



PAYMENT ACCURACY TIP UTILITIES

Most units have the right to choose the type of utility deduction they want. Units may use the standard utility allowance or their actual verified expense. The unit may switch between standard utility allowance and actual utility deductions **only** at recertification **or when the unit changes residence**.

Allow the standard utility deduction of \$305 only for:

- Units that incur expenses for heating and/or **cooling**. Units incur a cooling expense **ONLY** if they must pay electrical costs for operating an air conditioning system or room air conditioner and there is a reasonable expectation they will use air conditioning.
- Units on the Low Income Home Energy Assistance Program (LIHEAP), regardless of whether they incur expenses for heating and/or cooling.

The standard includes heating, cooling, electricity, water, sewer, garbage, and phone. See CM 0018.15.18 (Standard Utility Allowance).

Excess utility consumption, see CM 0018.15.09 (Utility Deductions):

- Units billed only for excess utility consumption such as a fan or air conditioner may deduct actual expenses.
- Households that receive HUD utility reimbursements and Farmers Home Administration (FMHA) Rental Assistance Program utility reimbursements may not claim the standard utility deduction unless they incur heating or cooling costs that exceed the excluded amount.

For units billed for neither heating nor cooling:

- Deduct the electric standard of \$80 per month for units billed for electricity.
- Deduct the phone standard of \$28 per month for units billed for phone service. Do not allow actual phone expenses instead of the telephone standard **EXCEPT** the actual cost of phone installation.
NOTE: The phone standard can be allowed for cell phone expenses when the cell phone is their only phone.
- Allow actual, verified costs for units billed for the cost of cooking gas, water, sewer, or garbage collection. See CM 0018.15.12 (Actual Utility Deductions).

Do not prorate the standard utility allowance when all unit members who share utility expenses are not part of the FS unit because they are **ineligible**. Allow the full standard utility allowance.

- For units sharing expenses, see CM 0018.15.09 (Utility Deductions).