216(SAR) for information on good cause determinations for failing to complete the annual redetermination timely and Section 40-181.23(SAR) for information on good cause determinations for failure to submit a complete SAR 7 timely.)
- (h) The county is responsible for continuing identification of service needs of the recipient, including medical assistance, and to provide prompt referral for these services.

40-181 CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY 40-181
(Continued)

- (i) Referrals for child abuse and neglect are mandatory and may be made without the knowledge or consent of the relative or other person with whom the child is residing.
 - (1) Income Maintenance staff shall refer to protective services whenever they suspect a child is being abused, neglected or exploited or that the home in which the child is living is unsuitable.
 - (2) Income Maintenance staff shall cooperate with protective services, the court, or other agency in planning or implementing action in the best interest of the child.
- (j) Index and file controls shall be established and maintained to ensure appropriate and timely action on items which could affect the recipients' eligibility or the amount of aid. This includes, but is not limited to, maintaining a "tickler file" informing eligibility workers when annual redeterminations are due.
- (k) Documents and/or evidence required of the applicant/recipient to support the initial and/or continuing determination of eligibility must be received by the county on or before the appropriate deadline established by the county and/or in conjunction with each Eligibility Chapter or these regulations. However, when the deadline falls on a Saturday, Sunday or holiday, the documents and/or evidence received on the first business day following the weekend or holiday shall have the same effect as if it had been received on the appointed day.
- (l) At each annual redetermination, recipients shall receive an informing notice regarding the availability of Stage One child care (see Section 47-301.2).
- (m) The county shall inform recipients in writing as specified in Section 40-105.4(c) of the requirement to obtain age-appropriate immunizations for all children in the AU under the age of six. Recipients shall also be informed of any county-specific immunization requirements. This informing shall include but is not limited to the criteria for what constitutes good cause, as defined by the county.
- (n) The county shall inform recipients in writing of the requirement that all school-age children in the AU must regularly attend school, as specified in Section 40-105.5(a). Recipients shall also be informed of any county-specific school attendance requirements. This informing shall include but is not limited to: what constitutes irregular school attendance, the criteria for what constitutes good cause, time frames for complying, and the penalties for not complying.
- (o) See Section 42-715 for general county responsibilities for addressing domestic abuse as part of continuing activities and eligibility determination.

40-181 CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY 40-181
(Continued)

.2 Periodic Determination of Eligibility

.21 A redetermination of all circumstances of the recipient subject to change shall be completed at least once every twelve (12) months. The applicant/recipient shall complete the appropriate Statement of Facts at the time of application and at least once every 12 months after determination of eligibility. At the time of the annual redetermination and completion of the appropriate Statement of Facts, each recipient shall be either given or mailed informational material required by CDSS.

.211 For CalWORKs brochures describing benefits available under the Child Health and Disability Prevention (CHDP) program and how and where the benefits are provided within the county shall be given to the recipient during the redetermination interview specified in .311 below. Provisions of CHDP informational material shall be documented by notation upon the SAWS 2 form.

.212 Section 40-181.212(SAR) et seq. shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(SAR) The annual redetermination must be completed in the sixth month of the second Semi-Annual Payment Period of every year (six months after the SAR 7 is submitted). Because the redetermination acts as the second income eligibility report, a complete SAWS 2 must be received by the 15th day of the month in which it is due in order to allow sufficient time to determine benefit amounts and issue timely notice for the following Semi-Annual Payment Period.

(SAR) (a) Because the redetermination process acts as the second semi-annual eligibility report, the redetermination must be aligned with the SAR reporting cycle. The redetermination must be completed in the 6th month of the SAR cycle in which a SAR 7 is not due. However, if for any reason a redetermination takes place outside of the normal SAR Cycle, the county shall act mid-period on all information to increase, decrease, or discontinue cash aid as appropriate.

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(SAR) Counties must align the CalWORKs redetermination period with the CalFresh recertification period (Section 63-504). In addition, counties must also align the submission of the annual redetermination with the 6th month of the SAR Payment Period in which a SAR 7 is not due.

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40-181 CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY 40-181
(Continued)

.213 Section 40-181.213(QR) shall become inoperative and Section 40-181.213 (SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) The determination shall be considered completed as soon as the appropriate Statement of Facts has been reviewed and a decision made and recorded by the Eligibility Worker as to whether eligibility continues or ineligibility exists. The next due date for completion of the Statement of Facts shall be established in relationship to this decision. In no event shall the decision on the completed Statement of Facts be delayed solely for the purpose of avoiding a change in the periodic due date of determination of eligibility.

(SAR) The determination shall be considered completed as soon as the appropriate Statement of Facts has been reviewed and a decision made and recorded by the Eligibility Worker as to whether eligibility continues or ineligibility exists. The Statement of Facts shall be due once a year, in the same month of each year, unless the redetermination date needs to be changed in order to align it with the CalFresh recertification date.

.214 Section 40-181.214(QR) shall become inoperative and section 40-181.214(SAR) et seq. shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) If a recipient's circumstances change in such a way that it is necessary to review certain aspects of eligibility before the next Statement of Facts is due, the county shall decide whether a new Statement of Facts shall be completed. If the county decides it is necessary that the Statement of Facts be completed before the scheduled redetermination date, the next due date shall be adjusted accordingly.

(SAR) Late Redeterminations

(SAR) (a) When the redetermination of eligibility (SAWS 2) is not received by the 15th day of the month in which it is due, the county shall send the appropriate discontinuance notice.

(SAR) (b) In addition to the notice of discontinuance, the county shall attempt to make a personal contact with the recipient either by telephone or in a face-to-face meeting. During the personal contact the county shall remind the recipient that a redetermination must be completed no later than the last day of the month in which it is due.

40-181 CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY 40-181
(Continued)

- (SAR) (1) When the recipient cannot be personally contacted, a written reminder notice, which shall include language specified by CDSS, shall be mailed no later than five days prior to the last calendar day of the month. Under no circumstances shall the reminder notice be mailed in the same envelope as the discontinuance notice required in Section 40-181.214(a)(SAR).
- (SAR) (c) The CWD shall document in the case file how and when the contact was attempted or made.
- (SAR) (d) If the recipient submits a completed SAWS 2 by close of business on the last day of the month in which it was due, the county shall rescind the discontinuance and determine eligibility and grant amount pursuant to 40-181.215(SAR) and 44-315(SAR).
- .215 Section 40-181.215(SAR) et seq. shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
- (SAR) Processing Late Redeterminations
- (SAR) (a) If a redetermination is completed after the 15th but on or before the last day of the month, the county shall:
- (SAR) (1) Rescind the discontinuance action; and
- (SAR) (2) Determine eligibility based on the information reported on the SAWS 2.
- (SAR) (b) If the recipient submits a complete SAWS 2 during the month following discontinuance, upon recipient request, the CWD shall determine whether the recipient had good cause for failure to complete the redetermination timely, in accordance with Section 40-181.216(SAR).
- .216 Section 40-181.216(SAR) et seq. shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
- (SAR) Good Cause Determination for Failure to Complete a Redetermination Timely
- (SAR) A recipient may have good cause for not meeting the redetermination reporting requirements. Good cause exists only when the recipient cannot reasonably be expected to fulfill his/her reporting responsibilities due to factors outside of his/her control. The burden of proof rests with the recipient.

40-181	CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY	40-181
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(Continued)

- (SAR) (a) A good cause exemption shall only be granted if the request is made by the parent, other caretaker relative, or an authorized representative.

- (SAR) (b) A request is defined as any clear expression to the county, whether verbal or written, that the recipient wants an opportunity to present his/her explanation for not meeting the redetermination reporting requirements. A request for a State Hearing also may be considered a request for good cause determination when the issue to be heard specifically relates to Section 40-181.21(SAR).

- (SAR) (c) In lieu of a request, as required by (2) above, a county has the discretion to independently determine that one of the situations specified in (d) below exists.

- (SAR) (d) Good cause exists in only the following situations:
 - (SAR) (1) When the recipient is suffering from a mental or physical condition which prevents timely and complete reporting.

 - (SAR) (2) When the recipient's failure to submit a timely and complete report is directly attributable to county error.

 - (SAR) (3) When the county finds other extenuating circumstances.

- (SAR) (e) When the recipient has good cause for not reporting timely, the county shall rescind the discontinuance.

- (SAR) (f) If the recipient is not found to have good cause for not reporting timely, the county shall determine eligibility based on applicant rules from the date that the complete SAWS 2 was submitted.

- (SAR) (g) If the SAWS 2 is received more than a month following discontinuance, it shall be treated as a request for restoration of aid and eligibility shall be determined based on applicant rules from the date the complete SAWS 2 was received. (See Section 40-125.9.)

- .217 Section 40-181.217(QR) and Handbook Section 40-181.217(QR) shall become inoperative and Section 40-181.217(SAR) et seq. shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

- (QR) If the redetermination process is established outside of the QR Data Month, the county shall act mid-quarter on all information to increase, decrease, or discontinue cash aid as appropriate.

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(Continued)**HANDBOOK BEGINS HERE**

- (QR) Counties are encouraged to align the CalWORKs redetermination period with the Food Stamp Program recertification period (Section 63-504) to the extent possible. In addition, counties are strongly encouraged to align the submission of the annual redetermination with the submission of the QR 7, so that the QR Data Month information is also the information used for the redetermination.

HANDBOOK ENDS HERE

- (SAR) For CalWORKs purposes, a redetermination is complete when all of the following requirements are met:
- (SAR) (a) The response to all questions pertaining to CalWORKs eligibility and grant amount shall provide the county with information sufficient to answer the question. The information provided on the SAWS 2 together with the submitted evidence must be sufficient for the county to determine eligibility and grant amounts. This includes the income and any change in resources of a stepparent living in the home, and any person who is required to apply for aid under Section 40-118 but is excluded from the AU. Reported income shall include current earned, unearned, exempt, and nonexempt income and any reasonably anticipated changes to that income; and
- (SAR) (b) Evidence shall be submitted with the SAWS 2 to verify the gross amount of all earned income received and the date of receipt. Evidence shall be submitted to verify initial receipt of or a change in the amount of unearned income received. Such evidence includes but is not limited to: pay stubs, letters of award or benefits (such as unemployment, disability, or Social Security), statements showing interest income, dividend income, tax return showing the amount of EIC received, etc. Documents and records submitted with the SAWS 2 shall be promptly returned to the recipient; and
- (SAR) (c) The address along with other information provided on the SAWS 2 shall be sufficient for county administrative purposes, including the ability to locate the recipient; and
- (SAR) (d) Information reported on the SAWS 2 must be consistent with other information which the county has verified to be accurate; and

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(Continued)

- (SAR) (e) The SAWS 2 shall be signed under penalty of perjury by each natural or adoptive parent or aided spouse of a parent or other caretaker relative living in the home, unless an individual so specified is temporarily absent from the home (see Section 82-812); and
- (SAR) (f) The redetermination interview has been completed; and
- (SAR) (g) The SAWS 2 shall include the SAR 22 (Sponsors Statement of Facts, Income and Resources) when the recipient is a sponsored noncitizen.
- (SAR) (h) The SAWS 2 shall include the SAR 23 (Senior Parent Statement of Facts) when a minor parent lives with his/her senior parent (see Section 89-201.5).

.218 If the recipient is receiving or is potentially eligible to receive unconditionally available income, including but not limited to Old Age, Survivors, and Disability Insurance (OASDI) or benefits available to veterans of military service, it shall not be necessary to initiate a verification or referral procedure unless circumstances indicate a change in the recipient's eligibility for the benefit.

.219 If, during a redetermination, the county determines that a recipient is no longer exempt from cooperation requirements, the county shall enforce those requirements.

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- (a) See Section 82-510, Cooperation Requirements

HANDBOOK ENDS HERE

.22 Section 40-181.22(QR) shall become inoperative and Section 40-181.22(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) CalWORKs recipients shall, in addition to the annual completion of the SAWS 2, complete and return the QR 7 to the county by the 5th calendar day of each QR Submit Month but not before the first calendar day of that month. QR 7s not received by the 11th of the QR Submit Month shall be considered late.

(SAR) CalWORKs recipients shall, in addition to the annual completion of the SAWS 2, complete and return a SAR 7 to the county by the 5th calendar day of the SAR Submit Month in which a redetermination is not due, but not before the first calendar day of that month. SAR 7s not received by the 11th of the SAR Submit Month shall be considered late.

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(Continued)

.221 Section 40-181.221(QR) shall become inoperative and Section 40-181.221(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Late QR 7s

(SAR) Late SAR 7s

(a) Section 40-181.221(a)(QR) shall become inoperative and Section 40-181.221(a)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) When the QR 7 is not received by the 11th day of the QR Submit Month or the QR 7 is received but is not complete in accordance with the completeness criteria specified in Section 40-181.241(QR), the county shall send the appropriate discontinuance notice.

(SAR) When the SAR 7 is not received by the 11th day of the SAR Submit Month or the SAR 7 is received but is not complete in accordance with the completeness criteria specified in Section 40-181.241(SAR), the county shall send the appropriate discontinuance notice.

(b) Section 40-181.221(b)(QR) shall become inoperative and Section 40-181.221(b)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) When a QR 7 has not been received at the county after the notice of discontinuance has been sent, the county shall attempt to make a personal contact with the recipient either by telephone or in a face-to-face meeting. During the personal contact the county shall remind the recipient that a complete QR 7 must be received by the county no later than the first working day of the next QR Payment Quarter.

(SAR) When a SAR 7 has not been received at the county after the notice of discontinuance has been sent, the county shall attempt to make a personal contact with the recipient either by telephone or in a face-to-face meeting. During the personal contact the county shall remind the recipient that a complete SAR 7 must be received by the county no later than the end of the first working day of the next SAR Payment Period.

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- (1) When the recipient cannot be personally contacted, a written reminder notice, which shall include language specified by SDSS, shall be mailed no later than five days prior to the last calendar day of the report month. Under no circumstances shall the reminder notice be mailed in the same envelope as the discontinuance notice required in Section 40-181.221(a).
- (c) The CWD shall document in the case file how and when the contact was attempted or made.
- (d) Section 40-181.221(d)(QR) shall become inoperative and Section 40-181.221(d)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
- (QR) If the recipient contacts the county on the first working day of the QR Payment Quarter to report nonreceipt of his or her warrant, the county shall inform the recipient of a pending discontinuance due to nonreceipt of a complete QR 7 and shall inform him/her that the discontinuance will be rescinded if a complete QR 7 is received by the end of that day.
- (SAR) If the recipient contacts the county on the first working day of the SAR Payment Period to report nonreceipt of his or her benefits, the county shall inform the recipient of a pending discontinuance due to nonreceipt of a complete SAR 7 and shall inform him/her that the discontinuance will be rescinded if a complete SAR 7 is received by the end of that day.
- (e) Section 40-181.221(e)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
- (SAR) If the recipient turns in an incomplete SAR 7 to the county on or before the first working day of the next SAR Payment Period, the county shall attempt to make a personal contact with the recipient, either by phone or by mail, to inform them that their SAR 7 is still not complete and that the discontinuance still stands.

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(Continued)

(f) Section 40-181.221(f)(QR) shall become inoperative and Section 40-181.221(f)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) The county shall not take action to notify the Local Child Support Agency or any affected employment or training program of a QR 7 related discontinuance until after the first working day of the next QR Payment Quarter.

(SAR) The county shall not take action to notify the Local Child Support Agency or any affected employment or training program of a SAR 7 related discontinuance until after the first working day of the next SAR Payment Period.

.222 Section 40-181.222(QR) shall become inoperative and Section 40-181.222(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Processing Late QR 7s

(SAR) Processing Late SAR 7s

(a) Section 40-181.222(a)(QR) et seq. shall become inoperative and Section 40-181.222(a)(SAR) et seq. shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) If a complete QR 7 is received after the 11th but on or before the first working day of the next QR Payment Quarter, the county shall:

(QR) (1) Rescind the discontinuance action; and

(QR) (2) Determine eligibility based on the information reported on the QR 7.

(SAR) If a complete SAR 7 is received after the 11th but on or before the first working day of the next SAR Payment Period, the county shall:

(SAR) (1) Rescind the discontinuance action; and

(SAR) (2) Determine eligibility based on the information reported on the SAR 7.

(b) Upon the request of the recipient, the CWD shall determine whether the recipient had good cause for failure to submit a timely report of earnings in accordance with Section 40-181.23

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(Continued)

(c) Section 40-181.222(c)(QR) shall become inoperative and Section 40-181.222(c) (SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) If a complete QR 7 is received after the first working day of the next QR Payment Quarter, but during the month following discontinuance for non-submittal of a complete QR 7, eligibility and benefits shall be determined as described in Section 40-125.943(QR).

(SAR) If a complete SAR 7 is received after the first working day of the next SAR Payment Period, but during the month following discontinuance for non-submittal of a complete SAR 7, eligibility and benefits shall be determined as described in Section 40-125.943(SAR).

.223 Section 40-181.223(QR) shall become inoperative and Section 40-181.223(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) In reunification cases, as defined in Section 80-301(r)(4), the parents are not required to submit a quarterly eligibility report as long as the reunification plan remains in place.

(SAR) In family reunification cases, as defined in Section 80-301(r)(4), the parents are not required to submit a semi-annual eligibility report as long as the reunification plan remains in place.

.23 Section 40-181.23(QR) shall become inoperative and Section 40-181.23(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Good Cause Determination for Failure to Submit a Complete QR 7 Timely

(QR) A recipient may have good cause for not meeting the quarterly reporting requirements. Good cause exists only when the recipient cannot reasonably be expected to fulfill his/her reporting responsibilities due to factors outside of his/her control. The burden of proof rests with the recipient.

(SAR) Good Cause Determination for Failure to Submit a Complete SAR 7 Timely

(SAR) A recipient may have good cause for not meeting the semi-annual reporting requirements. Good cause exists only when the recipient cannot reasonably be expected to fulfill his/her reporting responsibilities due to factors outside of his/her control. The burden of proof rests with the recipient.

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(Continued)

.231 Section 40-181.231(QR) shall become inoperative and Section 40-181.231(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) A good cause exemption shall only be granted if the request is made by the parent, other caretaker relative, or an authorized representative unless a good cause determination is required in accordance with Section 40-125.94(QR) (Restoration in the Calendar Month Following a QR 7 Discontinuance).

(SAR) A good cause exemption shall only be granted if the request is made by the parent, other caretaker relative, or an authorized representative unless a good cause determination is required in accordance with Section 40-125.94(SAR) (Restoration in the Calendar Month Following a SAR 7 Discontinuance).

(a) Section 40-181.231(a)(QR) shall become inoperative and Section 40-181.231(a)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) A request is defined as any clear expression to the county, whether verbal or written, that the recipient wants an opportunity to present his/her explanation for not meeting the quarterly reporting requirements. A request for a State Hearing also may be considered a request for good cause determination when the issue to be heard specifically relates to Section 40-181.22(QR).

(SAR) A request is defined as any clear expression to the county, whether verbal or written, that the recipient wants an opportunity to present his/her explanation for not meeting the semi-annual reporting requirements. A request for a State Hearing also may be considered a request for good cause determination when the issue to be heard specifically relates to Section 40-181.22(SAR).

.232 In lieu of a request, as required by .231 above, a county has the discretion to independently determine that one of the situations specified in .233 below exists.

.233 Good cause exists in only the following situations:

(a) When the recipient is suffering from a mental or physical condition which prevents timely and complete reporting.

(b) When the recipient's failure to submit a timely and complete report is directly attributable to county error.

(c) When the county finds other extenuating circumstances.

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(Continued)

.234 When the recipient has good cause for not reporting timely, the county shall rescind the discontinuance.

.24 Section 40-181.24(QR) shall become inoperative and Section 40-181.24(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Criteria for Evaluating Information Reported on the QR 7

(SAR) Criteria for Evaluating Information Reported on the SAR 7

.241 Section 40-181.241(QR) shall become inoperative and Section 40-181.241(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) For CalWORKs purposes, a QR 7 is complete when all the following requirements are met:

(SAR) For CalWORKs purposes, a SAR 7 is complete when all the following requirements are met:

(a) Section 40-181.241(a)(QR) shall become inoperative and Section 40-181.241(a)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) The date the QR 7 is signed shall be no earlier than the first day of the QR Submit Month.

(SAR) The date the SAR 7 is signed shall be no earlier than the first day of the SAR Submit Month.

(1) Section 40-181.241(a)(1)(QR) shall become inoperative and Section 40-181.241(a)(1)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

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(Continued)

(QR) This requirement is met when the date entered on the QR 7 by the recipient, together with other dated material provided with the QR 7 and the date on which the county mailed or gave the QR 7 to the recipient, clearly establishes that the QR 7 was signed no earlier than the first day of the QR Submit Month.

(SAR) This requirement is met when the date entered on the SAR 7 by the recipient, together with other dated material provided with the SAR 7 and the date on which the county mailed or gave the SAR 7 to the recipient, clearly establishes that the SAR 7 was signed no earlier than the first day of the SAR Submit Month.

(b) Section 40-181.241(b)(QR) shall become inoperative and Section 40-181.241(b)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) The address along with other information provided on the QR 7 shall be sufficient for county administrative purposes, including the ability to locate the recipient; and

(SAR) The address along with other information provided on the SAR 7 shall be sufficient for county administrative purposes, including the ability to locate the recipient; and

(c) Section 40-181.241(c)(QR) shall become inoperative and Section 40-181.241(c)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

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(Continued)

(QR) The QR 7 shall be signed under penalty of perjury by each natural or adoptive parent or aided spouse of a parent or other caretaker relative living in the home, unless an individual so specified is temporarily absent from the home (see Section 82-812); and

(SAR) The SAR 7 shall be signed under penalty of perjury by each natural or adoptive parent or aided spouse of a parent or other caretaker relative living in the home, unless an individual so specified is temporarily absent from the home (see Section 82-812); and

(d) (Reserved)

(e) Section 40-181.241(e)(QR) shall become inoperative and Section 40-181.241(e)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) The response to all questions pertaining to CalWORKs eligibility and grant amount shall provide the county with information sufficient to answer the question. The information provided on the QR 7 together with the submitted evidence must be sufficient for the county to determine eligibility and/or grant amounts. This includes the income and any change in resources of a stepparent living in the home, and any person who is required to apply for aid under Section 40-118 but is excluded from the AU. Reported income shall include earned, unearned, exempt, and nonexempt income received during the QR Data Month and income reasonably anticipated to be received during the next QR Payment Quarter; and

(SAR) The response to all questions pertaining to CalWORKs eligibility and grant amount shall provide the county with information sufficient to answer the question. The information provided on the SAR 7 together with the submitted evidence must be sufficient for the county to determine eligibility and/or grant amounts. This includes the income and any change in resources of a stepparent living in the home, and any person who is required to apply for aid under Section 40-118 but is excluded from the AU. Reported income shall include earned, unearned, exempt, and nonexempt income received during the SAR Data Month and any reasonably anticipated changes to this income during the next SAR Payment Period; and

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(Continued)

- (f) Section 40-181.241(f)(QR) shall become inoperative and Section 40-181.241(f)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
- (QR) Evidence shall be submitted with the QR 7 to verify the gross amount of all earned income received and the date of receipt. Evidence shall be submitted to verify initial receipt of or a change in the amount of unearned income received. Such evidence includes but is not limited to: pay stubs, letters of award or benefits (such as unemployment, disability, or Social Security), statements showing interest income, dividend income, tax return showing the amount of EIC received, etc. Documents and records submitted with the QR 7 shall be promptly returned to the recipient; and
- (SAR) Evidence shall be submitted with the SAR 7 to verify the gross amount of all earned income received and the date of receipt. Evidence shall be submitted to verify initial receipt of or a change in the amount of unearned income received. Such evidence includes but is not limited to: pay stubs, letters of award or benefits (such as unemployment, disability, or Social Security), statements showing interest income, dividend income, tax return showing the amount of EIC received, etc. Documents and records submitted with the SAR 7 shall be promptly returned to the recipient; and
- (g) Section 40-181.241(g)(QR) shall become inoperative and Section 40-181.241(g)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
- (QR) Information reported on the QR 7 must be consistent with other information which the county has verified to be accurate; and
- (SAR) Information reported on the SAR 7 must be consistent with other information which the county has verified to be accurate, including any verified mid-period reports; and
- (h) Section 40-181.241(h)(QR) shall become inoperative and Section 40-181.241(h)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
- (QR) The QR 7 shall include form QR 72 (as defined in Section 40-181.25(QR)) when the recipient is a sponsored alien.

