

TABLE OF CONTENTS**CHAPTER 82-800 ASSISTANCE UNIT**

	Section
Living in the Home of a Caretaker Relative	82-804
Living in the Home .....	.1
Home of a Caretaker Relative.....	.2
Caretaker Relative Requirements.....	82-808
Relationship of a Caretaker Relative .....	.1
Determining the Caretaker Relative.....	.2
Care and Control Factors .....	.3
Alternating Arrangements.....	.4
Number of Caretaker Relatives.....	.5
Minor Parent/Caretaker Relative .....	.6
Temporary Absence	82-812
Who Can Be Temporarily Absent.....	.1
Living With the Caretaker Relative .....	.2
Care and Control .....	.3
Determining Factors.....	.4
One Full Calendar Month Time Limit .....	.5
Exceptions to One Full Calendar Month Time Limitation .....	.6
Documentation of Temporary Absence .....	.7
Repealed by Manual Letter No. EAS-97-05, effective 5/1/97.....	.8
Included Persons	82-820
Assistance Unit .....	.1
Minimum Requirements .....	.2
Mandatory Inclusion .....	.3
Who Determines AU.....	.4
Penalty .....	.5
Assistance Units that Shall be Combined	82-824
Combining AUs .....	.1

TABLE OF CONTENTS (Continued)

CHAPTER 82-800 ASSISTANCE UNIT

	Section
Optional Persons	82-828
County Responsibility .....	.1
Optional Persons .....	.2
Excluded Persons	82-832
Person Who is Excluded by Law .....	.1
Sanctioned Persons .....	.2
Add a Person Who Becomes Ineligible Prior to Authorization of Aid .....	.3
Timed-Out Adults	82-833
Federal AFDC Program for Pregnant Women	82-836
AU of One .....	.1
Pregnancy Special Need .....	.2

CHAPTER 82-800 ASSISTANCE UNIT**82-804 LIVING IN THE HOME OF A CARETAKER RELATIVE****82-804**

- .1 Living In The Home An eligible child shall be living in the home of the caretaker relative.
- .2 Home of a Caretaker Relative The home of a caretaker relative is a family setting being maintained or in the process of being established for a child. A child is considered to be living in the home of a caretaker relative even when:
- .21 Court Jurisdiction A child is under the jurisdiction of the court and is living in the home of the relative (e.g., receiving probation services or protective supervision); or
- .22 Legal Custody A child's legal custody is held by an agency that does not have physical possession of the child.

[Previous cite: 44-203.111 - .113 and .12]

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: 45 CFR 233.90 and 45 CFR 237.50(b)(2), Sections 10553, 10554, and 11450, Welfare and Institutions Code, and SSA-AT-86-01.

82-808 CARETAKER RELATIVE REQUIREMENTS**82-808**

- .1 Relationship of a Caretaker Relative The caretaker relative shall be related to the applicant/eligible child as specified below.
- .11 Degree of Relatedness The caretaker relative may be any relation by blood, marriage or adoption who is within the fifth degree of kinship to the dependent child. (See Appendix A).
- .111 Biological Relatives The acceptable caretaker relative shall be a parent (1st degree), grandparent (2nd degree), sibling (2nd degree), great-grandparent (3rd degree), uncle or aunt (3rd degree), nephew or niece (3rd degree), great-great grandparent (4th degree), great-uncle or aunt (4th degree), first cousin (4th degree), great-great-great grandparent (5th degree), great-great uncle or aunt (5th degree), or a first cousin once removed (5th degree).

HANDBOOK BEGINS HERE

- | | | |
|-----|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (a) | | If A or B are first cousins, B's children are first cousins once removed to A and A's children are first cousins once removed to B. A's children and B's children are second cousins. |
|-----|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

HANDBOOK ENDS HERE

- | | | |
|------|------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| .112 | Step- Relatives | A stepfather, stepmother, California domestic partner of a parent, or stepbrother or stepsister, or |
| .113 | Spouses of Relatives | A spouse or California domestic partner of any person named above even after the marriage or domestic relationship has been terminated by death or dissolution or termination of the California domestic partnership, or |
| .114 | Adoptive Relatives | A person who legally adopts the child or that person's relatives, as specified. |
| .12 | Relinquishment/
Adoption | The caretaker relative shall be any of the relatives specified above when a child has been relinquished, adopted or parental rights are terminated. |
| .13 | Relationship
Verification | Counties shall document in the case record evidence used to verify the relationship of the caretaker relative to the child. |
| .14 | Types of Evidence | Counties shall use the following evidence to verify the relationship of a child to the caretaker relative. |
| .141 | Acceptable | Evidence includes:

Adoption papers or records
Baptismal records of birth and parentage
Birth certificate
Bureau of Vital Statistics or local government records of birth and parentage
Census records
Church records (including a statement from priest, minister, etc.) of parentage or relationship |

82-808 CARETAKER RELATIVE REQUIREMENTS (Continued) 82-808

Court records of parentage
 Court support records
 Day care center records
 Declaration of California Registered
 Domestic Partnership
 Divorce papers or termination of California
 registered domestic partnership
 Family Bible
 Hospital or public health records of birth
 and parentage
 Indian census records
 Insurance policy
 Juvenile court records
 Marriage licenses/ records
 Outpatient care records maintained by a
 hospital, clinic, or physician
 Paternity records maintained by a Child
 Support Agency
 School records
 Voluntary social service agency records

- .142 No Evidence If all efforts to obtain other evidence have failed, a
 sworn statement signed by the caretaker relative is
 acceptable when:
- (A) Evidence is not conflicting, and
- (B) The attempts to obtain verification are documented
 in the case record.

HANDBOOK BEGINS HERE

- .143 Conflicting Evidence When evidence is conflicting, the principles
 of gathering evidence in Section 40-157 shall apply.

HANDBOOK ENDS HERE

- .2 Determining the Caretaker Relative The county shall determine who the caretaker
 relative is by reviewing actual circumstances in each
 case to determine who exercises care and control
 responsibility for a child.

82-808	CARETAKER RELATIVE REQUIREMENTS (Continued)	82-808
---------------	----------------------------------------------------	---------------

- .3 Care and Control Factors

The following factors shall be considered when determining responsibility for care and control. A single factor may not be determinative. The factors include, but are not limited to:
- .31 Deciding where the child attends school or child care.
- .32 Dealing with the school on educational decisions and problems.
- .33 Controlling participation in extracurricular and recreational activities.
- .34 Arranging medical and dental care services.
- .35 Claiming the child as a tax dependent.
- .36 Purchasing and maintaining the child's clothing.
- .4 Alternating Arrangements

The determination of the caretaker relative relationship, when the child stays alternately with different persons, shall be made as follows:
- .41 Less than One Month

If a child stays alternately for periods of one month or less with each of his/her parents who are separated or divorced, the caretaker relative shall be determined as follows:
- .411 Where Child Stays

(a) The parent with whom the child stays for less than the majority of the time may be the caretaker relative, if that parent can establish that he/she has majority responsibility for care and control of the child.

82-808 **CARETAKER RELATIVE REQUIREMENTS (Continued)** **82-808**

- .412 Applying Parent When the child spends an equal amount of time with each parent and each parent exercises an equal share of care and control responsibilities, the parent who applies for aid shall be the caretaker relative, providing that the child's other parent is not currently applying for or receiving aid for the child.
- .413 Equal Time When each parent exercises an equal share of care and control responsibilities, and each has applied for aid for the child, the caretaker relative shall be determined in the following order:
- (a) The parent designated in a current court order as the primary caretaker for purposes of public assistance, under Civil Code Section 4600.5(h).

HANDBOOK BEGINS HERE

Civil Code Section 4600.5(h) states:

In making an order of joint physical custody or joint legal custody, the court may specify one parent as the primary caretaker of the child and one home as the primary home of the child, for the purposes of determining eligibility for public assistance.

HANDBOOK ENDS HERE

- (b) When no court order designation exists and only one parent would be eligible for aid, the parent who would be eligible shall be the caretaker relative.
- (c) When both parents would be eligible, the parents shall designate one parent as the caretaker relative. The agreement shall be documented by a CA 13.
- (d) If the parents cannot reach agreement on the designation of a caretaker relative, the parent who first applied for aid for the child shall be the caretaker relative.

82-808	CARETAKER RELATIVE REQUIREMENTS (Continued)	82-808
---------------	----------------------------------------------------	---------------

- | | | |
|------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| .414 | Remains Caretaker | The parent who has been determined to be the caretaker relative of a child who stays with the other parent for alternating period of one month or less shall remain the caretaker relative while the child is with the other parent. |
| .42 | One Full Calendar Month or More | When a child stays alternately for periods of one full calendar month or more with different persons who are not living together, the caretaker relative shall be the person with whom the child is staying at the time. That person will have to apply for aid on behalf of the child. |

HANDBOOK BEGINS HERE

See Section 82-812.5 for definition of one full calendar month.

HANDBOOK ENDS HERE

- | | | |
|----|---------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| .5 | Number of Caretaker Relatives | An AU may have more than one caretaker relative. However, an eligible child shall have only one caretaker relative at one time. |
| .6 | Minor Parent/Caretaker Relative | A child who is a caretaker relative shall not be considered a child to establish eligibility for a senior parent. |

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: 42 USC 408(a)(10); 42 USCA 606; 45 CFR 206.10; 45 CFR 206.10(a)(8); 45 CFR 233.90; 45 CFR 233.90(c)(1)(iii); 45 CFR 233.90(c)(1)(v); 45 CFR 233.90(c)(1)(v)(A); and 45 CFR 233.90(c)(2); Federal Register, Vol. 45, Page 58125, September 2, 1980; 45 CFR 237.50(b)(2); SSA-AT-86-01; ACF-AT-91-33; and Sections 10553, 10554, 10604, 11203, 11269, and 11450, Welfare and Institutions Code; and Sections 297 and 297.5(a)-(d), Family Code.

