

State of New Jersey.
Department of Institutions and Agencies.
Division of Welfare.
Trenton 25

NEW JERSEY STATE LIBRARY



3 3009 00558 2046

CATEGORICAL ASSISTANCE BUDGET MANUAL .

This is an official Manual of standards and procedures pertaining to assistance budgeting and is to be uniformly applied in the four categorical assistance programs.

Such revisions as subsequently become necessary will be issued in the form of new pages which can be incorporated in the Manual in the place of pages which become obsolete. Any revisions become operative only when issued over the signatures of the Commissioner of Institutions and Agencies and the Director of the Division of Welfare.

DEPARTMENT INSTITUTIONS AND AGENCIES

John W. Tramburg
John W. Tramburg
Commissioner

Elmer V. Andrews
Elmer V. Andrews, Director
Division of welfare

Assistance to Dependent Children

Blind Assistance

Old Age Assistance

Permanent and Total Disability Assistance

DO NOT CIRCULATE

NJ/KAS
IS/A172

copy 1

U. 1

NEW JERSEY STATE LIBRARY
DEPARTMENT OF EDUCATION
TRENTON, NEW JERSEY

TABLE OF CONTENTS

	<u>Chapter</u>	<u>Section</u>
<u>INTRODUCTIONS AND DEFINITIONS</u>	100	
Purpose of Budget Manual		101
Content of Budget Manual		102
General Policies		104-110
Definitions		111
<u>BASIC REQUIREMENTS</u>	200	
Policy		201
Content		202
<u>SPECIAL CIRCUMSTANCE REQUIREMENTS</u>	300	
Definition		301
Policy		302
Variation		303
List of Special Circumstance Requirements		304
Policy for Unidentified Requirements		305
Special Shelter Costs		306
Household Furniture and Furnishings		307
Indebtedness		308
Insurance Premiums		309
Medical Care		310
Definitions		310.1
Medicine Chest Items in excess of Standard		310.3
Special Care		310.4
Guide Service		310.5
Therapeutic Diets		310.6
Transportation		310.7
Patient Care in Proprietary Licensed Nursing Home		310.8
Patient Care Requirements for situations other than Proprietary Licensed Nursing Homes		310.9
Moving		311
Property Repair & Improvements		312
Restaurant Allowance		313
Special Clothing Requirements		314
Storage Charges		315
Telephone		316
<u>RESOURCES</u>	500	
General Considerations		501
Earned Income in AB		501.1
Definition		501.4
General Principles		501.5
Available Resources		502
Money Available in Lump Sum		502.1
Resources on which Cash can be Immediately Realized		502.2
Regular Recurring Income		502.3
Income in Kind		502.4

	<u>Chapter</u>	<u>Section</u>
Occasional Gifts & Contributions		502.5
Supplemental Aid by Other Agencies		502.6
Income from Relatives or Friends		502.7
Method for Determining Budgetable Earned Income		503
From Employment		503.1
From Self-Employment		503.2
From Seasonal Earnings		503.3
From Roomer(s), Table-Boarder(s) and/or Roomer-Boarder(s)		503.4
Potential Resources		504
Principles		504.1
Factors Affecting Evaluation of Real Property		504.2
Real Property used as a Home		504.2a
Real Property not used as a Home		504.2b
Real Property other than a Home		504.2c
Liquidation of Real Property		504.2d
Personal Property as a Potential Resource		504.3
Household Furnishings & Personal Clothing		504.3b
Personal Effects		504.3c
Automobiles		504.3d
Livestock & Farm Equipment		504.3e
Insurance		504.3g
Suits & Claims		504.3h
Stocks, Bonds, Mortgages, etc.		504.3i

STANDARDS FOR EVALUATION OF RELATIVES AS A RESOURCE 600

General Policy	601
Legally Responsible Relatives	602
Definition of Income of Legally Responsible Relatives	603
Evaluation of Husband or Wife Capacity to Support	604
Evaluation of Legally Responsible Relatives other than Husband or Wife	605
City Worker's Family Budget	606
Schedule of Exemptions	607
Extraordinary Expenses of Legally Responsible Relatives	609
Occupational	609.1
Medical	609.2
Educational	609.3
Obligations Pursuant to a Judicial Order or Decree	609.4
Debts	609.5
Age	609.9
Support in Cash or in Kind	610
Availability of Capacity to Support	611
Effect of Support on Eligibility	612
Effect of Relatives Refusal to Furnish Information	613

INSTRUCTIONS FOR BUDGETING

700

Definition of Assistance Grant	701
Client's Budget	704
Methods of Budgeting	705
Determination of Initial Grant	705.2
Budgetary Statement - Recommendation & Decision	706
Budgetary Statement - Determination of Shelter Cost	707
Budgetary Statement - Budget of Spouse	708
Budgetary Statement - Requirements of Family	710
Form for Evaluation of Relatives	711

