



**COMBINED MANUAL  
DESCRIPTION OF CHANGES ATTACHMENT  
REVISED SECTIONS – ISSUED 11/08/2012**

The following sections update Food Support and FS to Supplemental Nutrition Assistance Program (SNAP) and FSET to SNAP E&T throughout. No policy was changed:

- 0017 (Determining Gross Income).**
- 0017.01 (Non-Recurring Income).**
- 0017.03 (Available or Unavailable Income).**
- 0017.06 (Excluded Income).**
- 0017.09 (Converting Income to Monthly Amounts).**
- 0017.12.03 (Unearned Income).**
- 0017.12.06 (Earned Income).**
- 0017.15.06 (Assistance Payments Income).**
- 0017.15.09 (Income From Tribal Land).**
- 0017.15.12 (Infrequent, Irregular Income).**
- 0017.15.15 (Income of Minor Child/Caregiver Under 20).**
- 0017.15.18 (Workforce Investment Act (WIA) Income).**
- 0017.15.24 (In-Kind Income).**
- 0017.15.27 (Vendor Payments as Income).**
- 0017.15.30 (Lump Sum Income).**
- 0017.15.33 (Self-Employment Income).**
- 0017.15.33.03 (Self-Employment, Convert Inc. to Monthly Amt).**
- 0017.15.33.06 (Self-Employment Common Business Expenses).**
- 0017.15.33.09 (Self-Employment Expense for In-Home Business).**
- 0017.15.33.15 (Self-Employment Expenses Not Allowed).**
- 0017.15.33.18 (Self-Employment Loss Offset).**
- 0017.15.33.21 (Self-Employment Income From In-Home Day Care).**
- 0017.15.33.24 (Self-Employment Income From Farming).**
- 0017.15.33.27 (Self-Employment Income From Roomer/Boarder).**
- 0017.15.33.30 (Self-Employment Income From Rental Property).**
- 0017.15.36 (Student Financial Aid Income).**
- 0017.15.36.03 (When to Budget Student Financial Aid).**
- 0017.15.36.09 (Student Financial Aid Deductions).**
- 0017.15.39 (Foster Care Payment Income).**
- 0017.15.42 (Interest and Dividend Income).**
- 0017.15.45 (Income From RSDI and SSI).**
- 0017.15.48 (Displaced Homemaker Program Income).**
- 0017.15.51 (Payments Resulting From Disaster Declaration).**
- 0017.15.54 (Capital Gains as Income).**
- 0017.15.57 (Payments to Persecution Victims).**
- 0017.15.60 (Family Support Grant Income).**
- 0017.15.63 (Relative Custody Assistance Grants).**
- 0017.15.66 (Older Americans Act).**
- 0017.15.75 (Reimbursement of Expenses).**

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- 0017.15.78 (National and Community Service Trust Act).**
- 0017.15.81 (Utility Payments).**
- 0017.15.84 (Contracts for Deed as Income).**
- 0017.15.87 (Americorps Payments).**
- 0017.15.93 (Military Income).**
- 0017.15.103 (Income From Youth Employment Programs).**

## DETERMINING GROSS INCOME

0017

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Gross income is non-excluded earned and unearned income available to the client during the budget month. See [0022 \(Budgeting and Benefit Determination\)](#). Some programs have a limit on the amount of gross income a client may receive. See [0019 \(Gross Income Test\)](#).

Look at all sources of income to determine a client's gross income. This includes looking at income of people who must contribute to the client. See [0016 \(Income From People Not in the Unit\)](#).

Assess whether income is available to the client. See [0017.03 \(Available or Unavailable Income\)](#). Do not count excluded income as available income. Assess income for all possible exclusions. See [0017.06 \(Excluded Income\)](#), [0017.15 \(Specific Types of Income\)](#).

From non-excluded income, determine which income is earned and which is unearned. Calculate gross earned and unearned monthly income. See [0017.09 \(Converting Income to Monthly Amounts\)](#), [0017.12 \(Determining if Income Is Earned or Unearned\)](#).

The result of this process is the client's gross earned and gross unearned income. Use the total of this amount for programs which require a gross income test. See [0019 \(Gross Income Test\)](#).

Apply disregards and deductions to the client's gross income to arrive at net income. See [0018 \(Determining Net Income\)](#).

Determining gross earned income from self-employment may differ from determining other gross income. See [0017.15.33 \(Self-Employment Income\)](#).

**MFIP, WB, DWP, SNAP, GA:**

Follow general provisions.

**MSA:**

THE PROVISIONS OF THIS CHAPTER APPLY ONLY TO NON-SSI RECIPIENTS. For current SSI recipients, count the full amount of their SSI Federal Benefit Rate as gross unearned income, even if their actual SSI check is less. See [0029.06.03 \(Supplemental Security Income Program\)](#).

For people who are not current SSI recipients, follow general provisions.

**GRH:**

THE PROVISIONS OF THIS CHAPTER APPLY ONLY TO NON-SSI RECIPIENTS. Follow general provisions.



**MFIP, DWP:**

Non-recurring income is income received in a prospective BUDGET MONTH but no longer received in the corresponding retrospective PAYMENT MONTH. This includes earned income that ends even if it is replaced by unearned income. It also includes income received periodically, such as a work bonus or a 3rd or 5th paycheck.

**WB:**

Non-recurring income is income received in a month which is not anticipated to continue in future months.

**SNAP:**

Non-recurring income is income received in a month which is not anticipated to continue in future months.

For Uncle Harry FS units non-recurring income is income received in an initial month which is no longer received in the corresponding RETROSPECTIVE CYCLE. For the definition of RETROSPECTIVE CYCLE, see [0002.57 \(Glossary: Relative...\)](#). This includes earned income that ends even if it is replaced by unearned income. This does NOT include earned income received from a new employer. A 3rd and 5th paycheck is non-recurring income ONLY if it caused a suspension in the beginning month. See [0022.06.03 \(When Not to Budget Income in Retro. Cases\)](#).

**MSA:**

For SSI recipients, no county action required.

For clients ineligible for SSI due to excess income, SSA policy applies and non-recurring income is known as "infrequent income." Income is infrequent if:

- An individual receives it only once during a calendar quarter from a single source.  
AND
- The individual did not receive that type of income in the month immediately before that month or in the month immediately after that month. It does not matter whether or not these payments occur in different calendar quarters.

Disregard infrequent income.

**GA:**

Non-recurring income is income received only 1 time or that is not of a continuous nature, or income received in a prospective BUDGET MONTH but no longer received in the corresponding retrospective PAYMENT MONTH.

For more information, see [0022.03 \(How and When to Use Prospective Budgeting\)](#), [0022.06 \(How and When to Use Retrospective Budgeting\)](#), [0022.06.03 \(When Not to Budget Income in Retro. Cases\)](#), [0022.15 \(Counting Lump Sums as Income\)](#), [0022.18 \(Suspensions\)](#).

**GRH:**

For SSI recipients, follow MSA.

For GA recipients, follow GA.



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Determine if income is available or unavailable. Income is available when:

- Received by the client.
- Received by someone for the client and available to the client. However, for some programs, when a person who does not live with the client receives the client's RSDI checks, special provisions apply. See [0017.15.45 \(Income From RSDI and SSI\)](#).
- Wages are withheld as a result of a garnishment, deemed income to the unit, or court ordered child/spousal support. See [0016 \(Income From People Not in the Unit\)](#), [0018.33 \(Child and Spousal Support Deductions\)](#).
- Withheld by the employer at the client's request.

Income is unavailable when the client cannot gain access to the income. For example, wages are unavailable when an employer owes wages to, but refuses to pay, a client.

For some programs, student financial aid is considered available when the client signs or receives the award letter, not when money is actually disbursed. See [0017.15.36.03 \(When to Budget Student Financial Aid\)](#).

Do not count unavailable income.

**MFIP, WB, DWP, MSA, GA:**

Clients must try to gain access to unavailable income as a condition of eligibility, unless they can document that the income is permanently unavailable.

Deduct the costs of securing unearned income, such as legal fees, medical fees, withdrawal penalties, and mandatory deductions (such as federal and state income taxes). Deduct work expenses and disregards from earned income.

Deny or terminate assistance when clients fail to cooperate in gaining access to the income.

Disregard income received before the month of application, regardless of the period it was intended to cover.

Periodic income received by a participant during or after the month of application is considered available and must be converted to monthly amounts. See [0017.09 \(Converting Income to Monthly Amounts\)](#). Some income, such as casino profits, can be received on a monthly, quarterly or annual basis. Budget income that participants have the option to receive on a monthly basis as monthly income even if they access it on a less than monthly basis.

For self-employment income received before the month of application, see [0017.15.33 \(Self-Employment Income\)](#), [0017.15.33.03 \(Self-Employment, Convert Inc. to Monthly Amt\)](#), [0017.15.33.24 \(Self-Employment Income From Farming\)](#).

Do not allow a deduction from income when part of the income is being withheld to repay a debt or obligation, unless the income is being reduced to recover a prior overpayment from the same income source. (For example, a VA payment of \$400 is reduced by \$150 due to a prior VA overpayment; in this case, count only \$250.)

**SNAP:**

Follow general provisions. In addition, count the following as available income:

- Transitional housing payments for the homeless which are designated for a specific household. See TRANSITIONAL HOUSING in [0002.67 \(Glossary: Thrifty...\)](#).
- The amount that is being recouped from RSDI, SSI, UC, WC, VA or other income source due to adjudicated fraud. Do not

count amounts being recouped when there is no fraud.

- The amount of an assistance payment that is being recouped from GA or MSA due to adjudicated fraud. Do not count amounts being recouped when there is no fraud.

Do not count fees paid from SSI/RSDI to organizational representative payees as income.

**GRH:**

Follow general provisions.

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Exclude income from the following sources for all programs:

- Children's Nutrition Act.
- Benefits from the Women, Infant, and Children (WIC) nutrition program.
- Benefits from the National School Lunch Act. Count some payments from the Child Care Food Program to providers. See 0017.15.33.21 (Self-Employment Income From In-Home Day Care).
- Benefits from the State Food Programs. See 0029.36 (State Food Programs).
- Loans which the client has a written agreement to repay, EXCEPT some programs count student loans. See [0017.15.36 \(Student Financial Aid Income\)](#). You may use the [Gift or Loan Statement \(DHS-2808\)](#) to verify that a personal loan is not a gift.
- Reverse mortgages.
- Most income from American Indian tribal land settlements and some income from interest in tribal trust and other restricted Indian lands. See [0017.15.09 \(Income from Tribal Land\)](#).
- Payments from the Low Income Home Energy Assistance Program (LIHEAP).
- Amounts a client receives which are related to shared living expenses and are solely to pay a portion of another person's living expense. The client may not own the home, make a profit, or provide any services in exchange for the income. An example is the amount the client receives from a roommate to forward to the landlord.
- Payments by the vocational rehabilitation program administered by the state, EXCEPT those payments that are for current living expenses.
- Relocation Assistance for displaced persons under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, the Housing and Redevelopment Act of 1965, or the Housing Act of 1965.
- Refunds or rebates from the United States Department of Housing and Urban Development (HUD) for excess rents charged.
- Security deposit refunds for rent and utility deposit refunds, whether paid by the client, EGA, the former Emergency Assistance program, or out of the Consolidated Fund.
- Trade Adjustment Act of 1974.
- War reparations payments to Japanese-Americans and Aleuts under Public Law 100-383.

