

## 27. Exempt/Excluded Income

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### 27.1 SSI/SSP or CAPI Payments and Income

Aid payments and income of an SSI/SSP or CAPI recipient should not be included in the AU's Income Eligibility Test and grant computation. Lump sum retroactive SSI/SSP or CAPI payments received by a recipient are not countable income or property to the AU.

Income derived from an interest in the community or joint property of an SSI/SSP or CAPI recipient and the AU members is prorated between owners and only the AU's share is countable income to the AU.

Actual voluntary contributions made by an SSI/SSP or CAPI recipient to a CalWORKs recipient are income to the AU. This does not include pooled income to meet shared living expenses in a shared living arrangement. However, no contribution will be required of the SSI/SSP or CAPI recipient (EAS 44-133.2).

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### 27.2 CalABLE or ABLE Accounts as Income

For CalWORKs eligibility purposes, California Achieving a Better Life Experience (CalABLE) and ABLE account balances are limited to \$100,000. Withdrawals used toward qualified disability expenses (QDEs) shall not be counted as income. Earnings in CalABLE or ABLE accounts are not subject to federal income tax or California state income tax, when they are spent on qualified expenses. Information and materials about the CalABLE program are available at the [CalABLE website](#).

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### 27.3 Compensation for Converted Property [EAS 44-105]

Compensation for converted property are those payments which are received from insurance companies, settlements, court judgements, or other similar sources which wholly or partially compensate for property which has been lost, stolen, damaged, or destroyed. Under the SAR rule, nonrecurring lump-sum payments, which are not recurring regular income must be treated as property in the month of receipt and any subsequent months.

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## 27.4 Student Exemption [EAS 44-111.22]

School attendance is defined as attendance in a school, college, university, or other course of vocational or technical training designed to fit the child for gainful employment. This includes a participant in the Job Corps Program under the Economic Opportunity Act.

Part-time employment is defined as less than 173 hours per month.

Part-time student is a student attending less than a full-time course as defined by the school.

### 27.4.1 Application of Exemption

All earned income of a child under 19 years of age is exempt if the child:

- Is a full time student, or
- Has a school schedule that is equal to at least one half of a full time curriculum and is not employed full time.



**Note:**

A minor parent who is considered an adult in the AU is not considered a child and cannot receive the student exemption (i.e. A teen parent who is an emancipated youth and/or head of household of their own AU).

### 27.4.2 Vacation

The student exemption applies to full-time or part-time earnings between school terms or during vacation periods, if the child plans to continue to be a student next term or when the vacation period ends.

### 27.4.3 Income Tests

If the student meets the appropriate criteria, their income is exempt from all income tests.

When adding a student, who is eligible for the student exemption, to an existing AU the Applicant Gross Income Test is not determined. The AU is subject to the Recipient Net Income Test, but the student's exempt income is not counted.

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## 27.5 College Work Study Program [EAS 44-111.24]

Earned income from any College Work Study Program is exempt. This includes but is not limited to earned income from:

- The College Work Study program under the Higher Education Act, and
- Any other college work study income.

This exemption is applied to both the eligibility and grant determination, whether or not the student has received aid previously.

### 27.5.1 CalWORKs Work Study Income

Earned income from CalWORKs College Work Study is exempt for CalWORKs recipients. The CalWORKs work study jobs are with employers who currently participate in campus-based work study programs or who are providing work experiences that are directly related to and promote student educational programs.

- The identification of a viable work study is determined by the community college.
- These programs are generally referred to as CalWORKs College Work Study, but may have other titles such as CalWORKs @ Work 75/25 Program.

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## 27.6 Independent Living Program (ILP) [EAS-44-111.25]

Income and incentive payments earned by a child 16 years of age or older who is participating in the ILP are exempt as income for the purposes of eligibility and grant determination, when received as part of the ILP written transitional independent living plan. There is no limit to the amount exempted under this. (Generally, the child will be or will have been in Foster Care when the monies were earned.)

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## 27.7 Exempt Income from Public Sources [EAS 44-111.3]

Relocation Assistance Benefits, paid by a public agency to a public assistance recipient who has been relocated as a result of a program of area redevelopment, urban renewal, freeway construction or any other public development, involving demolition or condemnation of existing housing.

Advance payments or reimbursements made by Employment Services for supportive services.