APPENDIX SECTIONS

	<u>Appendix Page No.</u>
Policy & Schedules of Standards & Allowances for Food	1
Definition of Activity Grouping	2
Policy & Allowances for Restaurant Meals	3
Policy & Allowances for Therapeutic Diets	3-4
Standard, Policy & Schedule for Clothing	4-5
Standard, Policy & Schedule for Personal Incidentals	5
Pre-Added Schedule for Personal Needs	6
Policy & Standard for Household Needs	7
Policy & Allowances for Fuel for Heating	7
Policy & Allowances for Utilities	7-8
Policy & Allowances for Household Supplies	8
Pre-Added Schedule for Household Needs	8
Pre-Added Schedule for Personal & Household Needs	9
Shelter - Policy for Determination of Costs	10
Premises Rented by client	10
Premises Owned by client	11
Client is a Boarder or Patient	12
Client is a Member of Household of Legally Responsible Relative	12
Client is a Member of Household of persons other than Legally Responsible Relative	12
Shelter Available under other Situations	13
Shelter Available during Temporary Absence	13
Policy & Allowances for Room and Board	13-14

ALLOWANCE SCHEDULES

	<u>Schedule</u>	<u>Appendix Page No.</u>
Food	I	1
Restaurant Meals	II	2
Therapeutic Diets	III	4
Clothing	IV	5
Personal Incidentals	V	6
Personal Needs	VI	6
Heating Fuel	VII	7
Utilities	VIII	8
Household Supplies	IX	8
Household Needs	X	8
Personal & Household Needs	XI	9
Pre-Added totals for Adults for Clothing, Personal Incidentals and Household Supplies	XII	10

101. The policy and procedures established by the regulations in this Manual are based on the concept that the purpose of public assistance is to provide the requirements of economic need to eligible persons only to the extent that they are unable through their own efforts and resources to purchase the essentials for an adequate minimum standard of living.

102. The State Department of Institutions and Agencies recognizes basic and special circumstance living requirements of an eligible individual. The Department of Institutions and Agencies accepts the concept that the standards for the basic and special circumstance requirements should provide an adequate minimum living that will protect and promote the health and well being of eligible persons.

103. To attain these objectives, the Manual:

- a) defines the basic requirements which the agency recognizes as essential;
- b) describes the circumstances in which additional special requirements may be recognized as essential;
- c) prescribes methods for evaluating and considering resources available to the client;
- d) establishes the monetary values (i.e. allowances), or methods of determining the monetary values for all recognized requirements;
- e) establishes budgeting procedures for determining the amount of the assistance grant.

104. The standards for basic requirements have been carefully developed and are based on scientific data wherever possible. Standards define the kind, quantity and quality of goods and services included in each item.

105. Standards and allowances will be reviewed periodically by the Department of Institutions and Agencies to assure that content is adequate and costs current.

106. The monetary allowance for the Personal and Household Needs requirement will be subject to revision whenever State-wide cost studies reflect an increase or decrease of 5% over or under the current allowance. The authorized allowance for other items will also be subject to revision whenever cost studies reflect an increase or decrease of 5% over or under the appropriate current allowance.

107. The Department has established standards which provide a method for determining a legally responsible relative's ability to support only with respect to the relative's gross income. The standards do not describe how the individual or family shall actually spend income.

108. Standards and monetary allowances have not been established for all requirements which are recognized by the Department. Where no standard has been established allowances are authorized on an actual cost basis, subject in certain instances to a maximum limitation. Whenever an allowance

defined as actual cost or as an amount that is actually paid up to a maximum, it shall be interpreted that the agency shall examine the reasonableness of the amount which the client is paying for the goods and services received and shall discuss, advise and/or assist the client in securing such goods and services for a more reasonable amount. Where it is clearly demonstrated that such goods and services are available for a more reasonable amount, then this amount shall be the maximum allowance to be included in the client's budget.

110. When any service which is made available from an organization on a non-profit basis is being purchased by a client, the amount to be paid for this service shall not exceed the lowest amount for which this organization is supplying the service to non-assistance individuals. If the organization is under contract to supply the service without charge or is in fact supplying the service without charge to the community or to a specified class of persons of which the client is a member, then it shall be recognized as an available free service for the client and no monetary allowance for the service shall be included in the client's budget.

111. DEFINITIONS

For purposes of this statement of policy and procedure the following terms shall be applied as here defined or as defined in the sections referred to:

- activity, minimal - as defined on Appendix Page 2.
- activity, moderate - as defined on Appendix Page 2.
- activity, strenuous - as defined on Appendix Page 2.
- agency - Bureau of Assistance; County Welfare Board; Commission for the Blind; whichever is appropriate.
- allowance - is the monetary value of a standard.
- basic requirement - as defined in Section 202.
- blind person - a client, who, regardless of the kind of assistance being received or applied for, has been found by the determination of the Blind Commission to be within the definition of blindness as established by the Blind Commission.
- boarder, roomer, roomer-boarder - a person, other than a member of a "family unit", whose acceptance in the household is dependent upon payment in cash for board, room or room and board. A client may be considered a boarder only under the circumstances specified in the Appendix.
- budgetary statement - refers to Form PA-3A provided by the agency on which has been entered the computations relating to allowances and income and the final budget computations relating to a client(s) or family budget unit in support of the action recommended or approved.
- categorical assistance - Assistance for the Blind, Disability Assistance, Assistance for Dependent Children and Old Age Assistance.
- city worker's family budget - as defined in Section 606.