ELIGIBILITY AND ASSISTANCE STANDARDS**Regulations****ASSISTANCE UNIT****82-812 (Cont.)**

82-812 TEMPORARY ABSENCE**82-812**

- .1 Who Can Be Temporarily Absent
Any member of an AU may be considered temporarily absent from the home.
- .2 Living With the Caretaker Relative
A child is considered to be living in the home of a caretaker relative even though the child and/or the caretaker relative is temporarily absent from the home.
- .3 Care and Control
For the child to be considered temporarily absent, the caretaker relative shall continue to exercise responsibility for care and control of the child (see Section 82-808.3).
- .4 Determining Factors
The following factors shall be considered when determining temporary absence status. A single factor may not be conclusive.
- .41 Temporary Absence
The factors include, but are not limited to:
- .411 Actual Situation
The actual family circumstances (even if it is inconsistent with a court custody order).
- .412 Decision Making
If the caretaker relative is involved in making the major and minor decisions regarding the child.
- .413 Ability to Return
If the person has the ability to return or the caretaker relative has the ability to require the return of the child to the home.
- .414 Intent to Return
If the person intends to return to the home.
- .415 Paying Costs
If the person is contributing to the costs for the child's needs.
- .5 One Full Calendar Month Time Limit
Any member of the AU shall be considered temporarily absent when absent from the home for one full calendar month or less.
- .51 One Full Calendar Month
For the purpose of this section, one full calendar month shall be from the first of the month through the last day of the month.

82-812	TEMPORARY ABSENCE (Continued)	82-812
---------------	--------------------------------------	---------------

- .68 Children Receiving Out-of-Home Care
- .681 A child(ren) may be considered to be temporarily absent for a period of up to 180-consecutive days and the parent or parents remaining in the home shall be eligible for CalWORKs services when all of the following conditions are met, and a reunification plan, as defined in Section 80-301(r) is in effect:
- (a) The child(ren) has been removed from the parent(s) and placed in out-of-home care.
 - (b) The AU was receiving CalWORKs assistance when the child(ren) was removed from the parent(s), and
 - (c) The county child welfare services agency has determined that provision of CalWORKs services is necessary for family reunification.
- .682 A biological or adoptive parent of a child who is temporarily absent and receiving out-of-home care, may continue to receive CalWORKs services. In order to receive these services, an otherwise eligible parent also must have a reunification plan as defined in Section 80-301(r)(5).
- .683 Reunification parents shall not receive a cash grant. If not all of the children in the family are removed from the home, and the parent remains eligible for a cash grant, the parent is not a reunification parent and the family is not a reunification family.

HANDBOOK BEGINS HERE

- (a) Reunification parents, cases, plan, and services are defined in Section 80-301.

HANDBOOK ENDS HERE

ELIGIBILITY AND ASSISTANCE STANDARDS**Regulations****ASSISTANCE UNIT****82-812 (Cont.)**

82-812 TEMPORARY ABSENCE (Continued)**82-812**

- .684 Reunification parents are eligible for welfare-to-work services as described in Section 42-700 et seq.
- .685 Reunification parents are eligible for supportive services pursuant to Section 42-750.
- .686 Reunification parents are subject to the rules regarding supportive services underpayments and overpayments as set forth in Section 42-751.
- .687 The following are eligibility and reporting requirements that will apply to the family reunification parent.
- (a) Section 82-812.687(a)(MR) shall become inoperative and Section 82-812.687(a)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
 - (MR) Monthly eligibility reporting requirements for reunification cases are set forth in Section 40-181.223(MR).
 - (QR) Quarterly eligibility reporting requirements for reunification cases are set forth in Section 40-181.223(QR).
 - (b) The reunification case will be subject to an eligibility redetermination every six months pursuant to Section 40-181.1(e)(4).
 - (c) An eligibility redetermination pursuant to Section 40-181.1(e)(5) will be conducted to restore cash aid to the CalWORKs case when an AU is reunified.

82-812	TEMPORARY ABSENCE (Continued)	82-812
---------------	--------------------------------------	---------------

- (d) Pursuant to Section 42-711.61, the county may utilize the county child welfare services agency reunification plan as defined in Section 80-301(r)(5) as the required welfare-to-work (WTW) plan or amend the WTW plan and include all or part of the WTW activities in the reunification plan.

- (e) Pursuant to Section 42-711.512 and Section 42-721.413, reunification parents who are subject to a WTW sanction, including a second or third instance sanction, are not precluded from receiving CalWORKs reunification services. Participation in a family reunification plan will also count toward any required sanction period.

- (f) For Maximum Family Grant purposes and pursuant to Section 44-314.2, a month in which children are temporarily absent from the home shall be considered a month in which the AU did not receive aid.

- .688 The county child welfare services agency may grant a good cause extension to the 180-day temporary absence in the following situations:
 - (a) An extension is needed for the number of days between the date of the children's removal and the date the court orders a reunification plan.

 - (b) The county child welfare services agency determines that additional time is needed, beyond the 180 days, to complete the reunification plan. This extension can be in effect until termination of the family reunification plan.

82-820	INCLUDED PERSONS (Continued)	82-820
---------------	-------------------------------------	---------------

- | | | |
|------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| .2 | Minimum Requirements | An AU shall have at least one of the following: |
| .21 | Child | One eligible child. |
| .22 | Caretaker
Relative | A caretaker relative of an SSI/SSP child, Kin-GAP child or of a child receiving federal, state or local foster care maintenance payments. For purposes of this section, local foster care maintenance payments are payments made with county-only funds for the board and care costs of children in 24-hour out-of-home care who have an open child welfare services case file. |
| .23 | Pregnant Woman | A pregnant woman. |
| .24 | Relative of GAIN
Sanctioned Child | A relative of a child who is sanctioned by GAIN. |
| .3 | Mandatory Inclusion | Section 82-820.3(MR) shall become inoperative and Section 82-820.3(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration. |
| (MR) | | The AU shall include the following persons when living in the same home and eligible: |
| (QR) | | The AU shall include the following persons when living in the same home and eligible at the time of initial family application (see Section 44-317) or at the beginning of the QR Payment Quarter following the mandatory reporting of the individual on the QR 7 (see Section 44-318): |
| .31 | Applicant Child | The applicant child. |
| .32 | Siblings | Any eligible sibling or half-sibling of the applicant child who meets the age requirement. |
| .33 | Parents | Any parent, except for alternatively sentenced parents, of: |

82-820 INCLUDED PERSONS (Continued) 82-820

- .331 The applicant child, or
- .332 The applicant child's eligible siblings or half-sibling who meet the age requirement.

HANDBOOK BEGINS HERE

- .333 For exceptions to the mandatory inclusion requirements applicable to pregnant or parenting minors who are participants of the California Work Pays Demonstration Project, see Section 89-201.5.

HANDBOOK ENDS HERE

- .4 Who Determines AU The county shall determine who is mandatorily included and excluded from the AU. The county and the applicant/recipient shall determine whether or not an optional person will be included in the AU.
- .5 Penalty The county shall deny the application or discontinue AFDC when a mandatorily included person refuses to be included.

[Previous Cites: 44-205.1, 44-205.4 and 44-205.51]

NOTE: Authority cited: Sections 10553, 10554, 10604, and 11369, Welfare and Institutions Code. Reference: 42 USCA 606; 45 CFR 206.10(a)(1); 45 CFR 233.10(a)(1), (a)(1)(iv) and (vii); 45 CFR 233.90(c)(1)(v)(A); 45 CFR 237.50(b)(5); 45 CFR 250.34; SSA-AT-86-01; Section 242, California Civil Code; Edwards v. Healy, Civ. S. 91-1473 DFL (1992); Sections 10553, 10554, 10604, 11000, 11254, 11265.3, 11400, 11450, and 11450.16, Welfare and Institutions Code; and ACF-AT-94-5.

82-824 ASSISTANCE UNITS THAT SHALL BE COMBINED 82-824

- .1 Combining AUs Two or more AUs in the same home shall be combined into one AU when:
 - .11 Marriage A caretaker relative is married to another caretaker relative in another AU, or
 - .12 Child in Common Two caretaker relatives in the home have separate children and also have an eligible child in common, or

82-824	ASSISTANCE UNITS THAT SHALL BE COMBINED (Continued)	82-824
---------------	------------------------------------------------------------	---------------

.13	One Caretaker Relative	There is only one caretaker relative.
-----	------------------------	---------------------------------------

(QR) .14	Combining AUs Mid-Quarter	
----------	---------------------------	--

(QR) .141		When a voluntary report is made that would combine separate AUs mid-quarter, the county shall determine if the mid-quarter action of combining the AUs would increase or decrease aid for the separate AUs.
-----------	--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

(QR) .142		The county shall compare the monthly grant for the combined AUs to the total combined monthly grants of the separate AUs.
-----------	--	---------------------------------------------------------------------------------------------------------------------------

(QR) .143		If the combined AU's monthly grant would be higher than the total combined monthly grant of two separate AUs, the county shall take mid-quarter action to combine the AUs the first of the month following the voluntary report.
-----------	--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

(QR) .144		If the combined AU's monthly grant does not result in an increase to the total combined monthly grant of the separate AUs, the county shall not take mid-quarter action to combine the AUs. The combining of the separate AUs shall be effective the first of the next QR Payment Quarter, after the change(s) is reported on the QR 7.
-----------	--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

[Previous Cite: 44-205.3]

NOTE: Authority cited: Sections 10553, 10554, and 10604, Welfare and Institutions Code. Reference: 45 CFR 206.10(a)(1); 45 CFR 233.90; 45 CFR 237.50(b)(5); United States Department of Health and Human Services, Office of Family Assistance, Aid to Families with Dependent Children Action Transmittal No. SSA-AT-86-1; Section 242, California Civil Code; Anderson v. Edwards 115 S.Ct. 1291 (1995); and Sections 10553, 10554, 10604, 11000, 11265.3, and 11450, Welfare and Institutions Code.