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(Continued)

(SAR) The SAR 7 shall include form SAR 72 (as defined in Section 40-181.25(SAR)) when the recipient is a sponsored alien.

(i) Section 40-181.241(i)(QR) shall become inoperative and Section 40-181.241(i)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) The Senior Parent Quarterly Income Report (QR 73) shall be submitted with the QR 7 when a minor parent lives with his/her senior parent (see Section 89-201.5). The completeness of the QR 73 shall be determined using the criteria for evaluating the completeness of the QR 7.

(SAR) The Senior Parent Semi-Annual Income Report (SAR 73) shall be submitted with the SAR 7 when a minor parent lives with his/her senior parent (see Section 89-201.5). The completeness of the SAR 73 shall be determined using the criteria for evaluating the completeness of the SAR 7.

.242 Reserved

.243 The following information or evidence shall be provided before the appropriate deduction or disregard from earnings is allowed:

(a) Verification of self-employment expenses (see Section 44-113.212).

.244 Section 40-181.244(QR) shall become inoperative and Section 40-181.244(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Failure to provide the information or evidence specified in Section 40-181.243 shall result in the disallowance of the deduction. Failure to provide the information on the form or to provide the evidence shall not, in and of itself, render the QR 7 incomplete as defined in Section 40-181.241(QR).

(SAR) Failure to provide the information or evidence specified in Section 40-181.243 shall result in the disallowance of the deduction. Failure to provide the information on the form or to provide the evidence shall not, in and of itself, render the SAR 7 incomplete as defined in Section 40-181.241(SAR).

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(Continued)

.25 Sponsored Alien Reporting.

Section 40-181.25(QR) shall become inoperative and Section 40-181.25(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) In addition to the Quarterly Eligibility Report (QR 7), the recipient who is a sponsored alien as defined in Section 43-119 shall report the income and resources of the sponsor.

(SAR) In addition to the Semi-Annual Eligibility Report (SAR 7), the recipient who is a sponsored alien as defined in Section 43-119 shall report the income and resources of the sponsor.

.251 Section 40-181.251(QR) shall become inoperative and Section 40-181.251(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

Reporting of the sponsor's income and resources.

(QR) The recipient shall submit a completed Sponsors Quarterly Income and Resources Report (QR 72) to the county. The recipient is responsible for obtaining all information necessary to complete the QR 72 and for obtaining any cooperation necessary from the sponsor.

(SAR) The recipient shall submit a completed Sponsors Semi-Annual Income and Resources Report (SAR 72) to the county. The recipient is responsible for obtaining all information necessary to complete the SAR 72 and for obtaining any cooperation necessary from the sponsor.

.252 Section 40-181.252(QR) shall become inoperative and Section 40-181.252(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

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(QR) The QR 72 shall be due by the 5th calendar day of the QR Submit Month but not before the first calendar day of the next QR Payment Quarter. When the county has not received the completed QR 72 by the 11th calendar day of the QR Submit Month, the recipient has not met the requirement for returning a complete QR 7. See Section 40-181.22(QR). The QR 72 shall be considered complete if all the following requirements are met:

(SAR) The SAR 72 shall be due by the 5th calendar day of the SAR Submit Month but not before the first calendar day of the next SAR Submit Month. When the county has not received the completed SAR 72 by the 11th calendar day of the SAR Submit Month, the recipient has not met the requirement for returning a complete SAR 7. See Section 40-181.22(SAR). The SAR 72 shall be considered complete if all the following requirements are met:

(a) Section 40-181.252(a)(QR) shall become inoperative and Section 40-181.252(a)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Dated no earlier than the first day of the QR Submit Month; and

(SAR) Dated no earlier than the first day of the SAR Submit Month; and

(b) The boxes for the address and county where signed shall be completed; and

(c) Signed by the sponsor and the recipient; and

(d) All questions and items pertaining to the income and resources of the sponsor shall be fully answered; and

(e) The information together with the submitted evidence must provide the CWD with the necessary information to correctly determine the amount of income and resources to be deemed to the recipient; and

(f) Section 40-181.252(f)(QR) shall become inoperative and Section 40-181.252(f)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

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(Continued)

(QR) Evidence shall be submitted with the QR 72 to establish the gross amount of income received by the sponsor, and the date of receipt. See Section 40-181.241(f)(QR) for examples of acceptable evidence.

(SAR) Evidence shall be submitted with the SAR 72 to establish the gross amount of income received by the sponsor, and the date of receipt. See Section 40-181.241(f)(SAR) for examples of acceptable evidence.

.253 Section 40-181.253(QR) shall become inoperative and Section 40-181.253(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) A complete QR 7 includes form QR 72 (as defined in Section 40-181.251(QR)) when a member of the AU is a sponsored alien. The failure to provide a completed QR 72 on or before the 1st calendar day of the next QR Payment Quarter shall result in discontinuance for those members of the AU who are sponsored aliens.

(SAR) A complete SAR 7 includes form SAR 72 (as defined in Section 40-181.251(SAR)) when a member of the AU is a sponsored alien. The failure to provide a completed SAR 72 on or before the 1st calendar day of the next SAR Payment Period shall result in discontinuance for those members of the AU who are sponsored aliens.

.26 Section 40-181.26(QR) shall become inoperative and Section 40-181.26(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Failure to report or verify the receipt of a child/spousal support disregard payment issued under Section 82-520.2 will not result in an incomplete QR 7 nor in termination of aid.

(SAR) Failure to report or verify the receipt of a child/spousal support disregard payment issued under Section 82-520.2 will not result in an incomplete SAR 7 nor in termination of aid.

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(Continued)

.3 Methods of Periodic Determination of Eligibility

.31 Regulations governing the method of the initial determination also govern all continuing and periodic determinations. (See Sections 40-157 and 40-161.)

.311 Annual redeterminations, using the SAWS 2 form, shall include an interview with the parent or person responsible for the child. Where the parent is institutionalized, the interview should be conducted with the person having the responsibility for care and control of the child. This interview shall include a discussion of the recipient's responsibility to cooperate in a quality control review [see Section 40-131.3 (q)].

.312 Section 40-181.312(QR) shall become inoperative and Section 40-181.312(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Quarterly redeterminations using the QR 7 form, or special nonscheduled investigations conducted by the county, may include an interview with the parent or person responsible for the child.

(SAR) Semi-Annual redeterminations using the SAR 7 form, or special nonscheduled investigations conducted by the county, may include an interview with the parent or person responsible for the child.

.32 Section 40-181.32(QR) shall become inoperative and Section 40-181.32(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) The recipient's statements or the statements of his/her guardian or any other person acting for him/her and completing the appropriate Statement of Facts and QR 7(s), together with information obtained from all other sources, shall be assessed in the light of facts previously known and in relation to potentials for change in eligibility status or amount of grant.

(SAR) The recipient's statements or the statements of his/her guardian or any other person acting for him/her and completing the appropriate Statement of Facts and SAR 7(s), together with information obtained from all other sources, shall be assessed in the light of facts previously known and in relation to potentials for change in eligibility status or amount of grant.

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(Continued)

- .33 Failure to comply with the requirements of any periodic determination of eligibility shall result in a fraud penalty if the recipient is found to have committed an IPV.

- .4 Verification of Eligibility Through IEVS
 - .41 The county shall verify the eligibility of, and amount of assistance for, each applicant and recipient for aid through IEVS by:
 - .411 Submitting applicant information to IEVS as specified in Sections 20-006.211 and .212.
 - .412 Requesting on a quarterly basis income and eligibility information through IEVS for recipients in accordance with Section 20-006.22; and
 - .413 Including, for the purposes of .411 and .412 of this section, any other individuals whose income and resources are considered in determining the amount of assistance to the extent that the county collects the SSN of such individuals.

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- (a) Other individuals whose income and resources are considered in determining the amount of assistance include, unless otherwise exempted by state or federal rule:
 - (1) Stepparents and senior parents living with the assistance unit;
 - (2) Individuals excluded due to ineligible alien status;
 - (3) Individuals who are excluded due to sanction or due to failure to cooperate in meeting a condition of eligibility; or
 - (4) The sponsor of a sponsored alien and the sponsor's spouse, if living with the sponsor.

- (b) For instance, if the county obtains the SSN of an ineligible alien parent living with the assistance unit, the number must be submitted to IEVS. However, if the number is not available for submission to IEVS, the assistance unit's eligibility shall not be affected.

HANDBOOK ENDS HERE

40-181	CONTINUING ACTIVITIES AND DETERMINATION OF ELIGIBILITY	40-181
	(Continued)	

- .42 The county shall act on all information received through IEVS in accordance with the procedures specified in Section 20-006.4 and .5.

- .5 Determination of Eligibility During Absence From the State, County or Country
 - .51 A recipient who leaves the state, county, or country is responsible for informing the county paying aid immediately of his/her departure and of changes in his/her living plan, income, and needs. If absent from the state, he/she is also required to inform the county of his/her residence intent. If in the state but absent from the county paying aid, he/she is required to give information from which the county can determine if an intercounty transfer is in order (see Section 40-187). If the recipient leaves the state, the county shall immediately determine his/her residence intent and take appropriate action as provided in Chapter 42-400.

 - .52 Except for children receiving Kin-GAP, when a periodic determination of eligibility is due during a recipient's temporary absence from the state or county, the Statement of Facts (SAWS 2) shall be sent to a welfare agency in the locality. Such agency shall be requested to interview the recipient, secure the signed SAWS 2 and return it with a report on the recipient's plan regarding his/her living arrangements, current needs and income, if he/she is out of state.

 - .53 If it is not possible to secure the signed form and report through the agency within a reasonable time, direct request shall be made to the recipient to submit a completed form with a statement of his/her living arrangements, income and needs, and his/her intent as to residence out of state.

 - .54 If a periodic determination of eligibility is due within the transfer period (see Section 40-185) the county currently paying aid requests the county to which the case is being transferred to make the periodic determination.

NOTE: Authority cited: Sections 10553, 10554, 10604, 11203, 11265.1, 11369, and 18904, Welfare and Institutions Code. Reference: 42 U.S.C. 616(b) and (f); 45 CFR 233.28 and 233.29(c); and 45 CFR 235.112(b); 7 CFR 273.16(b); Sections 10063, 10553, 10554, 10604, 11008, 11203, 11253.5, 11254, 11265, 11265.1, 11265.2, 11265.3, 11265.8, 11280, 11450.12, 11451.5, 11486, and 11495.1, Welfare and Institutions Code; and Section 301(a)(1)(A) and (B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193); California's Temporary Assistance for Needy Families State Plan dated October 9, 1996 and effective November 26, 1996; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

40-183 INTRAPROGRAM STATUS CHANGE**40-183**

Each assistance program has the following integral parts:

- (a) cash grants for maintenance with medical assistance, and
- (b) medical assistance for the medically needy.

.1 Intraprogram Status Change -- Defined

An intraprogram status change means change in status from one part of the same program to the other, i.e., from cash grant to medically needy and vice versa within the same program and changes between CalWORKs and AFDC-FC, or AFDC-FC and Kin -GAP, or CalWORKs and Kin-GAP. (See Sections 40-183.5 and 44-317.6.)

.2 Using Same Case Number and Record

It is recommended that the same case number and the same case record be utilized for aid and/or medical assistance certifications under either part of the program. The case is then designated by program as cash grant or medically needy, according to which ever is appropriate at the time.

.3 Circumstances in Which Status Change is Appropriate

An intraprogram status change is appropriate under the following circumstances:

- .31 The recipient becomes ineligible for a continuing cash grant but is eligible for certification for medical assistance as a medically needy person within the same program or
- .32 Circumstances of the person who has been certified as medically needy change so that upon application for AFDC or request for restoration as specified in Section 40-121 he/she is eligible for cash assistance for his/her maintenance needs within the same program.

.4 Change From a Cash Grant Recipient to Medically Needy

When the recipient becomes ineligible to a continuing cash grant but remains eligible for medical assistance as a medically needy person, the cash grant shall be discontinued. The discontinuance notice shall indicate that only the cash grant is terminated and that the recipient continues eligible as medically needy. Any necessary change in his certification for medical assistance to reflect his change in status from recipient to a medically needy person, shall be made.

40-183 INTRAPROGRAM STATUS CHANGE (Continued) 40-183

.5 Change From Medically Needy to Cash Grant Recipient

Application for AFDC as specified in Section 40-121, and determination of eligibility to receive an AFDC cash grant are necessary before the status of a medically needy person may be changed to that of an AFDC recipient. A new Statement of Facts (CA 2) is required only when a periodic determination of eligibility is due or there has been some significant change in circumstances which gives a basis for questioning eligibility for AFDC. See Section 40-181.212. When all eligibility criteria are met for AFDC, the grant shall be authorized and the authorization document shall indicate a status change from medically needy to AFDC cash grant. Any necessary change in his/her certification from medical assistance, to reflect his/her change in status from a medically needy person to an AFDC cash grant recipient, shall be made.

NOTE: Authority cited: Sections 10553, 10554, and 11369, Welfare and Institutions Code. Reference: Sections 11053 and 11102, Welfare and Institutions Code.

40-185 INTERPROGRAM TRANSFERS 40-185

.1 Interprogram Transfer -- Defined

An Interprogram Transfer is a transfer from one cash grant program to another, which is completed without interruption in aid payment.

.2 When Interprogram Transfer Initiated

An interprogram transfer shall be made to AFDC when a recipient in one program applies for and is determined to be eligible for AFDC

.3 Repealed by Manual Letter No. EAS-91-02, effective 2/1/91.

40-187 INTERCOUNTY TRANSFER 40-187

.1 The following definitions pertain to intercounty transfer (ICT) and intercounty collection (ICC) procedures in Sections 40-188 through 40-197.

.11 30-Day Transfer Period The 30-day transfer period begins with the postmarked date or the date of the electronic transfer of the notification of the ICT. When the 30th day falls on a Saturday, Sunday or a legal holiday, the first business day following the weekend or holiday is considered to be the last day of the 30-day transfer period.

40-187	INTERCOUNTY TRANSFER (Continued)	40-187
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| .12 | Expiration of Transfer Period | The end of the month following the 30-day transfer period after the first county either mails or electronically transfers the notification of the ICT to the second county or the end of the month in which aid is discontinued for cause, whichever is earlier. By mutual agreement of the counties involved, the transfer of responsibility may occur at an earlier date. |
| .13 | First County | The county from which the recipient has moved. |
| .14 | Intercounty Transfer | A transfer of responsibility for determination of eligibility and for provision of social services from one county to another. |
| .15 | Second County | The county to which the recipient has moved to make his home. |
| .16 | Transfer Period | The period of time in which the second county determines eligibility and the first county remains responsible for payment of aid. |

NOTE: Authority cited: Sections 10553, 10554, 10604, 11053, and 11102, Welfare and Institutions Code.
Reference: Sections 10553, 10554, 10604, 11450.018(a) and (b) and 11452.018(a), Welfare and Institutions Code.

40-188	TRANSFER PROCEDURE	40-188
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| .1 | First County | The first county shall: |
| .11 | Notify Second County | Notify the second county of the initiation of a case transfer in writing using the "Notification of Intercounty Transfer" form or via electronic data transfer. |
| .111 | Foster Care | Notify the second county of the initiation of a case transfer in writing by form FC 18 (2/97) "Notification of AFDC-Foster Care Transfer" or via electronic data transfer. |

40-188 TRANSFER PROCEDURE (Continued) 40-188

- .12 Inform Recipient Inform the recipient in writing of his/her responsibility to immediately apply for a redetermination of eligibility in the second county to avoid a break in aid.
- .121 Foster Care For children receiving AFDC-FC, where there is a legal guardian for the child, the first county shall inform the legal guardian in writing of his/her responsibility to apply for a redetermination of eligibility in the second county.
- .13 Provide Documentation Provide the second county within seven working days from the date that the first county notifies the second county of a case transfer (per Section 40-188.11), with copies of the most recent:
 - .131 CalWORKs SAWS 1 (Application for Cash Aid, CalFresh and/or Medical Assistance).
 - .132 CalWORKs Welfare-to-Work plan (See Section 42-711.6).
 - .133 CalWORKs-Incap Medical verification of incapacity.
 - .134 Exempt AU Status Verification of the AU's MAP exempt status.
 - .135 Foster Care SAWS 1; FC 2/JA 2/KG2; SOC 158A; Birth Certificate/Alien Status; Social Security Number, FC 3/FC 3A; Voluntary Placement Agreement, Legal Guardianship Papers, or Court Order which establishes the authority for placement; Independent Living Plan; evidence supporting federal and/or state eligibility; and any other information necessary to determine eligibility.
 - .136 Maximum Family Grant Informing Maximum Family Grant (MFG) informing notice or other documentation verifying that MFG informing requirements have been met (see Section 44-314).

40-188	TRANSFER PROCEDURE (Continued)	40-188
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.137	AU with Children Under Age 6	Verification of age-appropriate immunizations pursuant to Section 40-105.4(d), which the county has determined acceptable.
.138		Copies of any documents supporting the eligibility determination made by the first county when requested by the second county.
.139		Overpayment repayment record for overpayment(s) that will not be repaid before the end of the transfer period and will continue to be recouped by the second county through grant adjustment.
.14	Determine Eligibility	Section 40-188.14(QR) shall become inoperative and Section 40-188.14(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
	(QR)	Determine continuing eligibility and amount of cash aid from the most recent Quarterly Eligibility Report due during the transfer period. Once eligibility is determined, cash aid shall continue until the end of the QR Payment Quarter in which the transfer period ends.
	(SAR)	Determine continuing eligibility and amount of cash aid from the most recent Semi-Annual Eligibility Report (SAR 7 or SAWS 2) due during the transfer period. Once eligibility is determined, cash aid shall continue until the end of the SAR Payment Period in which the transfer period ends.
.15	Inform	Inform the second county of any changes in eligibility or payment level and send a copy of any resulting notice of action.
.16	Discontinue	Discontinue responsibility for the provision of aid at the end of the transfer period.
.17	Foster Care	Obtain notification, written or via electronic data transfer, from the second county of the receipt and disposition of the transfer.

40-188	TRANSFER PROCEDURE (Continued)	40-188
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| .25 | Foster Care Notification | Provide the first county with notification, written or via electronic data transfer, of the receipt and disposition of the transfer documentation. |
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NOTE: Authority cited: Sections 10553, 10554, 10605, 11052.6, 11053, 11102, and 11369, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10605, and 11265.1, Welfare and Institutions Code; and Nickols v. Saenz Court Order Case Number 310867; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

40-189	COUNTY IN WHICH RECIPIENT MAKES HIS/HER HOME	40-189
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| .1 | Home County | A recipient is considered to "make his/her home" in the county in which he/she is physically residing. |
| .2 | Exceptions | The following are exceptions to .1 above: |
| .21 | Maintaining Home | The recipient is maintaining a home in a county other than the county in which he/she is physically residing with the intent of returning to that home within four months. |
| .211 | Four-Month Limitation | The four-month period starts from the date the county paying aid determines that the recipient is "maintaining a home" in a county other than that in which he/she is physically residing. |
| .212 | Fails To Return Home | If the recipient fails to return within the four-month period, he/she is considered to have moved to the county in which he/she is physically residing. |
| .22 | Farm Labor Family | The four-month limitation does not apply to the recipient farm labor family that goes to another county to work when a home is maintained to which the family will return when not working. |
| .221 | County of Responsibility | The county responsible for paying aid is the county where the farm labor family maintains a home. The home county continues to be responsible for aid payment until the family establishes a home base in another county. |
| .23 | AFDC-FC Placement | In AFDC-FC, a child placed by a public agency or a private agency which has legal custody because the child was relinquished to them or a court has given them legal custody, shall be considered to make his/her home in the county in which the court having jurisdiction for the child is located, regardless of whether the child's placement is located in another county. |

40-189 COUNTY IN WHICH RECIPIENT MAKES HIS/HER HOME **40-189**
(Continued)

- .24 Inpatient in Public or Private Health Care Institutions
When the AU moves because a member of the AU must go to another county to be admitted to a public or private health care institution for inpatient care, the AU is considered to make its home in the first county. The AU must continue to maintain the existing home while out of the first county.
- .25 Inpatient Released From State Hospital
A recipient, who was part of an existing AU prior to entering a state hospital and is released from inpatient status in a state hospital, is considered to continue to make his/her home in the county where the AU resided prior to the AU member's admittance to the state hospital from which he/she was admitted for a period not to exceed three years following his/her release from the hospital.
- .26 Medical Care in Another County
When a member of an AU must go to another county solely because needed medical care is not available in the home county, the AU's home is considered to be the first county. The AU must continue to maintain the existing home while out of the first county.
- .27 Kin-GAP
In Kin-GAP, a child shall be considered to make his/her home in the county which had legal custody of the child pursuant to Section 40-125.8 immediately prior to the dismissal of dependency and establishment of the legal guardianship by the court.

NOTE: Authority cited: Sections 10553, 10554, 10604, 11053, 11102, and 11369, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

40-190	COUNTY RESPONSIBILITY	40-190
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| .1 | Initiation of Intercounty Transfer | An intercounty transfer shall be initiated immediately when: |
| .11 | First County is Notified of Move | The first county is notified that the recipient has moved his/her permanent residence to another county. |
| .12 | Foster Care Transfer | Responsibility for the child welfare services case management function of a child receiving AFDC-FC is transferred from an agency in one county to an agency in another county. |
| .121 | Legal Guardian | The child's legal guardian changes his/her county of residence, the first county shall transfer the AFDC-FC case to the second county. |
| .13 | Court Jurisdiction | Court jurisdiction for a child receiving AFDC-FC is received by a court that is located in another county. |
| .14 | Kin-GAP Transfer | A Kin-GAP child has been receiving aid from a county other than the county of responsibility as identified in Section 90-105.2, the case should be transferred to the county of responsibility. |
| .2 | Payment Responsibility | There shall be no interruption nor overlap in payment of aid when a recipient moves from one county to another county. |
| .21 | | Section 40-190.21(QR) shall become inoperative and Section 40-190.21(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's Declaration. |
| (QR) | Quarterly Reporting Cycle | The second county shall establish the recipient's quarterly reporting cycle which may differ from the first county's quarterly reporting cycle. |
| (SAR) | Semi-Annual Reporting Cycle | The second county shall establish the recipient's semi-annual reporting cycle which may differ from the first county's semi-annual reporting cycle, but must remain aligned with the CalFresh recertification date. |
| .22 | General Rule | The first county is responsible for continuing eligibility and aid payment during the transfer period. |

40-190 **COUNTY RESPONSIBILITY (Continued)** **40-190**

| .23 Transfer of AU Members When a child(ren) moves to the home of a new caretaker relative, who resides in the second county, the first county's responsibility for payment of CalWORKs during the transfer period is as follows:

| .231 Creation of New AU When the transfer of a child(ren) results in the creation of a new AU which consists of the transferred child plus one or more applicants for aid, the first county is responsible for eligibility and aid payment during the transfer period. The first county is responsible for adding the applicants to the existing AU in the first county.

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(a) A child receiving CalWORKs from one county, the first county, moves to another county, the second county, to live with his mother. Also in the home are three of the mother's other children. The mother and the other children are unaided, but the mother requests aid for herself and also for these children.

The first county is responsible for eligibility and payment during the transfer period. The mother and children are added to the existing AU in the first county.

HANDBOOK ENDS HERE

| .232 Addition to Existing AU When a transferred child is added to an existing AU which consists of the transferred child and persons currently aided in the second county, the second county is responsible for eligibility and payment for the entire AU. The second county is responsible for adding the transferred persons to the existing AU in the second county.

HANDBOOK BEGINS HERE

- (a) A child receiving CalWORKs from the first county moves to a second county to live with his mother, who is receiving CalWORKs from the second county for her three other children. The mother requests aid for the transferred child. The second county becomes responsible for eligibility and payment. The first county discontinues its case with appropriate notice. The second county adds the transferred child to the existing AU in the second county if otherwise eligible. There is no break in aid for the transferred child.