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- Cash from the sale of the client's property or assets, regardless of whether the asset was excluded. This does not apply to some business capital gains. See [0017.15.54 \(Capital Gains as Income\)](#). For instruction on treating cash from the sale of property as assets, see [0015.09 \(Excluded Assets for Self-Support\)](#), [0015.27 \(Excluded Assets - Income\)](#), [0015.60 \(Evaluation of Lump Sums\)](#).
  - Payments to replace personal or real property made by public agencies, issued by insurance companies, awarded by a court, or solicited through public appeal. See [0015.36 \(Excluded Assets - Funds to Fix/Replace Asset\)](#), [0017.15.30 \(Lump Sum Income\)](#).
  - Payments to veterans or their dependents made as a result of legal settlements between veterans and manufacturers of Agent Orange or other chemical agents.
  - Payments received and used for care and maintenance of a 3rd-party beneficiary who is not a household member. If the payment is intended for both household and non-household members and you cannot determine portions, prorate among the beneficiaries and exclude the non-household members' pro rata share.
  - Payments made under the Radiation Exposure Compensation Act (Public Law 101-426).
  - Mandatory salary reduction amounts for military service personnel which are used to fund the G.I. Bill (Public Law 99 576).
  - Payments from the Consumer Support Grant (CSG) program when placed in a CSG account. NOTE: When funds from the CSG account are used as wages to pay for care of the CSG beneficiary, they are considered earned income to the person providing the care and are not excluded under the CSG exclusion provision. See [0029.03.09 \(Consumer Support Grant Program\)](#).
  - Income that is otherwise specifically excluded by federal or state law or federal regulations.
  - VA benefits awarded to children of Vietnam veterans, regardless of their age or marital status, for a covered birth defect identified by the VA as associated with the service of these veterans who served in the Republic of Vietnam from 2-28-61 through 5-7-75 and performed active military service.
  - Combat or Hazard Duty pay received by military personnel who would otherwise be mandatory assistance unit members if they were not serving in a designated Combat Zone. See [0017.15.93 \(Military Income\)](#), TE02.10.90 (Military Families Receiving FS, MFIP or DWP), TE02.10.92 (Designated Combat Zones).
  - Funds, including accrued interest, deposited in Individual Development Accounts (IDAs) through the Family Assets for Independence in Minnesota (FAIM) Program.
  - One time payments made to certain World War II veterans or their surviving spouse under the Filipino Veterans Equity Compensation (FVEC) Fund. See [0015.27 \(Excluded Assets-Income\)](#) for asset information.

Some programs also exclude other types of income. See [0017.15 \(Specific Types of Income\)](#).

**MFIP, WB, DWP, MSA, GA, GRH:**

Follow general provisions.

**SNAP:**

Follow general provisions. In addition, exclude gate money received by an applicant/recipient released from a penal institution.

Also see [0015.27 \(Excluded Assets - Income\)](#).



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Also see [0017.15.33 \(Self-Employment Income\)](#), [0017.15.33.03 \(Self-Employment, Convert Inc. to Monthly Amt\)](#), [0017.15.33.24 \(Self-Employment Income From Farming\)](#).

Convert all counted income into monthly amounts to determine eligibility and benefit level, including tribal per capita payments from casinos not received monthly. See [0022 \(Budgeting and Benefit Determination\)](#).

If the unit receives income on a daily, weekly, bi-weekly, or monthly basis, use the exact income received or considered available for the month. For prospectively budgeted units, anticipate the monthly income if the exact income is unknown. Base the estimate on past income, while considering circumstances that might affect the prospective month's income. See [0017.03 \(Available or Unavailable Income\)](#).

Average student income and some self-employment income over the number of months the client earned it or the period the income covers. See [0017.15.33.03 \(Self-Employment, Convert Inc. to Monthly Amt\)](#), [0017.15.36.03 \(When to Budget Student Financial Aid\)](#).

**MFIP, WB, DWP, MSA, GA, GRH:**

EXCEPT for RSDI, use actual dollars and cents to calculate monthly gross income. Also see [0017.15.45 \(Income From RSDI and SSI\)](#).

Average income paid in advance over the months it is intended to cover.

If a person receives income on a contractual basis, average the income over the period of the contract. This applies even if the person receives the payments within a shorter period.

Special provisions apply to counting self-employment income. See [0017.15.33.03 \(Self-Employment, Convert Inc. to Monthly Amt\)](#).

For information on lump sums, see [0017.15.30 \(Lump Sum Income\)](#).

**SNAP:**

EXCEPT for RSDI, use actual dollars and cents to calculate monthly gross income. Round the final amount to the nearest dollar. See [0017.15.45 \(Income From RSDI and SSI\)](#).

If a unit member is on a yearly contract but receives income over a period shorter than a year, average the income over 12 months. This does not apply if the client receives the income on an hourly or piecework basis.

If a unit member is on contract for less than 1 year, average the income over the months the contract covers.



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Unearned income is income a client receives without being required to perform any labor or service as a condition of receiving the income. See [0015.18 \(Excluded Assets - Pension & Retirement Plans\)](#), [0017.06 \(Excluded Income\)](#), [0017.12 \(Determining if Income Is Earned or Unearned\)](#), [0017.15.84 \(Contracts for Deed as Income\)](#). Consider the following types of income unearned for all programs:

- Spousal support.
- Annuity and pension payments.
- Contract for deed income.
- Disability benefits. This does not include Social Security benefits. See [0017.15.45 \(Income From RSDI and SSI\)](#). This also does not include sick pay. See SICK PAY in [0002.61 \(Glossary: SELF...\)](#). Also see [0017.12.06 \(Earned Income\)](#).
- Social Security benefits. See [0017.15.45 \(Income From RSDI and SSI\)](#).
- Retirement benefits.
- Royalties and honoraria, unless they fit the definition of earned income. See EARNED INCOME in [0002.19 \(Glossary: Early...\)](#). Also see [0017.12.06 \(Earned Income\)](#).
- Trust disbursements.
- Workers' Compensation.
- Unemployment Insurance.
- Veterans' benefits. For information on veterans' benefits issued as student financial aid, see [0017.15.36 \(Student Financial Aid Income\)](#).
- Severance pay, if it is not based on accrued leave time.
- Gambling winnings. See GAMBLING WINNINGS in [0002.27 \(Glossary: FSET...\)](#).
- Tribal payments, including per capita payments from casinos. See [0017.09 \(Converting Income to Monthly Amounts\)](#).
- Consider income from illegal activities to be unearned income. See [0017.12.06 \(Earned Income\)](#).

Other types of income may be treated differently for each program. See [0017.15 \(Specific Types of Income\)](#).

**MFIP, WB, DWP:**

COUNT as unearned income the military pay the family of a military person receives when that military person is out of the home on military duty. EXCLUDE combat or hazard duty pay received as a result of deployment to a combat zone. See [0017.06 \(Excluded Income\)](#), [0017.15.93 \(Military Income\)](#).

**SNAP:**

COUNT as unearned income the military pay the family of a military person receives when that military person is out of the home on military duty. EXCLUDE combat or hazard duty pay received as a result of deployment to a combat zone. See [0017.06 \(Excluded Income\)](#), [0017.15.93 \(Military Income\)](#).

COUNT the gross amount of gambling winnings. Do not offset winnings with losses. See GAMBLING WINNINGS in [0002.27 \(Glossary: FSET...\)](#).

**GA:**

Follow general provisions.

**MSA:**

Follow general provisions, EXCEPT the "income from illegal activities" provisions do not apply.

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow GA for all other adults.

**EARNED INCOME**

0017.12.06

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Earned income is income the client receives in exchange for work or service. See EARNED INCOME in [0002.19 \(Glossary: Early...\)](#). Also see [0017.06 \(Excluded Income\)](#), [0017.12 \(Determining if Income Is Earned or Unearned\)](#). Some programs treat income from illegal activities as unearned. See [0017.12.03 \(Unearned Income\)](#). Consider the following types of income earned for all programs:

- Wages.
- Commissions. Also see [0017.15.33 \(Self-Employment Income\)](#).
- Self-employment. See [0017.15.33 \(Self-Employment Income\)](#).
- Jury duty pay.
- Picket duty pay.
- Severance pay, if based on accrued leave time.
- Tips.
- Vacation pay.
- Sick pay, if based on accrued or earned time.
- Blood and blood plasma sales.
- Work study. Also see [0017.15.36 \(Student Financial Aid Income\)](#).
- Payments from training programs which pay students for their participation.
- Royalties, honoraria, or profit from any other activity which results from the client's work, service, effort, or labor. Also see [0017.12.03 \(Unearned Income\)](#) and the program provisions below.

Other types of income may be treated differently for each program. See [0017.15 \(Specific Types of Income\)](#).

**MFIP, WB, DWP, SNAP, GA:**

Follow general provisions.

**MSA:**

Royalties which result from publication of work are earned income. Honoraria which people receive in consideration of services, including rewards or donations rendered for which no payment can be enforced by law, are earned income.

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow GA for all other adults.

**MFIP, DWP:**

Count the amount of RCA or GA benefits already issued as unearned income toward the MFIP or DWP grant. See [0014.03.03 \(Determining the Cash Assistance Unit\)](#).

**EXCLUDE:**

- Assistance payments that correct underpayments for a previous month.
- GA payments to, or for, people in battered women's shelters.
- EGA.
- MSA payments and Special Diets. See [0023.12 \(Special Diets\)](#).
- SSI payments. See [0017.15.45 \(Income from RSDI and SSI\)](#).
- MFIP child care payments.
- SNAP already issued to a person who joins an MFIP unit.
- SNAP received in another state for the current month.
- Reimbursements for medical expenses that cannot be paid by Medical Assistance.
- All Employment Services payments to support a caregiver's pursuit of greater self-support.
- Any payments vendor paid by VOLAGs to third parties from Refugee Resettlement Grants.

Also see [0011.21 \(Receipt of Other Assistance\)](#).

**WB:**

No provisions.

**SNAP:****EXCLUDE:**

- Cash assistance vendor paid to battered women's shelters.
- Cash assistance payments that are intended to cover or correct a previous month's assistance payment. This includes EGA.
- EGA vendor payments.

- The amount of assistance payments being recouped from SSI, GA, or MSA if the overpayment is not related to adjudicated fraud.
- Nutritional Assistance Program benefits.
- Any payments vendor paid by VOLAGs to third parties from Refugee Resettlement Grants.

**COUNT**

- Cash assistance that can be anticipated for the issuance month, unless exempt above.
  - If a unit's RCA, MSA, GA, or SSI is reduced due to a SANCTION because a unit member did not comply with mandatory program requirements, compute SNAP benefits using the cash grant the unit WOULD HAVE received had they complied. The sanction must be one that the sanctioned person can cure. This applies for the duration of the reduction in the cash program.
  - If the unit's RCA, MSA, GA, or SSI is decreased or terminated because the unit did not comply with mandatory program VERIFICATION requirements, budget the amount of cash assistance the unit ACTUALLY received, which may be \$0.
- The amount of an assistance payment being recouped from SSI, DWP, GA, or MSA due to adjudicated fraud.
- EGA cash payments issued in the current month for the current month's basic needs unless paid for a disaster such as a fire or flood.
- The GA amount paid to the client or vendor paid to a group residential housing provider. This includes personal needs payments.

**MSA:**

COUNT the amount of MFIP, WB, DWP, RCA, or GA benefits already issued as unearned income toward the MSA grant unless the benefits have been reimbursed to the state or county agency. See [0012.12.03 \(Interim Assistance Agreements\)](#).

**EXCLUDE:**

- The value of SNAP.
- Corrective payments for a previous month.
- Emergency GA or MSA payments.

**GA:**

## EXCLUDE:

- GA payments that correct underpayments for a previous month.
- The value of SNAP.
- MFIP, MSA, or GA payments received by women living in facilities for battered women. See [0013.15.15 \(GA Basis - Women in Battered Women's Shelter\)](#), [0020.18 \(GA Assistance Standards\)](#).
- EGA payments.

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow GA for all other adults with the following exceptions:

- Count \$70 personal needs allowance as income for a DWP participant who is in a GRH setting.
- Count the GRH gross income of a person who is included in an active MFIP case. The MFIP cash portion of the Transitional Standard for 1 person is the GRH gross income for a person who is included in an active MFIP grant. See [0020.09 \(MFIP/DWP Assistance Standards\)](#).



Exclude the 1st \$2,000 a person receives each year from his/her interest in Indian trust land or other restricted Indian lands.