82-828	OPTIONAL PERSONS	82-828
---------------	-------------------------	---------------

.1	County Responsibility	
----	-----------------------	--

.11	Identify Optional Persons	The county shall identify, for the applicant or recipient, any person living in the home who may be included in the AU.
-----	---------------------------	-------------------------------------------------------------------------------------------------------------------------

82-832	EXCLUDED PERSONS (Continued)	82-832
---------------	-------------------------------------	---------------

- | | | |
|-----|------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (c) | Father of Unborn

.131

.132 | Is an unborn child's father who is living in the home with the pregnant woman and who is:

Not the parent or caretaker relative of an eligible child, or

Not an essential person. |
| (d) | Other Aid | Receives SSI/SSP, Refugee Repatriate Payment (RRP), Kin-GAP or AFDC-FC. |
| (e) | Sponsored Noncitizen | Is a sponsored noncitizen whose needs are being met by a sponsor's deemed income. |
| (f) | Spouse of Eligible Child | Is a spouse of an eligible child, living with the child in the senior parent's home, when there is no child in common for whom deprivation exists. |
| (g) | Refugee Eligible for Alternative Project | Is a refugee who is eligible for and required to participate in an alternative project implemented pursuant to Section 412(e)(7) of the federal Immigration and Nationality Act 8 USC 1522(e)(7). |
| (h) | Fleeing Felon | Is fleeing to avoid prosecution, or custody or confinement after conviction for a crime or attempt to commit a crime that is a felony. The existence of a warrant for arrest shall be presumed to be evidence of fleeing, unless rebutted by other evidence sufficient to prove that the individual had no knowledge that he/she is being sought by law enforcement. |
| (i) | Violation of Probation or Parole | Is in violation of a condition of probation or parole. The initial offense for which probation or parole was ordered need not have been a felony. |

ELIGIBILITY AND ASSISTANCE STANDARDS**Regulations****ASSISTANCE UNIT****82-832 (Cont.)**

82-832 EXCLUDED PERSONS (Continued)**82-832**

- (j) Convicted Drug Felon Has been convicted in a state or federal court of a felony that has as an element, the possession, use or distribution of a controlled substance. The conviction must be after December 31, 1997. Controlled substance is defined in Section 102(6) of the Controlled Substances Act (21 U.S.C. Section 802(6)) or Division 10 (commencing with Section 11000) of the Health and Safety Code. The term 'convicted' also includes a plea of guilty or nolo contendere.
- .2 Sanctioned Persons A person excluded from the AU due to a sanction, is:
- .21 Child/Spousal Support A parent, pregnant woman, or caretaker relative who refuses to assign support rights.
- .22 Citizenship A person who fails to cooperate in the verification of his/her citizenship or alien status.
- .23 Welfare-to-Work A non-exempt welfare-to-work participant who fails or refuses without good cause to meet program requirements, and:
- .231 When the participant is a principal earner, the second parent is also ineligible unless he/she is participating in welfare-to-work activities.
- .24 Social Security Number An applicant or recipient; or a child whose parent, caretaker relative, or legal guardian who:
- .241 Refuses or fails to furnish an SSN or evidence of a completed application for an SSN, or
- .242 Refuses or fails to cooperate in verifying an SSN.
- .25 Striking A striker who is not a caretaker relative.
- .26 Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.
- .3 Add a Person Who Becomes Ineligible Prior to Authorization of Aid Section 82-832.3(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

82-832 EXCLUDED PERSONS (Continued)**82-832**

(QR)

A new person who has been mandatorily reported on the QR 7 and determined eligible based on the QR 7 information, shall be treated as an excluded person for the next QR Payment Quarter when ineligibility occurs after the QR Data Month but prior to the authorization of aid (see Section 40-171.221). This person's income and needs, as reported on the QR 7, shall be treated in accordance with Section 44-133.5 for the next QR Payment Quarter and the AU shall be discontinued at the end of that quarter in which the individual was treated as an excluded person, if the subsequent QR 7 establishes that ineligibility continues to exist for the AU.

HANDBOOK BEGINS HERE

Example:

An AU is aided based on absent parent deprivation. The current QR Payment Quarter is January/February/March. In January, the absent father returned to the home and is reported for the first time on the QR 7 for the Data Month of February. The father, who was determined to be the principal earner, was receiving UIB in the first month (January) and in the Data Month and was initially determined eligible as an unemployed parent based on the QR 7 information. However, when the county completed the interview in the Submit Month, it was learned that the father had accepted a full-time job in the Submit Month of March. Since the principal earner has accepted full-time employment and deprivation due to unemployment was not established prior to the authorization of aid for the father, the county shall deny aid to the father in accordance with Section 40-171.221(g) and instruct the AU to report the father's full-time employment on the QR 7 due in June (for May). Because ineligibility for the father has occurred after the QR Data Month but prior to the authorization of aid, his reasonably anticipated income as reported on the QR 7 for February, and his needs shall be treated as those of an excluded person in accordance with Section 44-133.5 for the next QR Payment Quarter. The existing AU's deprivation is not affected until the father's full-time employment that occurred mid-quarter (in March) is reported on the subsequent QR 7. If the subsequent QR 7 establishes that ineligibility exists for the AU, the county shall discontinue cash aid at the end of that quarter once timely and adequate notice has been provided.

HANDBOOK ENDS HERE

[Previous cite: 44-206]

82-832 EXCLUDED PERSONS (Continued)**82-832**

NOTE: Authority cited: Sections 10553, 10554, 10604, 11270, and 11369, Welfare and Institutions Code. Reference: 8 CFR 213a. and 299; 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, 45 CFR 206.10(a)(5)(i), 45 CFR 232.12(d), 45 CFR 233.10(a)(1)(i), (a)(1)(i)(B), and (a)(3), 45 CFR 233.20(a)(1)(i), (a)(3)(ii)(C) and (F), and (a)(3)(ix), 45 CFR 233.50, 45 CFR 233.51, 45 CFR 233.90(c), (c)(1), and (c)(2)(iv), 45 CFR 233.100(a)(5)(ii), 45 CFR 233.106, 45 CFR 240.22, and 45 CFR 250.34(a) and (c), and (c)(2); and Sections 11008.13, 11104, 11157, 11201(b), 11203, 11251.3, 11263.5, 11265.1, 11265.2, 11265.3, 11268, 11270, 11315, 11320.6(e), 11327.5(c), 11406.5, 11450, 11450.5, 11454, 11454.5, 11477, 11477.02, 11486, and 11486.5, Welfare and Institutions Code; and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, Section 115.

82-833 TIMED-OUT ADULTS**82-833**

- .1 A timed-out adult is an adult who has been removed from the AU due to exceeding the 60-month CalWORKs time limit specified in MPP Section 42-301. See MPP Section 44-133.8 for treatment of income and needs of timed-out adults.

NOTE: Authority cited: Sections 10553, 10554, 11270, and 11369, Welfare and Institutions Code. Reference: 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, 45 CFR 206.10(a)(5)(i), 45 CFR 232.12(d), 45 CFR 233.10(a)(1)(i), (a)(1)(i)(B), and (a)(3), 45 CFR 233.20(a)(1)(i), (a)(3)(ii)(C) and (F), and (a)(3)(ix), 45 CFR 233.50, 45 CFR 233.51, 45 CFR 233.90(c), (c)(1), and (c)(2)(iv), 45 CFR 233.100(a)(5)(ii), 45 CFR 233.106, 45 CFR 240.22, and 45 CFR 250.34(a) and (c), and (c)(2); and Sections 11008.13, 11104, 11157, 11201(b), 11203, 11251.3, 11263.5, 11268, 11270, 11315, 11320.6(e), 11327.5(c), 11406.5, 11450, 11454, 11454.5, 11477, 11477.02, 11486, and 11486.5, Welfare and Institutions Code; and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, Section 115.

