

# On the Road to Accuracy



## Avoiding the Bumps in the Road

Earned and Unearned Income Hazards

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## Unearned Income

**Excluded Income** such as educational income or wages of a child under 18 who is still in school must still be verified.

### **Vendor Payments, Loans and Contributions**

- ⇒ Must be verified
- ⇒ Statements must have name and contact information for person verifying and must be dated
- ⇒ Compare verification with what client said, what is on form 354, and what is written on application. Does the 354 say others are paying car payments, day care, or other things?
- ⇒ Consider and discuss these when looking at shelter and management

### **Recoupment from unearned income**-Determine reason for amount withheld

- If the amount withheld is for taxes, child support, etc, you budget the **GROSS INCOME**
- If it is for overpayments, determine if income is means-tested (Manual Section 3420)
  - **Non Means-tested** income: **count the NET** benefit amount for non-means-tested income sources such as RSDI, UCB, and SSI. (Note: In the FS program, SSI is treated as a non-means-tested income source) Net would be the gross minus repayment amount.
  - **Means-tested** income: (Example-TANF), **count the gross** if caused by **client error** and count **net if caused by agency error**. If unknown, count net.

Be sure to document why the payment was withheld and whether the gross or net income amount should be budgeted.

## How the BENDEX and SDX interface updates client data in SUCCESS:

\*BENDEX - The NET amount from the file is updated to the client's Unearned Income. Since the net amount is updated for RSDI, the net amount should be entered on UINC. The repayment amount should not be entered on UINC for RSDI payments. Note: when the AU is eligible for medical deductions, the gross and repayment amounts must be entered to ensure that the correct amount is budgeted.

\*SDX - The GROSS amount from the file is updated to the client's Unearned Income. Since the gross amount is updated for SSI, the gross and repayment amounts should be entered on UINC to ensure that the net is budgeted correctly.

When Social Security and SSI amounts are changed by BENDEX or SDX, an alert is generated to inform EW that the amount was changed. EW's should check the amounts and follow up with SSA or client to ensure the correct amounts are being budgeted. If BENDEX or SDX updates incorrect information EW will need to override the update and enter correct information.

### Child Support Coding

- Child support actually belongs to the adult but is put on child's line number except when TANF related
- Be sure to put on correct child's line. Can't just divide by # of children. \$TARS screen (05) will show for which children the absent parent is paying support. Screen (06) will show whether there is a current (SOA) ordered and any recent payments. At application it is a good idea to pull \$TARS screens (05) and (06), in addition to Screen (07) already pulled to get rep. income.

Example 1. The client may be receiving child support payments shown on Screen (07) - Custodial parent's payment summary shows support for children that are no longer in the home. In these cases, the OCSS auto update will update the mother's line/ID# because the child/ID# is not in the case. If the EW incorrectly splits the c/s among children in the case whose AP is not paying c/s, then at the next auto update this c/s will still be in the case and OCSS update will also correctly add c/s to the mother's UINC. The result is child support budgeted twice.

Example 2. Adult is receiving c/s from OCSS, but the children for whom support is paid are ACTIVE in another person's case. OCSS update will update the child(ren)'s line/ID#. However, FS policy states the c/s belongs to the person to whom the check is made payable. In these situations, CMs will have to coordinate budgeting in the two cases - deleting it from the case with the children and adding it to the mother's case. THESE STEPS WILL HAVE TO BE TAKEN MONTHLY AFTER THE OCSS AUTO UPDATE HAS RUN.

### **Child Support Budgeting**

- At application, must determine representative pay. Can't just use the auto update
- Have to determine if there is a court order for how it will be paid

Situation 1: There is no court order for child support. The absent parent is voluntarily paying the client's rent directly to the landlord and electric bill to Georgia Power. Since there is no legal obligation for child support, the payments made to the third parties are considered vendor payments. The client gets no shelter deductions for these expenses.

Situation 2: Absent parent is court-ordered to pay the custodial parent \$75 per week in child support. The custodial parent agrees to allow the absent parent to pay the client's \$250 rent directly to the landlord and pay the electric bill to Ga. Power. Since the income that is legally obligated to the custodial parent is being "diverted" to third parties for the AU's benefit, the \$75 per week in child support would be budgeted as child support. The AU is given the appropriate shelter deductions.

Situation 3: Court order at divorce states that absent parent will pay the mortgage and utility bills of the residence in which the custodial parent and children will still reside. No additional child support is ordered. Since the court order states that the absent parent is to make payments to third parties in client's behalf, then the payments will be considered vendor payments. The client would not receive any deductions for these expenses. Any monies given directly to the custodial parent would be considered child support.