Exclude the 1st \$2,000 per person per year of per capita payments from Bois Forte Band of Ojibwe as a result of annual payments to the Tribe from the State of Minnesota for voluntarily restricting tribal rights to hunting and fishing in ceded territories.

Exclude American Indian tribal land settlements as income if the Public Law awarding the settlement directs its exclusion. The following settlements affecting Minnesota tribes are excluded as income from all programs:

- Any funds distributed per capita under Public Law 98-123, Public Law 98-124, and Public Law 99-377 to the Mississippi Band Chippewa Indians of White Earth, Leech Lake, and Mille Lacs reservations.
- Payments to members of the White Earth Band from the White Earth Reservation Land Settlement Act of 1985 (Public Law 99-264, Public Law 100-153, and Public Law 100-212).

For information on settlements not listed, contact the Local Agency Support Policy Center.

Count tribal per capita payments from casinos as unearned income. If not received monthly, convert into a monthly amount. See [0017.12.03 \(Unearned Income\)](#).

**MFIP, WB, GA:**

Count per capita payments made to members of the Grand Portage, and Fond Du Lac Bands of Chippewa Indians as unearned lump sum payments. See [0017.15.30 \(Lump Sum Income\)](#), [0022.15 \(Counting Lump Sums as Income\)](#).

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP:**

Count per capita payments made to members of the Grand Portage, and Fond Du Lac Bands of Chippewa Indians as an asset. See [0015.60 \(Evaluation of Lump Sums\)](#).

**MSA:**

Count per capita payments made to members of the Grand Portage, and Fond Du Lac Bands of Chippewa Indians as unearned income in the month received. They are assets thereafter.

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow MFIP for all other adults.



## INFREQUENT, IRREGULAR INCOME

0017.15.12

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Income is infrequent or irregular if it is not possible to anticipate receiving it.

Cash given directly to the client by people or organizations whose income is considered available to the client, or who must make a relative contribution, is not infrequent, irregular income. Consider it part of the counted contribution. See [0016 \(Income From People Not in the Unit\)](#), [0012.21 \(Responsible Relatives Not in the Home\)](#).

**MFIP, WB:**

Exclude non recurring cash gifts of \$30 or less, not to exceed \$30 per participant per month.

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP:**

Exclude \$30 or less per unit per calendar quarter if it is too infrequent or irregular to be anticipated. This exclusion does not apply to Uncle Harry Food Support cases budgeted retrospectively.

Exclude up to \$300 per calendar quarter in cash donations from private non-profit charitable organizations if they are based on the unit's need. This exclusion does NOT apply to resettlement grants issued to refugees by Minnesota Voluntary Agencies (VOLAGs). Resettlement grants are NOT considered infrequent or irregular income. For information on how to treat resettlement grants, see [0017.15.30 \(Lump Sum Income\)](#).

**MSA:**

For SSI recipients, no county action required.

For non-SSI recipients, infrequent income is income received only once during a calendar quarter from a single source.

Exclude irregular or infrequent unearned income that totals up to \$20 a month. If the total exceeds \$20, do not exclude any of it.

Exclude irregular or infrequent earned income if it totals up to \$10 a month. If the total exceeds \$10, do not exclude any of it.

Consider the exclusion against the combined total irregular or infrequent income of spouses or parents and children.

**GA:**

Count the following cash gifts or irregular income as unearned income:

- Cash the unit receives on a regular basis.
- Cash the unit receives from agencies or organizations if it is intended for food, clothing, shelter, utilities, household supplies, or personal care items.
- The full cash gift when the cash is received from 1 source and exceeds \$30 per unit member per calendar quarter.
- The remainder of irregular cash gifts when the 1st \$30 was excluded. Circumstances for exclusions are listed below.

Exclude the following cash gifts:

- Irregular cash gifts totaling \$30 or less per unit member per calendar quarter.

- Up to \$30 of irregular cash gifts totaling more than \$30. This exclusion applies only if each gift is for \$30 or less.

Exclude cash a non-unit member deposits into a unit member's personal bank account, if the deposit is specifically designated for a purpose other than meeting a unit member's needs. The unit must document each designated deposit and its expenditure. For information on income from shared living situations, see [0017.06 \(Excluded Income\)](#).

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow GA for all other adults.

Exclude certain income from Workforce Investment Act (WIA) programs. See [0017.15.18 \(Workforce Investment Act \(WIA\) Income\)](#).

Also see [0008.06.18 \(Change in Participant's Age\)](#) for how to budget income when a child's age changes.

**MFIP, WB:**

Exclude all earned income of a minor child through age 6.

Exclude all earned income of a minor child over age 6 or minor caregiver who is attending an approved elementary school or secondary education program at least half time as defined by the school.

Exclude all earned income of a caregiver under 20 who is at least a half-time student in an approved elementary or secondary education program.

For a minor child enrolled in an on-line secondary school or on-line GED program that is not approved by the MN Dept. of Education, refer to the local school district determine the program's legitimacy. Each district has a transfer specialist who will sort this out, probably by doing testing. If the program is unapproved, DO NOT exclude any earned income.

Count all unearned income of a minor child or minor caregiver unless excluded under another provision. For information on child support income, see [0017.15.03 \(Child and Spousal Support Income\)](#).

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP:**

Exclude all earned income of an elementary, secondary, or GED student if the student is in school at least half-time, is under age 18, AND is:

- A child, stepchild, or foster child of a unit member.  
OR
- Under the parental control of a unit member.

See [0010.18.02 \(Mandatory Verifications - FS\)](#) for information about school attendance verification requirements.

Count all unearned income of a minor child unless excluded under another provision.

**MSA, GA:**

Count all income of a minor child unless excluded under another provision.

**GRH:**

Count all income of a blind minor child, unless excluded under another provision.



## WORKFORCE INVESTMENT ACT (WIA) INCOME

0017.15.18

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The Workforce Investment Act (WIA) is a national workforce preparation and employment system designed to integrate, coordinate, and improve employment, training, literacy, and vocational rehabilitation programs delivered through the Minnesota One Stop Operating System (MNOSOS). WIA funds employment and training services for eligible adults, dislocated workers and youth.

Employment service providers working with cash and food participants must inform the participant's financial worker which WIA program the participant is in so payments are correctly counted or excluded. Hours participating in WIA programs count in the federal Work Participation Rate (WPR) even if the income is excluded.

Programs authorized under WIA include:

- Job Corps.
- Summer Youth Employment Program (WIA Youth).
- Minnesota Migrant Council.

**MFIP, WB:**

Count all WIA payments as earned income EXCEPT for the following exclusions:

- Reimbursements for employment training.
- Reimbursements for work related expenses, such as child care and/or transportation.
- Payments received by a minor child, a minor caregiver, or a caregiver under age 20 who is at least a half-time student in an approved elementary or secondary education program. See [0017.15.15 \(Income of Minor Child/Caregiver Under 20\)](#).

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP:**

Exclude ALL WIA income from allowances, earnings, or payments (including reimbursements).

Count earnings from On-the-Job Training (OJT) programs as earned income unless earned by people age 19 and under who are under the parental control of another adult household member regardless of whether attending and/or enrolled in school.

**MSA, GA, GRH:**

Count WIA payments as earned or unearned income, unless excluded under other provisions.



There are 2 types of in-kind income:

- The unit receives something tangible, other than cash, for performing a service. For example, the unit receives food in exchange for labor.

Determine if compensation to apartment building caretakers is in-kind income or earned income. If the person receives a paycheck with an amount for rent deducted, the gross earnings are earned income, not in-kind income.

- The unit receives non-cash gifts, such as gift cards, food, shelter, or clothing.

A client's cash benefits paid to a representative payee and spent on behalf of the client are not in-kind income but are considered available income to the client.

Payments to a 3rd party on a client's behalf are vendor payments. See [0017.15.27 \(Vendor Payments as Income\)](#).

**MFIP, WB:**

Count the value of in-kind earnings as earned income if the unit has a choice of receiving cash or in-kind income.

Exclude all other in-kind income.

Clients must make a good faith effort to receive ongoing in-kind income in the form of cash. See [0017.03 \(Available or Unavailable Income\)](#).

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP, GA, GRH:**

Exclude in-kind income.

Count the value of in-kind earnings as earned income if the unit has a choice of receiving cash or in-kind income.

**MSA:**

If SSA counts the in-kind income, count it for MSA. SSA uses standardized amounts for people receiving in-kind support and maintenance (food and/or shelter).

If SSA assigns a Presumed Maximum Value (PMV) as unearned income when determining In-Kind Support and Maintenance, count 1/3 of the appropriate SSI FBR plus the \$20 income disregard as unearned income.



## VENDOR PAYMENTS AS INCOME

0017.15.27

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Cash benefits of a client paid to a representative payee and spent on behalf of the client are not excluded vendor payments, but are considered available income to the client.

Exclude all other vendor payments made for a client unless specific program provisions below require otherwise.

Exclude court-ordered vendor payments made by a 3rd party on behalf of a client.

**MFIP, WB:**

Exclude vendor payments for goods and services made for a client, unless the client had the option of receiving the payment in cash.

Do not exclude vendor payments that are part of the monthly benefit for a public assistance program unless [0017.15.06 \(Assistance Payments Income\)](#) says to exclude them.

The unit must make a good faith effort to change court-ordered vendor payments to direct payments. If the person making the vendor payments is a non-custodial parent, consider the client's cooperation with IV-D to be a good faith effort.

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP:**

Do not exclude the following vendor payments:

- Payments made for a unit if the payor is otherwise obligated to pay the unit directly.
- DWP, GA and MSA vendor payments that are part of the monthly benefit for those programs.
- State-funded payments for energy assistance.
- Local payments for energy assistance (EXCEPT for emergency payments to avoid shutoffs).
- Transitional housing payments for the homeless.

Do exclude:

- Any type of vendor payments to battered women's shelters.
- EGA vendor payments.
- HUD payments made to a utility provider and Farmers Home Administration (FmHA) Rental Assistance Program utility payments. See [0017.15.81 \(Utility Payments\)](#).

**MSA:**

Exclude all vendor payments.

**GA:**

Do not exclude payments for tuition, fees, or room and board made for a full-time student by the student's parents. See [0017.15.36 \(Student Financial Aid Income\)](#).

Do not exclude payments made on behalf of clients which they could legally require to be paid directly to them.

Do not exclude vendor payments that are part of the monthly GA benefit. Exclude GA vendor payments that are separate from the monthly GA grants. Examples are EGA or Emergency Food Vouchers.

See [0017.15.06 \(Assistance Payments Income\)](#), [0020.18 \(GA Assistance Standards\)](#).

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow GA for all other adults.

Some examples of lump sums are:

- Winnings. See WINNINGS in [0002.73 \(Glossary: Victim...\)](#).
- Inheritances.
- Insurance settlements. Also see [0017.06 \(Excluded Income\)](#).
- Retroactive payments of RSDI, VA, Unemployment Insurance, etc.

For additional information on counting lump sums as income and budgeting lump sums, see [0022.15 \(Counting Lump Sums as Income\)](#), [0022.15.03 \(Budgeting Lump Sums in a Prospective Month\)](#), [0022.15.06 \(Budgeting Lump Sums in a Retrospective Month\)](#).

Also see [0015.60 \(Evaluation of Lump Sums\)](#).

**MFIP:**

Lump sums may be earned or unearned income.

Treat employer contributions to pension or retirement funds as lump sum unearned income when the client liquidates the funds in 1 payment.

To calculate INCOME:

1. Add lump sum earned income to the unit's other gross earned income.
2. Allow the following EXCLUSIONS:
  - The portion of an insurance settlement designated and used to pay for medical, funeral, and burial expenses, or to repair or replace insured property.
  - Retroactive lump sum payments of SSI and all other lump sum income (including RSDI) of an SSI recipient. This exclusion applies even if the lump sum is a retroactive payment for a period for which the SSI recipient was still a mandatory unit member. However, count any portion of an RSDI lump sum payment designated as dependent benefits. See [0015.60 \(Evaluation of Lump Sums\)](#).
  - Any costs associated with getting unearned lump sum income, such as attorney fees, or medical fees. Also exclude mandatory deductions such as federal and state income taxes from unearned lump sum income.
3. Add any remaining lump sum unearned income to the unit's other gross unearned income.