82-836 FEDERAL AFDC PROGRAM FOR PREGNANT WOMEN**82-836**

- .1 AU of One An AU of one without an eligible child shall be established when a pregnant woman, regardless of age, meets all of the following conditions:
- .11 Verification Medical verification of pregnancy is provided to the county, and
- .12 Eligibility The pregnant woman and unborn child, if born and living with the mother, would be eligible for federal AFDC in the payment month, and
- .13 Duration of Pregnancy The pregnancy has reached the three-month period before the month of anticipated birth (see State AFDC For Pregnant Women), and

TABLE OF CONTENTS

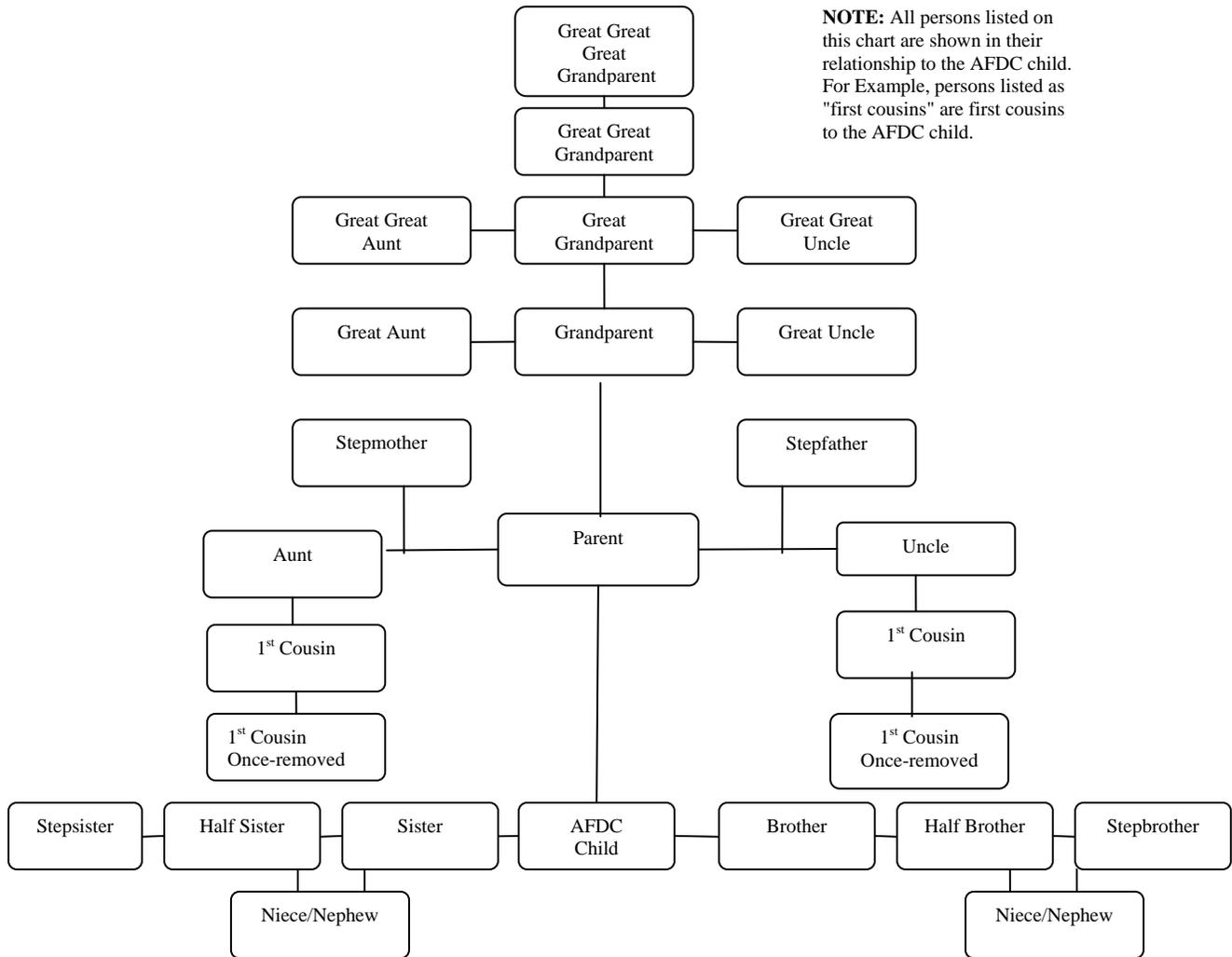
CHAPTER 88-400 CHART FOR DETERMINING RELATEDNESS OF CARETAKER RELATIVES

	Section
Repealed by Manual Letter No. EAS-96-07, effective 9/1/96.....	88-410
Chart for Determining Relatedness of Caretaker Relatives	Appendix A

This page is intentionally left blank.

HANDBOOK BEGINS HERE

CHART FOR DETERMINING RELATEDNESS OF CARETAKER RELATIVES



NOTE: All persons listed on this chart are shown in their relationship to the AFDC child. For Example, persons listed as "first cousins" are first cousins to the AFDC child.

- 1) The caretaker relative also includes the spouse or former spouse of the relatives listed above.
- 2) The caretaker relative also includes the adoptive parents and their relatives as listed above.

HANDBOOK ENDS HERE

This page is intentionally left blank.

**ELIGIBILITY AND ASSISTANCE STANDARDS
DEMONSTRATION PROJECTS**

TABLE OF CONTENTS

Chapter

DIVISION 89 DEMONSTRATION PROJECTS

Assistance Payments Demonstration Project (APDP) and California Work Pays Demonstration Project (CWPDP).....	89-100
Minor Parent.....	89-200
Renumbered to Chapter 89-100 by Manual Letter No. EAS-95-06, effective 7/9/95.....	89-300
Renumbered to Chapter 89-100 by Manual Letter No. EAS-95-06, effective 7/9/95.....	89-400
Renumbered to Chapter 89-100 by Manual Letter No. EAS-95-06, effective 7/9/95.....	89-500
Repealed by Manual Letter EAS-98-05, effective 12/28/98.....	89-700

This page is intentionally left blank.

TABLE OF CONTENTS**CHAPTER 89-100 ASSISTANCE PAYMENTS DEMONSTRATION PROJECT (APDP)
AND CALIFORNIA WORK PAYS DEMONSTRATION PROJECT (CWPDP)**

	Section
Federal Demonstration Projects - Introduction.....	89-101
Background .....	.1
Control Group .....	.2
Repealed by Manual Letter No. EAS-98-03, effective 7/1/98.....	89-105
Maximum Aid Payment (MAP) Level and MAP Restriction.....	89-110
MAP Amount .....	.1
Exempt and Nonexempt AUs.....	.2
Handbook Examples .....	.3
Relocation Family Grant .....	.4
Increased Property Limits for Recipients.....	89-115
General .....	.1
Excess Property Discovered.....	.2
\$2,000 Property Limit for Recipients	89-120
General .....	.1
Example 1 .....	.2
Example 2 .....	.3
Example 3 .....	.4
Increased Motor Vehicle Limit for Recipients	89-125
General .....	.1
Example .....	.2
Restricted Accounts for Recipients.....	89-130

This page is intentionally left blank.

**CHAPTER 89-100 ASSISTANCE PAYMENTS DEMONSTRATION PROJECT (APDP)
AND CALIFORNIA WORK PAYS DEMONSTRATION PROJECT (CWPDP)**

89-101 FEDERAL DEMONSTRATION PROJECTS - INTRODUCTION 89-101

HANDBOOK BEGINS HERE

.1 Background

Pursuant to state law, the California Department of Social Services has requested and received federal approval for two California Demonstration Projects entitled the Assistance Payments Demonstration Project and the California Work Pays Demonstration Project. These Projects enable California, in accordance with their federally mandated Terms and Conditions, to implement certain new AFDC provisions.

The Assistance Payments Demonstration Project provisions are contained in Division 89. They include work incentive provisions, MAP reductions and a relocation grant restriction. The California Work Pays Demonstration Project provisions contained in Division 89 include increased property limits, restricted accounts, and the California Alternative Assistance Program. (For "Cal Learn" see Division 42.)

HANDBOOK ENDS HERE

.2 Control Group

Except for the provisions found in Chapter 89-700, related to the California Alternative Assistance Program, the county shall not apply the Division 89 Assistance Payments Demonstration Project and the California Work Pays Demonstration Project provisions to those applicants and recipients who are designated as members of the Projects' control groups. CAAP applies to both the experimental and control groups in all APDP/CWPDP counties. The designation and treatment of the control groups shall be accomplished pursuant to the Projects' mandated parameters outlined in the Federal Terms and Conditions as approved by the Secretary of the Department of Health and Human Services.

89-101	FEDERAL DEMONSTRATION PROJECTS - INTRODUCTION	89-101
	(Continued)	

NOTE: Authority cited: Sections 10553, 10554, 11201.5, 11209, and 11450(g), Welfare and Institutions Code. Reference: Sections 11155.1, 11155.2, 11201.5, 11280, 11450.01, and 11450.03, Welfare and Institutions Code; 45 CFR 233.20(a)(3)(I)(B); 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; and Federal Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994.

89-105	ELIMINATION OF TIME LIMITATIONS FOR 30 AND 1/3 EARNED INCOME DISREGARD AND ELIMINATION OF THE 100-HOUR LIMIT	89-105
---------------	---------------------------------------------------------------------------------------------------------------------	---------------

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

89-110	MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION	89-110
---------------	------------------------------------------------------------	---------------

HANDBOOK BEGINS HERE

.1 MAP Amount	See Section 44-315.311(a) for the MAP amounts for recipients subject to the Assistance Payments Demonstration Project as specified in Section 89-100.
---------------	-------------------------------------------------------------------------------------------------------------------------------------------------------

HANDBOOK ENDS HERE

.2 Exempt and Nonexempt AUs	The CWD shall determine whether an AU is an Exempt or Nonexempt AU for purposes of the MAP amounts specified in Section 44-315.311 by using the rules in this section.
-----------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------

.21 Rule	An Exempt AU is one in which the following persons meet at least one of the conditions listed in Sections 89-110.22 through .24.
----------	----------------------------------------------------------------------------------------------------------------------------------

.211 Parent/Relative	Each parent, aided stepparent, and caretaker relative of a child who lives in the home of the aided child; or
----------------------	---------------------------------------------------------------------------------------------------------------

89-110	MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION	89-110
	(Continued)	