Payments made for out of pocket expenses to persons who are serving on advisory group(s) set up by the Department of Social Services and/or the Health and Welfare Agency.

Payments received under the California Victims of Crimes Program.

The allowance for training expenses paid to recipients who are participating in Department of Rehabilitation training programs.

Payments received under the Energy Crisis Assistance Program or the Low Income Energy Assistance Program.

Retroactive subsidy payments received from the Department of Housing and Urban Development as a result of the settlement in the *Underwood v. Harris* Court Case. This represents a reimbursement of increased tax and utility costs which were incurred in 1975 through 1977.

The following funds are exempt from consideration as income:

### **27.7.1 Workforce Investment Act (WIA)-Replacement of JTPA**

Payments and earnings received by a child which are derived from participation in Workforce Investment ACT (WIA) are disregarded as income for both the eligibility and grant determination when that child is in the AU.

Payments to an adult which are derived from participation in WIA programs are exempt as income to the extent the payment reimbursements do not exceed actual participation-related expenses. This exemption does NOT apply to earnings paid under WIA.

### **27.7.2 California Franchise Tax Board**

Payments or Funds received from the California Franchise Tax Board, including:

- Senior Citizens Homeowners and Renters Property Tax Assistance Program. (This applies to persons who are disabled, blind or 62 years of age or older.)
- Senior Citizens Property Tax Postponement Program. (This applies to persons 62 years of age or older.)

### **27.7.3 Tax Credits and Rebates**

Tax rebates, credits, or similar temporary tax relief measures which state or federal law specifically exclude from consideration as income for CalWORKs.

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## 27.8 Other Exempt Income [EAS 44-111.4]

### 27.8.1 County Supplementation and Voluntary Contribution

County supplementation and/or voluntary contributions from persons or organizations who have no liability for the support of the recipient are exempt when:

- The service to be provided is designated as a need by the State Department of Social Services, and
- The contribution would not be available for expenditure unless used in accord with the conditions imposed by the donor, and
- The recipient's grant and other income are not sufficient to meet the total needs within the limitations established for the particular program, or
- The designated need is one, all or a portion of, which is not included in the assistance standard for the particular program and thus cannot be met from the recipient's grant and income.

Designated need for this section is housing approved for Federal Rent Supplements under the Housing Act of 1965. When the recipient qualifies for a rent supplement under the Federal Housing Act of 1965, the rent supplement payment made by the federal agency, on behalf of the recipient, to the landlord or sponsor, is disregarded as income.

### 27.8.2 Infrequent or Irregular Income

Income which is received too infrequently or irregularly to be reasonably anticipated is exempt as income, but not in excess of \$30 in a quarter. The following also apply:

- The exemption is allowed per AU, not per individual.
- "Reasonably anticipated" income is determined by the EW, not the client.



**Note:**

EWs must document infrequent or irregular income on the **Maintain Case Comments** window.

### 27.8.3 Child/Spousal Support Disregard

The first \$50 per month of current child/spousal support paid to an AU is disregarded in determining both the Applicant Gross And Recipient Net Income Tests and grant amount.

When the child/spousal support payment is received by the county, the amount of the current support payment which is paid to the AU is disregarded. This is applied in the month in which the payment is received by the county and in the month the disregard payment is received by the AU, if different.

When the current child/spousal support payment is received or reasonably anticipated to be received by the AU directly from the absent parent, the first \$50 is disregarded and the balance of the support payment is considered income to the AU.

If the AU receives a payment from the county which consists of payments from current child/spousal support for more than one month, the \$50 limit must apply only to the total child/spousal support disregard for the month to which the disregard is attributable.



### Example:

The County received current child/spousal support payments of \$150 in January, \$150 in February and issued the AU a disregard payment of \$100 in March. The total \$100 must be disregarded in March for purposes of determining eligibility and grant since it is attributable to January and February.

The \$50 disregard rule does not apply to “pass on” OR “excess” payments from the Family Support Division (FSD).

If the AU receives child support from more than one absent parent, only one \$50 disregard is allowed.

If the child support is received by a Non-AU member (i.e., unaided stepparent’s separate child) do not allow the \$50 child support disregard.

## 27.8.4 United States Census Income to Temporary Workers

Any census-related income or stipend earned during the year preceding a decennial census and during the year of the decennial census should not be considered income for the CalWORKs program for U.S. Census temporary workers. This includes all income paid by the U.S. Census Bureau, a government entity, or a nonprofit organization for temporary work related to improving participation in the decennial census.

