

Department of Social and Health Services

Olympia, Washington

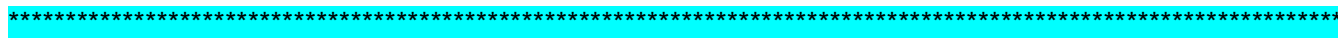
**EAZ Manual**

Revision # 883  
Category Verification – Cash and Basic Food  
Issued July 21, 2014  
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**Summary**

The Office of Programs and Policy in the Community Services Division (CSD) added text to Clarifying Information in the **Verification** section under WAC 388-490-0005 to define Living Above Means (LAM) and explain the actions that an eligibility worker should take regarding LAM. Additionally, LAM information was added to the **Acceptable Forms of Verification Chart** and the **Verification Chart – Cash and Basic Food**.

Please see text below for summary of changes in red:



**Verification**

2. Verification of Income Deductions for Basic Food:

We only require verification of a household's income deductions for Basic Food when the information is questionable. This includes verification at initial application, recertification, or Mid Certification Review (MCR). A client's statement is acceptable for income deductions unless there is something to suggest that the claimed expense is incorrect.

We must still make use of readily available information such as child support paid by the household through SEMS or Child Care Subsidy Programs copayments through WCAP.

## EXAMPLE

Client verifies income of \$850 monthly and claims rent of \$800 and that they pay for utilities. Although we do not have to verify the household's eligibility for the standard utility allowance, the rent in light of the household income and other expenses is questionable. You would need to resolve how the household is meeting their monthly expenses with their income.

**NOTE:** Although we do not have to verify income deductions that are within reason, we **must** still verify their monthly income.

**NOTE:** Refer to the ACES User Manual for instructions on using verification valid value "OT" for income deductions that are not questionable when you do not have another form of verification. Remember to document that the expense was not questionable in remarks.

### 3. Living Above Means (LAM)

#### a. What is LAM?

A positive LAM determination suggests that a household has some way of paying for their living expenses through nonstandard or unexplained ways. A household is considered LAM when the AU's countable income for Basic Food (BF) is less than the allowable rent/mortgage costs. These amounts can be found on the FSFI/eligibility screen in ACES/3G.

For purposes of LAM, countable income follows WAC 388-450-0162 except that we do not subtract the shelter (rent/mortgage/utility) deductions under WAC 388-450-0185 (5) because the LAM countable income will be compared to the rent/mortgage. Utility deductions (such as SUA) are not taken into account in any part of the LAM calculations.

#### b. What should we do when a household is LAM?

i. Application/Eligibility Review (ER): When a household is LAM, we must obtain information about how the household is paying for expenses and meeting needs. This applies to both the BF and TANF AUs (excluding TANF AU's that do not have an accompanying BF AU), even though the determination of LAM is based on countable income for BF.

Set the indicator(s) for BF and TANF in ACES/3G to "Yes" to show that the household is LAM. Even when the household explains/verifies how it meets needs, leave the indicator as Yes so the information can be reviewed at the next ER.

ii. Mid-Certification Review (MCR): MCR processing does not require us to confirm/re-verify LAM. If the household was already LAM and had no changes related to how they were meeting needs, then the situation does not have to be re-explained or re-verified. If during the MCR process, the household is discovered to have become LAM due to reduced income, verify the income change before considering the MCR complete because the situation is questionable.

iii. Active Cases/Changes: Active cases should not be pended (such as setting a tickler to check a case later) for

LAM or verification of LAM if there is no MCR or ER due.

If an active household reports a change which causes their situation to become LAM, we do not need to verify meeting needs specifically. Note – there still may be cause to verify changes or other questionable circumstances during changes.

c. When does LAM require explanation or verification?

In general, if the household situation changed less than two weeks ago and put the household within the LAM definition, then the household should not be required to explain how it will pay for needs. If the household has been paying for their needs without sufficient income/resources for at least two weeks, then the household should be asked to explain LAM. Note – the two week measure is a suggestion, and it may be appropriate to not require an explanation unless more than a month has passed since the circumstances that caused a LAM determination. We should only require verification if the explanation is not clear, not reasonable or suggests there is other income that may be countable. If the client fails to turn in requested verification, deny the AU for failure to provide verification. If the client turns in verification that appears sufficient for eligibility determination but still seems questionable, the eligibility worker may decide to make a fraud (FRED) referral.

d. What if the case is not LAM?