Treat a lump sum as income in the month received if it is not excluded under other provisions.

For information on counting lump sum payments as assets, see [0015.60 \(Evaluation of Lump Sums\)](#). Also see [0015.63 \(Evaluation of Pension and Retirement Plans\)](#), [0017.15.42 \(Interest and Dividend Income\)](#).

For lump sum income received by an applicant during the 1st 2 months, combine the income with other income from that budget month and determine the grant prospectively.

For lump sum income received by a participant after the 1st 2 months, combine the income with other income from that budget month and determine the grant retrospectively.

When the lump sum combined with other income is less than the Transitional Standard for the applicable payment month, the assistance payment must be reduced according to the amount of the countable income. When the countable income is greater than the Transitional Standard, suspend for the payment month. See [0022.18 \(Suspensions\)](#).

A lump sum may not be carried over into a subsequent month. Count any funds that remain after the lump sum is budgeted toward the asset limit.

A lump sum is counted toward the asset limit in the 3rd month after the month of receipt.

**WB:**

Follow MFIP, EXCEPT always budget lump sum income prospectively and references to suspension do not apply.

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP:**

Exclude lump sums as income. Treat them as assets. See [0015.60 \(Evaluation of Lump Sums\)](#).

Work bonuses are not lump sums. They are earned income in the month received.

RSDI installment payments of more than 1 month are not lump sums. They are unearned income in the month received.

The refugee resettlement grant issued to refugees by Voluntary Agencies (VOLAGs) is a lump sum in the first month received. Resettlement grants are unearned income if the benefits are issued as cash or check in the following month(s).

For SSI payments, see [0017.15.45 \(Income From RSDI and SSI\)](#).

**MSA:**

For SSI lump sums covered under interim assistance agreements, or for lump sums not covered under an interim assistance agreement but the client repays the interim assistance voluntarily, see [0012.12.03 \(Interim Assistance Agreements\)](#). Count other lump sums as earned or unearned income in the month received. Also see [0015.60 \(Evaluation of Lump Sums\)](#), [0022.15 \(Counting Lump Sums as Income\)](#).

**GA:**

Lump sums may be earned or unearned income.

Exclude lump sum payments issued by insurance companies which are specifically designated as compensation to a unit member for partial or total permanent loss of function or body part, or earmarked and used to pay medical or funeral and burial costs. See [0015.60 \(Evaluation of Lump Sums\)](#), [0017.06 \(Excluded Income\)](#).

**GRH:**

Follow MSA.

In addition, exclude lump sum payments issued by insurance companies which are specifically designated as compensation to a unit member for partial or total permanent loss of function or body part, or earmarked and used to pay medical or funeral and burial costs. Also see [0017.06 \(Excluded Income\)](#).

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Self-employed people are those who are responsible for their own work schedule and do not have coverage under an employer's liability insurance or workers' compensation.

Self-employed people generally work for themselves rather than an employer. However, people employed in some types of services may be self-employed even if they have an employer or work out of another's business location (for example: real estate sales people, people who work for commission sales, manufacturer's representatives, independent contractors). Self-employed people may or may not have FICA deducted from the check an employer or another party issues to them. When self-employed people indicate they are independent contractors, check with the business the self-employed client is contracting with to see if it considers the client to be self-employed or an employee. If the business states that it considers the self-employed person to be an independent contractor, then the client is self-employed.

Self-employed people may own a business solely or in partnership. In partnerships and S-Corporations people may earn a salary.

Information may also be found in the [Self-Employment Handbook](#).

For treatment of income from specific types of self-employment businesses, see:

[0017.15.33.21](#) [Self-Employment Income From In-Home Day Care](#).

[0017.15.33.24](#) [Self-Employment Income From Farming](#).

[0017.15.33.27](#) [Self-Employment Income From Roomer/Boarder](#).

[0017.15.33.30](#) [Self-Employment Income From Rental Property](#).

[0017.15.54](#) [Capital Gains as Income](#).

Use tax forms and business records to determine income and expenses from self-employment. See [0010.18.09 \(Verifying Self-Employment Income/Expenses\)](#) for information on how to verify self-employment income.

Determining gross earned income from self-employment differs from determining other gross earned income. Subtract allowable costs of doing business from gross receipts. The amount remaining is the gross self-employment income. See:

[0017.15.33.06](#) [Self-Employment Common Business Expenses](#).

[0017.15.33.09](#) [Self-Employment Expense for In-Home Business](#).

[0017.15.33.12](#) [Self-Employment Transportation Expenses](#).

[0017.15.33.15](#) [Self-Employment Expenses Not Allowed](#).

Add gross self-employment income to other earned income to determine total gross earned income for the client. For programs with a gross income limit, count gross self-employment income toward the gross income limit. For some programs, a loss from a self-employment business can offset other income. See [0017.15.33.18 \(Self-Employment Loss Offset\)](#). Apply the disregards and deductions to total earned income (from self-employment and other earned income) to determine net income. See [0018.06 \(Work Expense Deductions\)](#), [0018.09 \(Dependent Care Deduction\)](#), [0018.18 \(Earned Income Disregards\)](#).

Also see [0017.15.33.03 \(Self-Employment, Convert Inc. to Monthly Amt\)](#).

**MFIP, WB:**

Determining gross earned income from self-employment differs from determining other gross earned income. Subtract allowable business expenses from gross income. See [0017.15.33.06 \(Self-Employment Common Business Expenses\)](#). The amount remaining is the "net gross" self-employment income. Do not count draws for assistance unit members as self-employment income because wages or other benefits paid to a unit member or another member of the household for whom the employer is legally responsible is not an allowable business deduction.

For MFIP only, see information on using the rolling average in [0017.15.33.03 \(Self-Employment, Convert Inc. to Monthly Amt\)](#).

C-Corporations are not self-employment businesses. See [0002.09 \(Glossary: Calendar Month...\)](#) for the definition of C-Corporation.

S-Corporations are considered self-employment businesses. See [0002.59 \(Glossary: RSDI...\)](#) for the definition of S-Corporation.

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP:**

Income from a sole proprietorship and/or partnership or S-Corporation income other than wages, draws, guaranteed payments or compensation of officers is self-employment income.

Wages, draws, guaranteed payments, or compensation of officers paid to the business owner or a household member is considered earned income (not self-employment income) when the business is a partnership or S-Corporation.

S-Corporations are considered self-employment businesses. Income received by the shareholders is countable income regardless of whether the individual decides to reinvest his or her income back into the corporation. See [0002.59 \(Glossary: RSDI...\)](#) for the definition of S-Corporation.

C-Corporations are NOT self-employment businesses. See [0002.09 \(Glossary: Calendar Month...\)](#) for the definition of C-Corporation.

**MSA:**

For SSI recipients, no county action is required. SSA will make all income determinations and adjustments.

For non-SSI recipients due to excess income, follow general provisions.

**GA:**

Use only the income received and expenses paid from the month of application forward, EXCEPT for:

- Farm income. See [0017.15.33.03 \(Self-Employment, Convert Inc. to Monthly Amt\)](#), [0017.15.33.24 \(Self-Employment Income From Farming\)](#).
- The cost of building an inventory. Allow the cost of inventory as a deduction only at the time of sale. See [0017.15.33.15 \(Self-Employment Expenses Not Allowed\)](#).

**GRH:**

Follow general provisions for aged, blind, or disabled clients. Follow GA for all other adults.



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For each business, calculate gross self-employment income by adding all gross receipts and subtracting allowable expenses. Also see [0017.09 \(Converting Income to Monthly Amounts\)](#), [0017.15.33 \(Self-Employment Income\)](#), [0017.15.33.06 through 0017.15.33.30](#).

**MFIP, DWP:**

The self-employment budget begins in the month of application or in the 1st month of self-employment.

Use a 12-month rolling average to budget monthly income from self-employment.

If a self-employment business has been in operation for at least 12 months, average the monthly self-employment income from the most current income tax report for the 12 months before the month of application. Use this amount to determine the self-employment income to budget for the month of application and the previous 11 months. Each processing month, determine a new monthly average to use in the corresponding payment month. Do this by adding the actual self-employment income and expenses the client reports on the [Self-Employment Report Form \(DHS-3336\)](#) and dropping the 1st month from the averaging period, creating a new 12 month period.

If a business has been in operation less than 12 months, compute the average for the number of months the operation has been in business to determine a monthly average. Use this figure for the number of months the operation has been in business and add each new month's figures until you have a 12-month average.

If the business has a major change, compute a new rolling average beginning with the 1st month of the major change. A major change is one that affects the nature and scale of the business. It is not merely the result of normal business fluctuations. Major change can also be used when a business ends. When the business ends, continue using the new rolling average until the business income ends. Stop counting the self-employment income the payment month after the income ends.

For seasonal self-employment, the caregiver may choose to use the rolling average or actual income and expenses. Under the actual method, count income in the month received and expenses in the month incurred. The caregiver may choose the method at application or the 1st time the unit begins seasonal self-employment. The caregiver may change the method only at recertification. Seasonal self-employment for this purpose means working 6 months or less per year.

For self-employment rental income, the unit must report hours worked each month on the rental property as well as income or expenses on the DHS 3336. Use the rolling average method outlined above to compute the average number of hours worked per month. Use this average to determine whether to count the rental income as earned or unearned. See [0017.15.33.30 \(Self-Employment Income From Rental Property\)](#).

See [0010.18.09 \(Verifying Self-Employment Income/Expenses\)](#) for more information on collecting and verifying information used to compute the rolling average. If, at recertification, the client's tax forms or other verification show the client greatly understated the amount of income from self-employment, determine whether a fraud investigation is appropriate.

**WB, SNAP:**

Compute monthly self-employment income by averaging the income and expenses, regardless of whether the household receives the income monthly or less often than monthly. Use these averages to determine monthly counted self-employment income.

- If the unit files tax returns, base the average on the most recent tax year's income. Use the average figure until the client files a new tax return covering a full 12 calendar months. If the unit does not file tax returns, calculate the average using business records.
- If a self-employment business has been in operation for 12 months or more, average the self-employment income and expenses from the past year. Use the average figure until the client files a new tax return covering a full 12 calendar months. If the unit does not file tax returns, calculate the average using business records.
- If the self-employment business has been in operation for less than 12 months, average the business income and expenses over the period of time the business has been in operation. Use the average figure until the client files a new tax return

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covering a full 12 calendar months. If the unit does not file tax returns, calculate the average using business records. Continue to anticipate any changes that will impact the net income.

When business income increases or decreases significantly, anticipate the income and calculate a new average. A significant change is a change that affects the nature or scale of the business, and does not result from normal business fluctuations.

**MSA:**

For SSI recipients, no county action required.

For non-SSI recipients, due to excess income, follow GA.

**GA:**

Count the client's income and expenses each month unless the type of self-employment requires using average monthly income or expenses. Do not use the client's tax returns to determine income or expenses. Use the average monthly income and expenses when:

- The client pays expenses less often than monthly, but receives income monthly. Count the client's income each month. However, average expenses forward over the number of months they cover. Begin with the month the client pays the expense. Do not exceed 12 months.
- The client does not receive income monthly. Average the income and expenses over the number of months the client earned the income. Budget the income for the number of months used to determine the average.

To average income:

1. Determine the number of months the income covers. The beginning month is the latest of:
  - The month the person began self-employment.
  - The month following the last self-employment income.
  - If the client was self-employed before applying for this program, the month most recent eligibility began.Count the month the client receives the income as the last month the income was earned. Do not exceed 12 months.
2. Determine average income and expenses.
  - Divide the income by the number of months it covers.
  - Divide total expenses paid during the months the income covers by the number of months the income covers.
3. When the client receives new income, average the income and expenses over the number of months the client earned the income. Add the new amount to the existing budget.