III. DEFINITIONS (Continued)

- client - in O.A.A., A.B., and D.A., the individual applying for or receiving assistance; in A.D.C., the child or children for whom assistance is being applied for or received and, the parents or relatives applying for or receiving assistance for dependent children.
- earned income exemption - as defined in A.B. Director's Letter #18.
- earned income, budgetable - as defined in Section 503.1.
- earnings, seasonal - as defined in Section 503.3.
- element - refers to an item included in the basic requirements, personal needs and household needs.
- emancipated - release of a child from the duty to serve and obey his parent, conferring on the child the right to his earnings. Emancipation may be expressed or implied from the circumstances.
- evaluation of capacity of legally responsible relatives to support - refers to form PA-3B provided by the agency and as defined in Section 713.
- family budget unit - refers to certain family members in specified situations whose needs and income are budgeted as a unit.
- family size - as defined in Appendix Page 1.
- family unit size - refers to the number of persons in the family of a legally responsible relative and is used in applying the Schedule of Exemptions. See Sections 605 and 607.

111. DEFINITIONS (Continued)

- head of the household - refers to the individual who is recognized by other members of the household as the individual having primary responsibility for the financial control and direction of the household.
- income equivalent - as defined in Section 502.412.
- income in kind - as defined in Section 502.412.
- marginal household - as defined on Appendix Page 12, Section 3.4-b.
- monthly amount - monthly amount of income or monthly allowance for any requirement for which a monthly allowance is not already established is to be computed on the basis of 4-1/3 weeks per month.
- needy person - whenever in this Manual reference is made to a needy person or persons in need, it means a person whose individual budgetary requirements when computed in accordance with this Manual (excluding Chapter 600) exceeds the income and resources available to him.
- ownership of real or personal property - whenever referred to in this Manual, includes any and all right, title or interest, legal or equitable to such property.
- per capita - whenever in this Manual an amount or allowance is directed to be apportioned "per capita", the number of individuals included in the term "client", "family budget unit", "family size", or "shelter unit", whichever is appropriate, shall be counted.
- personal and household needs requirement - is the sum of the monthly per capita allowances for food, clothing, personal incidentals, fuel for heating, fuel for cooking, fuel for water heating, lighting and electrical appliances, refrigeration and household supplies.

111. DEFINITIONS (Continued)

- recurring - refers to an item of expense or an item of income which is repeated in monthly amount over periods of two months or more.
- relatives, legally responsible- as defined in Section 602.
- resources - when pertaining to a client, see Section 501.4.
- resources, available - when pertaining to a client, see Section 502.
- resources, potential - when pertaining to a client, see Section 504.
- schedule of exemptions - applies to legally responsible relatives as defined in Section 607.
- self-supporting household - as defined on Appendix Page 12, Section 3.4-b.
- shelter unit - refers to a group of persons living together as a household. Boarders, roomers, and roomer-boarders, even though not otherwise members of the family or household group shall be counted as members of the shelter unit for determining client's per capita share of shelter costs.
- special circumstance requirement - as defined in Section 301.
- spouse - the husband or wife of the person whose status is under consideration and in A.D.C. the husband or wife of the natural or adoptive parent of the eligible child or children.
- standard - specifies the item or items necessary for adequate minimum living for either a basic or a special circumstance requirement and is used in pricing for determining an allowance.

111. DEFINITIONS (Continued)

state office

- office of the Commission for the Blind in Newark; Bureau of Assistance in Trenton for Assistance for Dependent Children, Old Age Assistance and Disability Assistance; whichever is appropriate.

Standards and Sources Section -

refers to the Section of the Manual which describes in detail the sources and the content of the standards. This Section of the Budget Manual is available in County Offices.

200. BASIC REQUIREMENTS

201. Each basic requirement and all its elements must be recognized and accounted for in the budget of a client and of a family budget unit.
202. The basic requirements which the agency recognizes are:
- a. Personal and Household Needs

This requirement includes the elements food, clothing, personal incidentals, household supplies, fuel for heating, cooking, water heating, lighting and electrical appliances and refrigeration.
 - b. Shelter
203. Authorized monetary allowances or the methods for determining the authorized monetary allowances for all the basic requirements and their elements are found in the appropriate schedule in the Appendix Section of this Manual.
204. Shelter
- 204.1 Because of the great variety of ways in which shelter is provided for clients, and the variety of elements which constitute shelter cost under varying circumstances, no standard cost figures for shelter are established, but certain limitations are established in the Appendix.
 - 204.2 Methods for determining the proper monetary allowance to meet the shelter requirement are specified in the Appendix.
205. Room and Board
- 205.1 An allowance for room and board where authorized represents the total allowance for all elements of both basic requirements with the exception of the elements clothing, personal incidentals and household supplies and also to include the incidental services that are necessary for providing these items. Room and board in some instances may include personal care and services (other than nursing care) that may be required by a client.
 - 205.2 The allowance for room and board shall be as paid, subject to the standards and limitations established in the room and board section of the Appendix.