Per WAC 388-490-0005 (2) (c) and (8) (a), anything that is questionable and may affect benefits needs to be explained and/or verified, even if the household is not LAM. Be sure to mark the indicator(s) in ACES/3G as “No” for LAM.

**EXAMPLE**

Client Jenifer verifies gross earned income of \$850 monthly and claims rent of \$800 and pays electric heat. After the earned income deduction of \$170 and standard deduction of \$152, the countable income is \$528. Since the countable income of \$528 is less than the rent of \$800, the client is LAM. You question how Jenifer has been able to pay rent, and she states that her mom has been paying \$300 towards Jenifer’s rent for a few months. You need to verify the rent being paid by the mom, to find out how to correctly classify it, such as direct payment to landlord, loan, gift and how long her mom’s help will continue.

**EXAMPLE**

Client Jenifer verifies gross earned income of \$850 monthly and claims rent of \$500 and pays electric heat. After the earned income deduction of \$170 and standard deduction of \$152, the countable income is \$528. Since the countable income of \$528 is more than the rent of \$500, the client is not LAM. Reminder: the utility deduction is not considered in the LAM determination.

**EXAMPLE**

Client Jenifer verifies gross earned income of \$850 monthly and claims rent of \$500 and pays electric heat. Jenifer also pays \$65 per month for child care. After the earned income deduction of

\$170, the standard deduction of \$152 and the \$65 deduction for child care, the countable income is \$463. Since the countable income of \$463 is less than the rent of \$500, the client is LAM. You question how the client has been able to pay rent and other expenses. Jenifer states that she has been dwindling down her checking account which still consists of \$2600 of an Earned Income Tax Credit from her Federal Tax Refund received 2 months ago. You notice in Spider that Jenifer did work more last year than she is now, so the bank account (resource) does not need to be verified.

**EXAMPLE**

Client Bob has MCR due for BF. He turns in the form by mail and indicates there are no changes in income or expenses (since his application 5 months ago). The case was already marked as LAM during the last application process. Bob's AU data shows gross earned income of \$850 monthly and claims rent of \$800 and pays electric heat. After the earned income deduction of \$170 and standard deduction of \$152, the countable income is \$528. Since the countable income of \$528 is less than the rent of \$800, the client is LAM; however, you do not need to delay processing of this MCR for explanation of LAM because there was no change at MCR to the previous LAM situation.

**EXAMPLE**

Client Holly sends a letter of termination from her employer stating that her last pay was one week ago. There is no MCR or ER due, so this change will follow the change of circumstances rules. Since the stop work was verified, the income should be removed. Though the client may now be considered LAM, no explanation or verification regarding the new LAM determination should be requested. LAM will be reviewed at the next ER.

4. Verification at recertification for Basic Food:

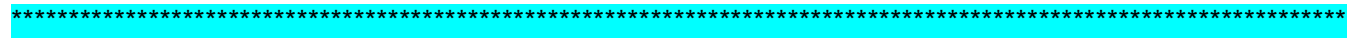
For Basic Food, only certain factors must be verified at recertification...

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**Acceptable Forms of Verification Chart**

Income	<ul style="list-style-type: none"> <li>• Pay stubs</li> <li>• Employer statement by telephone or in writing</li> <li>• SEMS data</li> <li>• ACES Interfaces</li> <li>• Bank statement that shows direct deposits (many deposits show the net amount, you may need additional information that shows the gross income)</li> <li>• Collateral contact</li> <li>• SOLQ</li> </ul>
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LAM (Living Above Means)	<ul style="list-style-type: none"> <li>• Alternate Income Verification</li> <li>• Bills/Receipts</li> <li>• Collateral contact</li> <li>• Bank Statement</li> </ul>
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### Verification Chart - Cash and Basic Food

Income	X	X Recertification: <ul style="list-style-type: none"> <li>• If <b>source</b> has changed; or</li> <li>• If <b>amount</b> has changed over \$50.</li> </ul> <u>NOTE:</u> There is no requirement to verify income-in-kind for BF.
LAM (Living Above Means)	X <b>Only if Questionable</b>	X <b>Only if questionable</b>