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- .24 Intraprogram Status Change When an intraprogram status change occurs during the transfer period, the first county is responsible for determining continuing eligibility and the aid payment until the end of the transfer period.

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- .241 If the intraprogram status change is from medically needy to cash grant status, see Sections 40-125.3 and 40-183.5 for county responsibility for determination of eligibility and payment of aid. Also, see Medi-Cal Eligibility Manual Section 50136 for county responsibility for continued Medi-Cal eligibility.

HANDBOOK ENDS HERE

- .25 Expiration of Transfer Period Upon the expiration of the transfer period, the second county is responsible for the payment of aid.
- .3 Exceptions to Payment Responsibility The following are exceptions to the payment responsibilities rule specified in Section 40-190.2.
- .31 Request for Homeless Assistance When an AU requests homeless assistance, see Section 44-211.515. The MAP amount for the county of residence is used.

40-190 COUNTY RESPONSIBILITY (Continued) **40-190**

.32	Foster Care Placement	No intercounty transfer is necessary when the first county places a child in a second county. The first county continues to be responsible for payment of aid.
.4	Discontinuance During Transfer Period	Responsibility of the first county ceases when payment of aid is discontinued during the transfer period.
.5	Overpayment Adjustment During Transfer Period	When the grant has been reduced to recoup an overpayment:
.51	First County	If the overpayment adjustment will continue beyond the transfer period, then the first county shall transmit the current repayment record and notify the second county to continue the overpayment adjustment upon expiration of the transfer period.
.52	Second County	When the intercounty transfer is completed, the second county shall continue to recoup the overpayment by grant adjustment until:
.521	Repaid in full	The overpayment is repaid in full, or
.522	Intercounty Transfer	The recipient moves to a subsequent county and, pursuant to an intercounty transfer, that county assumes responsibility for collection of the overpayment, or
.523	Aid is Discontinued	Payment of aid is discontinued, at which time the second county is responsible for recouping the balance of the overpayment through appropriate collection procedures.
.53	Retain Collections	Regardless of where the overpayment originated, the county that collects the overpayment will retain the amount collected and receive any collection incentives.

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See Sections 44-351 and 44-352, overpayment recovery and recoupment.

HANDBOOK ENDS HERE

NOTE: Authority cited: Sections 10553, 10554, 10604, 11053, 11102, and 11369, Welfare and Institutions Code. Reference: Sections 10553, 10554, 10604, 11004, and 11265.1, Welfare and Institutions Code; Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

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- (2) Before the child's birth, he and the child's natural mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared invalid, and
 - (i) If the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 300 days after its termination by death, annulment, declaration of invalidity, or divorce; or;
 - (ii) If the attempted marriage is invalid without a court order, the child is born within 300 days after the termination of cohabitation.
 - (3) After the child's birth, he and the child's natural mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with the law, although the attempted marriage is or could be declared invalid, and
 - (i) With his consent, he is named as the child's father on the child's birth certificate, or
 - (ii) He is obligated to support the child under a written voluntary promise or by a court order.
 - (4) He receives the child into his home and openly holds out the child as his natural child.
- (b) Except as provided in Section 621 of the Evidence Code, a presumption under this section is a rebuttable presumption affecting the burden of proof and may be rebutted in an appropriate action only by clear and convincing evidence. If two or more presumptions arise under this section which conflict with each other, the presumption which on the facts is founded on the weightier considerations of policy and logic controls. The presumption is rebutted by a court decree establishing paternity of the child by another man.

HANDBOOK CONTINUES

HANDBOOK CONTINUES

.222 Evidence Code Section 621:

- (a) Except as provided in subdivision (b), the issue of a wife cohabitating with her husband, who is not impotent or sterile, is conclusively presumed to be a child of the marriage.
- (b) Notwithstanding the provision of subdivision (a), if the court finds that the conclusions of all the experts, as disclosed by the evidence based upon blood tests performed pursuant to Chapter 2 (commencing with Section 890) of Division 7 are that the husband is not the father of the child, the question of paternity of the husband shall be resolved accordingly.

.223 Health and Safety Code Section 10577:

- (a) Any birth, fetal death, death, or marriage record which was registered within a period of one year from the date of the event under the provisions of this division, or any copy of such record or part thereof, properly certified by the State Registrar, local registrar, or county recorder, is prima facie evidence in all courts and places of the facts stated therein.

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.3 Presence of a Stepparent or UAM in the Home

Deprivation is not affected by the presence in the home of a stepparent or an unrelated adult male.

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: Sections 10553, 10554, and 10604, Welfare and Institutions Code.

41-405 TERMINATION OF DEPRIVATION 41-405

.1 When a basis for deprivation ceases, and the family remains in need, the county shall determine if any other basis for deprivation exists.

.11 Section 41-405.11(QR) shall become inoperative and Section 41-405.11(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

41-405 TERMINATION OF DEPRIVATION (Continued) 41-405

(QR) When a basis for deprivation ceases mid-quarter, the county shall not take mid-quarter action based on changes in deprivation. Any change in deprivation shall be reported on the QR 7 and any change in eligibility or grant amount that results from the change in deprivation shall be effective the first day of the next QR Payment Quarter.

(SAR) When a basis for deprivation ceases mid-period, the county shall not take mid-period action based on changes in deprivation. Any change in deprivation shall be reported on the SAR 7 or the SAWS 2 and any change in eligibility or grant amount that results from the change in deprivation shall be effective the first day of the next SAR Payment Period.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11265.2 and 11450.5, Welfare and Institutions Code.

41-410 RELINQUISHMENT FOR ADOPTION 41-410

Repealed by DSS Manual Letter No. EAS-88-05.

41-420 PARENT IS DECEASED 41-420

- .1 Deprivation exists if either parent is deceased.
- .2 Acceptable evidence of the death of a parent is:
 - .21 A copy of the death certificate.
 - .22 An award letter from the Social Security Administration based on the death of the parent.
 - .23 A newspaper account of the parent's death.
 - .24 Other reliable documentation

42-207 PROPERTY WHICH MAY BE RETAINED BY AN APPLICANT 42-207

- .1 An applicant or recipient AU may retain countable resources in an amount equal to the amount allowed in the Food Stamp regulations at Manual of Policies and Procedures Section 63-1101. The value of real and personal property including resources not excluded elsewhere by regulations, owned by a CalWORKs FG/U family shall not exceed the Food Stamp resource limit. If the limit is exceeded, the family or child is ineligible.

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- .2 Food Stamp regulations at Manual of Policies and Procedures Section 63-1101.1 allows retention of \$3,000 for an AU which includes at least one member aged 60 or older or a disabled member, and \$2,000 for all other AUs. These limits may change in accordance with changes in Food Stamp resource limits.

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NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11155, 11155.2, and 11257, Welfare and Institutions Code; and 7 U.S.C. 2014(g)(1).

42-209 DIFFERENTIATION OF PROPERTY AND INCOME 42-209

- .1 Some payments may be considered property, income, or a combination of both. For the differentiation of such payments, see Section 44-105.
- .2 Section 42-209.2(QR) shall become inoperative and Section 42-209.2(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Under QR/PB, nonrecurring lump sum payments, which are not recurring regular income and usually nonrecurring in regard to amount and/or source, shall be treated as property in the month of receipt and any subsequent months.

(SAR) Under SAR, nonrecurring lump sum payments, which are not recurring regular income and usually nonrecurring in regard to amount and/or source, shall be treated as property in the month of receipt and any subsequent months.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

42-211	PROPERTY ITEMS TO BE INCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED	42-211
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.1 Real Property to Be Included

.11 In addition to the items included in the definition of real property in Section 42-203.1, the following are to be evaluated as real property:

- a. Cemetery property held for profit.
- b. Stocks in a water company not appurtenant to the land in furnishing water for agricultural purposes.
- c. The items defined in this section which are owned (see Section 42-203) by an applicant or recipient are subject to the limits set forth in Section 42-207, unless specifically excluded by Section 42-213.1.

.12 Real property owned by an applicant or recipient includes real property which:

- a. secures any of his debts.
- b. is being purchased by him under a contract of sale, or mortgage and/or deed of trust.
- c. is being sold by him under contract of sale, but no contract has actually been signed.
- d. is being held by him with retention of life estate.
- e. is held in trust for him and is available to him for disposition or use.
- f. is held for him in an undistributed estate and is available for his use prior to distribution.
- g. is being sold by him and is held in escrow.

.2 Personal Property to Be Included: The county shall determine personal property and vehicles to be included in evaluating property which may be retained in accordance with methods established under the Food Stamp regulations at Manual of Policies and Procedures Sections 63-501.1 and .2).

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11155 (Ch. 270, Stats. of 1997), Welfare and Institutions Code.

42-213	PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED	42-213
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.1 Real Property to Be Excluded

.11 The following items are to be excluded in evaluating real property:

- (a) Real property held in trust if the child or parent does not have control of the trust of which he is the beneficiary.
- (b) The separate and community share of real property of a parent who has surrendered full custody of his child pursuant to a court order.
- (c) The separate and community share of real property of a parent who has relinquished his child for adoption.
- (d) The separate and community share of real property of the father of a child who is not married to the mother and the parents are not maintaining a home together. Exception: If the father has legitimized the child under Section 230 of the Civil Code, his property is included whether or not the parents are maintaining a home together.
- (e) The separate and community share of real property of a stepfather.
- (f) Property purchased with funds received under Title I or Title II of the Economic Opportunity Act when such funds were excluded from consideration as income or resources. This exclusion does not extend to income or profits from such property.
- (g) An Indian's interest in land held in trust by the United States Government is excluded in evaluating real property which is subject to the monetary limits as set forth in Section 42-207.
- (h) The separate and community shares of real property of the absent parent which are unavailable to the CalWORKs family or child (i.e., the family or child does not have possession or control of the property so that the property may be used to meet current needs). Such unavailable property is to be excluded in cases where the child is living apart from his/her parent or parents. The exclusion applies to a child in foster care regardless of whether his/her parents are maintaining a home together.

42-213	PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)	42-213
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- (1) Section 42-213.11(h)(1)(QR) shall become inoperative and Section 42-213.11(h)(1)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

- (QR) An availability determination of the separate community shares of real property of an absent parent must be made by the county as part of the initial eligibility determination. After the initial eligibility determination, the county shall only make a determination when the county receives information on the QR 7 that there has been a change.

- (SAR) An availability determination of the separate community shares of real property of an absent parent must be made by the county as part of the initial eligibility determination. After the initial eligibility determination, the county shall only make a determination when the county receives information on the SAR 7 or SAWS 2 that there has been a change. If the county receives a voluntary mid-period report of such a change, this information will only be reevaluated when the following semi-annual report is processed.

- (i) The real property in which an CalWORKs recipient has an ownership interest and which is considered in an SSI/SSP resource evaluation.
 - (1) The total value of property owned separately by the CalWORKs recipient who is either the spouse or parent of the SSI/SSP recipient and resides in the same household.
 - (2) The total value of property owned jointly between the CalWORKs recipient and the SSI/SSP spouse or child when they reside in the same household.

- (j) The separate and community share of real property of an APSB recipient (see Section 42-205.3, Community Property).

- (k) A maximum of one burial plot for each member of the Assistance Unit. For purposes of this section, a burial plot is defined as an interment space, crypt or niche intended for the interment of the applicant or recipient.

42-213 **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**
WHICH MAY BE RETAINED (Continued)

- .12 Real property, not otherwise excluded, that the assistance unit is making a good faith effort to sell may be exempt from consideration in the resource limit described in Section 42-207 for a period of no more than nine consecutive months. Any six-month period, which was the maximum period permitted by these regulations as they were effective prior to January 1, 1987, ending on or after December 31, 1986 may be extended to nine months at the recipient's request.
- .121 As a condition of receiving aid during the exempt period and prior to the county granting aid, the applicant/recipient shall:
- (a) Grant the county a lien against the property which shall be payable to the county when the property is sold (see Section 42-213.122), and
 - (b) Agree in writing to begin immediately to make a good faith effort to sell the property. See Section 42-213.123 for what constitutes a good faith effort. If the applicant/ recipient elects not to sell the property at any time prior to the expiration of the nine months, the property shall no longer be exempt from consideration in the resource limit.
- .122 The county shall have the lien notarized (notarization by the county designated notary is acceptable) and then promptly record the lien in the county recorder's office where the property is located. The lien document shall:
- (a) Clearly show that the purpose of the lien is to repay the county the amount of repayable aid received during the exempt period. See Section 42-213.124. The lien, in itself, shall not require the sale of the property.
 - (b) Contain a legal description of the property that the lien is against. A legal description of the property can be obtained from the tax assessor's rolls of the county where the property is located.
 - (c) State the name(s) of the owner(s) of the property as it appears on the county assessor's rolls. The lien shall be binding on the applicant/recipient and his or her heirs, executors, administrators, and assignees.

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42-213 **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**
WHICH MAY BE RETAINED (Continued)

- .123 In order to make a good faith effort to sell the property, as a condition of receiving aid during the exempt period, the applicant/recipient shall, at a minimum, either:
- (a) List the property for sale with a licensed real estate broker at the property's approximate fair market value (see Section 42-213.123(c)) and be willing to negotiate the terms of the sale with potential buyers, or
 - (b) Make an individual effort to sell the property which shall include all the following:
 - (1) Advertising once a week in at least one publication of general circulation that the property is for sale. When an AU becomes resource eligible it will no longer be required to use out-of-pocket expenditures to market the property but shall continue to comply with Section 42-213.123(a). [Resource eligibility exists when the equity value of the real property (see Section 42-213.124) plus all countable resources is less than the property limits described in Section 42-207].

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- (A) Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

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- (2) Place a sign on the property indicating that the property is for sale. Whenever possible, the sign shall be visible from the street.
 - (3) Offer the property for sale at its approximate fair market value. See Section 42-213.123(c).
 - (4) Be willing to negotiate the terms of the sale with potential buyers and respond to all reasonable inquiries about the property.
- (c) For purposes of this section, the fair market value of the property shall be the applicant/recipient's choice of:
- (1) The assessed value of the property, or

42-213 **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**
WHICH MAY BE RETAINED (Continued)

- (2) A valuation of the market value of the property obtained by the applicant/recipient from a licensed real estate broker.
 - (3) In exceptional circumstances, such as when the property is located in a remote area and it is impossible or impractical to obtain a valuation, and the applicant/ recipient believes that the assessed value is too high or too low, the county and the applicant/recipient may agree on the market value based upon other available information.
- .124 Any aid paid during the nine-month period or until the property is sold, whichever comes first, shall be considered repayable aid at the time of the sale of the property and shall be collectible from the net proceeds of the sale of the property. The amount of repayable aid shall be determined as follows:
- (a) If the net proceeds from the sale of the property plus the value of other countable real and personal property at the beginning of the exempt period are less than the resource limit specified in Section 42-207, there shall be no repayable aid.
 - (1) Property liens established to repay CalWORKs grants shall be counted as allowable encumbrances when determining the equity value of real property for eligibility purposes.
 - (b) If the amount of aid paid during the exempt period exceeds the net proceeds of the sale of the property, then the amount of repayable aid is the amount of the net proceeds.

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- (1) Example: The county did not count the value of a lot with a house that was owned but not occupied by an assistance unit in the resource limit as allowed under this section. At the end of nine months, the property sold for \$29,000 and the family had received \$3,960 in aid payments. The net proceeds of the sale were determined to be \$3,000. The amount of repayable aid is \$3,000 because the net proceeds were less than the amount of aid paid during the exempt period.

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42-213 **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**
WHICH MAY BE RETAINED (Continued)

(c) The net proceeds of the sale are determined by subtracting from the gross amount of the sale the costs verified by the county to be directly related to the sale of the property, such as:

- (1) Loans and liens of the seller that are secured by the property,
- (2) Title insurance fees paid by the seller,
- (3) Brokers fees paid by the seller,
- (4) Prepaid interest or loan processing fees (points) paid by the seller,
- (5) Appraisal fees paid by the seller,
- (6) Fees paid by the seller to advertise the property, i.e., newspaper aids and for sale signs.

.125 The county shall inform the applicant/recipient at the time this exemption is granted that it is time-limited; and, at the end of nine months the assistance unit will be ineligible if the property has not been sold and the combined value of real and personal property continues to exceed the property limit specified in Section 42-207.

.126 The county shall retain sufficient documentation to determine the amount of repayable aid that will be collectible when the property is sold.

.127 Section 42-213.127(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(SAR) If the nine month exemption period ends in the middle of a SAR Payment Period, and the property has not sold, the county must take mid-period action to discontinue the AU at the end of the month in which the exemption period ended, with timely and adequate notice (see Section 44-316.331(t)(SAR)).

.2 Personal Property and Vehicles to Be Excluded: The county shall determine personal property items and vehicles to be excluded in evaluating property in accordance with methods established under the CalFresh Program (see CalFresh regulations at Manual of Policies and Procedures Sections 63-501.3, .52, and .53) except as noted below.

.21 401(k), 403(b), 457, 529, IRA and ESA accounts shall be excluded for CalWORKs recipients.

.22 401(k), 403(b) and 457 accounts shall be excluded for CalWORKs applicants.

.23 Restricted accounts shall be excluded for CalWORKs recipients.

.231 Restricted Accounts

42-213 **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**
WHICH MAY BE RETAINED (Continued)

(a) General

An AU which includes a recipient shall be allowed to retain cash reserves in one or more restricted accounts at a financial institution. There shall be no limit to the amount of money that can be saved in a restricted account.

(1) Additional Funds

The funds shall be in addition to the \$2,000 property limit specified in Section 42-207.2.

(b) Written Agreement

Before an account can be designated as "restricted," the caretaker relative shall sign an agreement with the county welfare department which sets forth the requirements, restrictions and penalties specified in Section 42-213.231.

(1) Advice

The written agreement shall include a statement which advises recipients to first retain resources close to the \$2,000 limit to pay for unexpected expenses or emergencies before they enter into a written agreement.

(c) Account Information

The AU shall provide verification to the county of the following information for each account within 30 calendar days from the date of the written agreement. Failure to comply will result in termination of the agreement.

(1) Names of Persons On the Account(s)

Names of persons as shown on the restricted account;

(2) Institution

Name and address of the financial institution;

(3) Number

Account number; and

(4) Balance and Activity

Account balance and activity since the date the agreement was signed.

42-213 **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**
WHICH MAY BE RETAINED (Continued)

(d) Specific Purpose

The funds must be retained for one or more of these specific purposes:

(1) Home

purchase of a home;

(2) Education or Training

any education or vocational training expenses of the account holder or any person who is claimed or could be claimed by the account holder as a dependent for federal income tax purposes;

(3) Business

start up of a new business; or

(4) Homelessness Prevention

Costs associated with securing permanent rental housing or to make rent payments to overcome a period of homelessness.

(e) Separate Account

The AU must establish and maintain a restricted account separately from any other accounts.

(f) Interest Exemption

The county shall exempt interest payments for purposes of determining CalWORKs eligibility and grant amount when the interest is deposited directly into the account by the financial institution.

(1) Direct Receipt

The county shall determine that interest which is not deposited directly into the restricted account is a nonqualifying withdrawal.

(2) Erroneous Receipt

When interest is not deposited directly into the account due to an error caused by the financial institution, the AU is allowed 30 calendar days from the date of receipt to deposit the interest into the restricted account.

42-213 **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**
WHICH MAY BE RETAINED (Continued)

- (A) Failure to deposit the interest within 30 calendar days shall result in a determination that a nonqualifying withdrawal has occurred, unless good cause exists for exceeding the 30-day limit as specified in Section 42-213.231(j).

- (g) **Qualifying Withdrawal**

The AU is allowed 30 calendar days from the date of a withdrawal to expend funds for one or more of the following expenses:

- (1) **Purchase of a Home**

Expenses associated with the purchase of a home that will be the principal residence of the AU.

- (A) These expenses include, but are not limited to, deposits, fees, down payment, principal payment, repairs, fixtures and closing costs.
- (B) Expenses for furniture and household goods are not allowable.

- (2) **Education or Training**

Expenses associated with any education or vocational training for the account holder or any person who is or could be claimed by the account holder as a dependent for federal income tax purposes.

- (A) These expenses include, but are not limited to, the following:
 - 1. fees, tuition, books, school supplies, equipment, special clothing needs, student housing, meals, transportation costs to and from school, child care services necessary for school attendance.

- (3) **Start Up of a New Business**

Business expenses that are directly related to the start up costs of a new business.

- (A) Allowable expenses shall include, but are not limited to, the following:

42-213 **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**
WHICH MAY BE RETAINED (Continued)

1. purchase and maintenance of capital equipment, uniforms or other protective or required clothing and shoes; tools; inventory; payments on loan principal and interest for capital assets or durable goods; rent for office or floor space and associated utilities; shipping and delivery costs; employee salary; fees; business taxes; insurance; and bookkeeping or other professional services.

(B) Personal expenses such as entertainment are not allowable.

(4) Homelessness Prevention

Allowable expenses shall include, but are not limited to, first and last month's rent, other deposits required under the rental agreement, and credit check fees.

(5) No Expense Incurred

Funds, which are withdrawn in anticipation of an expense that does not occur or are less than anticipated, shall be redeposited into the restricted account within 30 calendar days from the date of the withdrawal.

(A) Failure to timely redeposit the funds shall result in a determination that a nonqualifying withdrawal has occurred, unless good cause exists as specified in Section 42-213.231(j).

(h) Verification

The AU shall provide verification of the following items within 30 calendar days from the date of expenditure:

(1) Date and Amount

date and amount of the withdrawal; and

(2) Receipts

a receipt, cancelled check, or signed statement from the provider of goods or services which verifies the type and the amount of expense paid.

42-213	PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)	42-213
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(i) Nonqualifying Withdrawal

The county shall determine that a nonqualifying withdrawal has occurred when:

(1) Noncooperation

the AU fails to expend funds or to provide verification of a withdrawal or expenditure within the required time limit unless good cause, as specified in Section 42-213.231(j), exists for exceeding the time limit;

(2) Nonallowable Purpose

the AU withdraws or spends the funds for purposes or expenses other than those allowed under Section 42.213.231(g); or

(3) Receipt of Interest Income

the interest payment was not deposited directly into the account by the financial institution.

(j) Good Cause

The county shall determine that good cause exists for exceeding the time limits specified at Sections 42-213.231(f)(2), (g), and (h) when any of the following situations exist.

(1) Beyond AU's Control

Circumstances exist which are beyond the AU's control.

(A) These circumstances include, but are not limited to, illness or medical emergency, failed or delayed completion of a home purchase, lack of transportation, or other extenuating circumstances found by the county.

(B) When good cause is found to exist, the AU will be allowed to fulfill the necessary requirement within a reasonable period of time based on the circumstances for the delay, as determined by the county, to avert a determination of a nonqualifying withdrawal.

42-213 **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**
WHICH MAY BE RETAINED (Continued)

(2) AU Complies Before the Effective Date of the Notice

Good cause also exists when the AU complies with the necessary requirement before the effective date of the notice of action. In these situations, the county shall rescind the notice of action.

(k) Period of Ineligibility

When the county determines that a nonqualifying withdrawal exists, the county shall calculate a period of ineligibility.

(1) Calculation

To calculate the period of ineligibility, the county shall first determine the total amount in all of the restricted accounts immediately prior to the nonqualifying withdrawal or prior to the issuance of an interest payment when it is not directly deposited into the account by the financial institution, and:

- (A) subtract any portion which the county determines to be a qualifying withdrawal;
- (B) divide the result by the minimum basic standard of adequate care (MBSAC) for the number of persons in the AU, plus any special needs; and
- (C) round down the result to the nearest whole number for the number of months of ineligibility.

(l) Applying the Period of Ineligibility

Section 42-213.231(l)(QR) shall become inoperative and Section 42-213.231(l)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) When the county determines that a period of ineligibility is applicable, the period of ineligibility shall begin on the first day of the month of the next QR Payment Quarter following the reported nonqualifying withdrawal on the QR 7 and continue for the determined number of months.