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## 27.9 Exempt Income in Kind [EAS 44-111.45]

### 27.9.1 Partial Item Of Need

When someone else provides only the partial cost of an item of need and the client pays part of the same need item, the income in kind amount is exempt.

**Example:**

The client rents an apartment for \$450 per month. She is only able to pay \$300 of the rent. Each month her parents pay the remainder of the rent directly to the landlord. The amount of rent paid by her parents is partial income in kind and is exempt.

## 27.9.2 Provided By Private Nonprofit Organization

Any income in kind, whether a full or a partial item of need, provided on the basis of need by a private nonprofit organization is exempt.

Private nonprofit organizations are those religious, charitable, educational or other organizations which would be tax exempt under the Internal Revenue Code. This includes, but is not limited to churches, the Salvation Army, the Red Cross, Housing Consortium, the Violet Rice Home, etc.

**Note:**

When the entire item of need is met by a public nonprofit organization, income in kind is not exempt. The Bill Wilson Center is a public nonprofit organization.

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## 27.10 Loans and Grants [EAS 44-111.43]

Educational loans, grants and scholarships that are excluded under CalWORKs rules include:

- Loans and grants received under the ***Carl D. Perkins Vocational and Applied Technology Education Act***. [For additional information refer to [“Carl D. Perkins Vocational and Applied Technology Education Act,”](#) page 27-9.]
- Loans and grants received under ***Title IV of the Higher Education Act*** or under the ***Bureau of Indian Affairs*** student assistance program even if the loan or grant is only partially funded under this Act or program. [For additional information refer to [“Title IV and Bureau of Indian Affairs,”](#) page 27-9.]
- Any grant to any undergraduate student for educational purposes made or insured under any program administered by the **Federal Secretary of Education**.
- **Educational grants based on need** (such as the California College Promise Grant which is formerly know as the BOG Fee Waiver).

- Any other educational grants, other than those excluded above, only to the extent that the payments are used to meet educational expenses, such as fees, equipment, special clothing needs, transportation to and from school, child care services necessary for school attendance, etc.
- Any other grant when it is verified that the proceeds are not available to meet current needs.
- Any award or scholarship provided by a public or private entity to, on or behalf of, a dependent child is exempt from consideration as income in the CalWORKs program.

**Reminder:**

Scholarships and achievement awards based on merit, and not need, are not exempt and treated as unearned income if not provided to a dependent child. For additional information on the treatment of nonexempt student income refer to [“Student Income,” page 28-25.](#)

### 27.10.1 Allowable Deductions and Attendance Cost

Allowable deductions for educational expenses include but are not limited to the following costs associated with attendance:

- Tuition
- Fees
- Rental or purchase of required equipment
- Materials or supplies
- Books
- Transportation
- Dependent Care
- Miscellaneous personal education expenses.

#### Allowable Transportation Costs

The necessary costs of transportation to and from school must be allowed based on the mode most economically available and feasible in the clients circumstances. If it is determined that personal car usage meets this criteria, transportation costs will be based on the miles driven to and from school.

**Example:**

The client provides a statement indicating total miles driven for the month were 560. Of the 560 miles they drove, 320 miles were to and from school. Allowable transportation costs =  $320 \times .555$  (current mileage rate) = \$177.60.



Allowable transportation costs for the use of a personal car for school attendance purposes include:

- car payments
- auto insurance,
- car registration fees,
- parking fees, and
- gasoline.

### 27.10.2 Carl D. Perkins Vocational and Applied Technology Education Act

Loans and grants received under the Carl D. Perkins Vocational and Applied Technology Education Act are excluded only to the extent that the proceeds are used to meet attendance costs for a student attending school on at least a half-time basis, as defined by the institution. Attendance costs are defined as the following:

- Tuition,
- Fees,
- Rental or purchase of required equipment,
- Materials or supplies,
- Books,
- Transportation,
- Dependent care, and
- Miscellaneous personal education expenses.



#### Example:

Grant - Student is awarded a \$1000 grant. \$600 is for tuition, fees and books; \$400 is used to meet current living expenses during the budget period. The \$600 used to meet attendance costs is exempt from consideration as income. The \$400 used to meet current needs, not associated with attendance costs is taken into consideration as unearned income in the month received.