**GRH:**

Follow SNAP for aged, blind, or disabled clients. Follow GA for all other adults.



Self-employed units may deduct expenses directly related to the cost of doing business. Check each expense to see if it is appropriate and necessary to the business. If the expense is reasonable and not prohibited by [0017.15.33.15 \(Self-Employment Expenses Not Allowed\)](#), subtract the expense from the gross receipts. Document reasons for allowing or disallowing a business expense.

For information on self-employment in-home business expenses and transportation expenses, see [0017.15.33.09 \(Self-Employment Expense for In-Home Business\)](#), [0017.15.33.12 \(Self-Employment Transportation Expenses\)](#).

Some common business expenses are:

- Interest on mortgages and loans.
- Employee wages, other than for a person who is part of the unit or who must contribute income to the client. See [0016 \(Income From People Not in the Unit\)](#).
- FICA paid on an employee's wages.
- Payment on employees' workers' compensation and unemployment insurance.
- Livestock and veterinary or breeding fees.
- Raw material.
- Seed and fertilizer.
- Maintenance and repairs which are not capital expenditures.
- Tax return preparation fees.
- License fees, franchise fees, professional fees, and professional dues.
- Tools and supplies that are not capital expenditures.
- Fuel and transportation expenses other than fuel costs covered by the flat rate transportation deduction. See [0017.15.33.12 \(Self-Employment Transportation Expenses\)](#).
- Advertising.
- Meals away from local work site (for example: truckers, salespeople).
- Property expenses (for example: rent, insurance, taxes, utilities). For provisions governing in home businesses, see [0017.15.33.09 \(Self-Employment Expense for In-Home Business\)](#).

- Postage.
- Attorney fees allowed by the IRS.
- Tuition as allowed by IRS publication 508. The IRS allows tuition costs for some classes required to maintain or improve skills in the client's profession or required by law or regulation to keep pay, status, or job.

**MFIP, WB, DWP:**

Also allow purchase cost of inventory, at the time of sale.

**SNAP:**

Also allow payments on the principal of the purchase price of income-producing real estate and capital assets, equipment, machinery, and other durable goods.

**MSA:**

Allow self-employment expenses the IRS allows, unless prohibited in [0017.15.33.15 \(Self-Employment Expenses Not Allowed\)](#).

**GA:**

Follow general provisions.

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow general provisions for all other adults.

## SELF-EMPLOYMENT EXPENSE FOR IN-HOME BUSINESS

0017.15.33.09

Determine if the self-employment business operates from the client's home. Allow as a deduction the costs for the portion of the home used exclusively for the business. Also see [0017.15.33.21 \(Self-Employment Income From In-Home Day Care\)](#).

Use self-employment business and housing costs provided by the client. If these are not available, use the client's tax records or determine a reasonable ratio to allow as a business expense. Compare the number of rooms used for business to the total number of rooms in the house, or compare the total square footage of the house to the square footage used for business. Prorate the expense accordingly.

Deductions include:

- Rent.
- Real estate taxes and insurance.
- Interest on mortgage.
- Utilities.
- Repairs made to specific areas of the home used exclusively for business.

Consider areas used for inventory storage or in-home child care as exclusive business use even though the client does not use them exclusively for business if:

- For inventory storage, the client's home is the only work station. Base the business ratio on square footage of inventory storage to the square footage of the home.
- For in-home child care, the client's home is licensed for child care or is exempt from licensing. Base the business ratio on square footage. In addition to applying the business/home ratio, determine the proportion of time the unit uses the area for child care. Prorate the expense accordingly.

**MFIP, WB, DWP, MSA, GA, GRH:**

Follow general provisions.

**SNAP:**

If a unit's self-employment utilities are not metered separately, the unit may claim the standard utility allowance but cannot claim the expense from self-employment income.

If there are separate meters, the unit may claim the standard utility allowance as a utility expense. See [0018.15 \(Shelter Deductions\)](#).



## SELF-EMPLOYMENT EXPENSES NOT ALLOWED

0017.15.33.15

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Do not allow as a self-employment expense:

- Federal, state, and local income taxes.
- The employer's own share of FICA. This does not include the share the employer pays for an employee.
- Money set aside for the self-employed person's own retirement.
- Work-related personal expenses.

**MFIP, WB, DWP:**

Do not allow:

- Payments on principal of loans for the purchase of capital assets.
- Purchase of capital assets.
- Charitable contributions.
- Depreciation.
- Amortization.
- Wages or other benefits paid to a unit member or another member of the household for whom the employer is legally responsible.
- The costs of building an inventory. (Deduct the cost of a product only after it sells).
- Transportation costs that exceed the maximum standard mileage rate allowed for use of a personal car by the IRS. See [0017.15.33.12 \(Self-Employment Transportation Expenses\)](#).
- Costs for mileage between the unit member's home and place of employment.
- Personal business and entertainment expenses.
- Credit Card payments, including interest charges.
- Any expenses not allowed by the IRS.

**SNAP:**

Do not allow:

- Net loss from another period.
- Charitable contributions.
- Depreciation.
- Wages or other benefits a sole proprietorship pays to a unit member as a business expense.
- Personal business and entertainment expenses.
- Cost of meals.
- Credit Card payments, including interest charges.

**MSA:**

Do not allow net loss from another period.

**GA:**

Do not allow:

- Net loss from another period.
- Payments on principal of loans.
- Capital expenditures.
- Charitable contributions.
- Depreciation.
- Wages or other benefits paid to a unit member or other household member for whom a unit member is legally responsible.
- Personal business and entertainment expenses.
- Any expenses not allowed by the IRS unless specifically authorized by this manual.

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow GA for all other adults.



**MFIP, WB:**

A person with more than 1 self-employment business may use the loss from 1 business to offset income from another business that person owns.

A loss from a self-employment business may not offset non-self-employment income or income from another person's business.

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP:**

Units operating more than 1 self-employment business may use the loss from 1 business to offset self-employment income from another business.

Units which expect to receive \$1,000 or more annual gross income from farming may use a farm loss to offset other earned or unearned income.

1. Average the farm loss to determine a monthly amount.
2. Subtract the farm loss from any other self-employment of the unit.
3. If the farm loss is less than the other self-employment income, add the remaining self-employment income to any other earned and unearned income. Apply the Gross Income Test (GIT) to this result.

If the farm loss is greater than the other self-employment income, add the unit's other gross earned and unearned income together and subtract the remaining loss. Apply the Gross Income Test (GIT) to this result.

See [0017.15.33.24 \(Self-Employment Income From Farming\)](#).

**MSA:**

A loss from self-employment income may be used to offset other earned income.

**GA:**

Do not use a loss from self-employment to offset other income. This includes other self-employment income.

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow GA for all other adults.



## SELF-EMPLOYMENT INCOME FROM IN-HOME DAY CARE

0017.15.33.21

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People who provide day care in their own homes are self-employed. In-home day care providers can deduct day care expenses from their day care income.

People who provide day care in someone else's home are not eligible for these deductions.

Instruct in-home day care providers to itemize and verify expenses, unless they use a flat rate deduction. See [0010.18.09 \(Verifying Self-Employment Income/Expenses\)](#).

Commonly allowable itemized expenses include:

- Food.
- Toys and books.
- Supplies.
- Transportation. See [0017.15.33.12 \(Self-Employment Transportation Expenses\)](#).
- License fees and professional dues.
- Advertising costs.
- Equipment rental and lease expenses.
- Equipment which is not a capital expenditure.

In addition, deduct expenses for the area of the home used for day care. See [0017.15.33.09 \(Self-Employment Expense for In-Home Business\)](#).

**MFIP, WB, GA:**

In-home day care providers may itemize expenses or take a flat rate deduction of 60% of gross receipts. Use the method most advantageous to the unit. People who provide day care in someone else's home must use actual expenses. See [0017.15.33.03 \(Self-Employment, Convert Inc. to Monthly Amt\)](#).

Do not count payments from the Minnesota Child Care Food Program in calculating gross receipts. If using the actual expense method, do not deduct expenses reimbursed through the Minnesota Child Care Food Program.

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP:**

In-home day care providers must itemize expenses.

Exclude the portion of Minnesota Child Care Food Program funds paid for meals served to the provider's own children. Count all other Minnesota Child Care Food Program payments in calculating gross receipts.

For meals provided, providers may choose either actual costs or the reimbursement amounts currently allowed by the Child and Adult Care Food Program (effective July 1, 2011 - June 30, 2012):

Breakfast	\$1.24
Lunch or supper	\$2.32
Snack	\$0.69

**MSA:**

In-home day care providers must itemize expenses.

Exclude the portion of Minnesota Child Care Food Program funds paid for meals served to the provider's own children. Count all other Minnesota Child Care Food Program payments in calculating gross receipts.

**GRH:**

Follow SNAP for aged, blind, or disabled clients. Follow MFIP for all other adults.

Farmers are self-employed. They may work full-time, part-time, or as hobby farmers.

Common types of farm income include:

- Proceeds from sale of crops, livestock, or products.
- Production from livestock.
- Income from home-produced food.
- Soil conservation payments and other subsidies.
- Proceeds from machine rental, including wages to the farmer/operator.
- Capital gains. See [0017.15.54 \(Capital Gains as Income\)](#).

Deduct from farm income all allowable expenses necessary to produce the income. Separate farm and shelter expenses using farm records and information from the mortgage lender, tax assessor, or Farmer's Home Administration. When it is not possible to separate farm and shelter expenses, determine the ratio of farm property to home property and multiply the expense by the ratio.

Also see:

[0010.18.09](#)      [Verifying Self-Employment Income/Expenses.](#)

[0017.15.33.03](#)      [Self-Employment, Convert Inc. to Monthly Amt.](#)

[0017.15.33.06](#)      [Self-Employment Common Business Expenses.](#)

[0017.15.33.15](#)      [Self-Employment Expenses Not Allowed.](#)

[0022](#)              [Budgeting and Benefit Determination.](#)

**MFIP, WB, DWP:**

Follow general provisions.

**SNAP:**

Average farm income and expenses over a 12-month period. Use the unit's most current tax return as a guide. If the tax return is not available or does not reflect true circumstances, use the client's farm records.

If the farm income has greatly increased or decreased from the income shown on the tax return or farm records, anticipate the earnings and calculate a new average. Use the average for the remainder of the certification period.

**MSA, GA, GRH:**

Average farm income and expenses over a 12-month period. Use the unit's most current tax return as a guide. If the tax return is not available or does not reflect true circumstances, use the client's farm records.

If the farm income has greatly increased or decreased from the income shown on the tax return or farm records, estimate the earnings. Calculate a new average each month until there is a 12-month average. Use the average figure for 12 months or until the client files a new tax return form, whichever is shorter.

## SELF-EMPLOYMENT INCOME FROM ROOMER/BOARDER

0017.15.33.27

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If a client receives payments for lodging, meals, or related services from people living in the client's home, the income is roomer/boarder income. Units with roomer/boarder income are self-employed. Count the income as earned income.

- A roomer lives with the unit and pays for lodging only.
- A boarder eats with the unit and pays for meals only.
- A roomer and boarder lives AND eats with the unit and pays for lodging AND meals.

Roomer/boarder income is different from rental property or from shared living expense income. For information on rental property income, see [0017.15.33.30 \(Self-Employment Income From Rental Property\)](#). For information on shared living expense income, see [0017.06 \(Excluded Income\)](#).

**MFIP, WB, DWP:**

Allow a flat rate deduction for each roomer, boarder, and roomer/boarder:

- Roomer: \$71 per month.
- Boarder: \$200 per month (the Thrifty Food Plan amount for 1).
- Roomer/boarder: \$271 per month (the roomer rate plus the Thrifty Food Plan amount for 1).

If there is more than 1 boarder (or roomer/boarder), use the total number of boarders as the unit size in determining the Thrifty Food Plan amount. See the SNAP provisions of [0022.12.01 \(How to Calculate Benefit Level - FS/MSA/GRH\)](#).