- | | | |
|------|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| .212 | Aided Parent of Unaided Child | Each parent receiving aid because of an unaided excluded child; or |
| .213 | Pregnant Woman Only | The pregnant woman in an AU consisting of the woman only; or |
| .214 | RCA AU | Each adult or parent of a child aided under RCA in a Refugee Cash Assistance AU. |
| .22 | Receives Benefits | Receives at least one of the following: |
| .221 | SSI/SSP | Supplemental Security Income/State Supplemental Payments (SSI/SSP); or |
| .222 | IHSS | In-Home Supportive Services (IHSS); or |
| .223 | SDI | State Disability Insurance (SDI); or |
| .224 | TWC | Temporary Worker's Compensation (TWC - Temporary Disability Indemnity - TDI). |
| .225 | Repealed by Manual Letter No. EAS-98-01, effective 1/1/98. | |
| .23 | Unaided Non-parent Caretaker | Is an unaided, non-parent caretaker relative. |
| .24 | (Reserved) | |
| .25 | Minor Parents and Pregnant Women | For purposes of Section 89-110.21: |
| .251 | Minor Parent | A minor parent aided as an eligible child is considered to be a parent. |
| .252 | Pregnant Woman | A pregnant woman is not considered in the determination of an AU's exempt status unless she is a parent, caretaker relative or aided stepparent of existing children or the sole member of an AU consisting of a pregnant woman only or an adult aided under RCA. |

89-110	MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION	89-110
	(Continued)	

- | | | |
|------|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| .26 | Review of AU Exemption Status | The CWD shall review AU exemption status when: |
| .261 | GAIN Exemption | An AU member is determined exempt from GAIN due to incapacity as specified in Section 42-793 or care of another individual in the household as specified in Section 42-795. |
| .262 | | Section 89-110.262(MR) shall become inoperative and Section 89-110.262(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration. |
| (MR) | Monthly Eligibility Report Received | The CWD processes the Monthly Eligibility Report submitted by the AU. |
| (QR) | Quarterly Eligibility Report Received | The county processes the Quarterly Eligibility Report submitted by the AU. |
| .263 | Application or Add Person | The AU makes an initial application, reapplication or requests that a parent or caretaker relative be added to the AU. |
| .264 | Request a Review or Report a Change | A parent, caretaker relative or RCA adult associated with the AU requests review of AU status or reports a change applicable to the AU status. |
| .27 | Exempt AU Status | The CWD shall consider that an AU is an Exempt AU when, on or after application for AFDC, the AU meets the rule in Section 89-110.21 and is also eligible for AFDC or, for RCA AUs, eligible for RCA. |
| .271 | If Exempt Status Results from Request for Review | When Exempt AU status results from a request for review by the AU, the CWD shall not treat the AU as an Exempt AU for any month prior to the month of request. |

89-110	MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION	89-110
---------------	------------------------------------------------------------	---------------

(Continued)

.28		
	Section 89-110.28(MR) et seq. shall become inoperative and Section 89-110.28(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.	
(MR) Use of Exempt AU MAP Amount		The CWD shall use the Exempt AU or Nonexempt AU MAP in the budgeting process as follows:
(QR) Use of Exempt/Nonexempt Amount		The county shall use the Exempt or Nonexempt AU MAP corresponding to the AU's MAP status that is reasonably anticipated for the QR Payment Quarter. (Also see Sections 89-110.291(QR) and .292(QR).)
.281		
	Section 89-110.281(MR) shall become inoperative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.	
(MR) During Prospective Budgeting		During prospectively budgeted months, the CWD shall use the MAP corresponding to the AU status in that month.
.282		
	Section 89-110.282(MR) shall become inoperative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.	
(MR) During Retrospective Budgeting		During retrospective budgeted months, the CWD shall use the MAP corresponding to the AU status in the budget month except as provided in Section 89-110.283(MR).
.283		
	Section 89-110.283(MR) shall become inoperative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.	

89-110	MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION	89-110
---------------	------------------------------------------------------------	---------------

(Continued)

(MR)	Transition From Application	For the month of beginning date of aid, and for the three subsequent months, when the month of beginning date of aid and subsequent month are prospectively budgeted, the CWD shall use the MAP corresponding to the actual AU exemption status existing in the month.
.29		Section 89-110.29(MR) shall become inoperative and Section 89-110.29(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(MR)	Change in Status	Except as specified in Section 89-110.283(MR), when the AU status changes between Exempt and Nonexempt, the CWD shall change the MAP effective for the payment month when the first month of the new status is the budget month.
(QR)		When the AU status changes between exempt and nonexempt, the county shall change the MAP status effective as follows:
.291		Section 89-110.291(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(QR)		If the change is reported on the QR 7, the change in status shall be effective the first day of the next QR Payment Quarter.
.292		Section 89-110.292(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
(QR)		If the change is reported mid-quarter and the change in status will increase cash aid as specified in Section 44-316.31(QR), the change in status shall be effective the first day of the month following the report of the change when verification has been provided.

89-110	MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION	89-110
---------------	------------------------------------------------------------	---------------

(Continued)

HANDBOOK BEGINS HERE

.3 Handbook Section 89-110.3(MR) shall become inoperative and Handbook Section 89-110.3(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Examples of Exempt and Nonexempt AUs, Financial Eligibility Determination, and Grant Calculation

(QR) Examples of Exempt and Nonexempt AUs, Financial Eligibility Determination, Quarterly MAP Status Determination, and Mid-Quarter MAP Status Changes

.31 Examples of Exempt and Nonexempt AUs

Example 1 – Exempt AU – Receipt of SDI and SSI/SSP

The family consists of two parents and their two children with eligibility based upon incapacity. One parent receives SDI and the second parent receives SSI/SSP. Since each parent receives one of the benefits specified in Section 89-110.22, the CWD uses the Exempt MAP.

Example 2 – Exempt AU – Disabled Pregnant Woman Only (PWO)

Because a pregnant woman is the only member of her AU and receives one of the benefits specified in 89-110.22, the CWD uses the Exempt MAP.

Example 3 – Nonexempt AU – Receipt of Private Disability Insurance

The AU consists of a parent and his aided child. The parent receives private insurance benefits from his employer; however, this income is not one of the benefits specified in Section 89-110.22 and the parent does not meet any other criterion to receive an exemption. The CWD uses the Nonexempt MAP.

Example 4 – Exempt AU – Unaided Non-Parent Caretaker Relative

An aunt is receiving aid for her nephew. The AU consists of the child only. The CWD uses the Exempt MAP as the aunt meets the exemption in 89-110.23; she is an unaided non-parent caretaker relative.

HANDBOOK CONTINUES

HANDBOOK CONTINUES

Example 5 – Nonexempt AU – Parent with SSI/SSP Child

The AU consists of a mother and her child, who receives SSI/SSP. The mother does not receive one of the benefits specified in Section 89-110.22 or meet any other criterion to receive an exemption. Because the parent in the AU must meet the criteria in Section 89-110.21 and .22, the CWD uses the Nonexempt MAP.

Example 5a – Exempt AU – SSI/SSP Parent with Child.

The AU consists of a father who receives SSI/SSP and his child. The father receives one of the benefits in Section 89-0110.22. The CWD uses the Exempt MAP.

Example 6 – Nonexempt AU – Minor Parent

The AU consists of a senior parent and her children. One of the senior parent's children is a 17-year-old minor parent. The minor parent's child is also in the AU. The senior parent receives SDI. The minor parent aided as an eligible child in the senior parent's case is considered to be a parent as specified in Section 89-110.251. The minor parent does not receive one of the benefits specified in Section 89-110.22 or meet any other criterion to receive an exemption. Because both senior parent and minor parent are considered parents in determining exempt status, and all parents in an AU must receive one of the benefits in Section 89-110.22, the CWD uses the Nonexempt MAP

Example 7 – Nonexempt AU – Aided Stepparent

The AU consists of a father, the father's children, and an aided stepmother. The stepmother is pregnant, but she is not the parent or caretaker relative of any of the aided children. The father receives temporary workers compensation (TWC). The aided stepmother does not receive one of the benefits specified in Section 89-110.22 or meet any other criterion to receive an exemption. The CWD uses the Nonexempt MAP as both the parent and the aided stepmother must meet an exemption as required by Section 89-110.211.

Example 8 – Exempt AU – Unaided Stepparent

The family consists of a mother, the mother's children and an unaided stepfather. The mother receives SSI/SSP and is not in the AU. The stepfather, who is not the parent of any of the aided children, is unaided; therefore, he is not considered in determining the AU's exemption status. The CWD uses the Exempt MAP.

HANDBOOK CONTINUES

89-110	MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION	89-110
---------------	------------------------------------------------------------	---------------

(Continued)

HANDBOOK CONTINUES

Example 9 – Nonexempt AU – Undocumented Immigrant Father

The family consists of a mother, the mother’s children, and the father, who is an undocumented immigrant. Eligibility is based on unemployment. The mother receives SDI. The father does not receive one of the benefits specified in Section 89-110.22 or meet any other exemption criterion. The CWD uses the Nonexempt MAP, as each parent must meet one of the criterion to receive an exemption even if they are not aided due to exclusion.

Example 10 – Request for Review of AU Status by the AU

The AU consists of two parents and their two children, with deprivation based on unemployment. The AU receives the Nonexempt MAP. In June, the father requests a review of the AU status, as he has been determined to be exempt from welfare-to-work participation due to disability as specified in Section 42-712.44. The wife’s application for IHSS was denied and she does not meet any other criterion for an exemption. Since both the father and the mother must receive one of the benefits specified in Section 89-110.22 or meet one other criterion to receive an exemption, the CWD uses the Nonexempt MAP.

.32 Handbook Section 89-110.32(MR) shall become inoperative and Handbook Section 89-110.32(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director’s QR/PB Declaration.