#### Example:

Loan - Student is awarded a \$1000 loan. \$600 is for tuition, fees and books; \$400 is used to meet current needs during the budget period. The recipient provides a written agreement signed and dated by the lender and recipient which indicates an obligation to repay the loan and a repayment plan. The full loan is exempt.

### 27.10.3 Title IV and Bureau of Indian Affairs

Any grant or loan made under Title IV of the Higher Education Act or the Bureau of Indian Affairs student assistance program to either an undergraduate or graduate student, even if it is only partially

funded under this Act or program, is exempt as income. These include but are not limited to the following loans and grants:

- Supplemental Educational Opportunity Grant (SEOG)
- Carl D. Perkins Loans (Note: Differs from the student financial assistance provided under the Carl D. Perkins Vocational Act)
- Robert C. Byrd Honors Scholarship Program
- National Science Scholars Program
- State Student Incentive Grants (which includes the Cal Grant program)
- Paul Douglas Teacher Scholarship Program
- Income Contingent Loan (ICL) Program
- Bureau of Indian Affairs Higher Education Grant
- Indian Health Service Scholarship Program
- PELL Grant
- Any College Work Study Program
- Federal Family Education Loan (FFEL) Program, including
  - Guaranteed Student Loan (GSL) Program
  - Stafford Loan Program
  - Consolidation Loan Program
  - Supplemental Loans for Students (SLS) Program
  - Parent Loans for Students (PLUS) Program.

#### **27.10.4 Educational Grants Based on Need**

Educational grants to undergraduate students when awarded on the basis of the student's need is exempt as income.

The recipient must provide certification from an official at the student's school (preferably from the Financial Aid Office) that states the following:

- The grant is based upon the need of the student.
- The student's public assistance grant was considered in making the award.

### **27.10.5 GI Bill [EAS 44-111.435]**

The GI Bill consists of educational benefits paid to a veteran who served in the military prior to January 1, 1977. Under the G.I. Bill, the Veteran's Administration pays all the benefits. The veteran has not made any contributions toward the benefits.

The total benefit is considered exempt as income. [\[Refer to "EW Action," page 28-27\]](#) for the calculation.]

### **27.10.6 Montgomery GI Bill [EAS 44-111.435]**

The Montgomery GI Bill, formerly known as the GI Bill, consists of educational benefits paid to a veteran who served in the military after June 30, 1985. The veteran must have participated in a pay reduction program whereby they agreed to work for reduced wages. They may be eligible to receive benefits up to ten years from the date of their last discharge or release from active duty (some exceptions).

The total benefit is considered exempt as income. [\[Refer to "EW Action," page 28-27\]](#) for the calculation.]

### **27.10.7 Montgomery GI Bill Selected Reserve [EAS 44-111.435]**

The Montgomery GI Bill Selected Reserve provides educational assistance benefits for eligible persons who have a six-year obligation to serve in the Selected Reserve after June 30, 1985.

The total benefit is considered exempt as income. [\[Refer to "EW Action," page 28-27\]](#) for the calculation.]

### **27.10.8 Vietnam Era GI Bill [EAS 44-111.435]**

The Vietnam Era GI Bill combines aspects of the old GI Bill and the current Montgomery GI Bill. It is available for veterans who served prior to December 31, 1976, and remained on active duty until at least July 1, 1987.

The veteran receive one-half of the amount they would have been eligible for under the former GI Bill, plus the full amount of the Montgomery GI Bill benefits. No contributions were made by the veteran.

The total benefit is considered exempt as income. [\[Refer to "EW Action," page 28-27\]](#) for the calculation.]

### **27.10.9 Dependents GI Bill [EAS 44-111.435]**

The Dependents GI Bill provides educational assistance for up to 45 months to dependent children and spouses of service-connected deceased veterans, 100% disabled veterans, and veterans missing in action.

The total benefit is considered exempt as income. [\[Refer to “EW Action,” page 28-27\]](#) for the calculation.]

### **27.10.10 VEAP [EAS 44-111.435]**

The Veteran's Educational Assistance Program (VEAP) is for veterans who entered active military service between January 1, 1977 - June 30, 1985. They receive benefits based on their own voluntary contribution while on military duty. The total benefit is considered exempt as income. [\[Refer to “EW Action,” page 28-27\]](#) for the calculation.]