## Earned Income

**GOOD IDEA!**  
Highlight the  
gross pay and  
dates on the  
check stubs!



### Changes since last contact:

- Were they working at last contact? If so, are they still employed?
- Document all changes and **verify terminations!**
- A new job does not mean they aren't still at the old one!

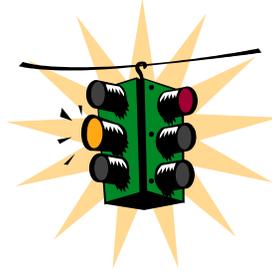
### Verification

- Pay stubs are the preferred form of verification for wages.
- Do not use a general statement from Employer such as 30 hours per week at \$6 per hour unless it is a New Job or other unusual circumstance! Policy requires we verify actual pay. If you must use employer statement, **DOCUMENT** why!

### IMPORTANT THINGS TO REMEMBER WHEN LOOKING AT PAY STUBS

- ⇒ Does the name match your client?
- ⇒ When determining which amount to use for your budget, always use the GROSS pay!!
- ⇒ Look at PAY DATE (date pay is received) instead of the pay period ending date. Do dates match what client said about frequency?
- ⇒ Look at and discuss the PAY RATE on each check. Has AR received an increase in pay or do they expect to receive an increase?
- ⇒ Look at and discuss HOURS shown on each check. What are AR's normal working hours? Do amounts match what client has said?
- ⇒ Are checks CONSECUTIVE and CURRENT?
- ⇒ Look for overtime, tips, commissions, bonuses, vacation pay, etc. Are these normal and representative of expected pay? Watch out for 'travel reimbursements', laundry or meal allowances, training pay, rate of pay changes, EITC, etc.

⇒ Make sure statements from 3<sup>rd</sup> parties have contact info. Call for clarification if needed



Zero can be representative!

### 3 Factors Used In Determining Representative Pay:

- Available Verification:  
What verification does the AU provide?
- Client's Explanation:  
What does the client say about this verification? Does it reflect current work pattern? Is it expected to continue? Why are some checks more than others?
- Worker Judgment:  
Does what the AU said compare favorably to the verification? Does it make sense? Document your decision. Why did you use what you used as representative?

### Clearinghouse & New Hire Alerts

- Must check Clearinghouse at application, review or when adding a person to AU
- Look for unreported jobs or if amount of wages shown is consistent with reported income
- If unreported job shows, verify termination of employment in order to determine ongoing eligibility
- Complete fraud referral if appropriate (consider whether AU was SRR)

### Hints about a leave of absence from a job:

- Verify any absence from a job no matter how temporary.
- Think of the affect the leave of absence has on the case as a whole. For instance, do we need to look at management? Do we need a doctor's statement to exempt the client from work?
- Will they be receiving sick pay, temporary disability, workers comp?

## Childcare

- Make sure verification in record supports the amount budgeted
- If subsidized, document fee certification
- Cannot pay "tuition" - follow-up to see if it is dependant care or really "tuition"
- Be sure to **correctly code "Under 2"** field & spell names correctly!
- Don't allow child care cost when not allowed by policy such as "seeking work". Use correct Reason Code or SUCCESS won't budget correctly!

## How to Determine Self-Employment

- The AU claims to be self-employed.
- The payor provides the AU with Form 1099MISC.
- There are written or verbal agreements or contracts between the AU and persons for whom services are being provided.
- The AU member files her/his own taxes for social security and Medicare. (Note: If the total net profit from the business is \$400.00 or more, social security is paid.)
- Look at whether the AU member has an employee/employer relationship. Some situations may require consideration of several factors such before a determination can be made.
- Examples of Self-Employment: Odd Jobs, farming, independent contractor, flea market, babysitter, lawn work, hair stylist, barber, housekeeping, running errands, car repairs, selling cans, washing car windows at the stop sign, panhandling, etc

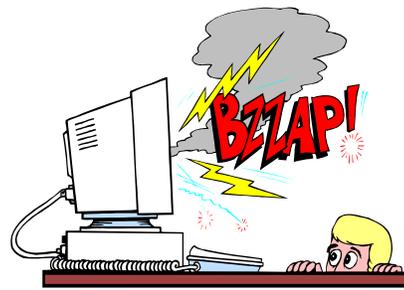
**Cost of Doing Business** Always **DOCUMENT** the cost of doing business or that there are none

40% - Standard Deduction may be used as the cost of doing business if the following conditions are met:

- The AU verifies at least one allowable cost.
- The AU agrees to use the standard. (Document the agreement)

OR

Actual costs should be used if determined to be more beneficial to the AU. The actual costs of doing business expenses must be verified and/or documentary evidence of them provided from third party, AU records, etc.