Subtract the flat rate deduction for each roomer, boarder, and roomer/boarder from total roomer/boarder income to get gross roomer/boarder self-employment income.

**SNAP:**

Allow the following expenses for a roomer/boarder:

- Roomer: The verified expense of providing the room. See the general provisions of [0017.15.33.30 \(Self-Employment Income From Rental Property\)](#) for instructions on how to determine the expense.
- Boarder: The verified expense of providing the food or the Thrifty Food Plan. For Thrifty Food Plan amounts, see [0022.12.01 \(How to Calculate Benefit Level - FS/MSA/GRH\)](#).
- Roomer and boarder: The verified expense of providing the room and the Thrifty Food Plan amount or the verified expense of providing the food, whichever is greater. For the Thrifty Food Plan Amounts, see [0022.12.01 \(How to Calculate Benefit Level - FS/MSA/GRH\)](#).

If there is more than 1 boarder, use the total number of boarders as the unit size in determining the Thrifty Food Plan amount.

Deduct the allowable expenses, up to the amount of the income, to get gross self-employment income. For treatment of boarders

who pay less than the Thrifty Food Plan amount for food, see [0014.03.06 \(Determining the Food Support Unit\)](#), [0022.12.01 \(How to Calculate Benefit Level - FS/MSA/GRH\)](#).

**MSA:**

Allow the following expenses for a roomer/boarder:

- Roomer: The verified expense of providing the room.
- Boarder: The verified expense of providing the food.
- Roomer and boarder: The verified expense of providing the room and board.

Deduct the allowable expenses, up to the amount of the income, to get gross self-employment income.

**GA:**

Allow a flat rate deduction for each roomer/boarder:

- Roomer: \$71 per month.
- Boarder: \$86 per month.
- Roomer and boarder: \$157 per month.

Subtract the flat rate deduction for each roomer/boarder from total roomer/boarder income to get gross self-employment income.

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow GA for all other adults.

## SELF-EMPLOYMENT INCOME FROM RENTAL PROPERTY

0017.15.33.30

Rental property is property the client owns and rents to others. This may include separate living quarters in the same building, such as a duplex. For information on rental income from people living with the client, see [0017.15.33.27 \(Self-Employment Income From Roomer/Boarder\)](#).

Income from rental property may be earned or unearned. See the program provisions for when rental income is earned or unearned. Deduct allowable expenses from both earned and unearned rental income to get gross rental income. Allow earned income disregards only for earned rental income. See [0018.18 \(Earned Income Disregards\)](#).

Allowable expenses for rental property include:

- Real estate tax.
- Insurance.
- Utilities.
- Interest.
- Upkeep and repairs.

When the client lives on the rental property, determine the rental property ratio. Divide the number of rooms or square footage that the client rents out by the total number of rooms or square footage in the building. To determine the portion of an expense that is an allowable deduction, multiply the expense by the ratio.

**MFIP, WB, DWP:**

Clients may deduct either actual expenses for upkeep and repairs, or use a flat deduction of 2% of the estimated market value on the county tax assessment form. Clients may switch between the flat rate deduction and actual expense method only at recertification. Help clients determine which deduction would be more favorable to them. If clients choose the flat deduction, divide 2% of the estimated market value by 12 to get the monthly deduction amount.

Count income from rental property as earned income when the unit spends an average of at least 43 hours per month maintaining or managing the property. Otherwise, count it as unearned income. Allow earned income disregards only for earned rental income. See [0018.18 \(Earned Income Disregards\)](#). For information on computing the average number of hours worked per month, see [0017.15.33 \(Self-Employment Income\)](#).

**SNAP:**

Count income from rental property as earned income when the unit spends an average of 20 hours or more per week maintaining or managing the property. Otherwise count it as unearned income.

If a unit rents out a room in its home and includes utilities in the rent, the unit may claim the standard utility allowance (SUA) in its SNAP budget or as a deduction from its self-employment earnings. The unit CANNOT claim the SUA in both budgets.

**MSA:**

For SSI recipients, no county action is required.

For SSI excess income clients:

Count income from rental property as earned income for each month the client spends an average of at least 10 hours per week maintaining or managing the property.

Count income as unearned for each month the client spends less than 10 hours per week maintaining or managing the property.

**GA:**

Count income from rental property as earned income when the client spends an average of at least 20 hours per week maintaining or managing the property. Otherwise count it as unearned income.

Allow up to \$103 per year or 2% of the estimated market value on the county tax assessment form, whichever is greater, for upkeep and repairs.

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow GA for all other adults.

Student financial aid includes federal and state work study income, educational loans, grants, and scholarships.

Some programs exclude financial aid entirely. Other programs count or exclude certain types of financial aid.

Programs that count financial aid treat aid funded under Title IV differently from other types of aid. To identify Title IV financial aid, see [0017.15.36.06 \(Identifying Title IV or Federal Student Aid\)](#). Also see [0017.06 \(Excluded Income\)](#), [0017.15.18 \(Workforce Investment Act \(WIA\) Income\)](#).

Some programs prorate student financial aid over the period it is intended to cover. See [0017.15.36.03 \(When to Budget Student Financial Aid\)](#).

Verification of student financial aid and expenses usually covers the full school year. Do not require additional verification unless there is conflicting information. See [0010.18.30 \(Verifying Student Income and Expenses\)](#).

**MFIP, WB, DWP:**

Exclude all student financial aid for undergraduate students.

For graduate students:

- Count as earned income graduate student fellowships, internships, stipends, teaching assistant income, or any other financial aid that requires the student to work in order to receive the aid.
- After deductions for unmet educational expenses, count as unearned income graduate student scholarships, stipends, or other types of grants that do not require teaching or research or any other similar work.
- Exclude all Title IV financial aid and income from Bureau of Indian Affairs (BIA) student assistance programs.
- Exclude all student loans.

See [0017.15.36.09 \(Student Financial Aid Deductions\)](#) for deductions to allow from graduate student financial aid.

For veterans benefits, determine which portion is designated as educational assistance benefits and exclude it as educational benefits. Treat the remaining amount of the benefit as unearned income.

**SNAP:**

To exclude educational income, a student must be enrolled in 1 of the following:

- A recognized institution of post-secondary education.
- A school for the disabled.
- A vocational education program.
- A vocational or technical school.
- A program that provides for obtaining a secondary school diploma or the equivalent.

Exclude Tribal Development Student Assistance Revolving Loans made under the Tribal Development Student Assistance Act.

Exclude all Title IV financial aid and income from Bureau of Indian Affairs (BIA) student assistance programs.

For student loans other than Title IV or BIA, verify with the financial institution whether repayment of other student loans is deferred or non-deferred. For this purpose, deferred means the financial institution does not require repayment for 60 days or more from when the loan was issued. Whether or not a student is making payments does not affect whether a loan is a deferred payment loan.

- Count student loans if repayment is deferred.
- Exclude student loans if repayment is non-deferred.

Exclude all financial aid earmarked for a specific expense.

Deduct total educational expenses from all non-Title IV financial aid. In addition, deduct additional expenses from work study income. See [0017.15.36.09 \(Student Financial Aid Deductions\)](#). To arrive at a monthly amount to budget, see [0017.15.36.03 \(When to Budget Student Financial Aid\)](#).

**MSA:**

Exclude the following financial aid:

- Financial aid loans, including loans from the Tribal Development Student Assistance Revolving Loan Program.
- Title IV financial aid in the month the client receives it.
- Financial aid used to fulfill an approved Plan to Achieve Self-Support (PASS) for disabled or blind people. See [0018.06.06 \(Plan to Achieve Self-Support \(PASS\)\)](#).

Count all other financial aid as income in the month received. Deduct allowable expenses. See [0017.15.36.09 \(Student Financial Aid Deductions\)](#).

**GA:**

Exclude non-deferred student loans. Consider payments made for room, board, tuition, or fees by the parent of a full-time student in a post-secondary school to be income to the student. Budget parental payments as you do other non-excluded student financial aid.

To arrive at a monthly amount to budget, see [0017.15.36.03 \(When to Budget Student Financial Aid\)](#).

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow GA for all other adults.

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Follow the procedures in this section for when to budget counted student financial aid. See [0017.15.36 \(Student Financial Aid Income\)](#) for what student financial aid is counted or excluded.

When dividing student financial aid by the months it is intended to cover, count each month only once for each source of aid. If the same source of aid covers a month where 1 term ends and another term begins, include that month only for the 1st term.

**MFIP, WB:**

Consider counted graduate student financial aid when it is available to meet the client's educational expenses. Budget it over the months it is intended to cover, whether or not the client attends school. To arrive at a monthly amount to budget:

1. Subtract allowable educational expenses for a given period of time (quarter, semester, year) from a graduate student's non-excluded financial aid received to cover the same period of time. See [0017.15.36.09 \(Student Financial Aid Deductions\)](#).
2. Divide the result by the remaining number of months in the period.
3. Add this amount to the unit's gross income.

If the client receives the aid before the school year begins, do not budget the income until the period it is intended to cover. If the financial aid was received prior to application, do not budget it for that period.

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP:**

When to begin budgeting student financial aid depends upon the type of aid and the budgeting cycle. For budgeting cycles, see [0022.03 \(How and When to Use Prospective Budgeting\)](#), [0022.06 \(How and When to Use Retrospective Budgeting\)](#), [0022.09 \(When to Switch Budget Cycles - Cash\)](#), [0022.09.03 \(When to Switch Budget Cycles - FS\)](#).

Do not budget financial aid until it is available.

- GRANTS, SCHOLARSHIPS: Consider the income available when the student receives the award letter.
- OTHER LOANS: Consider the loan available when the student receives the award letter from the lending institution. Prorate the loan over the months it covers, regardless of the disbursement dates.
- STATE WORK STUDY INCOME: Consider work study income available in the month the student receives it.

If the student receives or signs the award letter before the school year starts, do not budget the income until the school year begins.

If a student signs or receives the award letter after some of the months it covers have passed, prorate the aid over the months it covers, but disregard the portion intended for prior months.

If a student verifies that a school withheld the student's aid because of unsatisfactory progress, do not budget the income.

To arrive at a monthly amount to budget:

1. Exclude all Title IV or Bureau of Indian Affairs (BIA) educational assistance.
2. Exclude educational assistance earmarked for specific costs of tuition, mandatory fees, books, supplies, dependent care, transportation, or miscellaneous personal expenses (other than living expenses).
3. Prorate each non-excluded, available financial aid and remaining expenses over the number of months it is intended to cover or it is incurred. The result is the monthly aid and expenses.
4. Subtract all remaining monthly educational expenses used for tuition, mandatory fees, books, supplies, dependent care, transportation, or miscellaneous personal expenses (other than living expenses).
5. Allow a 20% work expense deduction from work study income or fellowships that have a work requirement. See [0017.15.36.09 \(Student Financial Aid Deductions\)](#) and TEMP Manual TE02.08.050 (Daycare Expenses) for instructions on allowing the deduction.

Continue budgeting student income over the period it is intended to cover for a client no longer in school. Deduct allowable expenses that the client must actually pay. Exclude the income if the grantor of the aid demands immediate repayment beginning with the 1st budget month after the grantor demands repayment.

See [0017.15.36.06 \(Identifying Title IV or Federal Student Aid\)](#), [0022 \(Budgeting and Benefit Determination\)](#).

**MSA:**

For SSI recipients, no county action required.

For non-SSI recipients, follow GA.

**GA:**

Consider student financial aid when it is available to meet the client's educational expenses. Budget it over the months it is intended to cover, whether or not the client attends school.

To arrive at a monthly amount to budget:

1. Subtract allowable educational expenses for a given period of time (quarter, semester, year) from the non-excluded financial aid received to cover the same period of time. See [0017.15.36.09 \(Student Financial Aid Deductions\)](#).
2. Divide the result by the remaining number of months in the period.
3. Add this amount to the unit's gross income. If the allowable educational expenses exceed the total amount of student aid, subtract the excess expenses from any work study income. Add the remaining work study income to any other gross earned income.