300. SPECIAL CIRCUMSTANCE REQUIREMENTS

301. Special circumstance requirements are those particular requirements, additional to the basic requirements, which are recognized by the agency as essential for the health and welfare of persons in specified situations.
302. Consideration shall be given to each total case situation, that is to health, to living arrangements, etc. to determine which, if any, of the authorized special circumstance requirements are essential and are not available without cost to the client or are not otherwise provided for in agency policy.
303. Special circumstance items may be regular recurring or non-recurring depending upon the nature of the item.
304. The special circumstance requirements, (representing items distinct from any basic requirement) which shall be recognized and included in the assistance budget when essential for the client's health and welfare include the following:

Special Shelter & Utility Costs (306)
 Household Furniture & Furnishing (307)
 Indebtedness (308)
 Insurance Premium (309)
 Medical Costs (310)
 Moving (311)
 Property Repair & Improvements (312)
 Restaurant Allowance (313)
 Special Clothing Requirements (314)
 Storage Charges (315)
 Telephone (316)
 Transportation (317)
 Blue Cross and Blue Shield Insurance Premium Costs (318)

305. } Situations may arise in which a client may have need for a special circumstance item which is not included in the above list but which in the judgment of the local agency is essential to the health and welfare of the client. Each such case shall be brought to the attention of the State Office for approval prior to authorization.

306. / Special Shelter & Utility Costs

- 306.1 Expenses Incident to Shelter Costs

It is recognized that in some situations it may be necessary for a client to pay for such items as extermination and/or to pay an advance rental deposit for a specific period (not to exceed one month) in addition to the current rental cost and/or to make a deposit for keys, meter or for breakage and loss. A non-recurring allowance based on actual cost (as verified) shall be included in the budget.

306.2 Garbage Collection & Disposal

It is recognized that in certain municipalities garbage collection and disposal is not available as a government service and householders are required to pay fixed charges to private individuals or companies for this service. Under such circumstances, this constitutes a special circumstance requirement which shall be recognized. A recurring allowance equal to the actual monthly cost of such service shall be included in the budget.

306.3 Sewer Charges

It is recognized that in certain municipalities it is necessary for the client to pay a sewer charge to either a public or private concern. In such situations, a special circumstance allowance equal to the actual monthly cost of this service shall be included in the client's budget.

306.4 Water Charges

It is recognized that it may be necessary for a client to purchase water from a public or private concern. In such situations, a special circumstance allowance equal to the actual monthly cost of the water charges shall be included in the client's budget.

306.5 Expenses Incident to Utility Costs

It is recognized that in some situations it may be necessary for a client to pay, in addition to the current bill for a utility (gas, water, electricity), an advance deposit for a specific period. A non-recurring allowance based on actual cost (as verified) shall be included in the budget. The amount of the deposit shall be reasonably related to the probable charge for service during a billing period. However, within one year after the effective date of payment, the utility company shall return with interest due (at least four per cent per annum) all deposits made to guarantee payment for flat rate or for metered or measured service to customers who have established their credit.

307. Household Furniture & Furnishings

307.1 It is recognized that it may be necessary for a client, in order to insure health and safety, to repair, replace or purchase essential household furniture and furnishings. It shall be the agency's responsibility to examine the situation with regard to the following before an allowance is made:

- a. When possible would it be more economical to repair the article?
If repaired, would the article continue to give service so as to justify the cost of repair in lieu of replacement?
- b. Is it possible to substitute some other article already available?
- c. Can a used or reconditioned item that will give the necessary service without additional repair or maintenance costs be procured?

- 307.2 The allowance for a special circumstance requirement to repair, replace or purchase essential household furniture and furnishings to be included in the budget of the client shall be a non-recurring allowance equal to the actual verified cost on the most reasonable basis as determined, whenever feasible, by two price estimates. A recurring allowance estimated to liquidate such costs over a stipulated period of time may be substituted for a non-recurring allowance when circumstances support such action.
308. Indebtedness
- 308.1 The purpose of public assistance is to meet present need and not claims for prior incurred indebtedness or past need.
- 308.2 A special circumstance requirement for the specified indebtedness as outlined in 308.3 may be recognized in the budget of the client only when the following exist:
- a. the indebtedness referred to in this Section refers only to the indebtedness which is in existence at the time eligibility of the client is established and;
 - b. payment of the prior incurred indebtedness, in part or total, is necessary to preserve for the client the continued use or ownership of a service or a particular piece of real or personal property and this service or property is an item for which a basic or special circumstance allowance would be authorized and;
 - c. payment of the prior incurred indebtedness can be accomplished at a cost which does not exceed the cost of replacement or substitution of satisfactory items.
- 308.3 Only the following types of debts may be recognized as a special circumstance requirement:
- a. Installment payments on essential clothing and household furnishings may be recognized as an indebtedness only after efforts have been made to defer, cancel, or reduce payments (as verified) and when the cost of replacement of the essential articles would exceed the cost of the remaining payments.
 - b. Installment payments on personal loans made through finance companies or banks may be recognized as indebtedness only after efforts have been made to defer, cancel or reduce payments (as verified) and when the loan is secured by a mortgage or a conditional sales agreement on essential, tangible property and foreclosure or repossession is threatened.