## SUCCESS Tips

### Deleting income in SUCCESS

Several cases have been read recently in which the EW documents that the client no longer receives income, such as UCB. Review of the case shows a "blank" UINC screen. However, FSFI shows unearned income.

What happened? When placing a (Y) in the "delete" field on the income screen, the EW must use PF (24) - shift and PF (12) key, rather than simply hitting "enter". If you only hit "enter" the income screen will be blank when you inquire back, but the income remains in the budget.

Always review FSFI and make sure it matches the current AU situation.

**Best Practice:** Place a copy of FSFI in the case whenever an application, review or interim change that affects the allotment is finalized.

### ERN1 & ERN2

- See Case Management Tips re: Double check budget
- Do not code Work Study as 'WS' on ERN1 as this will cause SUCCESS to count this income. Work Study should be coded as "EE" on UINC
- Never code the 'Late Report' field for an ongoing month. This field is only used for historical months by the CM or OIS Investigator when completing overpayments caused by the AU's failure to timely report wages

### UINC (Unearned income)

- UVNC error and no info on UINC
  - Go to UINC and enter 'LO'(loan) on screen and hit PF16 (shift F4)
  - Now you are on UVNC. Enter some bogus loan data & press enter. Document why you did this.
  - Go to DONE. The next time you go into case and get error, you must delete the bogus loan. If you go in case and get error and nothing is there, then you need to put something in. If you get error and something is there, you must delete it.

## Double check budgets on FSFI, CAFI

- Use 'Y' in Recalculate Eligibility field on MISC anytime you delete earned and unearned income because income does not always come out when you delete it. If this does not delete the income, may have to re-key some financial information & enter 'Y' in Recalculate Eligibility on MISC again.
- Look at Resource Limit to see if SUCCESS thinks someone is elderly/disabled.
- If unearned income is being doubled, go to UINC screen for each AU member and to look for "CS" with no date or \$ amount. If it is there, delete it and recalculate eligibility on MISC.
- **Look at childcare amount** - refer to age of child on CARE
- Be careful with use of frequency codes:
  - Look at calendar to see if dates on check stubs match the frequency stated by client Example: client says paid twice a month but calendar shows paydays on checks are every other Friday  
Frequency code for bimonthly means they get paid every other month! Don't use this code unless this is how they are paid. Semimonthly means twice a month and Biweekly means every 2 weeks.

## Documentation

### ERN1 -DOCUMENT THE FOLLOWING:

- Employment record to track current employer's name, begin/end dates, reason for termination and how verified
- DOL clearinghouse information automatically appears after matching on the SSN for AU members age 16 or older. When DOL information appears press tilde and the information will copy and paste to the ERN1 REMA
- Discrepancies in clearinghouse information

### ERN2- DOCUMENT:

- Hourly rate of pay
- Tips, if not included in gross on the pay stubs
- Reason any pay period is NOT considered representative pay
  
- If verification of pay is not in the case record, document how it was verified. For example: YTD, TC
- If EVNC is not used, document calculation of representative pay and frequency of pay

## EVNC

NOTE: DO NOT DOCUMENT ON EVNC REMA. All documentation should be on ERN2 REMA. When the earned income terminates and is deleted, the REMA behind EVNC cannot be accessed!



## Red Flags

**Ask about income** in several different ways.

- ✘ Do you work? Does anyone living/staying with you work?  
Ask specifically about teenagers and young adults working. For example, John is 17. Does he work? Does he have a part time job after school?
- ✘ Has anyone been looking for a job? Do you have any job offers?
- ✘ Does anyone give you money, loan you money, or pay any of your bills? If so, where do they live? What kind of income do they have?

**SSI** is based on income. If they are not receiving the maximum amount, ask why? There may be other income or a recoupment amount.

2007 SSI maximum for 1 = \$623

## New Job

- Has another income stopped such as UCB, Disability Pay, etc?
- Is there Child Care?
- Is Work Registration Code Correct?

## Job Ended

- Has another income started such as UCB, Disability Pay, Workers Comp, or another job?
- Is there Child Care that also stopped? Is the Work Registration Code correct?
- Did you consider Voluntary Quit? What about Management now?