(SAR) When the county determines that a period of ineligibility is applicable, the period of ineligibility shall begin on the first day of the month of the next SAR Payment Period following the reported nonqualifying withdrawal on the SAR 7 or SAWS 2 and continue for the determined number of months.

42-213 **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**
WHICH MAY BE RETAINED (Continued)

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(m) Examples

Handbook Section 42-213.231(m)(QR) examples 1 and 2 shall become inoperative and Section 42-213.231(m)(SAR) examples 1 and 2 shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(1) Example 1:

(QR) An AU of three is in an April/May/June Quarter.

Bank balance prior to May withdrawal:	\$5,000
Amount withdrawn from account:	\$4,500
Amount used to purchase home:	\$3,000
Amount used to buy furniture:	\$1,500

(SAR) An AU of three is in a January through June SAR Period.

Bank balance prior to May withdrawal:	\$5,000
Amount withdrawn from account:	\$4,500
Amount used to purchase home:	\$3,000
Amount used to buy furniture:	\$1,500

(A) Since the AU used a portion of the withdrawal on a nonallowable expenditure, the county shall calculate a period of ineligibility as follows:

1. \$5,000 balance prior to withdrawal
-3,000 allowable expense for purchase of home
\$2,000 remainder
2. Divide the remainder (\$2,000) by MBSAC + special needs for an AU of three
(\$2,000 divided by \$891 = 2.24 months)
3. Round down the result to the nearest whole number
(two months).

HANDBOOK CONTINUES

42-213 **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**
WHICH MAY BE RETAINED (Continued)

HANDBOOK CONTINUES

4. The AU is ineligible for two months. The AU shall be discontinued at the end of June. The AU can reapply for aid on September 1.

Example 2:

(QR) An AU of three is in the April/May/June Quarter and has the following property:

\$ 100 checking account
+1000 restricted account
+ 800 savings account
\$ 1900 Total

(SAR) An AU of three is in a January through June SAR Period and has the following property:

\$ 100 checking account
+1000 restricted account
+ 800 savings account
\$ 1900 Total

(A) The AU wants to buy new furniture and withdraws all of their funds from their accounts, including the restricted account, to pay for the purchases in May. The county determines that the AU made a nonqualifying withdrawal.

(B) Although the AU's total property reserve prior to the nonqualifying withdrawal is under the \$2,000 property limit, the county will calculate a period of ineligibility as follows:

1. Balance prior to nonqualifying withdrawal in May \$1000
2. Divide by MBSAC for 3 (\$715)
3. Result 1.3
4. Round down to nearest whole number 1
For number of months of ineligibility

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42-213	PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)	42-213
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(n) Shortening The Period of Ineligibility

The county shall shorten the period of ineligibility when the AU reapplies for aid and the standard of need increases.

(1) An increase in the standard of need includes any increase in AU size, general increase in the MBSAC (COLA increases), or a determination that the ineligible family would be eligible for a special need item as specified in Section 44-211.

(2) Calculation

To shorten the period of ineligibility due to an increase in the standard of need, the county shall:

(A) Identify the restricted account balance used to calculate the original period of ineligibility.

(B) Identify the original MBSAC plus any special needs allocated to the ineligible family unit and multiply it by the number of ineligible months prior to the increase. Subtract the total from the amount in Section 42-213.231(n)(2)(A).

(C) Divide the result calculated in Section 42-213.231(n)(2)(B) by the increased standard of need. Round down the result to the nearest whole number.

(D) The revised period of ineligibility is the final result in Section 42-213.231(n)(2)(C) plus the number of ineligible months prior to the increase.

(E) The revised period of ineligibility shall begin in the same month as the original period of ineligibility.

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42-213 **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**
WHICH MAY BE RETAINED (Continued)

- (o) Establishing a Separate AU for Other Eligibles

A separate AU may be established for an otherwise eligible person whose needs were not considered in the calculation of the period of ineligibility.

- (p) Termination of the Written Agreement

The written agreement for the restricted account terminates when:

- (1) the AU is discontinued from CalWORKs; or
- (2) the restricted account is closed; or
- (3) the AU does not provide timely verification of the account information as specified in Section 42-213.213(c); or
- (4) state or federal law changes the conditions or no longer permits these restricted accounts.

.3 A home, regardless of its value, occupied by the assistance unit shall be excluded in evaluating property which may be retained.

.31 Any house, mobile home, camper, trailer, houseboat or any other dwelling whether assessed as real or personal property by the county assessor is excluded if such an item or property is occupied by the AU as a home (place of residence). Property shall continue to be considered the home during temporary absence for reasons such as illness, seasonal employment, visits, extreme climatic conditions, etc., provided the recipient plans to, and it appears will be able to, return to the home when such circumstances no longer exist.

.32 The excluded home may be the unit of a multiple-dwelling unit that is occupied by the assistance unit as a home. A home and a separate unit adjacent to the home shall be treated as a multiple dwelling unit.

.321 The unit(s) of the multiple dwelling that is (are) not occupied by the assistance unit shall be treated as a resource and the value must be included in the property limit described in Section 42-207. See Section 42-215 for the method of determining the value of real property.

42-213 **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**
WHICH MAY BE RETAINED (Continued)

- (a) If the assistance unit is making a good faith effort to sell the unit(s) that is (are) not occupied as a home, the unit(s) may be exempt from consideration in the resource limit for a period of time under the conditions specified in Section 42-213.12.
 - (b) If the unit(s) that is (are) not occupied as a home cannot be sold separately, the unit(s) is (are) unavailable to meet current needs and shall be excluded in evaluating property. (See Section 44-113.1 for the treatment of income received from the rental of real property.)
- .4 The home which was the usual home of an applicant/recipient who has entered into marital separation shall be treated as follows:
- .41 The usual home shall be exempt in determining an applicant's eligibility for CalWORKs and for three months following the end of the month in which aid begins.

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See Section 44-317.

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- .411 Section 42-213.411(QR) shall become inoperative and Section 42-213.411(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
 - (QR) If the exemption period ends mid-quarter, the county shall not act on the information during the QR Payment Quarter. The usual home shall be used to determine eligibility for the QR Payment Quarter following the QR Payment Quarter in which the exemption period ended.
 - (SAR) If the exemption period ends mid-period, the county shall not act on the information during the SAR Payment Period. The usual home shall be used to determine eligibility for the SAR Payment Period following the SAR Payment Period in which the exemption period ended.
- .42 The usual home shall be exempt in evaluating a recipient's retained property during the month of separation and for three months following the end of the month in which the separation occurs.
- .421 Section 42-213.421(QR) shall become inoperative and Section 42-213.421(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

42-213 **PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY** **42-213**
WHICH MAY BE RETAINED (Continued)

- (QR) If the exemption period ends mid-quarter, the county shall not act on the information during the QR Payment Quarter. The usual home shall be used to determine eligibility for the QR Payment Quarter following the QR Payment Quarter in which the exemption period ended.
- (SAR) If the exemption period ends mid-period, the county shall not act on the information during the SAR Payment Period. The usual home shall be used to determine eligibility for the SAR Payment Period following the SAR Payment Period in which the exemption period ended.
- .43 The applicant/recipient shall be informed when the exemption is granted that it is time-limited and that the expiration of the three month period may result in ineligibility.
- .44 See Sections 42-213.3 and 42-201.1 for situations which require the home to remain excluded from property evaluation following the three month exemption period.
- .5 Other property which is mandatorily and specifically exempt by federal law and shall be exempt from the effective date as specified in federal law.
- .51 Property which is mandatorily exempt under federal law includes, but is not limited to:
- .511 Public Law (PL) 92-254 or PL 94-540 which exempts any funds distributed per capita or held in trust for members of any Native American tribe under PL 92-254 or PL 94-540.
- .512 PL 93-134, PL 97-458 and PL 98-64 which exempt as property the funds of Native American tribes including interest earned from, investment income derived from and initial purchases made with such funds when the funds have been:
- (a) Distributed by the Secretary of the Interior on a per capita basis; or
 - (b) Held in trust by the Secretary of the Interior; or
 - (c) Individually owned trusts or restricted lands.
- .513 PL 100-241 which exempts distributions to a household, individual Native or descendent of a Native when received from a Native Corporation established pursuant to the Alaskan Native Claims Settlement Act (ANCSA). Exempt distributions include:
- (a) Cash (including cash dividends on stock received from a Native Corporation) to the extent it does not exceed \$2,000 total per person per anum, stock, a partnership interest, land or interest in land, and interest in a settlement trust.

42-213	PROPERTY ITEMS TO BE EXCLUDED IN EVALUATING PROPERTY WHICH MAY BE RETAINED (Continued)	42-213
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- .514 PL 100-383 which exempts payments received as restitution made to U.S. citizens and permanent resident aliens of Japanese ancestry, and payment received as restitution made to Aleuts as a result of being relocated by the United States government during World War II.

- .515 PL 100-707 which exempts federal major disaster and emergency assistance provided under the Disaster Relief Act and comparable disaster assistance provided by the state, local governments and disaster assistance organizations.

- .516 PL 101-201 and PL 101-239 which exempt payments received from all Agent Orange settlements.

- .517 PL 101-426 which exempts payments received under the Radiation Exposure Compensation Act.

- .518 PL 101-508 which exempts Earned Income Credit (EIC) payments for the month it is received and the following month.

- .519 PL 103-286 which exempts payments received by victims of Nazi persecution.

NOTE: Authority cited: Sections 10553, 10554, 10604, and 11155.2, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11155, 11155.2, 11155.5, 11257, 11265.1, 11265.2, 11450, and 11450.5, Welfare and Institutions Code; Sidwell v. McMahon, United States District Court (E.D. Cal.) May 7, 1990, civil no. S-89-0445; Public Laws 97-458, 98-64, and 103-286; and Federal Action Transmittal 91-23, 45 CFR 233.20(a)(3)(i)(B); Federal Register, Vol. 75, No. 19, dated January 29, 2010, pages 4928 and 4929 [7 CFR 273.12(a)(1)(vii)].

42-215	DETERMINING VALUE OF PROPERTY	42-215
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.1 Determination of Value of Real Property

For determination of CalWORKs eligibility, an applicant or recipient's net market value interest in real property is determined by subtracting any allowable encumbrance against it from its market value (42-215.21).

- .11 Acceptable evidence of allowable encumbrances on real property are listed below:
 - (a) Mortgages
 - (b) Notes
 - (c) Deeds of trust

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- (d) Payment receipts
- (e) Loan payment books
- (f) Delinquent tax liens
- (g) Judgments items
- (h) Mechanics liens
- (i) Assessments
- (j) Unpaid balance on property

.12 Applicant and/or Spouse Not Sole Owners

If the applicant or the applicant and his spouse are not the sole owners of property, only his or their proportionate share is included in their respective holdings.

.13 In order to identify real property holdings of recipients, the county shall, at least, contact the local county assessor, recorder or tax collector.

.2 Acceptable Evidence of Value of Real Property

.21 In CalWORKs the market value of real property shall be based on the most recent appraisal of market value from the county assessor, recorder or tax collector.

.22 Evidence of an allowable encumbrance in .21 above shall be the written document which supports it. Evidence of unwritten encumbrances shall be the sworn statements of all parties, under penalty of perjury, to the following:

- .221 initial and maturity date;
- .222 extent of encumbrances; and
- .223 value received

.3 Determination of Value of Personal Property Other than Motor Vehicles: The county shall determine the value of personal property in conformance with methods established under the Food Stamp Program. (See Food Stamp regulations at Manual of Policies and Procedures Section 63-501.5.)

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- .31 Food Stamp regulations at Manual of Policies and Procedures Section 63-501.5 states that the value of nonexcluded resources shall be their equity value. The equity value is the fair market value less encumbrances.

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- .32 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.
- .33 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.
- .34 Repealed by Manual Letter no. EAS-98-03, effective 7/1/98.
- .4 Determination of Vehicle Value: The county shall determine the value of vehicles in conformance with methods established below.
- .41 Fair Market Value of Vehicles - Verification
- .411 The fair market value of automobiles, trucks and vans shall be determined by the value of those vehicles as listed in publications written for the purpose of providing guidance to automobile dealers and loan companies. Publications listing the value of vehicles are usually referred to as "blue books". The CWD shall insure that the blue book used to determine the value of vehicles has been updated within the last six months. The CWD shall assign the wholesale value to vehicles. If the term "wholesale value" is not used in a particular blue book, the CWD shall assign the listed value which is comparable to the wholesale value. The CWD shall not increase the basic value of a vehicle by adding the value of low mileage or other factors such as optional equipment or special equipment for the handicapped. If a new vehicle is not yet listed in the blue book, the CWD shall determine the wholesale value through some other means, such as contacting a car dealer which sells that make of vehicle and asking how much the dealership would offer the household for the car.
- .412 To determine the most appropriate value of a vehicle, the CWD shall obtain from the applicant and/or the vehicle's registration card, the vehicle's year, make, model, and number of doors. If the information for these four items is incomplete, the CWD shall use the lowest blue book value listed to the extent that the vehicle has been identified.

42-215 DETERMINING VALUE OF PROPERTY (Continued) 42-215

.413 A household may indicate that for some reason, such as body damage or inoperability, a vehicle is in less than average condition. Any household which claims that the blue book value does not apply to its vehicle shall be given the opportunity to acquire verification of the true value from a reliable source. Also, households shall be asked to acquire verification of the value of licensed antique, custom made, or classic vehicles, if the CWD is unable to make an accurate appraisal. If a vehicle is no longer listed in the blue book, the household's estimate of the value of the vehicle shall be accepted, unless the CWD has reason to believe the estimate is incorrect. In that case, and if it appears that the vehicle's value will affect eligibility, the household shall obtain an appraisal or produce other evidence of its value, such as a tax assessment or a newspaper advertisement which indicates the amount for which like vehicles are being sold.

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.42 Handling of Unlicensed Vehicles

The value of unlicensed vehicles shall be their equity value, unless an exemption applies. The equity value is the fair market value less encumbrances.

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.43 Handling of Licensed Vehicles.

The value of licensed vehicles shall be the greater of the fair market value as provided in Section 42-215.44, or the equity value as provided in Section 42-215.45, unless an exemption applies as provided in Section 42-215.431.

.431 The entire value of any licensed vehicle shall be exempt if any of the following apply:

- (a) It is used primarily (over 50 percent of the time the vehicle is used) for income-producing purposes such as, but not limited to, a taxi, truck or fishing boat;
- (b) It annually produces income that is consistent with its fair market value, even if used on a seasonal basis;
- (c) It is necessary for long distance travel, other than daily commuting, that is essential to the employment of a household member; for example, the vehicle of a traveling sales person or a migrant farm worker following the work stream;

42-215	DETERMINING VALUE OF PROPERTY (Continued)	42-215
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- (d) It is used as the family's residence.
- (e) It is necessary to transport a physically disabled family member, including an excluded disabled family member, regardless of the purpose of the transportation.

Example:

- (1) If the physical disability of the individual is not evident to the eligibility worker, verification shall be required.
- (2) The individual shall be required to provide a statement from a physician certifying that the individual is physically disabled. The disability may be temporary or permanent.
- (3) There shall be a limit of one vehicle per physically disabled household member.
- (4) The vehicle need not have special equipment or be primarily used by or for the transportation of the physically disabled household member. However, a vehicle shall be considered necessary for the transportation of a physically disabled household member if the vehicle is specially equipped to meet the specific needs of the disabled person or if the vehicle is a special type of vehicle that makes it possible to transport the disabled person.
- (f) It would be exempted under any of Sections 42-215.431(a) through (d), inclusive, but the vehicle is not in use because of temporary unemployment, such as when a taxi driver is ill and cannot work, or when a fishing boat is frozen in and cannot be used.
- (g) It is used to carry fuel for heating or water for home use, when the transported fuel or water is the primary source of fuel or water for the family.
- (h) The equity value of the vehicle is one thousand five hundred and one dollars (\$1,501) or less.

42-215 DETERMINING VALUE OF PROPERTY (Continued) 42-215

- .44 Each licensed vehicle that is not exempted under Section 42-215.431 shall be individually evaluated for fair market value, and any portion of the value that exceeds four thousand six hundred fifty dollars (\$4,650) shall be attributed in full market value toward the family's resource level, regardless of any encumbrances on the vehicle, the amount of the family's investment in the vehicle, and whether the vehicle is used to transport family members to and from employment. Each vehicle shall be appraised individually. The fair market value of two or more vehicles shall not be added together to reach a total fair market value in excess of the current vehicle exclusion limit.
- .441 For example, a household owning an automobile with a fair market value of \$5,500 shall have the current vehicle exclusion limit (\$4,650 as of October, 1996) excluded and \$850 applied toward its resource level.
- .45 Licensed vehicles shall also be evaluated for their equity value, except for the following:
- .451 Vehicles excluded by Section 42-215.43.
- .452 One licensed vehicle per adult family member, regardless of the use of the vehicle.
- .453 Any other licensed vehicle driven by a household member under 18 years of age (or an ineligible noncitizen or disqualified household member under age 18 whose resources are being considered available to the household) to commute to and from employment, or to and from training or education which is preparatory to employment, or to seek employment. The equity exclusion applies during temporary periods of unemployment, to a vehicle which a member under age 18 customarily drives to commute to and from employment.
- .46 In the event a licensed vehicle is assigned both a fair market value in excess of the vehicle exclusion limit as specified in Section 42-215.441 and an equity value, only the greater of the two amounts shall be counted as a resource.

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- .461 When computing the value of a licensed vehicle which has not been totally excluded or is not equity exempt, determine both the FMV and the equity value of the vehicle. The larger of the two values is considered the resource value and counted in the resource limit.

Example: The greater of the two amounts is counted as a resource.

Computation of FMV		Computation of Equity Value	
\$5,000	FMV	\$5,000	FMV
-4,650	Exclusion Limit	-3,250	Amount Owed
\$ 350	Excess FMV	\$1,750	Equity Value

The greater of the two amounts to be considered as a resource is \$1,750.

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- .47 Steps in evaluating vehicles:

.471 **Step One**

Determine if any vehicle in the household is excludable as a resource. Vehicles in this category include those that are:

- (a) Income producing;
- (b) Annually producing income consistent with FMV, even if used on a seasonal basis;
- (c) Necessary for long distance travel to employment other than daily commuting, e.g., traveling salesman;
- (d) Used as a home;

42-215 DETERMINING VALUE OF PROPERTY (Continued) 42-215

- (e) Necessary to transport a physically disabled household member;
- (f) Previously used as income producing by a self-employed household member who is temporarily unemployed. Exclude for one year period from date of termination of self-employment in farming.
- (g) Household depends on vehicle to carry fuel for heating or water for home use when such fuel or water is the primary source of fuel or water for the household.

If none of the vehicles in the household are categorized as excludable from resource consideration, or there are remaining vehicles left to be evaluated after others have been determined excludable, go to Step 2.

.472 Step Two

Exclude any vehicle, licensed or unlicensed, that is an inaccessible resource (a vehicle that will not produce an estimated return of more than \$1,500). Valuation of an inaccessible vehicle is required at application and when a new vehicle is reported. Reevaluation is required only at redetermination.

.473 Step Three

Of the remaining licensed vehicles, determine the number of adult household members and exempt one vehicle each from the equity valuation. The FMV must be calculated, and the excess FMV is considered as a countable resource. Adult household members also include ineligible noncitizens or disqualified family members whose resources are considered available to the AU.

Then, determine if any of the remaining licensed vehicles in the family are used by a teenager under age 18 to drive to work, school, job training, or to look for work. If there is a vehicle used by a teenager for any of these purposes, it is exempt from the equity value, but must be evaluated for FMV. The excess FMV is considered a countable resource. Family members under the age of 18 also include an ineligible noncitizen or disqualified household member under age 18 whose resources are considered available to the AU.

42-215	DETERMINING VALUE OF PROPERTY (Continued)	42-215
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.474 **Step Four**

For any remaining licensed vehicles, compute the FMV and the equity value. Use the greater of the excess FMV or equity value as the countable resource value.

.475 **Step Five**

For any remaining unlicensed vehicles compute the equity value of each and use the resultant amount as a countable resource value.

Add the values of the above values to arrive at the total vehicle resource value.

.48 The exclusions for licensed vehicles as specified in Section 42-215.431 shall also apply to:

.481 unlicensed vehicles on those Indian reservations that do not require vehicles driven by tribal members to be licensed;

.482 licensed vehicles used by ineligible noncitizens or disqualified persons whose resources are considered available to the family.

.5 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

.6 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10063, 10554, 11155 and 18901.9 (Ch. 743, Stats. of 2003), Welfare and Institutions Code; and Federal Register Volume 68, No. 168, Page 51933 published on August 29, 2003.

42-219 ACQUISITION AND CONVERSION OF REAL AND PERSONAL PROPERTY 42-219

.1 Conversions of Property

These regulations are to be applied in a flexible and reasonable manner which within the limits specified in the code, will allow the recipient a maximum freedom of choice in the acquisition, conversion, or disposition of property resources without affecting his eligibility.

Real or personal property may be acquired or converted to other forms by a recipient without affecting eligibility if the resultant holdings do not exceed the maximum allowed by the code.

Payments which include compensation for property which was lost, stolen, damaged, or destroyed shall be evaluated in accordance with Section 44-105.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 10554, Welfare and Institutions Code.

42-221 TRANSFER OF PROPERTY OR INCOME **42-221**

.1 The receipt of aid shall not limit or restrict a recipient's right to give, receive, sell, exchange, or change the form of property. A period of ineligibility (POI) shall result when a recipient AU gives away or transfers, for less than fair market value (FMV), nonexcluded property (including cash) that would cause the AU to exceed its eligibility for cash aid. (See Section 42-207 for property limits.)

.2 Property

.21 The POI shall be computed based on the amount that, when added to other countable property, would have exceeded the property limit if the property had been transferred at its FMV. The county shall determine the POI as follows:

- .211 Establish the FMV of the property transferred;
- .212 Add other countable property;

42-221	TRANSFER OF PROPERTY OR INCOME (Continued)	42-221
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- .213 Subtract the amount of the property limit;
- .214 Subtract the amount actually received for the property from the FMV amount determined in Section 42-221.211;
- .215 Compare the amount calculated in Section 42-211.213 with the amount calculated in Section 42-221.214 and determine the lesser of the two amounts;
- .216 Divide the lesser of the two amounts in Section 42-221.215 by the MBSAC for the AU;
- .217 Round the resulting figure down to the nearest whole number to determine the number of months in the POI.

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.3 Example: While on aid, a recipient AU of two persons inherits a parcel of real property with a FMV of \$1,300. The value of this inherited property, when added to other (\$1,400) countable property held by the AU, causes the AU to exceed the allowable property limit (\$2,000). The AU sells the parcel for \$100, which is less than its \$1,300 fair market value.

.31 Computation Factors:

\$ 1,300		FMV of the parcel of real property
+ 1,400		Property held by the AU
\$ 2,700		
- \$ 2,000		AU property limit. (See Section 42-207.)
\$ 700		Amount in excess of the property limit
\$1,300		FMV of the parcel of real property
- 100		Amount actually received by the AU for the real property
\$1,200		Difference between the FMV and the amount received for the property.

\$700 is less than the \$1,200 difference between the FMV and the amount received for the transferred property

\$700 divided by \$624* = 1.12 months

POI = 1 month (rounded down from 1.12 months)

*MBSAC for AU of 2 = \$624; MBSAC amounts are subject to change.

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42-221 TRANSFER OF PROPERTY OR INCOME (Continued) 42-221

.4 Income

Nonrecurring lump sum income/payments shall be treated as property and shall be subject to any application of POI rules for a transfer of property for less than FMV.

.41 Income is considered nonrecurring if all of the following apply:

.411 the income is not interest income or contractual income as specified in MPP Section 44-102 which requires a specified treatment;

.412 the income is for a period of more than one month, and

.413 the income is not from a source expected to occur regularly.

.5 Applying the Period of Ineligibility (POI)

.51 When the family has transferred property which results in a POI, cash aid shall be discontinued and the POI begin as follows:

(a) Section 42-221.51(a)(QR) shall become inoperative and Section 42-221.51(a)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) The first month of the next QR Payment Quarter following the transfer and shall continue for the determined number of months of ineligibility. Any aid received by the AU during the ineligible months of the quarter is an overpayment.