### **27.10.11 U.S. Department of Veterans’ Affairs Vocational Rehabilitation Program [EAS 44-111.435]**

This program provides benefits to certain veterans who have service-connected disabilities of 20% or more, or 10% or more if they also have an employment handicap. These benefits are available regardless of the veterans’ date of entry to active services.

Veterans under this program receive a fixed monthly stipend which is based on their classification as a full-time, three-quarters time, or half-time student. The VA pays the school directly for the cost of tuition, books, supplies, and tutorial or special assistance.

The total benefit is considered exempt as income. [\[Refer to “EW Action,” page 28-27\]](#) for the calculation.]

### **27.10.12 Filipino Veterans Equity Compensation Fund**

The Filipino Veterans Equity Compensation Fund created by the American Recovery & Reinvestment Act (ARRA) provides for certain veterans who served in the military of the Government of the Commonwealth of the Philippines during World War II and the spouses of those veterans to receive a one-time payment of up to \$15,000. These benefits are not to be used to determine eligibility or the amount of benefits in any federal program.

### 27.10.13 Payments Received in a Lump Sum

When nonexempt grants and loans are paid in a lump sum rather than monthly payments, the EW must deduct the anticipated educational expenses for the period covered by the grant. The remainder is considered property in the month received and the subsequent months.



**Note:**

Most loans meet the criteria of a bona fide loan and are exempt.

### 27.10.14 Property Considerations

Generally, if the loan or grant is exempt as income for CalWORKs, any unexpended portion is also exempt from consideration as a resource when determining the amount of personal property.

### 27.10.15 Other Concerns

The list of student loans and grants on the previous pages is not comprehensive. To determine the status of a loan or grant not listed in this section, the EW must call the Financial Aid Office of the student's school and ask if the loan or grant in question is:

- Made under Title IV of the Higher Education Act or the Bureau of Indian Affairs student assistance programs.
- Made or insured under any program administered by the State Scholarship and Loan Commission or a college accredited by the Western Association of Schools and College and not available for current living costs.
- Made or insured under any program administered by the Federal Commissioner of Education.
- Made on the basis of the student's need.
- Any other educational grant not available to meet current needs.

### 27.10.16 Veterans Educational, Vocation and Rehabilitation Income

Effective January 1, 2018 benefits and related allowances received from the U.S. Department of VA for the purpose of education, training, vocation or rehabilitation are consider exempt as income for the purpose of determining CalWORKs eligibility. Benefits and related allowances are exempt for the:

- Veteran,
- Dependent of a veteran,
- Spouse of a veteran who died in the line of duty, and

- Spouse of a veteran who has a service-connected disability.



**Example:**

An exempt AU of 3 (one adult and two children) receive Veterans Disability Compensation (VDC) of \$500 monthly. In addition, the adult participates in the CWT program, a vocational and rehabilitation program administered by the VA. The adult also takes courses full-time at a community college and receives the GI Bill to pay for tuition assistance and other expenses, which includes \$552 per semester for tuition and fess, \$2,108 for a monthly housing allowance and \$500 per semester for a book stipend.

Amount	Source: Veterans Disability Compensation
\$500	Disability-Based Unearned Income
- \$225	Disability-Based Income Disregard
<b>\$275.00 Nonexempt Disability-Based Income</b>	

Amount	Source: Compensated Work Therapy (CWT)
\$11	Per Hour
x5	Hours per week
<b>\$55 Compensation received per week (Exempt rehabilitation income)</b>	

Amount	Source: GI Bill
\$2,108	Monthly Housing Allowance
\$552	Tuition and Fees (per semester)
+ \$500	Book Stipend
<b>\$3,160 Total GI Bill Income (Exempt)</b>	

Amount	Grant Calculation (Exempt)
\$799	Maximum Aid Payment (MAP) for AU of 3, Region 1
-\$275	Nonexempt Disability-Based Income
<b>\$524 Monthly CalWORKs Grant Amount</b>	

The CWT and GI Bill are exempt and not considered in the CWs determination. Only the remaining

portion of the VDC income, after the disability-based unearned income disregard is applied, is used in the CWs determination as unearned income.

**Reminder:**

Any unused amount of income received for education, training, vocational and rehabilitation programs is exempt as income.