(MR) Determining Financial Eligibility

(QR) Determining MAP Status for Applicants

Handbook Section 89-110.32(MR) Example 11 shall become inoperative and Handbook Section 89-110.32(QR) Example 11 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director’s QR/PB Declaration.

(MR) Example 11 – Determining Status in the Month of Application

(MR) An initial application is made January 4 for an AU consisting of a father and two children. The father receives SSI/SSP at application. The SSI/SSP ends on February 28. Because eligibility is always determined concurrently, the CWD uses the Exempt MAP to determine financial eligibility for January and February and the Nonexempt MAP for March.

HANDBOOK CONTINUES

HANDBOOK CONTINUES

(QR) Example 11 – Determining MAP Status for Applicants

(QR) An initial application is made January 4 for an AU consisting of a father and two children. The applicant AU is placed in a January/February/March quarter. When applying for aid, the father was in receipt of SSI/SSP. The SSI/SSP ends on February 28. Since the MAP status is determined prospectively for the entire quarter based on the applicant’s status at the time application is approved, the county uses the Exempt MAP to determine financial eligibility and cash aid for the entire quarter.

Handbook Section 89-110.32(MR) Examples 12 and 13 shall become inoperative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director’s QR/PB Declaration.

(MR) Example 12 – Determining Status for Recipients

(MR) The recipient began receiving SDI on January 5. The recipient reported the income timely and provides proof of the income. Based on these facts, the recipient’s status changed to Exempt effective as of the month of February. Because eligibility is always determined concurrently, and assuming the recipient continues to receive SDI during these months, the CWD should use exempt MAP to determine financial eligibility for February, March, and following months until the recipient’s status changes.

(MR) Example 13 – The AU Changes from Nonexempt to Exempt to Nonexempt MAP

(MR) An AU consists of a mother and her child. The mother begins receiving SDI on March 15 and the SDI ends on April 22. To determine financial eligibility, the CWD uses the Nonexempt MAP for March because the mother began receiving the SDI after the first of the month, Exempt MAP for April because she was eligible for the Exempt MAP on the first of the month, and Nonexempt MAP for May and all subsequent months because she did not receive SDI benefits in those months.

.33 Handbook Section 89-110.33(MR) shall become inoperative and Handbook Section 89-110.33(QR) shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director’s QR/PB Declaration.

(MR) Calculating the Grant

(QR) Determining MAP Status for Recipients

HANDBOOK CONTINUES

89-110	MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION	89-110
---------------	------------------------------------------------------------	---------------

(Continued)

HANDBOOK CONTINUES

Handbook Section 89-110.33(MR) Example 14 shall become inoperative and Handbook Section 89-110.33(QR) Example 14 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 14– Transition to Retrospective - Budgeting Continuous Status

(MR) Aid is effective July 12 for an AU consisting of a father and his child. The father reports that he is receiving TDI at application but it is expected to end on October 5; he is not expected to get any of the other benefits specified in Section 89-110.22. The CWD uses the exempt status for the prospectively budgeted months of July and August. The father confirms that his TDI ended in October. The exempt MAP status will be used for the corresponding budgeted months for November and December. The CWD will begin to use the nonexempt MAP for the January grant payment.

(QR) Example 14– Determining Status for Recipients

(QR) An existing AU is in an October/November/December quarter. On the November QR 7, the recipient reported the receipt of SDI in the Data Month. The county verifies the recipient's QR 7 information and uses the Exempt MAP status to determine financial eligibility and cash aid for the next QR Payment Quarter.

Handbook Section 89-110.33(MR) Example 15 shall become inoperative and Handbook Section 89-110.33(QR) Example 15 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 15 – Late Discovery Due to Client's Failure to Timely Report

(MR) The AU consists of a parent and his child. The father starts receiving SDI in June but does not report the income to the CWD until November. The father provides verification of this income in November and requests review of his status. The first month of Exempt status is November, since MPP Section 89-110.271 provides that the status change shall not be effective for any months prior to a request for review when the status change results from a request for review. Because the AU is already in retrospective budgeting, the CWD provides the AU with the appropriate notice of action and begins to use the Exempt MAP for January, the payment month that corresponds to the budget month that reflects the father's new status.

HANDBOOK CONTINUES

HANDBOOK CONTINUES

(QR) Example 15 – Late Discovery Due to Client’s Failure to Timely Report

(QR) The AU consists of a parent and his child. The AU is in an April/ May/June quarter. The father starts receiving SDI in May but does not report the information on the QR 7. On July 2, the father voluntarily requests mid-quarter review of his status and provides the appropriate verification of his exempt status. The first month the Exempt MAP status is effective is August. Section 89-110.271 provides that the MAP status change shall not be effective for any months prior to a request for review when the status change results from a request for review and Section 89-110.292(QR) provides that increases to aid due to a recipient mid-quarter voluntary report are not effective until the first of the month following the report.

Handbook Section 89-110.33(MR) Example 16 shall become inoperative and Handbook Section 89-110.33(QR) Example 16 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director’s QR/PB Declaration.

(MR) Example 16 – Late Discovery Due to Administrative Error

(MR) The AU consists of a parent and her child. The AU is in retrospective budgeting. The parent begins receiving TWC on May 6; she reports the income and provides verification on the Monthly Report for May. The CWD did not begin using the income or the appropriate Exempt MAP for the August payment month due to administrative error. In November, the CWD conducts an annual redetermination and discovers the error. At that time, the parent requests review of the AU status. The change in the AU’s status should have been known to the CWD based on the timely submitted monthly eligibility report (CW 7), rather than solely on the parent's request for review. The CWD acts to process the case based on the actual report of income and to recompute the grant for overpayment or underpayment purposes. The CWD provides the AU with the appropriate notice of action and begins to use the Exempt MAP for August, the payment month that corresponds to the budget month that reflects the status change.

HANDBOOK CONTINUES

89-110	MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION	89-110
---------------	------------------------------------------------------------	---------------

(Continued)

HANDBOOK CONTINUES

(QR) Example 16 – Late Discovery Due to Administrative Error

(QR) The AU consists of a mother and her child. The AU is in an April/May/June quarter. The mother's SDI benefits end on May 11 and the mother no longer qualifies for the Exempt MAP status. The AU reports the information correctly on their May QR 7 due in June. However, the county incorrectly processes the QR 7 and continues to use the Exempt MAP status for the July/August/September quarter. In July, the county discovers the error. Since the effective date of the MAP status change for the QR Payment Quarter was July 1, the county shall take mid-quarter action to correct the error. The county shall recompute eligibility and cash aid for the entire QR Payment Quarter using the nonexempt status. The county shall recompute aid for the remaining months of the quarter and shall make an overpayment or underpayment determination for the month of July.

Handbook Section 89-110.33(MR) Example 17 shall become inoperative and Handbook Section 89-110.33(QR) Example 17 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 17 – Initial Application – Prospective Budgeting – Change to Exempt

(MR) An initial application is made June 10 for an AU consisting of a parent and his child. June and July are the AU's prospectively budgeted months. On June 14 the parent begins receiving TWC. The applicant reports timely and provides proof of the income to the CWD. The CWD provides the AU with the appropriate notice of action and shall use the Exempt MAP for the June payment month.

(QR) Example 17 – Mid-Quarter Status Review Request

(QR) An existing AU, a father and his child, is in an April/May/June quarter. Eligibility and cash aid for this quarter has been determined using the February QR 7 information. On May 15, the recipient voluntarily reports mid-quarter that they began receiving SDI in lieu of their full time job on May 7. The recipient provides the necessary verification within 10 days of the report. The county determines that this voluntary mid-quarter report will increase cash aid (see Section 44-316.31(QR)). The county changes the recipient's MAP status for the AU from Nonexempt MAP to Exempt MAP beginning in June and will continue to use the status until the AU reports a status change on either the QR 7 or a mid-quarter report.

HANDBOOK CONTINUES

89-110	MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION	89-110
---------------	------------------------------------------------------------	---------------

(Continued)

HANDBOOK CONTINUES

Handbook Section 89-110.33(MR) Example 18 shall become inoperative and Handbook Section 89-110.33(QR) Example 18 shall become operative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 18 – Determining the Month of Change when The Family Is In Retrospective Budgeting

(MR) A family with a nonneedy caretaker relative gets Exempt MAP. The father joins the AU in mid-November. He does not receive one of the benefits specified in Section 89-110.22 or meet any other criterion to receive an exemption. The AU is in retrospective budgeting. The AU's Exempt status ends on November 30. However, since the father joined the AU in November, after the first of the month, the AU is entitled to the Exempt MAP for December and January, based on the AU's Exempt status for the budget months of October and November. The CWD will use the Nonexempt MAP for February, the payment month that corresponds to the budget month that reflects the status change (December). Except as specified in Section 89-110.283(MR) [regarding beginning date of aid and prospective budgeting], when the AU status changes between Exempt and Nonexempt, the CWD shall change the MAP effective for the payment that corresponds to the budget month that reflects the status change

(QR) Example 18 – Mid-Quarter Voluntary Report to Add a Person

(QR) An AU of one, a pregnant woman only case, is in an October/November/December quarter. The AU has been receiving aid based on exempt MAP status in accordance with Section 89-110.213. On November 5, the mother voluntarily reports the birth of the child and requests aid for the child. When determining the eligibility to add the child December 1, the county determines that the potentially "new AU" (the existing AU and the added person) does not meet exempt MAP status. The county uses the Nonexempt MAP status to determine if the child is CalWORKs eligible and if the newborn's addition into the existing AU increases the grant. If the newborn increases cash aid for the existing AU, the Nonexempt MAP status shall be effective December 1 and will continue until a change in status is reported on either a QR 7 or a mid-quarter report.