305.3 (Continued)

- c. Indebtedness for shelter and utilities (as verified) from the first day of the month in which the client was found to be eligible for assistance may be included in the client's budget except that:
1. in the situation where a legal eviction proceeding has actually been initiated against a client and other adequate housing is not available or obtainable, the minimum amount, but not to exceed 3 months back indebtedness for shelter, which will prevent eviction, may be included in the client's budget,
 2. in the situation where a utility company has given final notice that service will be discontinued, the minimum amount, as verified, which the utility company will accept to insure continuance of service, may be included in the client's budget.
- d. An allowance for delinquent taxes, assessments and penalties may be recognized as an indebtedness to be included in the client's budget where the total indebtedness for the property does not exceed the current value of the property.
- e. Indebtedness for room and board (which includes obligations to nursing homes, boarding homes, homes for the aged, etc.) may be recognized from any one of the following three dates, whichever is the most recent:
1. the first day of the month in which eligibility is officially established;
 2. the date of application for assistance;
 3. the date of admission to the home.

309. Insurance Premiums

A client's obligation to pay premiums on any life insurance policy, or fraternal, lodge, or death benefit which is authorized to be maintained in force within the limitations stipulated in Section 504.3-g shall be recognized as a special circumstance requirement. A recurring allowance equal to the actual cost of such premiums shall be included in the budget. In certain situations an allowance for premiums may be made on a non-recurring basis. Budgeting the cost of premiums on a non-recurring basis shall be limited to situations of special cause where the client himself has requested this arrangement and where this arrangement is essential in the judgment of the agency.

310. Medical Care

310.1 The medical care needs of a client, including professional medical and dental services, professionally prescribed drugs, professionally prescribed prosthetics, and essential hospital beds, wheel chairs, crutches, etc., which cannot be provided without cost to the client through utilization of existing family or community facilities, shall be recognized as a special circumstance requirement. Non-recurring allowances, based on actual cost, shall be included in the budget, unless expenses of procuring health services are otherwise provided for by agency policy.

310.2 Detailed rules and procedures governing recognition of medical care requirements as budgetary items are set forth in special statements of agency policy to which reference should be made.

310.3 It is recognized that a person with a chronic physical condition who is not living in a medical institution may need medicine chest supplies in excess of the amount already included in the standard. For example, a bed-ridden client in a family home may need rubbing alcohol in substantial amounts, a person in a family home with an open lesion may require considerable amounts of bandages and dressings. When the nature of the client's condition, the amount and kind of medicine chest supplies needed, as based upon current requirements has been certified in writing by the physician to the agency, a non-recurring allowance based on actual cost, shall be included in the client's budget.

310.4 Expenses Incident to Special Services

310.41 It is recognized that a client because of handicap, illness or infirmity may need a special service. For the purpose of this Manual special services include:

- a. Errand Service - which is the cost of employing a person to do shopping, to tend a furnace or stove, to carry coal or wood or to perform similar errands or tasks.
- b. Domestic Service - which is the cost of employing a person to perform part or all of the routine household tasks.
- c. Homemaker Service - which is either the cost of employing a homemaker for the situation where the mother or mother person is ill or temporarily absent from the home and the homemaker is necessary in order that the family may continue to function as a family unit; or is the cost of employing a homemaker to perform essential service for any client.

310.42 An allowance for a special service shall be included in the client's budget only if all the following exist:

310.42 (Continued)

- a. Client has a mental or physical handicap, illness or infirmity, the existence of which has been verified by evidence satisfactory to the local agency; and
- b. the client lives alone or as a member of a family group; and
- c. the service is essential to the health and welfare of the client; and
- d. there is no person available who will perform the services without cost and the service is not otherwise available without cost to the client; and
- e. the allowance is not for wages to be paid to a legally responsible relative who is performing the service (see Section 310.45).

310.43 The allowance for a special service shall be the most reasonable rate for which the service can be obtained including the social security tax when the client is liable for the tax.