**Allowances**

Effective January 1, 2018 the allowance portion of the educational, vocational or rehabilitation income is exempt from consideration as income. Examples of benefits and allowances received from the VA and exempt under SB 570 include, but are not limited to, the following:

- Yellow Ribbon Program
- Survivors and Dependent Assistance Program
- Tutorial Assistance
- License and Certification Reimbursement
- Vocational Rehabilitation and Employment Services
- National Call to Service Program
- Compensated Work Therapy (CWT)
- Work Study

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## **27.11 Other Grants and Loans [EAS 44-111.436, 44-111.437]**

### **27.11.1 Availability**

Other grants may be exempt when it is verified that they are not available to meet current needs of housing, utilities, food or clothing.

A written statement by the granter giving the purpose of the grant will be required. No further verification is necessary.

### **27.11.2 Bona Fide Loans**

Bona fide loans are excluded as income, regardless of the source or intended purpose of the loan, when it is verified that the following conditions are met:

- The terms of the loan are stated in a written agreement that is signed and dated by the lender and the applicant/recipient, and

- The agreement clearly specifies:
  - The obligation of the applicant/recipient to repay the loan, and
  - A repayment plan which provides for installments of specified amounts on a regular basis until the loan is fully repaid.

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## 27.12 Income Exempt by Federal Law [EAS 44-111.6]

Other income which is mandatorily and specifically exempt by federal law is exempt from the date specified in the law. Examples of this include, but are not limited to:

- Funds distributed per capita or held in trust for members of any Native American tribe under Public Law (PL) 92-254 or PL 94-540.
- Funds of Native American tribes including interest earned and investment income derived from such funds when the funds are:
  - Distributed by the Secretary of the Interior on a per capita basis, or
  - Held in trust by the Secretary of the Interior. (PL 93-134, PL 97-458, PL 98-64)
- Income of up to \$2,000 in any consecutive 12-month period for individual Indians when such income is derived from individually owned interests in trust or restricted lands. (PL 103-66)
- Compensation received by recipients 60 years of age or older, for volunteer services performed under the Retired Senior Volunteer Program, the Foster Grandparents Program, or the Older Americans Community Service Program of the National Older Americans Act. (PL 89-73)
- The value of supplemental food received under the Child Nutrition Act (WIC) and the National School Lunch Program. (PL 92-433, PL 93-150)
- Payments made under the Domestic Volunteer Services Act of 1973 to public assistance recipients who are VISTA volunteers, and payments made for supportive services or reimbursement for out of pocket expenses made to persons serving in the Service Corps of Retired Executives (SCORE) and the Active Corps of Executives (ACE) pursuant to Section 418. (PL 93-113)
- Distributions to a household, individual Native, or descendant of a Native when received from a Native Corporation established pursuant to the Alaskan Native Claims Settlement Act (ANCSA). Exempt distributions include:
  - Cash (including cash dividends on stock received from a Native Corporation) to the extent it does not exceed \$2,000 total per person per year



- Stock
  - A partnership interest
  - Land or interest in land
  - Interest in a settlement trust. (PL 100-241)
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- Payments received as restitution made to U.S. citizens and permanent resident aliens of Japanese ancestry and to Aleuts as a result of being relocated by the United States government during World War II. (PL 100-383)
  - Federal major disaster and emergency assistance provided under the Disaster Relief Act and comparable disaster assistance provided by the state, local governments and disaster assistance organizations. (PL 100-707)
  - Payments received from all Agent Orange Settlements. (PL 101-201, PL 101-239)
  - Payments received under the Radiation Exposure Compensation Act. (PL 101-426)
  - Payments received from the Ricky Ray Hemophilia Relief Fund. (PL 105-369)
  - Earned Income Credit (EIC) payments are exempt whether received as an advance payment or as a single payment at the end of the tax year. (PL 101-508)
  - Payments received as restitution made to victims of Nazi persecution. (PL 103-286)

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### 27.13 Disaster Relief Payments [EAS 44-111.6]

The Federal Emergency Management Agency (FEMA) provides a disaster relief program to assist victims by issuing temporary funds. Receipt of these funds is primarily dependent on residing in an area declared by the President as a disaster area. Funds are provided either through a direct lease between FEMA and a commercial property owner or through a reimbursement from FEMA to a disaster relief recipient. Funds issued under the FEMA program are for temporary housing and replacement of any household items lost in a disaster. They may be made to the disaster victim directly by FEMA or through the Individual and Family Grant Program (IFGP). It is the recipient's responsibility to maintain receipts for purchases and any remaining funds are to be returned to the state agency administering the FEMA program.