(SAR) The first month of the next SAR Payment Period following the transfer and shall continue for the determined number of months of ineligibility. Any aid received by the AU during the ineligible months of the SAR Period is an overpayment.

(b) Section 42-221.51(b)(QR) shall become inoperative and Section 42-221.51(b)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) When the transfer is discovered too late to discontinue for the first month of the QR Payment Quarter, the POI shall begin the first of a month within that QR Payment Quarter after timely and adequate notice is given. Any aid received by the AU during the ineligible month(s) of the current quarter is an overpayment.

(SAR) When the transfer is discovered too late to discontinue for the first month of the SAR Payment Period, the POI shall begin the first of a month within that SAR Payment Period after timely and adequate notice is given. Any aid received by the AU during the ineligible month(s) of the current SAR Payment Period is an overpayment.

42-221 TRANSFER OF PROPERTY OR INCOME (Continued) **42-221**

(c) Section 42-221.51(c)(QR) shall become inoperative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) When the transfer is in the first or second month of aid, any resulting POI shall begin the first month of the next QR Payment Quarter and shall continue for the determined number of months.

.6 Transfer of property rules do not apply to applicant families.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11157.5 (Ch. 270, Stats. of 1997 and Ch. 902, Stats. of 1998), 11265.1, 11265.2, 11265.3, and 11450.5, Welfare and Institutions Code.

42-223 SPECIAL PROPERTY CONSIDERATIONS **42-223**

.1 Property in Another State

Since the method for computing the assessed value of real property in other states may not be the same as that utilized in California, it is necessary to convert values arrived at by other states into figures that are comparable to the value referred to in EAS 42-215.21. This should be accomplished by application of the following conversion formula:

$$\begin{array}{ccccccc} \text{Assessed value} & & & \text{Assessment Value as} & & & \\ \text{of property in} & & & \text{rate of} & = & & \text{used in} \\ \text{another state} & \text{divided} & & \text{that state} & & & \text{EAS 42-215.21} \\ & \text{by} & & & & & \end{array}$$

.2 Tax Exemptions

Veterans (and in some cases their widows and parents) are allowed certain tax exemptions which are applied either to real or personal property. If the record used to determine the full value of the property shows only the amount of assessment upon which taxes are based, the amount of exemption would be determined and added to the taxable value to determine the full value.

.3 Property Outside the United States

If property is located outside the United States, the full value is determined on the basis of the rate of exchange in American dollars, regardless of the manner by which other units of government determine the full value.

.4 Ownership of Property in Militarily Occupied Areas

Ownership and value of property located in countries actively at war or in conquered or occupied areas is considered to be in doubt and the facts as to the holdings usually cannot be ascertained. If it is impossible to obtain information on property located in such countries, it is the presumption that continued ownership is in doubt and that such property has no present value in determining eligibility.

**NONLINKING FACTORS OF PUBLIC ASSISTANCE ELIGIBILITY
GENERAL TIME LIMIT REQUIREMENTS**

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CHAPTER 42-300 GENERAL TIME LIMIT REQUIREMENTS

42-301 GENERAL TIME LIMIT REQUIREMENTS FOR ADULTS 42-301

- .1 Time Limits Effective July 1, 2011, there shall be a 48-month time limit on the receipt of aid in California for certain adults as specified in Section 42-302.1. Prior to this date, there was a 60-month time limit on the receipt of aid for certain adults.

- .2 Ineligible Due to Time Limits Adults who are ineligible for aid based on the 48-month time limit provisions, specified in Section 42-302, shall be removed from the AU. See MPP Sections 44-133.8 and 82-833.1 for additional regulations pertaining to timed-out adults.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 11450, 11454(a), (b), and (c), and 11454.2, Welfare and Institutions Code.

42-302 48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS 42-302

- .1 48-Month Time Limit Except as specified in Section 42-302.11, no individual shall be eligible for aid when that individual has received aid as an adult, 18 years of age or older, for a cumulative total of 48 months. The 48-month time limit applies to aid received under CalWORKs. The 48-month time limit also applies to any aid received under another state's program funded by the federal Temporary Assistance to Needy Families (TANF) Program since January 1, 1998. The 48-month time limit shall not apply to children.

- .11 Exceptions When an individual has been aided as an adult for 48 months, additional months of aid may be provided to that adult when all parents, aided stepparents, and/or caretaker relatives residing in the home of the aided child(ren) meet any of the following conditions:
 - .111 Advanced Age The individual is 60 years of age or older.

 - .112 Providing Care The individual is exempt from welfare-to-work participation requirements due to:

42-302	48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS (Continued)	42-302
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| | (a) | The need to care for an ill or incapacitated person residing in the home, and the caretaking responsibilities impair the individual's ability to be regularly employed or to participate in welfare-to-work activities. |
| | (b) | Being a nonparent caretaker of either a dependent child of the court, a Kin-GAP child, or, as determined by the county, a child who is at risk of placement in foster care. For this exemption to apply, the county must also determine that the caretaking responsibilities are beyond those considered normal day-to-day parenting responsibilities so that they impair the individual's ability to be regularly employed or to participate in the welfare-to-work activities. |
| .113 | Disabled | The individual is receiving benefits from State Disability Insurance, Worker's Compensation Temporary Disability Insurance, In-Home Supportive Services, or the State Supplementary Program, and the disability significantly impairs his/her ability to be employed on a regular basis or to participate in welfare-to-work activities. |
| .114 | Unable to Maintain Employment or Participate | The county determines that the individual is not able to maintain employment or to participate in welfare-to-work activities, based on a current assessment of the individual as specified in MPP Section 42-302.114(b), and the county's finding that the individual has a history of participation and full cooperation in welfare-to-work activities. |
| | (a) | An individual shall be found to have a history of participation and full cooperation in welfare-to-work activities if the individual meets the criteria in Section 42-302.114(a)(1) or (a)(2): |

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(Continued)

(b) Upon the county's determination that the individual has a history of participation and full cooperation in welfare-to-work, the county shall assess the individual's current ability to maintain employment or participate in welfare-to-work activities.

(1) For purposes of this section, an individual who is fully participating in her/his welfare-to-work assignment upon reaching the 48-month time limit shall be considered able to maintain employment or participation unless the individual's required welfare-to-work activity has been modified in accordance with MPP Section 42-302.114(b)(2)(B).

(A) For purposes of this section an individual is fully participating if she/he is meeting their 32 or 35 hours of participation requirement or successfully participating in unsubsidized employment and/or other welfare-to-work activities for the number of hours an appropriate activity is reasonably available.

42-302	48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS	42-302
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- (A) The individual has a documented impairment or combination of impairments, as specified in MPP Section 42-302.114(a)(2), that is of such severity that the individual is incapable of successfully maintaining employment or participation in welfare-to-work activities for 20 or more hours per week.

- (B) The individual has a documented impairment as specified in MPP Section 42-302.114(a)(2), and is maintaining her/his participation in welfare-to-work activities only through a significant modification of the individual's welfare-to-work activities.
 - 1. For purposes of this section, a significant modification includes but is not limited to: mental health counseling; substance abuse treatment; domestic abuse services; a supported work environment, which is characterized by close supervision, graduated performance expectations, and peer support; or additional time to complete an activity.

- (C) The individual has a documented impairment or combination of impairments, as specified in MPP Section 42-302.114(a)(2), and due to local labor market conditions there is a lack of employers that could reasonably accommodate the individual's physical and/or mental limitations.

42-302	48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS	42-302
	(Continued)	

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| | (c) | Domestic Abuse | The individual is a victim of domestic abuse and the county has determined that good cause exists for waiving the 48-month time limit. See Section 42-713.22. |
| | (d) | Teen Program | The individual is eligible for, participating in, or exempt from Cal-Learn or another teen parent program approved by the CDSS. The exemption does not apply to an individual who is 19 years of age and is eligible for voluntary participation if the individual chooses not to participate in Cal-Learn. |
| | (e) | Advanced Age | The individual is exempt from welfare-to-work participation requirements due to being 60 years of age or older. |
| | (f) | Unaided | The individual is excluded from the AU for reasons other than exceeding the time limit. |
| | (g) | Aid is Reimbursed | The cash aid is fully reimbursed as a result of child support collection whether collected in that month or any subsequent month. |
| | (1) | Process for Reimbursement of Months of Aid for Exemption | All assigned child support payments, including collections in a current month, arrears, and lump sum payments collected to reimburse aid in California from January 1998 forward, shall be applied cumulatively to repay aid payments in the following order: |
| | | (A) | The cumulative child support recoupment will be applied to each month of aid beginning with the earliest unreimbursed month of aid, on or after January 1998, and moving forward as each month of aid is fully reimbursed. |

42-302	48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS	42-302
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(Continued)

- (B) Recoupment, as provided by the local child support agency, is all child support that has been assigned and collected to repay aid. Beginning October 1998, this includes the disregard payments pursuant to MPP Section 12-425(c)(1)(B).
- (C) Each month of aid that is fully reimbursed by child support shall be exempt and not counted toward the CalWORKs 48-month time limit of parents, aided stepparents, and/or aided caretaker relatives residing in the home of the child(ren.)
- (D) The child support recoupment shall be applied to all months of aid whether or not the month had been previously exempted for any reason, including any month(s) exempt because the individual was unaided for any reason, including a sanction.
- (E) The child support recoupment will be reviewed to determine if the cumulative amount is sufficient to reimburse and exempt a monthly grant amount. Any child support that remains but is insufficient to fully reimburse a monthly grant, whether collected in the current month or for a previous period of time, shall be carried forward and used for any subsequent unreimbursed month(s) of aid.
- (F) The recipient shall be informed of the exempt months due to child support recoupment pursuant to MPP Sections 40-107(a)(4)(A) through (a)(4)(I).
- (G) Information regarding the balance of child support recoupment and the number of months exempt due to the child support recoupment must be reported to any subsequent county(ies) to continue reimbursement of the subsequent months of aid.

42-302	48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS (Continued)	42-302
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(h)	Living in Indian Country	The individual lived in Indian country, as defined by federal law, or an Alaskan native village, in which at least 50 percent of the adults living in the Indian country or in the village are not employed.
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(1)		Counties shall obtain the required information on unemployment rates through the governing body of each tribal land.
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(i)	Receiving Supportive Services	The individual is a former recipient of cash aid and is only receiving child care, case management or supportive services.
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(j)	Grant Amounts Less Than \$10	The recipient does not receive a cash aid payment for the month because the grant amount is less than \$10.
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(k)	Lack of Necessary Supportive Services	The individual is excused from participation for good cause due to lack of necessary supportive services, as specified in Section 42-713.21. This paragraph is effective July 28, 2009 and shall become inoperative on July 1, 2012.
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.22	Diversion Count	Diversion payments as set forth in Section 81-215 count toward the 48-month time limit unless they are recouped as provided in Section 42-302.223(a) or unless part or all of the diversion period is exempt as provided in Section 42-302.21 et seq. Count the months as follows:
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.221	Diversion Payment Month	The month in which a lump sum diversion payment is made counts as one month toward the 48-month time limit unless the diversion recipient applies for CalWORKs cash aid during the diversion period, as specified in Section 81-215.41, and is determined to be eligible for CalWORKs. In that case, the diversion payment is treated in accordance with Section 42-302.223.
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.224

A recipient with a Region 2, Non-Exempt MAP of \$538 received a lump sum diversion payment in the amount of \$1,800 in March. The recipient returns to the county in May (within the diversion period), is determined eligible for CalWORKs cash aid, and opts not to have the \$1,800 diversion payment recouped from the CalWORKs cash aid. The diversion payment equates to 3.3 months of aid. The partial month is dropped, and the recipient has a total of three months (March, April, and May) counted toward the 48-month time limit.

.225

A recipient with a Region 2, Non-Exempt MAP of \$538 receives a diversion lump sum payment of \$100 on March 2. The recipient reapplies for CalWORKs cash aid in the same month and is determined eligible. The month of March counts as one month toward the 48-month limit because the recipient received CalWORKs aid.

HANDBOOK ENDS HERE

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42-302	48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS (Continued)	42-302
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- (b) A statement that the individual may need to provide documentation to substantiate some exemptions/exceptions.
- (c) A statement of exemptions from the time limit that do not require a written request.
- (d) A statement that the individual will be informed, in writing, whether the exemption/exception is granted or not and the reason if the exemption/exception is denied.
- (e) A statement that the individual may request a State hearing to appeal a denial of an exemption/exception request.

.32 Exemption/Exception Determination

The county shall inform the individual, in writing, of the exemption/exception determination no later than 15 calendar days from the date of completed request for an exemption/exception pursuant to Section 42-302.3. The specified response time may be exceeded in situations where completion of the determination is delayed because of circumstances beyond the control of the county, in which instances the case record must specify the cause for delay. These instances include:

- (a) Inability on the part of the recipient to provide the necessary verification.
- (b) Delay on the part of an examining physician to provide the necessary information.

.33 Documentation of Exemption/Exception

The county shall first research all available and relevant case records before requesting additional verification from the recipient. Pursuant to MPP Section 40-107(a), the county shall assist the applicant/recipient in obtaining the necessary records to verify the exemption/exception.

42-302	48-MONTH TIME LIMIT REQUIREMENTS FOR ADULTS	42-302
	(Continued)	

- .34 Determination Notice
- The notice of action approving or denying a request for an exemption or exception shall state whether the request was granted or denied and if denied, the reason for the denial.
- (a) Repealed by Manual Letter No. EAS-03-04, effective 4/9/03.
- (b) Repealed by Manual Letter No. EAS-03-04, effective 4/9/03.
- (c) Repealed by Manual Letter No. EAS-03-04, effective 4/9/03.

NOTE: Authority cited: Sections 10553, 10554, and 11369, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 10553, 10554, 11266.5, 11320, 11320.3, 11454, 11454(e) and (e)(5), 11454.2, 11454.5, 11454.5(b) and (b)(4) and (5), and 11495.1, Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); and 42 U.S.C. 608(a)(7)(a), (B) and (D).

**NONLINKING FACTORS OF PUBLIC ASSISTANCE ELIGIBILITY
RESIDENCE**

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CHAPTER 42-400 RESIDENCE

42-400 RESIDENCE **42-400**

Residence in the state, but not in the county, is a requirement for receipt of aid. However, it is necessary to determine the county in which the applicant lives in order to establish county responsibility for payment of aid. (See Section 40-125.)

42-401 STATE RESIDENCE FOR ELIGIBILITY **42-401**

No durational period of residence in the state or county is required.

42-403 RESIDENCE - GENERAL **42-403**

.1 Definition of Residence

A person establishes residency by either:

- .11 Voluntarily living in the state with the intention of making his or her home for other than a temporary purpose. Residence may not depend upon the reason for which the individual entered the state, except insofar as it may bear upon whether the individual is there voluntarily or for a temporary purpose; or
- .12 Living in the state at the time of application, not receiving assistance from another state, and having entered the state with a job commitment or to seek employment, whether or not currently employed, (e.g., migrant and itinerant workers).

An AFDC-FG/U child living with a caretaker who qualifies under this definition, is a resident of the state in which the caretaker is a resident.

.2 Duration of Residence

Residence in the state established by either of the above criteria continues until the recipient leaves the state and establishes residence elsewhere. Temporary absence from the state, with subsequent returns, or the intent to return to the state when the purposes of the absence have been accomplished, does not interrupt continuity of residence (see 42-405, 406, and 407).

.3 Program Requirements

The husband or wife may each have a separate residence, a fact which is established by the actions and intent of each. An applicant for or recipient of aid does not lose residence for aid because of marriage, but moving out of state with the spouse also implies intent to establish residence elsewhere.

NONLINKING FACTORS OF PUBLIC ASSISTANCE ELIGIBILITY**42-405****RESIDENCE****Regulations**

42-405 RIGHTS AND RESPONSIBILITIES OF APPLICANTS OR RECIPIENTS 42-405**.1 Rights of Residence Location**

Applicants for or recipients of aid have the same freedom of movement and choice of a place to live accorded other citizens of California.

.2 Informing County of Residence Changes

.21 An applicant or recipient, shall immediately inform the county to which he applied, or the county paying aid, if he goes to another county, state, or country, regardless of the anticipated date of return. (See Section 40-181.4.)

.22 Such an applicant or recipient shall cooperate with the county welfare department and provide the county with a monthly written statement explaining his reasons for absence from California, his intent to return to California and anticipated date of return. Failure to promptly provide such statements will result in immediate discontinuance of aid payments.

42-406 COUNTY WELFARE DEPARTMENT RESPONSIBILITY**42-406**

.1 Physical absence from the state indicates a possible change of residence. The county shall make inquiry, on a monthly basis, from all applicants or recipients who have been continuously absent from the state for 30 days or longer in order to ascertain the recipient's intent to maintain California residency. If the inquiry establishes (see Section 42-407.2) that the recipient is no longer a California resident, aid shall be discontinued at the end of the month in which timely and adequate notice can be given.

.2 The response to the inquiry shall include, but is not limited to, the following:

.21 a statement of the applicant or recipient declaring his anticipated date of return to California, or his intent not to return to California.

.22 a statement of the applicant or recipient declaring his reason for continued absence from California.

.23 a statement of the applicant or recipient delineating the present location and status of the housing arrangements (owned, leased, or rented) for himself and his family (spouse and children).

.24 Section 42-406.24(QR) shall become inoperative and Section 42-406.24(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) the completion and return of QR 3 or QR 7, giving his current employment status, and all other factors normally used to compute the recipient's needs.

42-406 COUNTY WELFARE DEPARTMENT RESPONSIBILITY (Continued) 42-406

(SAR) the completion and return of the SAR 3 or SAR 7, giving his or her current employment status, and all other factors normally used to compute the recipient's needs.

.25 a notice to the applicant or recipient that his failure to respond to the inquiry will result in his ineligibility and termination of aid payments.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11265.2, Welfare and Institutions Code.

42-407 EVIDENCE OF RESIDENCE INTENTION 42-407

.1 Applicant or Recipient Physically Present in State

Section 42-407.1(QR) shall become inoperative and Section 42-407.1(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) The written statement of the applicant or recipient is acceptable to establish his intention and action on establishing residence unless the statement is inconsistent with other statements on the SAWS 2, QR 7, or recipient mid-quarter report, or with the conduct of the person or with other information known to the county.

(SAR) The written statement of the applicant or recipient is acceptable proof to establish his or her intention of establishing residence unless the statement is inconsistent with the conduct of the person, with other information known to the county, or with other statements on the SAWS 2, SAR 7, or recipient mid-period reports.

.2 Absence From the State

.21 If an applicant or recipient does not respond, within 30 days, to the monthly county inquiry of residence (Section 42-406), it shall be presumed that he does not intend to maintain California residency and aid shall be discontinued at the end of the month in which timely and adequate notice can be given.

.22 If the applicant or recipient responds to the inquiry, and advises the county that he does not intend to return to California, aid shall be discontinued at the end of the month in which timely and adequate notice can be given.

.23 If the applicant or recipient responds to the inquiry and advises the county that he intends to maintain his California residency but he remains out of state for 60 days or longer, his continued absence is prima facie evidence of the applicant's or recipient's intent to have changed his place of residence to a place outside of California subject to Section 42-407.24. Such absence in itself is sufficient evidence to support a determination that the applicant or recipient has established residence outside of California. Therefore, his intent to return must be supported by one or a combination of the following:

42-407	EVIDENCE OF RESIDENCE INTENTION (Continued)	42-407
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- .231 family members with whom the applicant or recipient lived, currently live in California.
- .232 the applicant or recipient has continued maintenance of his California housing arrangements (owned, leased or rented).
- .233 the applicant or recipient has employment or business interests in California.
- .234 any other act or combination of acts by the applicant or recipient which establishes his intent to reside in California.
- .235 even if the recipient's intent to reside in California is supported by .231 through .234, it may still be established that the recipient does not have the intent to reside in California if any of the following situations occur and are significant enough to negate the evidence that supports California residence:
 - a. The applicant or recipient has purchased or leased a house out of state since leaving California.
 - b. The applicant or recipient has been employed out of state since leaving California.
 - c. The applicant or recipient has obtained an out-of-state motor vehicle driver's license since leaving California.
 - d. The applicant or recipient has taken any other action which indicates his intent to establish residence outside of California.
- .24 Continuous absence of 60 days or longer shall not be prima facie evidence of the applicant's or recipient's intent to have changed his place of residence to a place outside of California where he clearly shows:
 - .241 he has not, by act or intent, established residence outside of California; and
 - .242 his return to California was prevented by illness or an emergency.
- .25 Repealed by Manual Letter No. EAS-92-02, effective 3/1/92.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 11265.2, Welfare and Institutions Code; Senate Bill (SB) 991, Chapter 1285, Statutes of 1989; and WRL vs. McMahan, Case No. 268972 (Sacramento Superior Court), October 31, 1990.

42-716 WELFARE-TO-WORK ACTIVITIES 42-716
(Continued)

- .72 The CWD shall provide grant-based OJT funded community service positions only if the community service component of the county CalWORKs plan specifies the process by which the CWD will comply with the voluntary consent requirement and lists the languages, other than English, in which written consent will be obtained.
- .73 The participant's diverted cash grant and grant savings shall be used by the employer for the sole purpose of subsidizing the participant's wages.
- .731 Any portion of a participant's wage that is funded by the diversion of the recipient's cash grant and/or grant savings to the employer shall not be entitled to the income disregards specified in Section 44-111.23.
- .732 Any portion of the grant-based OJT participant's wages that are not derived from the participant's diverted grant and/or grant savings shall be subject to the income disregards specified in Section 44-111.23, however, the resulting grant and grant savings may be diverted to the employer.
- .733 Nothing in this Section 42-716.73 shall preclude an employer from using its own funds to pay a portion of the participant's wages.
- .74 The CWD shall administer grant-based-OJT funded positions in a manner that minimizes any break in income received by the participant as a grant, or as a wage subsidized by the diverted grant and/or grant savings upon entry into, during, or upon exit from the assignment.
- .741 Section 42-716.741(QR) shall become inoperative and Section 42-716.741(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
- (QR) A grant-based OJT placement may begin mid-quarter.
- (SAR) A grant-based OJT placement may begin mid-period.

42-716	WELFARE-TO-WORK ACTIVITIES	42-716
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(Continued)

- .742 When there is any break in income for a grant-based OJT participant caused by an employer's conduct or the participant's inability or failure to work her/his scheduled hours with or without cause, the CWD shall ensure that a recipient receives 100 percent of the maximum aid grant payment for which she/he is otherwise eligible, less the gross amount of the grant-based wages and any other non-exempt income received by the participant. The payment shall be made as a corrective underpayment within five calendar days of the participant notifying the CWD, or within two calendar days of CWD notification if the participant has an eviction Notice or a Notice to Pay Rent or Quit.
 - (a) If the participant's total gross wages paid in a month are less than the total amount of the diverted grant for that month, a corrective underpayment shall be issued in accordance with Section 44-340. This corrective underpayment shall be equal to the difference between the amount of the gross wages paid to the recipient and the amount of the grant diverted for the month.
 - (1) The participant shall return to the CWD the amount of unpaid wages that are recovered from the employer and for which the CWD issued a corrective underpayment. Any such recovered wages not returned by the participant to the CWD shall be treated as an overpayment.
 - (b) The CWD shall collect from the employer any amount of the grant and/or grant savings diverted to the employer that was not paid as wages to the recipient.
- .75 Wages derived from the diverted grant and/or grant savings and paid to a participant pursuant to this section shall not be considered as income in any determination of financial eligibility for the CalWORKs program.
- .76 The CWD shall not place grant-based OJT participants with an employer unless the employer agrees, at a minimum, to all of the following:
 - .761 To use the diverted grant solely for subsidizing the participant's wage and to return to the CWD any of the grant and/or grant savings received that are not paid as wages to the participant.
 - .762 Not to displace current employees with grant-based OJT participants pursuant to Section 42-720.1.
 - .763 To comply with the labor union and employee notification requirements specified in Section 42-720.3.

42-721	NONCOMPLIANCE WITH PROGRAM REQUIREMENTS	42-721
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(Continued)

- .313 The employment, offer of employment, activity, or other training for employment is remote from the individual's home because either:
 - (a) The round-trip travel time required exceeds a total of two hours, exclusive of the time necessary to transport family members to a school or place providing care, or
 - (b) Walking is the only available means of transportation and the round-trip is more than two miles, exclusive of the mileage necessary to accompany family members to a school or a place providing care.