If the client receives the aid before the school year begins, do not budget the income until the school year begins. If the financial aid was received prior to application and is no longer available, do not budget student income for that period.

If the financial aid has not yet been made available for the client's educational expenses, do not budget the funds until they become available for the client's benefit. When the funds become available to meet the client's educational expenses, subtract

financial aid deductions from the total student financial aid. Budget the remaining funds by prorating them over the remaining period of time they were intended to cover. See [0017.15.36 \(Student Financial Aid Income\)](#), [0017.15.36.09 \(Student Financial Aid Deductions\)](#).

Deduct school expenses that exceed student financial aid from work study income.

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow GA for all other adults.



Verify educational expenses before allowing them as a deduction. Determine the time period the expenses cover. See [0010.18.30 \(Verifying Student Income and Expenses\)](#).

Some programs exclude certain types of financial aid entirely. See [0017.15.36 \(Student Financial Aid Income\)](#).

**MFIP, WB, DWP:**

All student financial aid for undergraduates is excluded; therefore, there are no deductions to apply. See [0017.15.36 \(Student Financial Aid Income\)](#).

Do not allow deductions for educational expenses from graduate student financial aid that is earned income, but do allow the earned income disregards and deductions. From graduate student unearned income, allow a deduction for necessary educational expenses. For this purpose, necessary educational expenses do NOT include living expenses. See [0017.15.36 \(Student Financial Aid Income\)](#) to determine whether the aid is earned or unearned income.

**SNAP:**

Total all educational expenses EXCEPT those earmarked for a specific expense. Expenses include, but are not limited to:

- Tuition.
  
- Mandatory school fees. Mandatory school fees include: lab fees, equipment fees, student service fees, guaranteed student loan origination and insurance fees, uniforms, and tools.
  
- Books.
  
- Supplies.
  
- Transportation. Use the same transportation expense rate as allowed for self-employment transportation. See [0017.15.33.12 \(Self-Employment Transportation Expenses\)](#).
  
- Miscellaneous personal expenses (other than room/board and clothing).
  
- Dependent care.

**MSA:**

For SSI recipients, no county action required.

For non-SSI recipients, the following are allowable expense deductions from all non-excluded sources of student aid:

- Tuition.
  
- Mandatory fees.
  
- Course and lab fees.

- Books.
- Transportation to and from school. Use the same transportation expense rate as allowed for self-employment transportation. See [0017.15.33.12 \(Self-Employment Transportation Expenses\)](#).
- Supplies and equipment required for course work.
- Child care costs incurred while at school and in transit.
- Work expenses and deductions from work study income.
- Any impairment related expenses necessary to attend school or perform schoolwork.

**GA:**

The following are allowable expense deductions from all non-excluded sources of student aid:

- Tuition.
- Fees.
- Books.
- Supplies.
- Transportation expenses. Use the same transportation expense rate as allowed for self-employment transportation. See [0017.15.33.12 \(Self-Employment Transportation Expenses\)](#).
- Work expenses and deductions from work study income. In addition to the expenses above, allow miscellaneous personal expenses as a deduction from Title IV student aid.

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow GA for all other adults.

**MFIP, WB, DWP, MSA, GA, GRH:**

Exclude payments the unit receives for providing family foster care to children or adults. This includes payments for basic care, difficulty of care, and clothing allowances.

Exclude payments the unit gets and uses for care and maintenance of a non-household member. See [0011 \(Technical Eligibility\)](#).

**SNAP:**

Count foster care payments as unearned income if the foster children or adults are part of the unit. See [0014.03 \(Determining the Assistance Unit\)](#).

Exclude payments for the foster care of children or adults who are excluded from the unit.



## INTEREST AND DIVIDEND INCOME

0017.15.42

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**MFIP, WB, DWP, GA:**

Exclude as income any interest or dividends from assets which, when combined with other assets, are within the asset limit.

Count other interest or dividends as unearned income.

**SNAP:**

Count interest and dividends as unearned income.

**MSA:**

Exclude interest and dividends that:

- Accrue on the value of excluded burial funds. See [0015.24 \(Excluded Assets - Burial Contracts\)](#).  
OR
- Meet the criteria for infrequent, irregular income. See [0017.15.12 \(Infrequent, Irregular Income\)](#).

Count all other interest and dividends as unearned income.

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow MFIP for all other adults.



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Refer to each program to determine how to count RSDI and/or SSI income. Also see [0017.15.45.03 \(How to Determine Gross RSDI\)](#).

For more information on RSDI and SSI, see [0029.06.03 \(Supplemental Security Income Program\)](#), [0029.06.06 \(Retirement, Survivors, & Disability Insurance\)](#). Also see [0015.60 \(Evaluation of Lump Sums\)](#).

**MFIP, WB, DWP:**

See [0017.15.30 \(Lump Sum Income\)](#) for information on SSI and RSDI lump sum payments.

Do not budget SSI income toward the MFIP cash portion or the WB or DWP grant.

See [0012.12 \(Applying for Other Benefits\)](#) for MFIP participants who apply for and are approved for SSI.

If a client does not receive SSI but receives RSDI, count the gross RSDI amount as unearned income unless the client has a representative payee who does not live in the client's household. If the representative payee does not live in the same household as the beneficiary, presume the gross RSDI is available to the client unless the client can demonstrate it is not. If the client demonstrates that part of the payment is unavailable, count only that portion available to the client in cash or spent on behalf of the client or the unit.

Ask the Social Security Administration in writing to change the representative payee in either of the following circumstances:

- The representative payee is diverting the RSDI benefit for use by the payee or someone other than the client.
- You believe the representative payee is not using the RSDI benefit in an appropriate way to meet the client's needs.

**SNAP:**

Count SSI and/or gross RSDI as unearned income, EXCEPT for the following:

- Exclude retroactive SSI benefit payments. The Social Security Administration may make payments for retroactive benefits in a 1-time lump sum payment, or in installments.
- Exclude any portion of RSDI or SSI payments that SSA recoups or that the client returns to the SSA to repay an overpayment. This exclusion does not apply to overpayments caused by the client fraudulently getting benefits.
- Exclude fees paid from SSI/RSDI to organizational representative payees as income.

**MSA:**

For SSI recipients, count the client's Federal Benefit Rate (FBR) as gross unearned income, even if the actual SSI check is less. See [0029.06.03 \(Supplemental Security Income Program\)](#).

For clients who are not current SSI recipients due to excess income:

- Exclude all retroactive SSI installment payments as income.
- Count current RSDI payments as income in the month received.
- Count the gross amount of RSDI even if the SSA recoups a portion or the client returns part of the payment to the SSA to

repay an overpayment.

- To determine retroactive MSA eligibility, budget retroactive RSDI as income for the period covered by the pended application that corresponds with the period covered by the retroactive benefits.

**GA:**

Count the gross amount of RSDI awarded to the client as unearned income.

Exclude retroactive SSI and RSDI installment payments to an SSI recipient living in the household.

**GRH:**

For aged, blind, or disabled clients:

- For SSI recipients, count the client's Federal Benefit Rate (FBR) as gross unearned income, even if the actual SSI check is less. See [0029.06.03 \(Supplemental Security Income Program\)](#).
- For clients who are not current SSI recipients due to excess income:
  - Exclude all retroactive SSI installment payments as income.
  - Count current RSDI payments as income in the month received.
  - Count the gross amount of RSDI, even if SSA recoups a portion or the client returns part of the payment to SSA to repay an overpayment.

For all other adults, count the gross amount of RSDI awarded to the client as unearned income.

## DISPLACED HOME MAKER PROGRAM INCOME

0017.15.48

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The Minnesota Department of Employment and Economic Development contracts with other agencies to provide services for displaced homemakers. Displaced homemaker programs differ among providers. Providers may provide services, pay for services, pay the client a small stipend while the client participates in services, or reimburse the client for expenses.

**MFIP, WB, SNAP:**

Count displaced homemaker program payments as income unless they are reimbursements or vendor payments. See [0017.06 \(Excluded Income\)](#).

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**MSA, GA, GRH:**

Exclude displaced homemaker program payments.



## PAYMENTS RESULTING FROM DISASTER DECLARATION

0017.15.51

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Exclude federal payments issued due to a presidential declaration of disaster. Federal payments include, but are not limited to, grants from the Federal Emergency Management Agency (FEMA).

State and local governments, and disaster relief organizations such as Red Cross and Salvation Army, may also provide disaster assistance.

For information on how to treat disaster payments as assets, see [0015.27 \(Excluded Assets - Income\)](#), [0015.30 \(Excluded Assets - Payments Under Federal Law\)](#).

**MFIP, WB, DWP, SNAP, GA:**

Also exclude disaster relief payments made by states, local governments, and disaster relief organizations.

**MSA:**

Also exclude disaster assistance provided by states, local governments, and disaster relief organizations if:

- The person stopped living in his/her home as a result of the disaster.  
AND
- The person began to receive the assistance within 30 days after the disaster.  
AND
- The person receives the assistance while living in a residence maintained by another person. A residence can include a private household, shelter, or any other temporary housing arrangement the person resorts to due to the disaster.

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow MFIP for all other adults.



Capital gain is an Internal Revenue Service (IRS) term for proceeds from the sale of capital assets. The gain is the difference between the purchase and selling price minus allowable expenses.

Capital gains from self-employment businesses count as income. Unless the client is in the business of selling assets, exclude capital gains from the sale of the client's assets, regardless of whether the asset was excluded. If the client is in the business of selling assets, such as a farmer who holds grain until the prices change, the capital gain is self-employment and counts as income.

Some programs allow you to use tax forms to verify capital gains. Capital gains recorded on self-employment tax forms, such as Schedules C and F, include items such as the sale of livestock or grain. You may not be able to distinguish capital gains on self-employment forms from other self-employment income.

The IRS Capital Gains and Losses form (Schedule D) includes excluded and counted capital gains. The client must clarify whether Schedule D capital gains are from the sale of an asset or from self-employment.

In addition to capital gains from the sale of assets, Schedule D includes capital gain distributions. Capital gain distributions are dividends from stock or mutual funds. See [0017.15.42 \(Interest and Dividend Income\)](#).

**MFIP, WB, DWP:**

Proceeds from the sale of assets, while excluded as income, may be counted as assets. See [0015.09 \(Excluded Assets for Self-Support\)](#).

When a self-employment business closes, count the proceeds from sale of assets (EXCEPT vehicles) used in the business as self-employment income.

**SNAP:**

Use the tax form figures to verify the countable capital gain. If the client did not file tax forms, determine the capital gain using self-employment income procedures. See [0017.15.33 \(Self-Employment Income\)](#).

Count capital gains only if the client will continue to have capital gains in the certification period.

**MSA, GA, GRH:**

Determine the capital gain using self-employment income procedures. See [0017.15.33 \(Self-Employment Income\)](#).

Count capital gains only if the client will continue to have capital gains in the certification period.



## PAYMENTS TO PERSECUTION VICTIMS

0017.15.57

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Exclude any payments made to people because of their status as victims of Nazi persecution. This includes reparation payments the Federal Republic of Germany makes to certain survivors of the Holocaust. They may be monthly payments or a lump sum payment.

Exclude Netherlands' Act (WUV) payments to victims of Nazi (German) persecution. See the program provisions below for how to treat Netherlands' Act (WUV) payments to victims of Japanese persecution. See NETHERLANDS' ACT (WUV) in [0002.45 \(Glossary: Netherlands' Act...\)](#) for a description of these payments.

**MFIP, WB, GA:**

Count Netherlands' Act (WUV) payments to victims of Japanese persecution as unearned income.

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP:**

Follow MFIP.

Exclude payments from Crime Victims Compensation Payment from Public Law 103.322, section 230202 – Crime Act of 1984.

**MSA:**

Exclude all Netherlands' Act (WUV) payments.

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow GA for all other adults.



Also see [0029.03.06 \(Family Support Grant Program\)](#).