310.44 The total cost of all regular recurring allowances including both basic and special circumstance requirements should be compared with the maximum allowable rate for purchasing patient care in a private medical institution. When the cost exceeds the maximum allowable patient rate for purchasing patient care in a private medical institution, there must be medical and social reasons for continuing this home living arrangement. Consideration shall be given to the desirability of preserving the family unit and to the feasibility of continuing to permit the client to live in his home.

310.45 It is recognized that there are situations where a client lives with a legally responsible relative, other than a spouse, and this relative is performing an essential special service for the client, which service would have to be purchased by the client from another person if the legally responsible relative in question were not performing the service. If the legally responsible relative performing the service is himself in need, (as determined by the budgetary standards and allowances as authorized in this Manual) and is not eligible for a categorical assistance program and has been refused a grant of general assistance, the allowance to be included in the client's budget for the special service may be the amount of the deficit in the legally responsible relative's budget (for maximum allowance see Section 310.44). However, if the legally responsible relative performing the service is presumptively eligible for any assistance program and refused to apply, no allowance for his requirements shall be included in the client's budget.

310.5 Guide Service

When it is established that a blind person requires guide service

310.5 (Continued)

which is not otherwise available without cost or that a blind person has a seeing eye dog, a recurring allowance based on estimated average cost or a non-recurring allowance based on an actual cost, whichever is appropriate, for the cost of the guide's services or the expenses necessary to maintain a seeing eye dog, shall be included in the budget.

310.6 Therapeutic Diet

A special circumstance requirement for a therapeutic diet when prescribed by a physician, in writing, shall be recognized in the budget of the client in accordance with the conditions and allowances as specified in the Appendix.

310.7 Expenses Incident To Patient Care For The Chronically Ill In A Home Other Than A Medical Institution.

310.71 It is recognized that a client because of a defect, disease or impairment, may need to purchase patient care in a home other than a medical institution.

310.72 Allowances for patient care in a home other than a medical institution may be included in the client's budget only if all of the following exist:

- a. The client has a defect, disease or impairment, the existence of which has been verified by medical information.
- b. The client is not receiving patient care and treatment for diagnosed tuberculosis or psychosis.
- c. A physician certifies: (1) the need for patient care; and (2) that the living arrangement will meet the client's needs for patient care.
- d. The home is a boarding home in which this client is the only person, unrelated to the operator, who is receiving patient care; or the home is a family home in which the client is the only person, unrelated to the family, who is receiving patient care; or the home is a family home and all members, including this client, are related by blood or marriage.
- e. There is no person who will perform the service and care without cost to the client and the service is not otherwise available without cost to the client.
- f. Form PA-4 shall be used to certify the client's need for patient care.

310.73 The allowance for patient care in a home other than a medical institution shall be the most reasonable rate for which the service can be obtained.

- 310.74 The total cost of all regular recurring allowances including both basic and special circumstance requirements shall not be greater than if the client were purchasing patient care in a private medical institution at the maximum allowable "basic" patient care allowance (see Section 310.83-1.).
- 310.8 Expenses Incident to Patient Care for the Chronically Ill in Licensed Proprietary Nursing Homes, Eligible Public Medical Institutions, and Approved Infirmiry Sections of Non-Profit or Charitable Homes. *adopt*
- 310.81 It is recognized that a client because of a defect, disease, or impairment may need patient care in one of the above institutions. *22*
- 310.82 A monthly allowance for patient care for the chronically ill in a licensed proprietary nursing home, eligible public medical institution or approved infirmiry section of a non-profit or charitable home shall be included in the client's budget only if all of the following exist: *2254 MMH*
- a. Client has a defect, disease, or impairment, the existence of which has been verified by medical information.
 - b. A physician recommends that the client is in need of patient care in a licensed proprietary nursing home, eligible public medical institution, or approved infirmiry section of a non-profit or charitable home. The recommendation from the physician shall include the following information: client's diagnosis, the client's physical limitations and the various nursing services that the client needs, thus identifying to the local agency the client's need for patient care in one of the above institutions. It is recognized that the physician's recommendation for patient care in one of the above homes is of primary importance; however, the agency shall also evaluate the social information. The physician may not be aware that the kind of care that the client needs may be available in the home of a relative or in a boarding home.
 - c. Care in a licensed proprietary nursing home, eligible public medical institution or approved infirmiry section of a non-profit or charitable home is essential to the client's health and welfare. The fact that a person is already residing in a licensed proprietary nursing home, eligible public medical institution, or approved infirmiry section of a non-profit or charitable home is not in itself conclusive evidence that he is in need of patient care or that continued patient care in one of the above institutions is needed.

Obsolete rev. 2/1/62

310.82 (Continued)

- d. There is no person available who will perform the service and care without cost to the client and the service is not otherwise available without cost to the client.
- e. The client is not receiving care and treatment for tuberculosis or psychosis in one of the above institutions as a result of a diagnosis of tuberculosis or psychosis.
- f. Form PA-4 shall be used to certify the client's need for patient care.