An individual who fails or refuses to comply with the program requirements based on the remoteness of the employment, offer of employment, activity, or other training for employment shall be required to participate in community service activities as defined in Section 42-701.2(c)(3), and in accordance with Section 42-716.31(j)(2).
- .314 The employment, offer of employment, activity, or other training for employment involves conditions that are in violation of applicable health and safety standards.
- .315 The employment, offer of employment, or work activity does not provide for worker's compensation insurance.
- .316 Accepting the employment or work activity would cause an interruption to an approved education or job training program in progress. For purposes of this section, an education or job training program includes all welfare-to-work activities described in Section 42-716, except work experience or community service assignment.
 - (a) The approved education or job training program in progress must lead to employment and sufficient income to be self-supporting.
 - (b) If the hours of participation in the approved education or job training program in progress are less than the hours required as a condition of eligibility for aid, the CWD may require the individual to engage in welfare-to-work activities to the extent necessary to meet the required hours of participation.
- .317 Accepting the employment, offer of employment, or work activity would cause the individual to violate the terms of his or her union membership.

42-721	NONCOMPLIANCE WITH PROGRAM REQUIREMENTS	42-721
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(Continued)

- .32 In determining whether good cause exists for a refusal or failure to comply with program requirements, the CWD shall take into consideration whether the participant has a mental disability that caused or substantially contributed to the refusal or failure to comply with program requirements. This determination shall be made, where appropriate, in consultation with the county mental health department.
- .33 An individual shall have good cause for not participating in welfare-to-work activities if he or she meets the criteria described in Section 42-713.

.4 Sanctions

- .41 Financial sanctions shall be applied when a non-exempt welfare-to-work participant has failed or refused to comply with program requirements without good cause and compliance efforts have failed.

- .411 Any month in which an individual is under sanction and removed from the assistance unit shall not be counted as a month of receipt of aid in determining the 48-month time limit in accordance with Section 42-302.115.

- .412 Section 42-721.412(QR) shall become inoperative and Section 42-721.412 (SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

- (QR) A financial sanction is a county-initiated mid-quarter change pursuant to Section 44-316.331(b)(QR).

- (SAR) A financial sanction is a county-initiated mid-period change pursuant to Section 44-316.331(b)(SAR).

- .42 The sanctions shall not apply to an individual who is exempt from the welfare-to-work requirements and is voluntarily participating in the Welfare-to-Work Program. If an exempt volunteer engages in conduct that would bring about the sanction procedures described below but for his or her status as a volunteer, the individual shall not be given priority over other participants actively seeking to participate.

42-721	NONCOMPLIANCE WITH PROGRAM REQUIREMENTS	42-721
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(Continued)

- .43 Financial sanctions for failing or refusing to comply with program requirements without good cause shall result in a reduction in the family's grant by removing the noncomplying family member from the assistance unit until the noncomplying individual performs the activity(ies) he or she previously refused to perform; or if the activity that the noncomplying individual originally failed to perform is no longer available or appropriate, the county must specify another appropriate activity for the individual to perform.

- .44 The discontinuance from aid shall become effective on the first day of the first payment month that the sanctioned individual's needs are removed from aid following the CWD's timely and adequate notification (see Section 22-072.1), except as specified in Section 42-721.441.
 - .441 If the recipient appeals the sanction through the state hearing process within the period of timely notification, no sanction shall be imposed until the hearing decision is reached.
 - (a) If the CWD's action is sustained, the discontinuance shall be effective at the end of the payment month in which the state hearing decision is received.
 - (1) If the CWD is unable to discontinue aid at the end of such month, aid shall be discontinued at the end of the following payment month.

- .45 In a two-parent assistance unit whose basis for deprivation is unemployment, the sanctioned parent shall be removed from the assistance unit.
 - .451 If the sanctioned parent's spouse or the assistance unit's second parent is not participating in the program, except as provided in Section 42-721.453, both the sanctioned parent and the spouse or second parent shall be removed from the assistance unit.
 - .452 The CWD shall notify the spouse of the noncomplying participant or second parent in writing at the commencement of the compliance procedures of his or her own opportunity to participate and the impact on sanctions of that participation.

42-721	NONCOMPLIANCE WITH PROGRAM REQUIREMENTS	42-721
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(Continued)

- .453 For purposes of this section, if a spouse or second parent is participating to avoid the sanction of the noncomplying parent, the exemption criteria for care of an ill or incapacitated member of the household and the care of a child under six months of age (or age determined by the CWD) do not apply. Any other exemption or good cause criteria, as described in Sections 42-712 and 42-713 and compliance procedures described in Section 42-721, shall apply to the sanctioned parent's spouse or the family's second parent.

 - .454 A spouse or second parent who chooses to participate to avoid the noncomplying parent's sanction, and subsequently ceases participation without good cause and fails or refuses to agree to or fulfill the terms of a compliance plan without good cause, shall be removed from the assistance unit in accordance with Section 42-721.43.

 - .455 If the sanctioned parent's spouse or the second parent is under his or her own sanction at the time of the first parent's sanction, the spouse or second parent shall not be provided the opportunity to avoid the first parent's sanction until the spouse or second parent's sanction is completed.

 - .46 For families that qualify due to the absence or incapacity of a parent, only the noncomplying parent shall be removed from the assistance unit, and aid shall be continued to the remainder of the family.

 - .461 The CWD shall arrange for a protective payee in accordance with Section 44-309.

 - .47 If the noncomplying individual is a dependent child, his or her needs shall not be taken into account in determining the family's need for assistance and the amount of the assistance payment.

 - .48 The CWD shall restore aid:
 - .481 On the first day of the month following the date that the individual contacted the county to indicate his or her desire to end the sanction after all of the following conditions are met:
 - (a) The activities in accordance with Section 42-721.43 have been successfully completed.
 - (b) The individual is determined to be in compliance with program requirements, and is otherwise eligible.
- If the individual completes the activity after the first of the month following the date of the request to end the sanction, the county shall issue a supplemental payment, retroactive to the first of the month following the date of the request to end the sanction; or

42-721 NONCOMPLIANCE WITH PROGRAM REQUIREMENTS 42-721
(Continued)

- .482 If the sanction is rescinded as a result of the outcome of a state hearing or the formal grievance procedure established in accordance with Section 42-721.5.
- .483 Section 42-721.483(QR) shall become inoperative and Section 42-721.483 (SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
- (QR) Restoration of aid due to the noncomplying participant performing the activities he or she previously refused to perform, in accordance with Sections 42-721.43 and 44-318.13(QR), is a county-initiated mid quarter change pursuant to Section 44-316.331(c)(QR).
- (SAR) Restoration of aid due to the noncomplying participant performing the activities he or she previously refused to perform, in accordance with Sections 42-721.43 and 44-318.13(SAR), is a county-initiated mid-period change pursuant to Section 44-316.331(c)(SAR).

HANDBOOK BEGINS HERE

- (a) Example: An individual who was sanctioned for failing to attend orientation contacts the CWD on July 14 and indicates he wishes to end his sanction. The individual signs his curing plan on July 17, attends orientation on July 23 as required by his curing plan, and cures his sanction. On August 1, if the individual is otherwise eligible, his cash aid is restored.
- (b) Example: An individual contacts the CWD on July 14 and indicates she wishes to end her sanction. The individual signs her curing plan on July 17, which specifies that she must participate in two weeks of job search/job club beginning on July 23. She successfully completes job search/job club on August 5, and ends her sanction. If the individual is otherwise eligible, her cash aid is restored back to August 1.

HANDBOOK ENDS HERE

42-721	NONCOMPLIANCE WITH PROGRAM REQUIREMENTS	42-721
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(Continued)

49 The CWD shall grant aid:

491 On the first day of the month following the date that the individual contacted the county to indicate his or her desire to end the sanction, once the activities in accordance with Section 42-721.43 have been successfully completed, if the individual applies for aid, is determined to be in compliance with program requirements, and is otherwise eligible.

HANDBOOK BEGINS HERE

Handbook Section 42-721.491(a)(QR) shall become inoperative and Handbook Section 42-721.491(a)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) (a) Example: An individual who was sanctioned and left aid with his family after failing to participate in vocational education contacts the CWD on July 1 to reapply for aid. His family is determined eligible for aid on July 5 and aid is granted to the family as of July 5; before aid can be granted for the sanctioned individual he must cure his sanction. The individual signs his curing plan on July 5, participates in a vocational education program for 30 days, and successfully cures his sanction on August 3. If the individual is otherwise eligible, his cash aid is granted back to August 1 as a county-initiated mid-quarter change pursuant to Section 44-316.331(c)(QR).

(SAR)(a) Example: An individual who was sanctioned and left aid with his family after failing to participate in vocational education contacts the CWD on July 1 to reapply for aid. His family is determined eligible for aid on July 5 and aid is granted to the family as of July 5; before aid can be granted for the sanctioned individual he must cure his sanction. The individual signs his curing plan on July 5, participates in a vocational education program for 30 days, and successfully cures his sanction on August 3. If the individual is otherwise eligible, his cash aid is granted back to August 1 as a county-initiated mid-period change pursuant to Section 44-316.331(c)(SAR).

HANDBOOK ENDS HERE

42-751 UNDERPAYMENTS AND OVERPAYMENTS FOR TRANSPORTATION AND ANCILLARY SUPPORT SERVICES (Continued) 42-751

- (b) If the overpayment is the result of fraud, the CWD shall attempt to recover the overpayment regardless of the amount.

- (c) Initial Recovery Procedures and Establishing Repayment Agreements
 - (1) The county shall initiate recovery within 30 calendar days of the date the overpayment is first discovered by notifying the individual in writing that he/she has an overpayment and that he/she must contact the county within ten calendar days of the date the notice is mailed to arrange repayment.
 - (A) If the participant does not respond to the overpayment notice within ten calendar days of the date of the initial notice is mailed or the participant does respond to the initial notice, but fails or refuses to enter into a repayment agreement, the county shall use the payment adjustment method of recovery as specified in Section 42-751.4(g) unless:
 - 1. The county determines that the deferred repayment provisions of Section 42-751.4(d) apply.
 - (B) The overpayment notice shall include:
 - 1. The name of the overpaid person;
 - 2. The amount owed;
 - 3. The reason for the claim;
 - 4. The period of time that the claim covers;
 - 5. A statement regarding the right of the participant to a State hearing if the participant disagrees with any aspect of the claim;
 - 6. The reasons repayment may be deferred as specified in Section 42-751.4(d);
 - 7. A statement that recovery will occur as specified in Section 42-751.4(c)(1)(A) if the individual fails to respond within ten calendar days.
 - (C) The county shall attempt to obtain a signed repayment agreement from the overpaid individual subject to the recovery methods specified in Section 42-751.4(e) and provide a copy of the agreement to the overpaid individual.

42-751	UNDERPAYMENTS AND OVERPAYMENTS FOR TRANSPORTATION AND ANCILLARY SUPPORT SERVICES (Continued)	42-751
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- (d) Overpayment Collection Deferrals
 - (1) The collection and recovery of any overpayment shall be deferred if it is not cost effective to pursue the collection. The CWD shall defer collection and recovery of any overpayment if the collection would result in disruption of child care arrangements, preclude participation in welfare-to-work activities, or prevent employment.
 - (2) The CWD shall: (1) notify the participant of the deferral and when a decision to defer overpayment collection is made; (2) reevaluate the need for deferring repayment when necessary; (3) document the expected ending date of the deferred repayment status.
- (e) Reasonable efforts shall include written notification of the amount of the overpayment and that repayment is required. The following are reasonable cost-effective collection methods:
 - (1) Balancing.

When an individual has both an overpayment and an underpayment, the CWD may offset one against the other, subject to the provisions specified in Section 42-751.4(g).
 - (2) Voluntary Cash Recovery.

The CWD shall accept any voluntary cash payment from an individual to pay any portion of an existing overpayment.
 - (3) Grant Adjustment.

The individual shall be permitted to have supportive services overpayments adjusted from the CalWORKs grant when the individual is receiving CalWORKs, provided:

 - (A) The individual chooses this method of recovery; and
 - (B) The individual agrees with the amount of the CalWORKs grant adjustment.
 - (4) Section 42-751.4(e)(4)(QR) shall become inoperative and Section 42-751.4(e)(4)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
 - (QR) Recoupment by grant adjustment shall be conducted in accordance with Section 44-352.41(QR).
 - (SAR) Recoupment by grant adjustment shall be conducted in accordance with Section 44-352.41(SAR).
- (f) Individuals shall be allowed to revoke a repayment agreement incorporating grant adjustment at any time and enter into a new repayment agreement with the CWD.

42-769 APPLICATION OF BONUSES AND SANCTIONS **42-769**
(Continued)

.4 Treatment of Bonuses and Sanctions in Other Calculations

The county shall not include a Cal-Learn bonus or sanction in the calculation of an overpayment adjustment or a homeless assistance payment.

.5 Section 42-769.5(QR) shall become inoperative and Section 42-769.5(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Treatment of Bonuses and Sanctions as County-Initiated Mid-Quarter Actions

(QR) Cal-Learn bonuses and sanctions are considered county-initiated mid-quarter actions as described in Section 44-316.33(QR).

(SAR) Treatment of Bonuses and Sanctions as County-Initiated Mid-Period Actions

(SAR) Cal-Learn bonuses and sanctions are considered county-initiated mid-period actions as described in Section 44-316.33(SAR).

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10063, 11265.2, and 11333.7(a) and (d), Welfare and Institutions Code; Section 37 of AB 444 (Chapter 1022, Statutes of 2002); 45 CFR 250.40(a); Federal Waiver Terms and Conditions for the California Work Pays Demonstration Project, March 1994, and Waiver Authority for the California Work Pays Demonstration Project as transmitted by the United States Department of Health and Human Services Administration for Children and Families letter dated March 1, 1994.

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CHAPTER 44-100 INCOME

44-101 INCOME DEFINITIONS

44-101

(a) Section 44-101(a)(QR) shall become inoperative and Section 44-101(a)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Income, generally, is any benefit in cash or in kind which is reasonably anticipated to be available to the individual or is received by him as a result of current or past labor or services, business activities, interests in real or personal property, or as a contribution from persons, organizations or assistance agencies. To be considered in determining the cash aid payment, income must be reasonably anticipated to be available to needy members of the family in meeting their needs during the QR Payment Quarter. Subject to this limitation and the exemptions and exclusions, as specified in Section 44-111 of this chapter, such benefits are taken into consideration as income in evaluating the need of the recipient and in determining the amount of cash aid to which the recipient is entitled.

(SAR) Income, generally, is any benefit in cash or in-kind which is reasonably anticipated to be available to the individual or is received by him/her as a result of current or past labor or services, business activities, interests in real or personal property, or as a contribution from persons, organizations or assistance agencies. To be considered in determining the cash aid payment, income must be reasonably anticipated to be available to needy members of the family in meeting their needs during the SAR Payment Period. Subject to this limitation and the exemptions and exclusions, as specified in Section 44-111 of this chapter, such benefits are taken into consideration as income in evaluating the need of the recipient and in determining the amount of cash aid to which the recipient is entitled.

(b) Separate and Community Income

(1) Separate income is:

- (A) Income derived from an interest in separate property; or,
- (B) Income resulting from employment or military service rendered prior to the present marriage.
- (C) Income received after the rendition of a decree for separate maintenance, as distinguished from a decree of dissolution, or when one spouse is living apart from the other spouse, as well as after dissolution.

44-101	INCOME DEFINITIONS (Continued)	44-101
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(D) Section 44-101(b)(1)(D)(QR) shall become inoperative and Section 44-101(b)(1)(D)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Funds awarded a married person from his/her spouse in a civil action for personal injuries are considered that spouse's separate income during the month of receipt, and separate property if retained past the month of receipt. If these funds are paid as a nonrecurring lump sum payment, then the funds shall be treated as property in accordance with Section 42-209.2(QR).

(SAR) Funds awarded a married person from his/her spouse in a civil action for personal injuries are considered that spouse's separate income during the month of receipt, and separate property if retained past the month of receipt. If these funds are paid as a nonrecurring lump sum payment, then the funds shall be treated as property in accordance with Section 42-209.2(SAR).

(2) Community income is:

(A) Generally income derived from an interest in community property; or,

(B) Income resulting from employment or military service performed during the marriage and not under the situation described in (b)(1)(C) above.

(C) Section 44-101(b)(2)(C)(QR) shall become inoperative and Section 44-101(b)(2)(C)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Funds awarded a married person in a civil action for personal injuries are considered community income during the month of receipt and community property if retained past the month of receipt except as provided in Section 44-101(b)(1)(D)(QR), 42-203.5, and 42-205.3. If these funds are paid as a nonrecurring lump sum payment, then the funds shall be treated as property in accordance with Section 42-209.2(QR).

(SAR) Funds awarded a married person in a civil action for personal injuries are considered community income during the month of receipt and community property if retained past the month of receipt except as provided in Section 44-101(b)(1)(D)(SAR), 42-203.5, and 42-205.3. If these funds are paid as a nonrecurring lump sum payment, then the funds shall be treated as property in accordance with Section 42-209.2(SAR).

44-101	INCOME DEFINITIONS (Continued)	44-101
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| (c) Reasonably Anticipated Income

- (1) Section 44-101(c)(1)(QR) shall become inoperative and Section 44-101(c)(1)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

| (QR) Income is reasonably anticipated when the county determines it is reasonably certain that the recipient will receive a specified amount of income during any month of the QR Payment Quarter. This definition applies to both earned and unearned income. See Section 44-315.31(QR).

| (SAR) Income is reasonably anticipated when the county determines it is reasonably certain that the recipient will receive a specified amount of monthly income during the SAR Payment Period. This definition applies to both earned and unearned income. See Section 44-315.31(SAR).

(d) Current Income

- (1) Current income generally is all income which is available during a month without regard to any allowable exemptions or disregards.

(e) Earned Income

- (1) Earned income is income received in cash or in kind as wages, salary, employer provided sick leave benefits, commissions or profit from activities such as a business enterprise, farming, etc., in which the recipient is engaged as a self-employed individual or as an employee.

(2) Earned income also includes:

- (A) Earnings over a period of time for which settlement is made at one given time, as in the instance of sale of farm crops, livestock, poultry, other than sale of an entire holding.
- (B) Returns from personal or real property, such as net income from rental of rooms, or board and room.
- (C) Earnings under Title 1 of the Elementary and Secondary Education Act, and wages paid under the Job Training Partnership Act (JTPA), (see Section 44-111.21 for disregard applicable to JTPA earned income of a child).

44-101	INCOME DEFINITIONS (Continued)	44-101
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- | (D) Payments under the Economic Opportunity Act, including payments to beneficiaries of assistance under the Act, through such programs as the Neighborhood Youth Corps, New Careers and Concentrated Employment.
- | (E) Training incentive payments and work allowances under ongoing manpower programs, other than Welfare-to-Work (formerly GAIN) and JTPA.
- | (F) Earnings from On-the-Job Training (OJT).
- | (3) Earned income does not include:
 - | (A) Grants that do not meet the exemption criteria specified in Sections 44-111.431, and .432.
 - | (B) Benefits (excluding those specified in Section 44-101(e)(1)) accruing as compensation, or reward for service, or as compensation for lack of employment (for example, pensions and benefits, such as veterans benefits).
 - | (C) Incentive payments derived from participation in WIN Demo.
 - | (D) The training allowances paid to a recipient in JTPA programs. The expense allowance paid to an adult JTPA participant is applied against the actual expenses of training in determining net income. Only the amount that exceeds the expenses is counted as income.
 - | (E) Income received from Public Service Employment under the WIN Demo program (WIN/PSE) (see Section 44-113.10).
- | (f) Disability-Based Unearned Income
 - | (1) Disability-based unearned income is income received only from one or more of the following:
 - | (A) State Disability Insurance benefits.

44-101	INCOME DEFINITIONS (Continued)	44-101
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| (B) Private Disability Insurance benefits.

| 1. Private Disability Insurance benefits include all privately purchased or employer-sponsored disability insurance benefits whether or not there is an employee contribution.

| 2. Private Disability Insurance Benefits do not include disability benefits that are not insurance, such as veterans benefits.

| (C) Temporary Workers' Compensation benefits.

| (D) Social Security Disability Benefits.

| (g) Unearned Income

Unearned Income is any income that is not earned income or disability-based unearned income.

| (h) Voluntary Contributions

A voluntary contribution is a contribution for which the contributor has no legal liability.

| (i) Death Benefits

Death benefits are considered income. Death benefits are those life insurance or burial payments made to a deceased's beneficiary. To determine net income, see Section 44-113.11.

Note: If the amount of the death benefit is of negligible importance in meeting continuing needs, refer to Section 44-111.44.

| (j) Income In Kind

Income in kind is any benefit received other than in cash. It includes the value of need items provided at no charge (see Section 44-115).

44-101	INCOME DEFINITIONS (Continued)	44-101
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(k) Interest Income

Interest on a savings account in a bank, savings and loan association, or other institution authorized to accept savings and interest which is received as a result of any contractual obligation.

(l) Lump Sum Income

Lump sum income is any income received by an AU which is not recurring regular income. Lump sum income is usually nonrecurring in regard to amount and/or source. Lump sum income includes but is not limited to the following: retroactive social insurance payments, real estate commissions such as from sales, income from freelance work, net proceeds from sale of a crop and bonuses.

(1) Section 44-101(l)(1)(QR) shall become inoperative and Section 44-101(l)(1)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Lump sum nonrecurring payments are considered property under the quarterly reporting/prospective budgeting system (see Section 42-209.2(QR)).

(SAR) Lump sum nonrecurring payments are considered property under the semi-annual reporting system (see Section 42-209.2(SAR)).

(m) Income Reporting Threshold (IRT)

(1) Section 44-101(m)(1)(QR) shall become inoperative and Section 44-101(m)(1)(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) The level of income that triggers the need for a CalWORKs AU to report a mid-quarter change in income.

(SAR) The level of income that triggers the need for a CalWORKs AU to report a mid-period change in income (see Section 44-316.324(SAR)).

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11265.1, 11265.2, 11265.3, 11450.5, and 11451.5 (Ch. 270, Stats. 1997), Welfare and Institutions Code; Federal Action Transmittal ACF-AT-94-12; 45 CFR 233.20(a)(6)(iii); 45 CFR 233.20(a)(6)(v)(B); Sallis v. McMahan, Sacramento County Superior Court, case no. 364308, January 30, 1991 and 45 CFR 233.20(a)(3)(iv)(B) and (a)(4)(ii)(d).

44-102	AVAILABILITY OF INCOME	44-102
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.1 Section 44-102.1(QR) shall become inoperative and Section 44-102.1(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) All reasonably anticipated income shall be considered to be available to meet the needs of the AU during the QR Payment Quarter and shall be considered when determining eligibility and grant amount, except:

(SAR) All reasonably anticipated income shall be considered to be available to meet the needs of the AU during the SAR Payment Period and shall be considered when determining eligibility and grant amount, except:

.11 **INTEREST INCOME** - Interest income which is received on a regular basis, but less frequently than monthly, shall be apportioned equally over the number of months it has accrued beginning with the month after receipt.

.12 **CONTRACTUAL INCOME** - Income an employee receives under an annual contract of employment shall be apportioned equally over the period of the contract beginning with the first month of the contract when he works and receives income from such contract in fewer than twelve (12) months, but more than eight (8) months.

.13 **CHILD SUPPORT** - Child support collected by the county shall not be considered available to the recipient, other than as provided in Sections 43-203.1 and 43-203.4.

