

STATE OF ALABAMA
DEPARTMENT OF HUMAN RESOURCES
Montgomery, Alabama

Administrative Letter No. 7362
Date: April 15, 2011

TO DIRECTORS, COUNTY DEPARTMENTS OF HUMAN RESOURCES

MLM
FROM Mary Lois Monroe, Director, Food Assistance Division

TRANSMITTAL OF REVISION TO:
Points of Eligibility Manual

Revision Number: 166

Effective Date: May 1, 2011

TYPE OF REVISION/ ACTION REQUIRED

New Chapter Change to Chapter Material Other (specify)
Material
 Update to Appendix Deletion from Appendix

UPON RECEIPT, REVIEW, IMPLEMENT, AND REVISE YOUR MANUAL.

Page/Section Number
Points of Eligibility Manual, Chapter 11, Section 1100
Chapter 17, Sections 1704 and 1706

Subject/Description of Revision
Reinstate Eligibility of Households Determined Ineligible without A New Application

The above referenced sections of Chapter 17 are revised pursuant to a recently approved federal waiver to allow the state agency to reinstate eligibility without requiring the household to file a new application or be interviewed if the household provides its periodic report (six-month report) within the calendar month following the month the report was due. This waiver will also allow the state agency to reinstate eligibility without requiring the household to file a new application or be interviewed if the household complies with a request for contact and provides required verification, after having received an advanced notice of adverse action and having its case closed.

Distribution:
Points of Eligibility Manual Holders

Approved *Terrie Reid*
Signature Terrie Reid
Title Deputy Commissioner for Family Resources
Date 4/26/11

This change in policy will affect those households that fail to submit the March 2011 six-month report forms that are due to be submitted and processed by April 30, 2011. These cases will close April 30th for failure to six-month report. Some of these forms (March 2011 report month) will be submitted or returned to the county office in May (month after processing month/seventh month) for processing. Every effort must be made to reopen these cases in the month the household timely provides verification to avoid issuing a restoration of benefits and sending manual notices to households to file another application. Please be mindful that although the certification periods in such cases are being restored, the month of reinstatement (reopen) must be the same as the new application date. The county office must reset the certification period for six months.

This revision also incorporates a change in policy concerning how income from “S Corporations” is determined and budgeted. Income from an “S Corporation” is counted as earned income, but it is not treated as self-employment. Because this income is no longer treated as self-employment, there is no exclusion for certain costs of producing self-employment income. What this means is the 40% standard deduction is no longer allowed as a cost for doing business for households with “S Corporations”. These households will continue to be entitled to the 20% earned income deduction.

If you have questions regarding this policy and the application of this policy, please contact the Food Assistance Policy Desk following usual procedures.