310.83 Maximum Monthly Allowances For Patient Care In Licensed Proprietary Nursing Homes.

Two maximum monthly allowances for patient care in a licensed proprietary nursing home have been established; a "basic" monthly allowance as described in Section 310.83-1-a, and an "inclusive" monthly allowance as described in Section 310.83-2-a.

1. Maximum "Basic" Monthly Allowance For Patient Care In Licensed Proprietary Nursing Homes.

The maximum allowable "basic" monthly allowance that a client shall pay, regardless of source or sources of such payments, for patient care in a licensed proprietary nursing home (in the absence of an authorized special agreement or contract relating to such home) is \$180.00.

- a. The maximum allowable monthly "basic" allowance for patient care in a licensed proprietary nursing home shall be construed to include room and board, bed and bathroom linens, nursing care, laundry of client's personal clothing, (but not dry cleaning costs) (*), personal services, supervision as required by the nature of the client's illness, therapeutic diets, all vitamins, all common medicine chest supplies (such as and including all mouth washes, all analgesics, all laxatives, all emollients, all burn ointments, all first-aid creams, all protective creams and liquids, cough and cold preparations, all simple eye preparations, all antacids, dressings, the application or administration of all drugs, the administration of

(*) Client's personal incidental and clothing allowances provide for dry cleaning costs.

310.83-1. (Continued)

e. A special circumstance allowance for the medical needs, as identified in Section 310.83-1-d, shall be included in the budget of a client paying the "basic" monthly allowance only on the basis of actual and verified cost to the nursing home and only if all of the following exist:

- (1) It is essential to the health and welfare of the client; and
- (2) it has been recommended in writing by a licensed physician; and
- (3) it is not otherwise available without cost to the client.

2. Maximum "Inclusive" Monthly Allowance For Patient Care In Licensed Proprietary Nursing Homes.

The maximum allowable "inclusive" monthly allowance that a client shall pay, regardless of source or sources of such payment, for patient care in a licensed proprietary nursing home (in the absence of an authorized special agreement or contract relating to such home) is \$190.00.

a. The maximum "inclusive" monthly allowance for patient care in a licensed proprietary nursing home includes in addition to all items and services identified in the "basic" patient care allowance (see Section 310.83-1-a) all prescribed drugs and/or physician services.

b. It is recognized that a client who is a patient paying the "inclusive" monthly allowance in a licensed proprietary nursing home may need:

- (1) Dental service and dentures.
- (2) Blood, blood plasma, infusions.
- (3) Hearing aids.
- (4) Eye examinations by a specialist, eye glasses, and other prosthesis.
- (5) Chiropody service (other than normal pedicure services).
- (6) Laboratory service.
- (7) X-ray service.
- (8) Prosthetics.
- (9) Oxygen.

310.83-2 (Continued)

c. A special circumstance allowance for the medical needs, as identified in Section 310.83-2-b, shall be included in the budget of a client paying the "inclusive" monthly allowance only on the basis of actual and verified cost to the nursing home and only if all of the following exist:

- (1) It is essential to the health and welfare of the client; and
- (2) it has been recommended in writing by a licensed physician; and
- (3) it is not otherwise available without cost to the client.

3. It is recognized that a client who is a patient in a licensed proprietary nursing home may need physical or functional occupational therapy. A special circumstance allowance based on actual cost for physical or functional occupational therapy may be included in the budget of the client only if all of the following exist:

- a. The physical ^{therapy} and/or functional occupational therapy has been prescribed in writing by a licensed physician; and
- b. the therapy is to be given under the direction and supervision of a licensed physician; and
- c. the physical or occupational therapist providing the treatment must be a graduate of a school approved by the Council of Medical Education and Hospitals of the American Medical Association; and
- d. the therapy is not otherwise available without cost to the client.

310.84 Maximum Monthly Allowance For The Chronically Ill In An Eligible Public Medical Institution.

The maximum monthly allowance for patient care for the chronically ill in an eligible public medical institution shall be one-twelfth of the annual per capita cost or \$190.00, whichever is less.

The maximum monthly allowance for patient care for the chronically ill in an eligible public medical institution shall be construed to include all the items included in the "inclusive" allowance for patient care in a licensed proprietary nursing home (see Section 310.83-2) and shall also include any laboratory, diagnostic, X-ray, dental or other services which are available for all patients in the eligible public medical institutions.

310.85 Maximum Monthly Allowance For The Chronically Ill In An Approved Infirmary Section of a Non-Profit or Charitable Home

The maximum monthly allowance for the chronically ill in an approved infirmary section of a non-profit or charitable home shall be either the "basic" monthly allowance of \$180.00, as described in Section 310.83-1, or the "inclusive" monthly allowance of \$150.00, as described in Section 310.83-2, or the minimum rate charged by the home to chronically ill persons who are not recipients of public assistance, whichever is less.