.14 Section 44-102.14(QR) shall become inoperative and Section 44-102.14(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) **MONTHLY RECURRING UNEARNED GOVERNMENTAL BENEFITS** - Monthly benefits (e.g., Social Security benefits, or Veterans benefits, etc.) shall be considered to be available in the month the payment is reasonably anticipated to be received or is intended for (see Section 44-315.31(QR)), when the income meets the following criteria:

(SAR) **MONTHLY RECURRING UNEARNED GOVERNMENTAL BENEFITS** - Monthly benefits (e.g., Social Security benefits, or Veterans benefits, etc.) shall be considered to be available in the month the payment is reasonably anticipated to be received or is intended for (see Section 44-315.31(SAR)), when the income meets the following criteria:

44-102	AVAILABILITY OF INCOME (Continued)	44-102
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- | .141 The receipt date of the income varies because mailing cycles cause two payments to be received in one month and none in the preceding or following month;
- | .142 The source of income is a governmental benefit program; and
- | .143 The income is unearned and recurring.

| NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 11157 (Ch. 270, Stats. 1997), 11265.2, and 11450.5, Welfare and Institutions Code.

44-103	EXPLORATION OF INCOME POTENTIALS AND INCOME VERIFICATION	44-103
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.1 County Responsibility

.11 The county shall:

- .111 Review, with the applicant or recipient, all his/her resources to determine income-producing potential.
- .112 Determine whether income is actually received and, if so:
 - (a) The regularity of receipt,
 - (b) The gross or net amount, as appropriate,
 - (c) The applicant's or recipient's share, and
 - (d) Whether the income is excluded or exempt, in whole or in part.
- .114 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.
- .115 Repealed by Manual Letter No. EAS-93-08, effective 7/1/93.

44-111	PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)	44-111
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.44 Infrequent Income

.441 Income that is received in prospectively budgeted months and is received too infrequently to be reasonably anticipated, shall be exempt from consideration.

.45 Income in Kind

.451 Home Produce

Home produce such as from garden, orchard, livestock, and poultry utilized by a recipient and his household for their own consumption is not income.

.452 Partial Items of Need

Income in kind for partial items of need is exempt.

.453 Offer of a Free Home

Except as provided in W&IC 11264, aid shall not be denied or discontinued for an otherwise eligible child who is offered a free home.

.454 Provided by a Private Nonprofit Organization

Any income in kind, whether a full or partial item of need, provided on the basis of need by a private nonprofit organization shall be exempt as income.

Private nonprofit organizations are religious, charitable, educational, or other organizations such as described in Section 501(c) of the Internal Revenue Code of 1954, which include but are not limited to the Salvation Army, Red Cross, and churches. (Actual tax exempt certification by IRS is not necessary.)

44-111	PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)	44-111
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.46 Funds Received as a Result of the Settlement in the Underwood v. Harris Court Case

Retroactive subsidy payments received from the Department of Housing and Urban Development (HUD) which represent a reimbursement of increased tax and utility costs which were incurred in 1975 through 1977 (see Section 42-211.258(d) and 42-213.2(y) for treatment as property).

.47 Child/Spousal Support Disregard

The first \$50 per month of current child/spousal support paid to or on behalf of an assistance unit shall be disregarded when determining both eligibility and grant amount.

HANDBOOK BEGINS HERE

See Section 42-213.2(k).

HANDBOOK ENDS HERE

.471 When the child/spousal support payment is received by the county, the amount of the current support payment which is paid to the assistance unit shall be disregarded. This disregard is applied in the month in which the child/spousal support payment is received by the county for eligibility determination and applied in the month in which the disregard payment is received by the assistance unit, if different, for eligibility and grant determination.

.472 When a current child/spousal support payment is received or reasonably anticipated to be received by the assistance unit directly from the absent parent, the first \$50 of such payment is disregarded and the balance of the support payment is considered income to the AU.

HANDBOOK BEGINS HERE

(a) See Sections 82-520.4 and .5.

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44-111	PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)	44-111
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- .473 The total amount of the current child/spousal support disregard attributable to any month shall not exceed \$50 per assistance unit regardless of whether the child/spousal support is received by the county, with a portion paid to the assistance unit, or the support payment is received by the assistance unit directly. If in the same month the assistance unit receives a disregard payment from the county attributable to a prior month and also receives a current support payment directly from an absent parent/spouse, the assistance unit shall be entitled to both disregards. If the assistance unit receives a payment from the county which consists of payments from current child/spousal support for more than one month, the \$50 limit shall apply only to the total child/spousal support disregard for the month to which the disregard is attributable.

HANDBOOK BEGINS HERE

For example, the county received current child/spousal support payments of \$150 in January, \$150 in February and issued the assistance unit a payment of \$100 in March. The total \$100 shall be disregarded in March for purposes of determining eligibility and grant since it is attributable to January and February.

HANDBOOK ENDS HERE

.5 Nonexempt Income

Payments which do not fall within the limitations specified in the foregoing subsections, represent nonexempt income to be considered in determining the recipient's grant.

.6 Other income which is mandatorily and specifically exempt by federal law and shall be exempt from the effective date as specified in federal law.

.61 Income which is mandatorily exempt under federal law includes but is not limited to:

- a. Public Law (PL) 92-254 or PL 94-540 which exempts any funds distributed per capita or held in trust for members of any Native American tribe under PL 92-254 or PL 94-540.
- b. PL 93-134, PL 97-458 and PL 98-64 which exempt as income the funds of Native American tribes including interest earned from, and investment income derived from such funds when the funds have been:

44-111	PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued)	44-111
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- (1) Distributed by the Secretary of the Interior on a per capita basis; or
- (2) Held in trust by the Secretary of the Interior.
- c. PL 103-66 which exempts, up to \$2,000 in any 12 consecutive month period, the income of individual Indians when such income is derived from individually owned interests in trust or restricted lands.
- d. PL 89-73 which exempts compensation received by recipients 60 years old, or older, for volunteer services performed under the Retired Senior Volunteer Program, the Foster Grandparents Program, or the Older Americans Community Service Program of the National Older Americans Act.
- e. PL 92-433 and PL 93-150 which exempt the value of supplemental food received under the Child Nutrition Act (WIC) and the National School Lunch Act.
- f. PL 93-113 which exempts payments made under the Domestic Volunteer Services Act of 1973 to welfare recipients who are Vista Volunteers, and payments made for supportive services or reimbursement of out-of-pocket expenses made to persons serving in the Service Corps of Retired Executives (SCORE) and the Active Corps of Executives (ACE) pursuant to Section 418.
- g. PL 100-241 which exempts distributions to a household, individual Native or descendent of a Native when received from a Native Corporation established pursuant to the Alaskan Native Claims Settlement Act (ANCSA). Exempt distributions include:
 - (1) Cash (including cash dividends on stock received from a Native Corporation) to the extent it does not exceed \$2,000 total per person per annum, stock, a partnership interest, land or interest in land, and interest in a settlement trust.
- h. PL 100-383 which exempts payments received as restitution made to U.S. citizens and permanent resident aliens of Japanese ancestry and payments received as restitution made to Aleuts as a result of being relocated by the United States government during World War II.
- i. PL 100-707 which exempts federal major disaster and emergency assistance provided under the Disaster Relief Act and comparable disaster assistance provided by the state, local governments and disaster assistance organizations.

44-111 PAYMENTS EXCLUDED OR EXEMPT FROM CONSIDERATION AS INCOME (Continued) 44-111

- j. PL 101-201 and PL 101-239 which exempt payments received from all Agent Orange settlements.
- k. PL 101-426 which exempts payments received under the Radiation Exposure Compensation Act.
- l. PL 101-508 which exempts Earned Income Credit (EIC) payments.
- m. PL 103-286 which exempts payment received as restitution made to victims of Nazi persecution.
- n. Payments received from any federal, state, or local Adoption Assistance Program.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 10553, 10554, 11008.15, 11265.2, 11280, 11322.6(f)(3), 11157, 11450.5, 11450.12, 11451.5, and 11451.7, Welfare and Institutions Code; 42 USC Section 602(g)(1)(E)(i); Section 8, Public Law 93-134; Section 2, Public Law 98-64; Section 13736, Public Law 103-66; Section 1, Public Law 100-286, Section 202(a), Public Law 100-485 and 20 USC 1087uu; 45 CFR 233.20(a)(3)(iv)(B), (a)(3)(xxi), 45 CFR 233.20(a)(4)(ii); (a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p) and (q); 45 CFR 233.20(a)(11)(v)(C); 45 CFR 255.3(f)(1); 45 CFR 400.66; 45 CFR 401.12; Federal Action Transmittals ACF-AT-94-27 and 94-4 and FSA-IM-89-1; 45 CFR 233.20(a)(1)(ii); 45 CFR 233.20(a)(3)(x); and *Cadaret v. Wagner* (Super. Ct. Sacramento County, 2011, No. 34-2009-80000302, Stipulation for Settlement and Order)

44-113 NET INCOME 44-113

.1 Property

Net income from property (including that from property in which a life estate is held), produce or business enterprises is determined by deducting from gross income all normal items of expenses incident to its receipt. Principal payments on encumbrances are not considered a necessary item of expense. If property is sold, the interest portion of any payment received is income.

Interpretation -- Net income from property, crops and livestock is computed as follows:

Source	Computation
a. Rental of real property including that in which life estate held.	Deduct from gross rental the following expenses incident to receipt: <ul style="list-style-type: none"> 1. Taxes and assessments.

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2. Interest on encumbrance payments (do not deduct principal payments).
3. Insurance.
4. Utilities.
5. Upkeep and major repairs.

If a complete dwelling unit is rented the county after consultation with the recipient (a) deducts the amount actually expended each month for upkeep and repairs; or (b) deducts 15% of the gross monthly rental plus \$4.17 a month.

Note: The above expenses are prorated on the same periodic basis as the periodic basis on which the rental is received (i.e., annually, quarterly, monthly, etc.). Multiply rental income received weekly by 4-1/3 to get monthly income.

Note: Under the ordinary life estate agreement, the life tenant is entitled to the use and/or income from the property and is responsible for the usual costs of ownership such as taxes, insurance, upkeep, etc. However, if the life estate agreement stipulates the remainderman is responsible for certain expenses, such payments do not represent income to the life tenant.

b.	Rental of rooms and Room and Board	See Section 44-113.212 for computing self-employment net income.
c.	Sale of real property under contract of sale, title not passing.	The interest received is net income (principal payments represent conversion of property from real to personal property). Deduct any interest payments on prior encumbrances in determining net income from interest received from sale of real property under contract of sale.
d.	Personal property (rental of trucks, equipment, etc.)	Deduct from gross rental all expense necessary to maintenance, etc.
e.	Personal property (interest on money, stocks, bonds, etc.)	All interest received is net income, except interest on savings accounts as provided in W&IC 11009.

44-113	NET INCOME (Continued)	44-113
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- f. Sale of crops Deduct from gross income the following expenses which are incurred.
1. Taxes and assessments.
 2. Interest on encumbrance payments (do not deduct principal payments.)
 3. Water cost.
 4. Necessary repair and minor replacement of buildings and equipment.
 5. Fertilizer, seed, insecticides, pruning, cultivation and harvesting costs.
 6. Rental of equipment.
 7. Wages.
 8. Losses on crops from the previous period.
 9. Other necessary expenses.

Prorate the annual expenses such as taxes, assessments, etc., according to the intervals at which the gross income was received. If other expenses cannot be identified with a particular period, determine the method which assures that the expenses are allocated as closely as possible to the period of crop income, and that on a continuing basis all necessary expenses are deducted from gross income.

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- g. Sale of Livestock Proceeds from the sale of the increase of livestock (i.e., that portion which represents a capital gain) is gross income. Deduct expenses incident to raising the livestock (such as feed, pasture rent, prorated personal property tax) in computing net income.

Since such income is usually received at intervals of more than one month, the same principles that apply to determining the periods of expense for the sale of crops, apply to the sale of livestock.

Note: Proceeds from the sale of an entire holding of livestock are not income but conversion of property.

44-113	NET INCOME (Continued)	44-113
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.2 Earnings

.21 Computation of Net Nonexempt Earned Income for CalWORKs

To determine the amount of Net Nonexempt Earned Income for the month, the following steps shall be taken:

.211 Section 44-113.211(QR) shall become inoperative and Section 44-113.211(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Determine the total amount of commissions, wages or salary earned as an employee that the AU reasonably anticipates receiving (see Section 44-101(c)(1)(QR)) during each month of the QR Payment Quarter (i.e., total income irrespective of expenses, voluntary or involuntary deductions). To determine total earnings for each month, some earnings may have to be allocated to each month pursuant to Section 44-102. Also, the monetary value of any in-kind earned income per Section 44-115 shall be included. Do not include earnings exempted in entirety under Section 44-111.22.

(SAR) Determine the total amount of commissions, wages or salary earned as an employee that the AU received in the Data Month and any reasonably anticipated (see Section 44-101(c)(1)(SAR)) changes to this income in the next SAR Payment Period (i.e., total income irrespective of expenses, voluntary or involuntary deductions). Also, the monetary value of any in-kind earned income per Section 44-115 shall be included. Do not include earnings exempted in entirety under Section 44-111.22.

.212 Section 44-113.212(QR) shall become inoperative and Section 44-113.212(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Determine the total profit reasonably anticipated to be earned from self-employment during each month of the QR Payment Quarter by an applicant/recipient whose earnings are not exempted under Section 44-111.22 by offsetting the reasonably anticipated monthly business expenses against the reasonably anticipated monthly gross income from self-employment. When the computation of total profit earned in a month from self-employment disclosed shows that a loss has occurred, earned income from self-employment for that month shall be zero. No additional offset shall be allowed against the family's other income.

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(SAR) Determine the total monthly profit reasonably anticipated to be earned from self-employment by an applicant/recipient whose earnings are not exempted under Section 44-111.22 by offsetting the Data Month business expenses against the Data Month gross income from self-employment. When the computation of total profit earned in a month from self-employment disclosed shows that a loss has occurred, earned income from self-employment for that month shall be zero. No additional offset shall be allowed against the family's other income. Unless the recipient reasonably anticipates a change, use this income amount to calculate the grant for the upcoming SAR Payment Period.

(a) The applicant or recipient who is self-employed shall choose one of the following deductions:

(1) 40 percent of gross self-employed income, or

(2) reasonably anticipated self-employment expenses to the same extent allowed in the CalFresh Program (Section 63-503.41).

(b) Recipients who are self-employed shall be allowed to change the method of deduction identified in Section 44-113.212(a) only at redetermination or every six months, whichever occurs first.

.213 Section 44-113.213(QR) shall become inoperative and Section 44-113.213(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Combine the total monthly earnings for the family determined in Section 44-113.211(QR) with the monthly net self-employment income determined in Section 44-113.212(QR).

(SAR) Combine the total monthly earnings for the family determined in Section 44-113.211(SAR) with the monthly net self-employment income determined in Section 44-113.212(SAR).

.214 Apply, as specified in Section 44-111.23, the \$225 disregard to the reasonably anticipated total monthly disability-based unearned income for the family.

44-113	NET INCOME (Continued)	44-113
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- .215 Section 44-113.215(QR) shall become inoperative and Section 44-113.215(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.
- (QR) Apply up to \$112 of the remainder of the \$225 disability-based unearned income disregard to the reasonably anticipated total monthly earned income for the family as determined in Section 44-113.213(QR).
- (SAR) Apply up to \$112 of the remainder of the \$225 disability-based unearned income disregard to the reasonably anticipated total monthly earned income for the family as determined in Section 44-113.213(SAR).
- .216 Apply the 50% disregard to any remaining earned income for the family.
- .217 Add to the amount in Section 44-113.216 any excess nonexempt disability-based unearned income and/or any nonexempt unearned income. This total is the net nonexempt income available to the family.
- .218 Add together the amounts remaining after application of the above sections for each recipient. This total is net nonexempt earned income for the FBU.

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.22 Section 44-113.22(QR) shall become inoperative and Section 44-113.22(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Net Nonexempt Income Computation

Example 1

A nonexempt AU of three (a parent and two children) has gross monthly earned income of \$775 per month, with no other income. The monthly income is reasonably anticipated to continue at the same amount for the QR Payment Quarter. The family lives in Region 1.

\$ 775	Earned Income
<u>- 112</u>	\$112 Earned Income Disregard
\$ 663	Subtotal
<u>- 331</u>	50% Earned Income Disregard*
\$ 331	Total Net Nonexempt Income*

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP 44-315.34.

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(SAR) Net Nonexempt Income Computation

Example 1

A nonexempt AU of three (a parent and two children) in Region 1 reports receiving gross monthly earned income of \$775 per month in the Data Month, and no other income. The Data Month income is reasonably anticipated to continue at the same amount for the SAR Payment Period.

\$ 775	Earned Income
<u>- 112</u>	\$112 Earned Income Disregard
\$ 663	Subtotal
<u>- 331</u>	50% Earned Income Disregard*
\$ 331	Total Net Nonexempt Income*

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP 44-315.34.

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.3 Net Income from Social Security, Railroad Retirement Benefits and Other Pensions

.31 Section 44-113.31(QR) shall become inoperative and Section 44-113.31(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Net income from Social Security or from Railroad Retirement Benefits is the amount reasonably anticipated to be paid to or on behalf of a member of the assistance unit in the QR Payment Quarter except:

(SAR) Net income from Social Security or from Railroad Retirement Benefits is the amount determined to be paid to or on behalf of a member of the assistance unit in the SAR Payment Period except:

.311 When Social Security benefits are paid to a representative payee on behalf of a member of the assistance unit and the representative payee does not live in the same household as the assistance unit, the Social Security benefits are counted as income only to the extent that the representative payee makes them available for the support of the beneficiary.

.32 Section 44-113.32(QR) shall become inoperative and Section 44-113.32(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

44-113	NET INCOME (Continued)	44-113
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(QR) Net income from other types of pensions and similar sources is the amount reasonably anticipated to be received in the QR Payment Quarter or, if the individual is required to pay income tax on such income or has other required expenses in receiving such income, net income is the amount received less these expenses.

(SAR) Net income from other types of pensions and similar sources is the amount reasonably anticipated for the SAR Payment Period or, if the individual is required to pay income tax on such income or has other required expenses in receiving such income, net income is the amount received less these expenses.

.4 Unrelated Adults, Including Unrelated Adult Males, Living in the Home

.41 Net income to the Family Budget Unit (FBU) from an unrelated adult living in the home including an Unrelated Adult Male (UAM) is the sum of:

.411 Section 44-113.411(QR) shall become inoperative and Section 44-113.411(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) cash reasonably anticipated to be given to the AU in the QR Payment Quarter which is available to meet the needs of the AU and:

(SAR) cash reasonably anticipated to be given to the AU in the SAR Payment Period which is available to meet the needs of the AU and:

.412 Section 44-113.412(QR) shall become inoperative and Section 44-113.412(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) the value of full items of need reasonably anticipated to be provided in-kind to the AU in the QR Payment Quarter. An item is not considered to be provided in-kind to the AU if the AU is receiving this full item of need in exchange for the AU providing the UAM with a different item. For example, if a UAM and a CalWORKs mother agree that he will pay the rent if she pays their food and utilities, the AU is not receiving in-kind income for housing.

(SAR) the value of full items of need reasonably anticipated to be provided in-kind to the AU in the SAR Payment Period. An item is not considered to be provided in-kind to the AU if the AU is receiving this full item of need in exchange for the AU providing the UAM with a different item. For example, if a UAM and a CalWORKs mother agree that he will pay the rent if she pays their food and utilities, the AU is not receiving in-kind income for housing.

44-113	NET INCOME (Continued)	44-113
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.42 Section 44-113.42(QR) shall become inoperative and Section 44-113.42(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Cash that is reasonably anticipated to be given to the AU in the QR Payment Quarter does not include:

(SAR) Cash that is reasonably anticipated to be given to the AU in the SAR Payment Period does not include:

.421 Cash which is conditioned on its use for nonneed items for the FBU, unrelated adult, or any other person.

.422 Cash designated by the unrelated adult to meet (1) his/her needs and expenses, including work-related expenses defined in Section 44-113, and/or (2) the needs and expenses of the unrelated adult's child(ren) or other unaided persons in the home the UAM is supporting.

.423 Cash which the CalWORKs mother and unrelated adult have specifically agreed constitutes the unrelated adult's share of the cost-of-living arrangement. For example, assume a UAM is required to make a financial contribution of \$182 to the FBU. (See Section 43-109.1 and .2.) If the UAM and CalWORKs mother agree that the UAM's share of the cost-of-living is \$200 and the UAM gives the mother his \$200 share, no part of this \$200 is available to meet the needs of the FBU.

.424 Any other amounts which the unrelated adult designates as not available to the FBU.

.43 When the unrelated adult's income is pooled with those of the FBU, the pooled income is treated as if cash were given to the FBU.

.44 The value of full items of need provided to the FBU is determined according to Section 44-115.3. For example, assume that a UAM and his child live with a CalWORKs mother and her two children. If the UAM pays the entire \$300 rent to the landlord, the value of the full item of need to the FBU is the lesser of (1) the in-kind income table amount for housing for three; or (2) 3/5 of \$300 (\$180). If the in-kind income table amount were \$163, the amount of in-kind income for housing to the FBU would be \$163.

.5 Section 44-113.5(QR) shall become inoperative and Section 44-113.5(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

44-113 NET INCOME (Continued) **44-113**

(QR) Child/spousal support which is reasonably anticipated to be paid during the QR Payment Quarter to the AU by the absent parent and not forwarded to the county shall be considered available income except as specified in Section 44-111.47.

(SAR) Child/spousal support which is reasonably anticipated to be paid during the SAR Payment Period to the AU by the absent parent and not forwarded to the county shall be considered available income except as specified in Section 44-111.47.

.6 Refunds of Retirement Contributions

.61 Section 44-113.61(QR) shall become inoperative and Section 44-113.61(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the Director's SAR Declaration.

(QR) Nonrecurring lump sum refunds of the employer's share of retirement contributions shall be treated as property (see Section 42-209.2(QR)).

(SAR) Nonrecurring lump sum refunds of the employer's share of retirement contributions shall be treated as property (see Section 42-209.2(SAR)).

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See Section 42-211.257 for treatment of the employee's share of retirement contributions.

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.62 Section 44-113.62(QR) shall become inoperative and Section 44-113.62(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Recurring interest earned on accumulated retirement contributions shall be treated as income in the month it is reasonably anticipated to be received. If the interest payment is nonrecurring, it shall be treated as property (see Section 42-209.2(QR)).

(SAR) Recurring interest earned on accumulated retirement contributions shall be treated as income in the month it is reasonably anticipated to be received. If the interest payment is nonrecurring, it shall be treated as property (see Section 42-209.2(SAR)).

.7 Death Benefits

Net Income from death benefits is the amount remaining after deducting the actual expenses of the funeral, cremation, or burial of the insured. Such expenses must be verified by the recipient with acceptable evidence.

44-113	NET INCOME (Continued)	44-113
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.8 Income from Payments Which Include Compensation for Converted Property (see Section 44-105)

Section 44-113.8(QR) shall become inoperative and Section 44-113.8(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) That portion of a payment defined in Section 44-105.3 which exceeds the value of the converted property and is recurring in nature is income. If that portion of the payment that is to be received is nonrecurring it shall be treated as property (see Section 42-209.2(QR)).

(SAR) That portion of a payment defined in Section 44-105.3 which exceeds the value of the converted property and is recurring in nature is income. If that portion of the payment that is to be received is nonrecurring it shall be treated as property (see Section 42-209.2 (SAR)).

Net income is that income which remains after deducting the following expenses if the recipient shows the expenses were paid by the recipient while he was a recipient and were directly related to the receipt of the payment.

.81 Attorney's fees

.82 Litigation expenses

.83 Medical expenses

.84 Other necessary and required expenses.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 10063, 10553, 10554, 10790, 10791, 11008, 11008.19, 11017, 11155.3, 11157, 11265.1, 11265.2, 11265.3, 11450, 11450.5, 11450.12, and 11451.5, Welfare and Institutions Code; 45 CFR 233.10; 45 CFR 233.20(a)(3)(ii)(C); 45 CFR 233.20(a)(3)(vi)(A); 45 CFR 233.20(a)(6)(v)(B); 45 CFR 255.3; 45 CFR 233.20(a)(3)(iv)(B); 45 CFR 233.20(a)(3)(xxi); 45 CFR 233.20(a)(4)(ii)(d); 45 CFR 233.20(a)(4)(ii)(p); Darces v. Woods (1984) 35 Cal. 3d 871; and Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995.

44-115	EVALUATION OF INCOME IN-KIND	44-115
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When a need item is earned or contributed in kind, the income value placed upon such earnings, contributions, etc., is the amount specified below.