**MFIP, WB, DWP, MSA, GA, GRH:**

Do not count Family Support Grant payments as income.

**SNAP:**

Count Family Support Grant payments as unearned income, excluding any portion designated as reimbursement for special need items other than normal living expenses.



## RELATIVE CUSTODY ASSISTANCE GRANTS

0017.15.63

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A Relative Custody Assistance Grant is a monthly financial assistance payment administered by Social Services for relatives who take permanent legal and physical custody of children with special needs upon a juvenile court determination that the children are unable to return to their parent's home. See [0029.03.18 \(Relative Custody Assistance Program\)](#).

**MFIP, WB, DWP:**

Exclude Relative Custody Assistance Grants as income.

**SNAP:**

Count Relative Custody Assistance Grants as unearned income for the child(ren) if the child(ren) are part of the unit.

Exclude Relative Custody Assistance Grants for a child(ren) who are not part of the unit.

**MSA, GA:**

Count Relative Custody Assistance Grants as unearned income for the child only. Exclude Relative Custody Assistance Grants as income to the custodial relative(s) so long as the grants are not co-mingled with household accounts.

**GRH:**

Follow MSA for aged, blind, or disabled clients. Follow GA for all other adults.



Benefits provided under most titles of the Older Americans Act are in the form of in-kind services, such as meals to seniors. See [0017.15.24 \(In-Kind Income\)](#) for the treatment of this type of income.

Title V of the Older Americans Act is the Community Service Employment Program which pays wages to seniors. Follow the specific program provisions below for treatment of this income. See TEMP Manual TE02.08.010 (Experience Works Income).

**MFIP, WB, MSA, GA, GRH:**

Count as earned income, wages paid to participants in programs carried out under the Community Service Employment Program (Title V of the Older Americans Act), which includes the Experience Works program and the Senior Aides Program.

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP:**

Exclude income paid to participants in programs carried out under the Community Service Employment Program (Title V of the Older Americans Act), which includes the Experience Works program and the Senior Aides Program.



## REIMBURSEMENT OF EXPENSES

0017.15.75

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**MFIP, WB, DWP, MSA, GA, GRH:**

Exclude reimbursements for expenses, other than normal living expenses. This includes reimbursements from employment and training programs, volunteer service programs, county social services programs, jury duty, employment, car pooling arrangements, and reimbursements for medical expenses.

**SNAP:**

Exclude reimbursements for expenses, other than normal living expenses. This includes reimbursements from employment and training programs, volunteer service programs, county social services programs, jury duty, employment, and reimbursements for medical expenses.

Exclude reimbursements or flat allowances for job or training related expenses such as travel, per diem, uniforms, and transportation to and from a job or training site over and above basic wages, regardless of the amount.



The National Civilian Community Corps and the 1990 Commission on National and Community Service were incorporated into the National and Community Service Trust Act of 1993. This legislation created the Corporation for National and Community Service, and authorized this federal agency to administer a number of programs and special initiatives:

- AmeriCorps programs include:
  - AmeriCorps State and National.
  
  - AmeriCorps VISTA, formerly known as VISTA. This also includes:
    - University Year for VISTA (formerly known as University Year for Action (UYA)).
  
    - Urban Crime Prevention Program.
  
    - AmeriCorps NCCC.

For information on how to treat AmeriCorps payments, see [0017.15.87 \(AmeriCorps Payments\)](#).

- Learn and Serve America, formerly known as Serve America. For more information on Learn and Serve America see the Corporation for National and Community Service website at: <http://nationalservice.gov> . Also, see [0017.15.100 \(Learn and Serve America\)](#) for additional information.
  
- Special initiatives and innovation grants.
  
- Senior Corps includes:
  - Foster Grandparent Program.
  
  - Retired and Senior Volunteer.
  
  - Senior Companion Programs.

**MFIP, WB, DWP, SNAP, GA:**

Exclude all Senior Corps payments and payments made under any special initiatives or innovative grants.

**MSA:**

For SSI recipients, no county action required.

For non-SSI recipients, follow MFIP, WB, DWP, SNAP, GA.

**GRH:**

For SSI recipients, follow MSA. For GA recipients, follow MFIP, WB, DWP, SNAP, GA.



**MFIP, WB, DWP, MSA, GA, GRH:**

Exclude Housing and Urban Development (HUD) utility reimbursements and Farmers Home Administration (FMHA) Rental Assistance Program utility reimbursements as income.

**SNAP:**

Exclude HUD utility reimbursements and Farmers Home Administration (FMHA) Rental Assistance Program utility reimbursements as income.

Exclude utility payments to a landlord made on behalf of a client. See [0014.03.06 \(Determining the Food Support Unit\)](#).



See [0015.11 \(Excluded Assets - Contracts for Deed\)](#) for how to treat contracts for deed and other property agreements as assets.

**MFIP, WB, MSA, GA, GRH:**

Count all payments (EXCEPT the principal portion, which is considered an asset) of a contract for deed or other property agreement as unearned income. If the owner of the contract or property agreement is paying the property taxes and/or homeowner's insurance, allow these as deductions from the non-principal portion of the payment.

If the real property is encumbered by another mortgage or contract for deed and the owner of the contract is making that payment, allow a deduction for the interest portion of that payment.

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP:**

Count all payments (including the principal portion) of a contract for deed or other property agreement as unearned self-employment income. If the owner of the contract or property agreement is paying the property taxes and/or homeowner's insurance, allow these as deductions from the payment. If the real property is encumbered by another mortgage or contract for deed, and the owner of the contract is making that payment, allow a deduction for the interest portion of that payment.

Although the income is unearned, allow the client to deduct related self-employment business expenses. See [0017.15.33.06 \(Self-Employment Common Business Expenses\)](#), [0017.15.33.15 \(Self-Employment Expenses Not Allowed\)](#).



## AMERICORPS PAYMENTS

0017.15.87

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The National and Community Services Trust Act of 1993 amended the National and Community Act of 1990 and established a Corporation for National and Community Service. This Corporation merged the work and staff of 2 predecessor agencies, ACTION and the Commission on National and Community Service, and administers national service programs that include 3 AmeriCorps programs among others:

- AmeriCorps State and AmeriCorps National (also known as AmeriCorps USA) programs, which support a broad range of local service programs that engage thousands of Americans, age 17 years and older, in intensive service to meet critical community needs.
- AmeriCorps VISTA (formerly known as VISTA) provides full-time members in the age groups 18 years and older to community organizations and public agencies to create and expand programs that build capacity and help bring low-income individuals and communities out of poverty.
- AmeriCorps NCCC: The AmeriCorps National Civilian Community Corps is a full-time residential program for men and women, ages 18-24, that strengthens communities while developing leaders through direct, team-based national and community service.

Count payments to people administering AmeriCorps VISTA who are civil service employees as earned income for ALL programs.

**MFIP, WB, MSA, GA, GRH:**

Exclude payments from all AmeriCorps programs (salary, wages, stipends or reimbursements, in-kind, etc.) as income.

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP:**

Exclude all AmeriCorps State and AmeriCorps National (also known as AmeriCorps USA), and AmeriCorps NCCC payments as income.

Do not count AmeriCorps VISTA payments as income for people who were receiving SNAP, MFIP, or SSI when they joined AmeriCorps VISTA. For all other people, count AmeriCorps VISTA payments as earned income.



**MFIP, WB, DWP, SNAP:**

Military income is generally made available to the household members through a direct deposit of all or a portion of the military person's pay into a joint bank account. Occasionally the income is made available to the household members through an allotment arrangement made by the military person for a portion of the pay to be sent to the family. When an allotment arrangement is made, it is the military person who receives the "allotment" with the bulk of the pay being sent directly to the family.

Count as unearned income only that portion of the military pay that the applicant or participant household receives when determining the household's income, regardless of the arrangement made by the military person. Exclude all combat and/or hazard duty pay.

Combat pay, also referred to as hazardous or hazard duty pay, is additional payment military personnel receive as a result of deployment to a designated combat zone. If an applicant or participant tells you at application, recertification or contacts you with information that he or she has received or will receive income from military pay or an allotment from an absent member who is deployed to a combat zone, follow the steps below to determine the combat or hazard duty pay exclusion:

1. Establish the amount of the military person's pay that was actually available to the household prior to the deployment of the military person to a designated combat zone. If the military person was part of the household prior to deployment this amount would be the net military pay. Net military pay means the amount of pay received by the military person prior to being deployed to the combat zone. After the military person is deployed to a combat zone any increase in the money coming to the household would be considered combat or hazard duty pay.

For example, a military member is deployed directly to a combat zone. The predeployment take home pay was \$1,000/month. The income increases to \$1,200/month after being deployed. When calculating eligibility exclude the \$200 combat pay and count only the remaining \$1,000 as unearned income to the household. This \$1,000 is the net military pay.

**NOTE:** If the military person was not part of the household prior to the military person's deployment to a designated combat zone, count the amount the absent military person actually made available to the family prior to deployment.

2. Determine the amount of the military pay that the military person is making available to his/her family.
3. If the amount of military pay made available is equal to or less than the amount the household received prior to deployment to a combat zone, count all of the military pay as unearned income. If the military pay available exceeds the amount the household received prior to deployment, exclude the excess amount.

See TEMP Manual TE02.10.92 (Designated Combat Zones) for a list of designated Combat Zones and the designated effective dates for each Combat Zone.

A blank Leave and Earnings Statement (LES) form is often sent directly to the family or is mailed to the family by the deployed military person. Some households may have access to verification of military pay through the internet, or households may obtain verification of military income by contacting the local military base financial office. Two fields on the LES form that are useful in identifying combat or hazard pay are:

- Field 10 Entitlements: This field identifies combat or hazard pay earned.
- Field 76 Remarks: This field outlines by codes or abbreviations the type of military pay earned. For example the abbreviation HDP = Hazard Duty Pay.

Do not make a Child Support Referral for a MARRIED parent who is called to military duty away from home when there is no breakdown in the marital relationship.

For MAXIS coding instructions, see TEMP Manual TE02.10.90 (Military Families Receiving FS, MFIP or DWP).

**MSA, GA, GRH:**

No provisions.

The Minnesota Youth Program (MYP) is a state-funded program providing short-term employment and training services to disadvantaged and at-risk youth between the ages of 14-21 in all 87 counties. MYP operates in a similar fashion to Workforce Investment Act (WIA) Youth with a primary emphasis on work experience. Many local service providers co-enroll youth in both MYP and WIA Youth to stretch their dollars and provide extended services to youth. See [0017.15.18 \(Workforce Investment Act \(WIA\) Income\)](#).

YouthBuild provides job training and educational opportunities for at-risk youth ages 16-24 while constructing or rehabilitating affordable housing for low-income or homeless families in their own neighborhood. YouthBuild programs across the country are responsible for securing their own funding; they receive financial support from diverse sources both public and private. YouthBuild trainees split their time between the construction site and the classroom and receive income or stipend support while in the program.

**MFIP, WB:**

Exclude the following MYP and YouthBuild payments:

- Reimbursements for work-related expenses, such as child care or transportation.  
AND
- All payments received by a minor child, a minor caregiver, or a caregiver under age 20 who is at least a half-time student in an approved elementary or secondary education program. See [0017.15.15 \(Income of Minor Child/Caregiver Under 20\)](#).

Exclude payments received by YouthBuild participants under age 20. As part of the program they spend half of their time in the classroom working to complete high school or their GED. See [0017.15.15 \(Income of Minor Child/Caregiver Under 20\)](#).

**DWP:**

Follow MFIP. After the initial DWP determination, exclude any unanticipated income the unit may receive.

**SNAP:**

Exclude income received from the MYP program that is operated by the Summer Youth Employment Opportunities element under the Workforce Investment Act (WIA). If the MYP program is on-the-job-training (OJT), see [0017.15.18 \(Workforce Investment Act \(WIA\) Income\)](#).

**MSA, GA, GRH:**

Count MYP and YouthBuild payments as earned or unearned income, unless excluded under other provisions.