HANDBOOK CONTINUES

89-110 **MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION** **89-110**
(Continued)

HANDBOOK CONTINUES

(QR) If the newborn's addition into the AU would decrease cash aid, the Nonexempt MAP status shall be effective the first day of the next QR Payment Quarter and will continue until a change in status is reported on either a QR 7 or a mid-quarter report.

Handbook Sections 89-110.33(MR) Examples 19 through 24 shall become inoperative in a county on the date that QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

(MR) Example 19 – Transition from Application – Retrospective Budgeting

(MR) An initial application is made July 12 for an AU consisting of a parent and her children. The parent receives TWC at application. July and August are the prospectively budgeted months. September and October are the corresponding two retrospectively budgeted months. The TWC ends in September. The CWD uses the Exempt MAP for July, August, and September and the Nonexempt MAP for October, corresponding to the actual AU status existing in each of these months as specified in Section 89-110.283(MR). Exempt MAP is used for November (because the AU received Exempt MAP in September) and Nonexempt MAP for December (because the AU had Nonexempt MAP in October). Additionally, Nonexempt MAP is used for all months after December, corresponding to the AU status in the budget month as specified in Section 89-110.29(MR).

(MR) Example 20 – Timely Discovery – Nonexempt to Exempt

(MR) The AU consists of a father and his son and the AU is getting the Nonexempt MAP. The AU is in retrospective budgeting. The father reports and verifies that he started getting SSI/SSP on November 15 on the Monthly Report for November. The Nonexempt MAP continues for December and January based on the Nonexempt status for the months of October and November. The father's status change becomes effective December 1. The CWD provides the AU with the appropriate notice of action and begins to use the Exempt MAP for February, the payment month that corresponds to the budget month that reflects the status change.

HANDBOOK CONTINUES

89-110	MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION	89-110
---------------	------------------------------------------------------------	---------------

(Continued)

HANDBOOK CONTINUES

(MR) Example 21 - CalWORKs Welfare to Work (WTW) Sanction – Nonexempt to Exempt

(MR) The AU consists of one parent and two aided children. The AU receives Nonexempt MAP. The AU is in retrospective budgeting. On January 1, the parent started a six-month sanction period for non-cooperation with the CalWORKs WTW requirements. On the Monthly Report for February, the parent reported and verified that he started to receive SDI on February 15. The change in the AU's status from Nonexempt to Exempt MAP is effective March 1. The parent's WTW sanction has no impact on Exempt/Nonexempt MAP status. Therefore, since the AU was already using retrospective budgeting, the Nonexempt MAP continues for March and April based on the Nonexempt status in January and February. The CWD provides the AU with the appropriate notice of action and begins to use the Exempt MAP for May, the payment month that corresponds to the budget month that reflects the status change.

(MR) Example 22 - Add A Person – Nonexempt to Exempt

(MR) An existing AU consists of a parent and her child. The parent does not meet any exemption criterion specified in Section 89-110.2 and the CWD is using the Nonexempt MAP. The AU is in retrospective budgeting. On June 10, that parent (mother) reports and verifies receipt of SSI/SSP. On June 12, the second parent joins the home. The second parent receives TDI benefits and is added to the AU effective June 12 using the current Nonexempt MAP. Since each parent meets the exemption criterion, the CWD provides the AU with the appropriate notice of action and begins to use the Exempt MAP for September, the payment month that corresponds to the budget month (July) that reflects the status change.

(MR) Example 23 – Add A Person – Exempt to Nonexempt

(MR) The AU consists of a grandmother and her two aided grandchildren. The grandmother receives TWC. The mother and father, who are unemployed, move back into the home in March. Neither parent receives one of the benefits specified in Section 89-110.22 or meets any other criterion to receive an exemption. Since the AU was already using retrospective budgeting, the Exempt MAP continues for April and May based on the Exempt status for February and March. The CWD provides the AU with the appropriate notice of action and begins to use the Nonexempt MAP in June, the payment month that corresponds to the budget month (April) that reflects the status change.

HANDBOOK CONTINUES

89-110 **MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION** **89-110**
(Continued)

HANDBOOK CONTINUES

(MR) Example 24 – Delete A Person – Exempt to Nonexempt

(MR) A family consists of two parents and their child with deprivation based on incapacitated parent. One parent receives SSI/SSP and is not in the AU; the second parent, who is in the AU, receives SDI. The AU is in retrospective budgeting and the CWD is using the Exempt MAP. In June, the parent who receives SSI/SSP leaves the home and the second parent's SDI ends. The needs and income of the parent who left are not used for July and continuing. However, since the AU was already using retrospective budgeting, the Exempt MAP continues for July and August based on the Exempt status for May and June. The CWD provides the AU with the appropriate notice of action and begins to use the Nonexempt MAP for September, the payment month that corresponds to the budget month (July) that reflects the status change.

HANDBOOK ENDS HERE

.4 Relocation Family Grant

IN ACCORDANCE WITH THE GREEN V. ANDERSON COURT ORDER, THIS PROVISION SHALL NOT BE IMPLEMENTED UNTIL A DETERMINATION BY A COURT OF APPROPRIATE JURISDICTION ALLOWS SUCH IMPLEMENTATION.

Relocation Family Grant (RFG) means the maximum amount of aid payable to an AU when no member of the AU has lived in California for 12 consecutive months immediately prior to the date of application.

89-110	MAXIMUM AID PAYMENT (MAP) LEVEL AND MAP RESTRICTION	89-110
---------------	------------------------------------------------------------	---------------

(Continued)

- | | | |
|------|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| .41 | Relocation Family Grant Rule | When the RFG is applicable, the county shall compare and base aid on the lesser of: |
| .411 | CA Computed Grant Amount | The California computed actual grant amount for a full month, excluding overpayment adjustments, or |
| .412 | Other State MAP | The MAP amount of the previous state or U.S. Territory of residence, plus California special needs when included in Section 89-110.411. |
| | (a) | When all members of the AU have not lived in the same prior state, the county shall compare the California computed grant amount to the highest MAP amount of the prior states of residence involved. |
| | (b) | The county shall semi-annually update the other state MAP amounts effective with the April and October payment months with figures provided by the California Department of Social Services which are based upon U.S. Department of Health and Human Services data. |

HANDBOOK BEGINS HERE

- | | | |
|-----|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| .42 | Grant Adjustment | Upon determination of the lesser amount of either the California computed actual grant amount or the prior state MAP, the grant will be adjusted for partial month proration, homeless assistance payment and overpayments, as applicable. |
|-----|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

HANDBOOK ENDS HERE

- | | | |
|-----|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| .43 | Reduced Income Supplemental Payment (RISP), Homeless Assistance Payment for Permanent Housing and Overpayment Adjustment Computation | For the purpose of determining the RISP, homeless computing assistance payment for permanent housing, and overpayment adjustments, the MAP specified in Sections 44-402, 44-211.531 and 44-352.41 shall be the lesser of the California MAP or the MAP of the previous state of residence used in the RFG computation. |
|-----|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

89-115 INCREASED PROPERTY LIMITS FOR RECIPIENTS **89-115**
(Continued)

HANDBOOK CONTINUES

The AU is overpaid from July through October, but is eligible in November and will have the higher property limits beginning November 1st.

.22 Example 2

In September a family applies for aid and is approved; they have the following property:

\$ 300	checking account
<u>+600</u>	savings account
\$ 900	total countable property

In October the AU opens a restricted savings account with a balance of \$200.

In November the caretaker relative reports that he has just discovered a paid-up life insurance policy he had forgotten about which had a cash surrender value (CSV) of \$500 since September.

The AU's property is as follows:

\$ 300	checking
+600	savings
<u>+500</u>	CSV life insurance
\$ 1400	total
<u>-1000</u>	limit for applicants
\$ 400	excess property September & October
<u>+ 200</u>	restricted account opened in October
\$ 600	excess property beginning November

The county sends a timely notice to discontinue aid effective November 30th. The caretaker relative immediately withdraws the \$200 from the restricted account and \$400 from the savings account to buy a new refrigerator on November 29th.

HANDBOOK CONTINUES

DEMONSTRATION PROJECTS		
89-115 (Cont.)	APDP AND CWPDP	Regulations
89-115	INCREASED PROPERTY LIMITS FOR RECIPIENTS	89-115
	(Continued)	

HANDBOOK CONTINUES

The new date of eligibility for increased property limits is December 1st (the first day of the month following the date the AU was at or below the \$1,000 limit for applicants). The AU is overpaid for September, October, and November.

Since the AU exceeded the \$1,000 property limit when the application was approved, the AU was not eligible for any of the higher property limits and the "restriction" on the second savings account is not applicable. As such, a period of ineligibility for a nonqualifying withdrawal also does not apply.

HANDBOOK ENDS HERE

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11155, 11155.1, 11155.2, and 11257, Welfare and Institutions Code; 45 CFR 233.20(a)(3)(i)(B); and the Federal Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994.

89-120 \$2,000 PROPERTY LIMIT FOR RECIPIENTS **89-120**

.1 General

When an AU includes a recipient, the county shall apply a \$2,000 limit to the net market value of the AU's countable property without regard to the \$5,000 restricted account specified in Section 89-130.

HANDBOOK BEGINS HERE

.2 Example 1

A family applies for AFDC on February 3rd. The otherwise eligible AU has countable property of \$700. The county approves the application on March 13th. The family reports that on March 15th, they received stocks from an inheritance worth \$1,000. Their total property on March 15th was \$1,700.

The AU is eligible because their property did not exceed the \$1,000 limit for applicants until after their application was approved and they are under the \$2,000 limit for recipients.