.1 Free Board and Lodging Received During Temporary Absence from Home

44-115	EVALUATION OF INCOME IN-KIND (Continued)	44-115
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.11 Absence One Month or Less

The value of free board and lodging reasonably anticipated to be received by a recipient during a temporary absence from his/her home of not more than one calendar month shall be exempt.

.12 Absence Exceeds One Month

Section 44-115.12(QR) shall become inoperative and Section 44-115.12(SAR) shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) After an absence of one month, free board and lodging, i.e., food, shelter and utilities reasonably anticipated to be received during the QR Payment Quarter, shall be considered income, but only to the extent that continuing allowances in the grant for these items exceed the cost to the recipient of maintaining the home to which he/she expects to return. (Welfare and Institutions Code Section 11009.1.)

(SAR) After an absence of one month, free board and lodging, i.e., food, shelter and utilities reasonably anticipated to be received during the SAR Payment Period, shall be considered income, but only to the extent that continuing allowances in the grant for these items exceed the cost to the recipient of maintaining the home to which he/she expects to return. (Welfare and Institutions Code Section 11009.1.)

.2 Nonneedy Relatives

.21 Evaluation of Income In Kind from Nonneedy Relatives Other Than Natural or Adoptive Parents

Income in kind will only be considered if the nonneedy relative chooses to make a voluntary contribution to the AU. The county shall determine if the nonneedy relative wishes to contribute income in kind to the support of the child(ren) in his/her care. If he/she does so, the amount of a contribution reasonably anticipated to be received shall be determined in accordance with Section 44-115.3, In-kind Income Values, and be considered net income to the AU.

Natural or adoptive parent, stepparents of CalWORKs children whose natural parent is in the home, or any other adult whose needs are met through CalWORKs, SSI/SSP, IHSS, or other need based programs shall not be considered to be nonneedy relatives for purposes of this section and no income in kind may be considered.

44-115 EVALUATION OF INCOME IN-KIND (Continued) 44-115

.3 In-Kind Income Values

.31 Provided that a lower value is not established in accordance with .32 below, the in-kind income amounts effective July 1, 2012 for housing, utilities (including telephone), food and clothing, as adjusted for any increases or decreases in the cost of living specified in .311, and published by the DSS, shall apply for those item(s) of need received in-kind by the AU. If a lower value is established in accordance with .32 below, such value shall apply for the appropriate item(s) of need received in-kind by the AU.

.311 Individual in-kind income amounts shall be adjusted by the same percentage increase or decrease that is applied to the Minimum Basic Standard of Adequate Care (MBSAC) levels. Such adjustments to the in-kind income amounts shall be effective at the same time as adjustments to the MBSAC levels become effective.

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(a) INCOME IN-KIND AMOUNTS - REGION 1

Needs Considered # in AU	Housing	Utilities	Food	Clothing
1	260	56	143	44
2	347	62	305	85
3	380	65	390	127
4	398	68	483	168
5	398	68	585	212
6	398	68	677	254
7	398	68	755	298
8	398	68	825	333
9	398	68	907	383
10	398	68	979	420

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INCOME IN-KIND AMOUNTS - REGION 2

Needs Considered in AU	Housing	Utilities	Food	Clothing
1	249	56	143	44
2	330	62	305	85
3	361	65	390	127
4	380	68	483	168
5	380	68	585	212
6	380	68	677	254
7	380	68	755	298
8	380	68	825	333
9	380	68	907	383
10	380	68	979	420

(b) Repealed by Manual Letter No. EAS-99-08, effective 7/30/99.

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.32 If the applicant or recipient does not agree with the value arrived at in Section 44-115.31, he/she may submit evidence of the value of the in-kind income item which he/she receives or reasonably anticipates receiving. For housing and clothing, the in-kind income shall be the net market value (see Section 42-203.7) of the item reasonably anticipated to be received. For utilities and food, the in-kind income value shall be the cost to the person who will pay for the item.

If the applicant or recipient presents satisfactory evidence that the value of the item reasonably anticipated to be received in kind is other than the value specified in Section 44-115.31, such evidence shall be used by the county in determining the value of the item if it is to the recipient's financial advantage. Recipients who are having in-kind income deducted from their grants should be informed that this method of contesting the values established in Section 44-115.31 exists.

44-115	EVALUATION OF INCOME IN-KIND (Continued)	44-115
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.33 If an applicant or recipient presents satisfactory evidence of the value of a need item shared with persons who are not members of the AU or whose needs are not considered in the AU, the in-kind value attributable to the AU shall be the lesser of:

.331 their pro rata share, for persons whose needs are considered in the AU, of the net market value or cost of the item, or

.332 the in-kind income table value established in accordance with Section 44-115.311 for the appropriate number of persons whose needs are considered in the AU.

.333 Example: If an AU of three in Region 1 whose needs are all considered shares free housing with another person, making a household of four, and the applicant or recipient presents satisfactory evidence that the net market value of the housing is \$120, the in-kind value of the housing to the AU would be \$90 (3/4 of \$120). If the net market value of the housing is \$520, in this example, then the AU's pro rata share of this amount would be \$390 -- however, if the in-kind income table value for housing for an AU of three in Region 1 was \$380*, the \$380* value would be used because the table values established in accordance with .311 represent the maximum in-kind income value that may be applied.

* The amount \$380 is subject to change. Use the currently applicable amount established in accordance with 44-115.311.

NOTE: Authority cited: Sections 10553, 10554, 11450, 11452.018, and 11453, Welfare and Institutions Code. Reference: Sections 11265.8, 11253.5, 11265.2, 11450, 11450.015, 11450.4(c), 11450.5, 11452, 11452.018, 11453, and 11486, Welfare and Institutions Code; and Federal Terms and Conditions for the California Assistance Payments Demonstration Project as approved by the United States Department of Health and Human Services on October 30, 1992.

44-133	TREATMENT OF INCOME -- CALWORKS	44-133
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- .1 All net income of persons included in the Assistance Unit is income to the Assistance Unit.
- .2 Income in Cases in Which the Assistance Unit Resides in the Same Household as an SSI/ SSP or Cash Assistance Program for Immigrants (CAPI) Recipient
 - .21 The aid payment and income of an SSI/ SSP or CAPI recipient shall not be included in the Assistance Unit's income and grant computation.
 - .22 Lump sum retroactive SSI/ SSP or CAPI payments received by a recipient are not countable income to the Assistance Unit.
 - .23 Payments for goods or services by an SSI/ SSP or CAPI recipient to a CalWORKs cash aid recipient are income to the Assistance Unit.
 - .24 Income derived from an interest in the community or joint property of an SSI/ SSP or CAPI recipient and a CalWORKs cash aid recipient is prorated between owners and the CalWORKs cash aid recipient's share is countable income to the Assistance Unit.
 - .25 Actual voluntary contributions made by an SSI/ SSP or CAPI recipient to a cash aid recipient are income to the Assistance Unit. This does not include pooled income to meet shared living expenses, or payments for living expenses made in lieu of other payments in a shared living arrangement. However, no contribution will be required of the SSI/ SSP or CAPI recipient.
 - .26 If a CalWORKs cash aid applicant is determined to be eligible for cash aid and is included in the assistance unit, income of the cash aid applicant (including income considered available from a stepparent under provisions of Section 44-133.511 or a senior parent under provisions of Section 89-201.5) that may have been used in computing an SSI/ SSP or CAPI grant for another person will be included in the CalWORKs grant computation. The county shall notify the Social Security Administration or the appropriate CAPI worker as to the effective date that the income is used in the CalWORKs grant computation so that such income may be deleted from the SSI/SSP or CAPI grant computation.
 - .27 The county shall notify the Social Security Administration of the effective date that a CalWORKs cash aid recipient and any of his/her income is deleted from the Assistance Unit because of receipt of SSI/SSP, if the recipient has income which was used in the CalWORKs grant computation. This is necessary so that the Social Security Administration may begin to consider the income. No retroactive adjustment of the CalWORKs grant shall be made because of receipt of SSI/SSP if the grant was correctly computed during the period the SSI/SSP application was pending.

44-133 TREATMENT OF INCOME -- CALWORKS **44-133**
(Continued)

| .3 Income of Children in Foster Care and Kin-GAP

| All net income received by or on behalf of children in foster care or Kin-GAP shall be considered income to the child.

.4 Income in Cases in Which a Parent or Child Has Been Sanctioned or Penalized

.41 Income of persons living in the home, who are required to be in the AU but who have been sanctioned or penalized is available to the AU. The needs of these individuals are not considered except for persons in an AU that are being penalized for failure to cooperate with child support. Actions which are subject to sanction or which constitute a failure to cooperate include, but are not limited to, any one of the following:

.411 Failing or refusing, without cause, to comply with welfare-to-work requirements;

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(See Section 42-721 for Welfare-to-Work Requirements)

HANDBOOK ENDS HERE

.412 Refusing to furnish or cooperate in securing a social security number for himself/herself;

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(see Section 40-105.2)

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.413 Refusing to assign rights to child and spousal support payments;

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(See Section 82-510)

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.414 Refusing to take actions necessary to obtain unconditionally available income.

44-133	TREATMENT OF INCOME -- CALWORKS (Continued)	44-133
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(See Section 82-610)

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- .415 Refusing or failing to attend school regularly or cooperate in verifying school attendance.

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(See Section 42-101.5)

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- .416 Refusing or failing to submit verification of immunization for AU children under age 6.

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(See Section 40-105(j))

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- .417 Committing an Intentional Program Violation (IPV)

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(See Section 20-351)

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.5 Income and Needs in Cases in Which a Person is Excluded

- .51 The income of a parent is considered when that parent is living in the home but is excluded from the AU. A parent's needs shall only be considered if he/she has income unless the parent is an ineligible alien parent as specified in Section 44-133.521. This section does not apply to parents excluded for the following reasons: a) a sanction; b) being a recipient of another aid program; or c) being a member of a different AU. See MPP Section 44-133.8 for treatment of income and needs of timed-out adults. Parents whose needs and income are considered include, but are not limited to:

- .511 A stepparent who is the spouse of the applicant and/or recipient child's parent when the child's parent is residing in the home and the stepparent is not the parent of any natural or adoptive children who are required to be included in the AU.

44-133	TREATMENT OF INCOME -- CALWORKS (Continued)	44-133
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- .512 Natural or adoptive parents who are excluded by law.
- .513 Senior parents excluded from the minor parents' AU.
- .514 Fathers of unborn children in Pregnant Women Only cases.
- .515 Spouses of aided children in their parents' AU when the spouse does not have a child in the AU.

- .52 The needs of the following persons shall be considered in the family MAP (recipient cases) or MBSAC (applicant cases). The family MAP/MBSAC shall include:
 - .521 The needs of the following ineligible aliens who are related to the AU and who, but for their alien status, would be eligible for aid:
 - (a) An ineligible alien spouse of an AU member.
 - (b) An ineligible alien parent of a child in the AU.
 - (c) An ineligible alien parent of an ineligible alien child in common who is deprived of parental support and care.
 - (d) An ineligible alien child of an AU member.
 - (e) An ineligible alien child who is the sibling or half sibling to a child in the AU, and
 - .522 The needs of AU members other than those specified at Section 44-133.4, and
 - .523 The needs of the persons excluded from the AU, specified at Section 44-133.51, whose income is being considered, and
 - .524 The needs of any excluded children of the persons identified in Sections 44-133.51 and .521 whose income is being considered, or other dependents living in the home who could be claimed by the person for tax purposes, and
 - .525 The needs of any excluded spouse of the persons identified in Sections 44-133.51 and .521 whose income is being considered.

- .53 The income of excluded children not required to be in the AU is excluded unless the needs of that child are considered as specified in Section 44-133.521. (See student exemption disregard at Section 44-111.22 for earnings of a child.)

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.54 The following examples are provided to illustrate how to determine financial eligibility for the family in accordance with Sections 44-207.1 and .2 and the aid payment computation in accordance with Section 44-315.

Example 1: Family with No Ineligible Alien Members

Applicant applies on behalf of herself and her two dependent children. Also living in the home is a stepparent and his separate child. Stepparent earns \$1000 per month from full-time employment. Mother receives \$300 per month in State Disability Insurance benefits. No other income is received by family members. The AU resides in Region 1 and is eligible for Exempt MAP.

Applicant Eligibility Determination:

\$2000	Earned Income
- 90	\$90 Earned Income Disregard
<u>\$ 910</u>	Net Nonexempt Earned Income
<u>\$+300</u>	Disability-Based Income (Not subject to \$225 Disregard at application)
\$2210	Total Net Nonexempt Income
\$1584	MBSAC for Five (Includes AU and Non-AU Family Members)

Family is ineligible for CalWORKs (Net Nonexempt Income exceeds the MBSAC for Five).

Handbook Section 44-133.54(QR), Examples 2 and 3 shall become inoperative and Handbook Section 44-133.54(SAR), Examples 2 and 3 shall become operative in a county on the date SAR becomes effective in that county, pursuant to the County's SAR Declaration.

(QR) Example 2: Family with Ineligible Non-Citizen Members and Stepparent with No Income

Mother of two children has earnings of \$600 per month and the income is reasonably anticipated to continue at this amount for the QR Payment Quarter. One of the children is her citizen child and the other is her ineligible non-citizen child with deprivation. Mother receives direct child support in the amount of \$85 per month for the ineligible non-citizen child. Also in the home is the ineligible non-citizen spouse of the mother. The spouse does not have any income. The family lives in Region 1 and does not have exempt status.

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Applicant Eligibility Determination

\$ 600	Actual Earned Income of Mother
<u>- 90</u>	Applicant Earned Income Disregard
\$ 510	Subtotal
<u>+ 85</u>	Unearned Income of Ineligible Non-Citizen Child
\$ 595	Total Net Nonexempt Income

\$ 595 Total NNI is less than the \$1,347 Region 1 Nonexempt Family MBSAC for four, family passes applicant test.

Recipient Financial Eligibility Test

\$ 600	Monthly Earned Income of Mother
<u>- 112</u>	\$112 Earned Income Disregard
\$ 488	Subtotal
<u>- 244</u>	50% Earned Income Disregard
\$ 244	Net Nonexempt Earned Income
<u>+ 85</u>	Unearned Income of Ineligible Non-Citizen Child
\$ 329	Total Net Nonexempt Income (rounded down)

\$ 329 Total NNI is less than \$762 Region 1, Nonexempt Family MAP for four, family passes recipient financial eligibility test

Grant Computation

\$ 762	Region 1, Nonexempt Family MAP for Four
<u>- 329</u>	Total Net Nonexempt Income
\$ 433	Potential Grant

\$ 516 MAP for AU of Two (includes mother and citizen child)

\$ 433 Aid Payment is the Lesser of the Potential Grant or MAP for the AU

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(SAR) Example 2: Family with Ineligible Non-Citizen Members and Stepparent with No Income

Mother of two children has earnings of \$600 per month and the income is reasonably anticipated to continue at this amount for the SAR Payment Period. One of the children is her citizen child and the other is her ineligible non-citizen child with deprivation. Mother receives direct child support in the amount of \$85 per month for the ineligible non-citizen child. Also in the home is the ineligible non-citizen spouse of the mother. The spouse does not have any income. The family lives in Region 1 and does not have exempt status.

Applicant Eligibility Determination

\$ 600	Actual Earned Income of Mother
- 90	Applicant Earned Income Disregard
\$ 510	Subtotal
+ 85	Unearned Income of Ineligible Non-Citizen Child
\$ 595	Total Net Nonexempt Income

\$ 595 Total NNI is less than the \$1,387 Region 1 Nonexempt Family MBSAC for four, family passes applicant test.

Recipient Financial Eligibility Test

\$ 600	Monthly Earned Income of Mother
- 112	\$112 Earned Income Disregard
\$ 488	Subtotal
- 244	50% Earned Income Disregard
\$ 244	Net Nonexempt Earned Income
+ 85	Unearned Income of Ineligible Non-Citizen Child
\$ 329	Total Net Nonexempt Income (rounded down)

\$ 329 Total NNI is less than \$762 Region 1, Nonexempt Family MAP for four, family passes recipient financial eligibility test

Grant Computation

\$ 762	Region 1, Nonexempt Family MAP for Four
- 329	Total Net Nonexempt Income
\$ 433	Potential Grant

\$ 516 MAP for AU of Two (includes mother and citizen child)

\$ 433 Aid Payment is the Lesser of the Potential Grant or MAP for the AU

HANDBOOK CONTINUES

HANDBOOK CONTINUES

(QR) Example 3: Family with Ineligible Non-citizen AU Members and Stepparent with Income and Excluded Dependents

Recipient mother receives aid for herself and one child. The mother has earnings of \$600 per month that is reasonably anticipated to continue at the same amount during the QR Payment Quarter. Also living in the home are: 1) the ineligible non-citizen spouse of the aided parent; 2) the aided mother's ineligible non-citizen child in common with no deprivation; 3) the aided mother's citizen child in common who has no deprivation; and 4) a separate ineligible non-citizen child of the spouse. The spouse has \$375 per month earned income that is reasonably anticipated to continue at the same level during the QR Payment Quarter. The family is nonexempt and lives in Region 1.

Eligibility/Grant Computation

Step 1	\$ 975	Family's Monthly Earned Income
	- 112	\$112 Income Disregard
	\$ 863	Subtotal
	- 431	50% Earned Income Disregard*
	\$ 431	Net Earned Income
	\$ 431	Total Family Net Nonexempt Income*
Step 2	\$972	Family MAP for Six (All excluded dependents of the stepparent are included, regardless of deprivation since the stepparent's income is used.)
	- 431	Total Family Net Nonexempt Income
	\$ 541	Potential Grant
Step 3	\$516	AU MAP for Two
	\$541	Potential Grant
	\$516	Aid Payment (lesser of AU MAP or potential grant)

HANDBOOK CONTINUES

HANDBOOK CONTINUES

(SAR) Example 3: Family with Ineligible Non-citizen AU Members and Stepparent with Income and Excluded Dependents

Recipient mother receives aid for herself and one child. The mother has earnings of \$600 per month that is reasonably anticipated to continue at the same amount during the SAR Payment Period. Also living in the home are: 1) the ineligible non-citizen spouse of the aided parent; 2) the aided mother's ineligible non-citizen child in common with no deprivation; 3) the aided mother's citizen child in common who has no deprivation; and 4) a separate ineligible non-citizen child of the spouse. The spouse has \$375 per month earned income that is reasonably anticipated to continue at the same level during the SAR Payment Period. The family is nonexempt and lives in Region 1.

Eligibility/Grant Computation

Step 1	\$ 975	Family's Monthly Earned Income
	- 112	\$112 Income Disregard
	\$ 863	Subtotal
	- 431	50% Earned Income Disregard*
	\$ 431	Net Earned Income
	\$ 431	Total Family Net Nonexempt Income*
Step 2	\$972	Family MAP for Six (All excluded dependents of the stepparent are included, regardless of deprivation since the stepparent's income is used.)
	- 431	Total Family Net Nonexempt Income
	\$ 541	Potential Grant
Step 3	\$516	AU MAP for Two
	\$541	Potential Grant
	\$516	Aid Payment (lesser of AU MAP or potential grant)

* 50% Earned Income Disregard and Net Nonexempt Income must be rounded down to the nearest dollar amount: MPP Section 44-315.34

HANDBOOK ENDS HERE

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- .55 When an excluded family member whose needs must be considered shares the same familial relationship with more than one AU and the members of the AUs live in the same home, the parents shall determine in which AU the needs of the non-AU family member shall be included.

HANDBOOK BEGINS HERE

Example:

A mother with one child (AU #1) has an ineligible alien child in common with the unmarried father who receives aid for his separate child (AU #2). The ineligible alien child has deprivation. Mother has earned income and the father who is the principal earner is unemployed and receives UIB unearned income. The parents shall decide in which AU to include the ineligible alien common child's needs.

HANDBOOK ENDS HERE

- .6 Income of a Nonneedy Caretaker Relative Other than the Parent
- .61 The amount by which a nonneedy relative, other than a parent with whom the child lives, is able and willing to meet the child's needs is income to the Assistance Unit.
- .7 Income in Cases Where a Noncitizen Has Been Sponsored for Entry into the United States
- .71 When a noncitizen is sponsored by an individual as defined in Section 43-119.2 the income of his/her sponsor who is not receiving cash aid, SSI or other public cash assistance payments (such as General Assistance) and the income of the sponsor's spouse who lives with the sponsor and who is not receiving such public cash assistance payments shall be deemed to be the sponsored noncitizen's income. This income is determined as follows:
- .711 Determine the total amount of unearned income of the sponsor and his/her spouse.
- .712 Determine the total amount of income received by the sponsor and his/her spouse, such as wages or salary, or as net earnings from self-employment. See Section 44-113.212.
- .713 If the sponsor is the sponsor of more than one noncitizen, divide the total gross income by the total number of sponsored noncitizens who are applying for or receiving cash aid. This amount shall be deemed to be the income of each applicant or recipient who is a sponsored noncitizen.
- .714 When the sponsored noncitizen is not included in the AU (see Section 82-832), the portion of his/her income, which has been deemed from the sponsor, shall not be used in determining his/her contribution to the AU unless such income is actually available to the AU.

44-133	TREATMENT OF INCOME -- CALWORKS (Continued)	44-133
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.715 When the sponsored noncitizen is a member of the AU, this deemed income from the sponsor shall be treated as unearned income in accordance with Sections 44-113 and 44-315.4.

.716 If the sponsor is either an excluded parent or stepparent, his/her income shall be treated in accordance with the excluded parent or stepparent deeming computation. See Sections 44-133.3 and 44-133.63.

.72 Repealed by CDSS Manual Letter No. EAS-01-09, effective 10/10/01.

.8 Income and Needs of Timed-Out Adults.

Income and needs of adults living in the home who have been removed from the AU due to exceeding the 48-month CalWORKs time limits shall be treated as follows:

.81 Parents otherwise required to be in the AU. Net non-exempt income of timed-out parents who are otherwise required to be in the AU and living in the home shall be considered available to the AU. The needs of these parents shall not be considered when calculating the grant for the aided AU members.

.82 Non-parent caretaker relatives. Timed-out non-parent caretaker relatives living in the home are no longer eligible to be optional AU members, and their income and needs shall not be considered when calculating the grant for the aided AU members.

.83 Stepparents not required to be in the AU. Timed-out stepparents not required to be in the AU and living in the home are no longer eligible to be optional AU members, and their net non-exempt income and needs shall be treated in accordance with the provisions of MPP Sections 44-133.51 and 44-133.511.

.84 See MPP Sections 42-301 and 82.833.1 for regulations regarding timed-out adults. For timed-out adults whose income must be considered in the AU's grant computation, net nonexempt income shall be determined as specified at MPP Section 44-113.2.

NOTE: Authority cited: Sections 10553, 10554, 10604, and 11369, Welfare and Institutions Code; SB 72 (Chapter 8, Statutes of 2011), Section 42. Reference: Sections 10063, 10553, 10554, 10604, 11008.14, 11017, 11254, 11320.15, 11450, 11451.5, 11452, 11453, 11454, 11454.2, 11486, 18937, 18940, and 11371, Welfare and Institutions Code; 45 CFR 205.50(a)(1)(i)(A); 45 CFR 233.20(a)(1)(i); 45 CFR 233.20(a)(3)(ii)(C), (a)(3)(vi)(B), (a)(3)(xiv), (a)(3)(xiv)(B), and (xviii); 45 CFR 233.50(A)(c); and 45 CFR 233.90(c)(2)(i); Family Support Administration Action Transmittal 91-15 (FSA-AT-91-15), dated April 23, 1991; and Omnibus Budget Reconciliation Act (OBRA) of 1990; U.S. Department of Health and Human Services Federal Action Transmittal No. FSA-AT-91-4 dated February 25, 1991; Simpson v. Hegstrom, 873 F.2d 1294 (1989); Ortega v. Anderson, Case No. 746632-0 (Alameda Superior Court) July 11, 1995; and Federal Register, Vol. 58, No. 182, pages 49218 - 20, dated September 22, 1993; 8 U.S.C. 1631; and 42 U.S.C. 602(a)(39).