The IFGP is a disaster relief program. The IFGP payments are specifically designated for purchasing flood insurance or replacing property lost in the flood.

The Small Business Administration also makes some disaster relief loans to aid in rebuilding businesses damaged in the disaster.

### 27.13.1 Treatment of Disaster Payments

State policy is that since the disaster payments are conditional and must be spent on specific items, they are considered unavailable.

Disaster relief payments are totally exempt as income or as a resource. The funds remain exempt even if intermingled with other resources. If they are intermingled, the EW must monitor how much remains of the disaster payment and how much is a countable resource to determine if continuing eligibility is affected.

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## 27.14 Grantmakers Fund [EAS 44-111.42]

The Northern California Grantmakers Critical Family Needs/Housing Assistance Fund is the result of a fund drive conducted by the San Francisco Chronicle among its readers and various foundations and corporations. It is a coordinated effort among public and private agencies. Its purpose is to provide modest financial assistance to families, the elderly (60+) and the handicapped with critical family and/or housing needs in order to maintain self-sufficiency or reunite a family or help eliminate dangerous health and safety situations.

An example of this is funds issued through the Emergency Assistance Network (EAN). The EAN consists of eight community agencies receiving funding from United Way.

### 27.14.1 Purpose of Grantmakers

The Grantmakers Fund is to be used for critical non-recurring situations. It is the last resort. Other public and private resources must be explored. Grantmakers can be used to match other resources, including the applicant's, if those resources are inadequate to pay the full cost on an item or housing expense.

The use of the Grantmakers Fund must resolve the immediate problem and help the individual or family regain self-sufficiency. It should not be used as a temporary stopgap.

### 27.14.2 Eligibility for Grantmakers

Any family with dependent minor children, including those families where reunification is imminent, an elderly (60+) individual or couple or a handicapped person with residency in the county and who meets the Fund's definition of critical need may be eligible for Grantmakers.

### 27.14.3 Use of Grantmakers

Some examples of critical family needs are:

- Help with medical costs not covered by Medi-Cal.
- Help with eyeglasses, hearing aids and other medical appliances.
- Refrigerators, stoves, infant needs, critical transportation.

Some examples of housing assistance are:

- First and last month's rent.
- Housing and utility deposits.
- Mortgage/rent coverage of not more than the current month and prior month.

#### **27.14.4 Limits of Grantmakers**

There is a \$200.00 maximum limit every twelve months for applicants or applicant families for critical needs. There is also one housing assistance allowance every twelve months for the applicant or applicant family. PG&E bills are excluded from Grantmakers.

#### **27.14.5 Exemption**

Aid provided to clients is exempt income as it is a voluntary contribution from an organization.

The payments are made directly to the providers. The client in some cases will not receive any information about the payment. The client's statement on the SAR 7 is sufficient verification.

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### **27.15 Payment for Child Support**

NO deduction is allowed from either earned, unearned, or disability based income for actual payments being made in support of a child or spouse not in the home, whether or not this is a result of a court order.

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### **27.16 Court Ordered Payments [EAS 44-111.1]**

*Ball v. Swoap* Payments and *King v. McMahon* payments to clients when Appeals decisions have not been provided in a timely manner, are exempt as income.

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## **27.17 Adoption Assistance Program (AAP) Payments [EAS 44-111.1]**

Payments made to families under the Adoption Assistance Program (AAP) are to be disregarded as income. The child receiving funds from AAP is to be included in the AU, but the AAP is not to be counted as income.

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## **27.18 Kinship Guardian Assistance Payment (Kin-GAP) Program**

Children who receive a Kinship Guardian Assistance Payment (Kin-GAP) do not have their income or aid payment considered in their relatives' CalWORKs Cash Aid. The income of a Kin-GAP recipient is only considered income for the Kin-GAP program. [Refer to Foster Care Handbook, "[Income \[EAS 44-133\]](#)," page 36-14]

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## **27.19 Spina Bifida [EAS 44-111.6 & 42-213.5]**

Payments received, under Public Law 104-204, by Vietnam Veterans' children who are born with spina bifida are excluded from income and resources in determining eligibility for, or the amount of benefits, under CalWORKs.