.3 Example 2

A minor mother and her child moved out of her senior parent's home to live with her child's father on June 3rd. The minor mother and her child were receiving aid in the senior parent's AU through June 30th.

On June 5th, the minor mother requests aid for herself, her child, and the father of her child; the beginning date of aid is July 1st. The new AU's property is as follows:

\$ 300 minor mother's cash
+1,500 father's savings account
\$ 1,800 AU's total property

The county applies the \$2,000 property limit for recipients because the minor mother and her child did not have a break in aid, and thus are considered recipients.

HANDBOOK CONTINUES

HANDBOOK CONTINUES

.4 Example 3

An AU which includes a recipient has countable property of \$1,700. The AU reports that another child moved in with them on May 31st. The child has a \$500 savings account. The county determines that the entire AU is ineligible due to excess property effective June 1st:

\$ 500	savings account of new child
<u>+1,700</u>	AU's other property
\$ 2,200	AU's total property
<u>-2,000</u>	property limit for recipients
\$ 200	excess property

The county sends a timely notice of action to discontinue aid effective June 30th and determines an overpayment for June.

If the AU spends down to the \$2,000 limit on or before June 30, the county will rescind the discontinuance; however, the overpayment will remain. If the AU does not spend down to the \$2,000 limit, it will be subject to the \$1,000 property limit for applicants if it reappplies later.

HANDBOOK ENDS HERE

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11155, 11155.1, and 11257, Welfare and Institutions Code; 45 CFR 233.20(a)(3)(i)(B); and the Federal Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994.

89-125 INCREASED MOTOR VEHICLE LIMIT FOR RECIPIENTS 89-125

- .1 General The county shall exempt up to \$4,500 for one motor vehicle that is owned by a member of an AU which includes a recipient.
- .11 Vehicle Over When the vehicle's net market value exceeds the \$4,500 limit, the excess value shall be included in the \$2,000 property limit specified in Section 89-120. See Section 42-215.4 for determining the value of a motor vehicle.
\$4,500

HANDBOOK BEGINS HERE

- .2 Example An AU which includes a recipient reports they now have the following property (net market values are shown):
- 1st motor vehicle: \$2,500
2nd motor vehicle: \$1,200
savings account: \$ 500
- The county exempts the 1st motor vehicle because it has the highest value. The 2nd motor vehicle's value is added to the AU's other countable property (\$1,200 + \$500 = \$1,700). The AU is property eligible because the countable property does not exceed the \$2,000 property limit for recipients.

HANDBOOK ENDS HERE

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Sections 10553, 10554, 11155, 11155.1, and 11257, Welfare and Institutions Code; 45 CFR 233.20(a)(3)(i)(B); and the Federal Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994.

89-130	RESTRICTED ACCOUNTS FOR RECIPIENTS	89-130
---------------	-------------------------------------------	---------------

- (a) General

An AU which includes a recipient shall be allowed to retain cash reserves totaling up to a maximum of \$5,000 in one or more restricted accounts at a financial institution.

 - (1) Additional Funds

The funds shall be in addition to the \$2,000 property limit specified in Section 89-120.
- (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 89-130.

 - (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

Account balance and activity since the date the agreement was signed.
- (d) Specific Purpose

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

89-130 RESTRICTED ACCOUNTS FOR RECIPIENTS **89-130**
(Continued)

- (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; or
- (3) Business start up of a new business.
- (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 AFDC 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.
 - (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 89-130(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.

89-130 RESTRICTED ACCOUNTS FOR RECIPIENTS **89-130**
(Continued)

- (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
 - (A) 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
 - (A) 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:
 - 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.

89-130 RESTRICTED ACCOUNTS FOR RECIPIENTS **89-130**
(Continued)

- (4) 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.

- (1)

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 89-130(j).

- (h) Verification

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

 - (1) Balance

balance prior to the withdrawal;
 - (2) Date and Amount

date and amount of the withdrawal; and
 - (3) 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.

- (i) Nonqualifying Withdrawal

Except as specified in Section 89-130(p)(1), 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 89-130(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 this section; or
 - (3) Receipt of Interest Income

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

89-130	RESTRICTED ACCOUNTS FOR RECIPIENTS	89-130
	(Continued)	

- (j) Good Cause

The county shall determine that good cause exists for exceeding the time limits specified at Sections 89-130(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.
 - (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;

89-130	RESTRICTED ACCOUNTS FOR RECIPIENTS	89-130
	(Continued)	

- | | | |
|------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | (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. |
| (I) | Applying the Period of Ineligibility | Section 89-130(1)(MR) shall become inoperative and Section 89-130(1)(QR) shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration. |
| (MR) | | When the county determines that a period of ineligibility is applicable, the period of ineligibility shall begin on the first day of the month following the nonqualifying withdrawal. |
| (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. |
| (1) | | Section 89-130(1)(1)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration. |
| (MR) | One Month of Ineligibility | When ineligibility exists for only one month, the county shall suspend aid on the first day of the month following the nonqualifying withdrawal. |

HANDBOOK BEGINS HERE

(m) Examples

(1)	Example 1:	Handbook Section 89-130(m)(1)(MR) et seq. shall become inoperative and Handbook Section 89-130(m)(1)(QR) et seq. shall become operative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.
-----	------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

(MR)	Bank balance prior to 5/96 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 | |
| | <u>-3,000</u> | allowable expense for purchase of home | |
| | \$2,000 | remainder | |
| 2. | Divide the remainder (\$2,000) by MBSAC + special needs for an AU of 3
(\$2,000 divided by \$715 = 2.79) | | |
| 3. | Round down the result to the nearest whole number (2). | | |
| 4. | The AU is ineligible for two months beginning 6/96 due to a nonqualifying withdrawal. | | |

HANDBOOK CONTINUES

89-130 RESTRICTED ACCOUNTS FOR RECIPIENTS **89-130**
 (Continued)

HANDBOOK BEGINS HERE

(QR) An AU of Three is in a 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

(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
	<u>-3,000</u>	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).

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.

(2) Handbook Section 89-130(m)(2)(MR) shall become inoperative in a county on the date QR/PB becomes effective in that county, pursuant to the Director's QR/PB Declaration.

HANDBOOK CONTINUES

HANDBOOK CONTINUES

(MR) Example 2: An AU of three has the following property:

\$ 100	checking account
+1000	restricted account
<u>+ 800</u>	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 5/96. 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 5/96 | \$1000 |
| 2. | Divide by MBSAC for 3 (\$715) | |
| 3. | Result | 1.3 |
| 4. | Round down to nearest whole number for number of months of ineligibility | 1 |

(C) Since the period of ineligibility is only for one month, aid for 6/96 will be suspended rather than discontinued. As the AU members will retain their recipient status, the higher property limits will continue to apply.

HANDBOOK ENDS HERE

(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.

89-130 RESTRICTED ACCOUNTS FOR RECIPIENTS **89-130**
 (Continued)

- (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 89-130(n)(2)(A).

 - (C) Divide the result calculated in Section 89-130(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 89-130(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.

HANDBOOK BEGINS HERE

- (3) Example An AU of two is in a period of ineligibility due to a nonqualifying withdrawal. The pertinent facts of the period of ineligibility are as follows:
 - (A)

\$ 2000	original balance used to calculate the period of ineligibility
\$ 576	original MBSAC
3	number of months of ineligibility
January	first month of ineligibility

HANDBOOK CONTINUES

89-130 **RESTRICTED ACCOUNTS FOR RECIPIENTS** 89-130
 (Continued)

HANDBOOK CONTINUES

The AU size increased to three people in February and the need standard increased to \$715.

(B)	\$2000		original balance
	<u>- 576</u>		MBSAC for one month of ineligibility
	\$1424		result; divide by increased MBSAC for 3 (\$715)
	1.99		result
	1		number of ineligible months after increase (rounded down)
	1		number of months before increase
	<u>+ 1</u>		number of months after increase
	2		revised period of ineligibility (number of months)

The prior period of ineligibility has been reduced from three months to two months; January and February are the ineligible months.

HANDBOOK ENDS HERE

- | | |
|-------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (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) When Balance
Exceeds \$5,000 | When the restricted account exceeds \$5,000 on the first day of a month, the county shall add the excess over the \$5,000 limit to the AU's other countable property. |
| (1) Interest Payments | When the \$5,000 limit is exceeded solely due to the deposit of interest payment(s), the county shall: |

89-130	RESTRICTED ACCOUNTS FOR RECIPIENTS	89-130
---------------	-------------------------------------------	---------------

(Continued)

- | | |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| (A) | allow the AU to withdraw the interest payment which caused the restricted account balance(s) to exceed the \$5,000 limit; and |
| (B) | not calculate a period of ineligibility for the withdrawal of the interest. |
| (q) Termination of the Written Agreement | The written agreement for the restricted account terminates when: |
| (1) | the AU is discontinued from AFDC; or |
| (2) | the restricted account is closed; or |
| (3) | the AU does not provide timely verification of the account information as specified in Section 89-130(c); or |
| (4) | state or federal law changes the conditions or no longer permits these restricted accounts. |

NOTE: Authority cited: Sections 10553, 10554, 10604, and 11155.2 (Ch. 270, Stats. 1997), Welfare and Institutions Code. Reference: Sections 10553, 10554, 11155, 11155.2 (Ch. 270, Stats. 1997), 11265.1, and 11265.2, Welfare and Institutions Code; 45 CFR 233.20(a)(3)(i)(B); and the Federal Terms and Conditions for the California Work Pays Demonstration Project as approved by the United States Department of Health and Human Services on March 9, 1994.

This page is intentionally left blank.