310.86 The budget of a client who is purchasing patient care in a licensed proprietary nursing home, eligible public medical institution or approved infirmary section of a non-profit or charitable home shall include the allowances for patient care, clothing (unless Appendix Section Clothing 2.5 is applicable), personal incidentals and allowances for the appropriate special circumstance items identified below:

Indebtedness if Section 308 is applicable.
Insurance if Section 309 is applicable.
Property Repair and Improvement if Section 312 is applicable.
Clothing if Section 314 is applicable.
Storage if Section 315 is applicable.
Transportation if Section 317 is applicable.
Blue Cross and Blue Shield Insurance Premium costs if Section 318 is applicable.

310.9 Allowances for the goods and services referred to in Sections 310.83-1-c, 310.83-1-d, 310.83-2-b, 310.83-3, and 310.85 are also subject to any limitations of maximum allowances or procedural requirements that are established in separate agency policy.

311. Moving

The necessary transport of household goods, incident to the moving of the client, shall be recognized as a special circumstance requirement. A non-recurring allowance equal to actual verified cost shall be included in the budget only if the cost arrangements have been approved by the local office in advance. In approving such grants, the local office shall request competitive estimates whenever feasible.

312 Property Repairs & Improvements

It is recognized that repairs and improvements to property real or personal are sometimes necessary in order to insure health and safety and to maintain continuity of shelter. Where repairs and improvements answer this description they constitute a special circumstance requirement which shall be recognized. In such circumstances there shall be included in the budget a non-recurring allowance equal to the actual verified cost necessary to secure the repairs and improvements on the most reasonable basis as determined, whenever feasible, by three price estimates.

312. (Continued)

A recurring allowance estimated to liquidate such cost over a stipulated period of time may be substituted for a non-recurring allowance when circumstances support such action.

313. Restaurant Allowance

A special circumstance requirement for restaurant meals shall be recognized in the client's budget when the client's living arrangements (as verified) are in accordance with the conditions specified in the Appendix. The monetary allowance to be included in the client's budget, for restaurant meal(s) shall be the amount(s) according to the client's individual living arrangement, as stated in the Appendix.

314. Special Clothing Requirements

It is recognized that an individual may under specific circumstances need an allowance for special clothing. Special clothing requirements shall be provided on the basis of actual need (as verified) and at reasonable cost. The clothing standard in the Standards and Sources Section may be used as a guide for determining adequacy, kind, quality, and probable years of wear. An allowance for special clothing may be included in the client's budget only in the following situations:

- a. Where a client who, because of a physical or mental incapacity, is unable to do his own shopping for clothing and does not have a relative or interested person in whom he has confidence who could do this shopping for him, the clothing allowance as a basic requirement shall not be included in the client's budget. However, in all such cases, the clothing requirement shall be granted as a special circumstance requirement and the client's clothing needs shall be revised at regular intervals of not more than 6 months.
- b. When a client needs in addition to his regular monthly clothing allowance:
 1. replacement of essential clothing which has been destroyed;
 2. additional clothing necessitated for admission to a hospital, institution, camp or school;
 3. additional garments necessitated by a health condition which has been medically verified;
 4. clothing for immediate wear because he does not have adequate wearing apparel and has not been receiving assistance for a long enough period of time to enable him to purchase the necessary clothing;
 5. special clothing for confirmation or graduation.

315. Storage Charges

Storage charges for essential clothing, household equipment, furnishings or furniture may be recognized as a special circumstance requirement when:

- a. The articles stored are essential to the client (see Section 504.3b) and the cost of storage does not exceed the cost of replacement.
- b. During a period of hospitalization or rehabilitation away from home or following an eviction, it is necessary to temporarily store these articles.

316. Telephone

A telephone service shall be recognized as a special circumstance requirement in the budget of the client when, (as verified):

- a. the client's physical condition or the remoteness of a client's home requires telephone service to secure the necessities of life, and is essential for the safety of the client, or
- b. the telephone service is essential to earnings, or
- c. a client is blind or has some other serious physical handicap and is living alone or is alone for most of the day.

317. Transportation

317.1 A special circumstance requirement for transportation to visit members of the client's immediate family who are in hospitals or institutions may be recognized in the client's budget. A recurring allowance equal to the estimated average monthly cost of transportation for these purposes or a non-recurring allowance equal to the actual cost of the transportation shall be included in the budget. However, the factor of reasonableness in regard to frequency of visits, distances traveled, and total costs of visits shall be considered in determining the allowances for this requirement.

317.2 If a client has an automobile and its continued use is essential for the health and welfare of the client, a recurring allowance equal to the estimated average cost of minimum essential operation and maintenance, or a non-recurring allowance equal to actual cost, shall be included in the budget. The cost of this type of transportation should not exceed the cost of any other suitable transportation which is available in the community.

317.3 It is recognized that a client, because of an illness, infirmity or physical handicap may need expenses for transportation:

317.3 (Continued)

- a. to clinic, hospital or doctor;
- b. to public or private medical institutions;
- c. to school;
- d. to church;
- e. for shopping.

A recurring allowance equal to the estimated average monthly cost of minimum essential transportation, or non-recurring allowance equal to actual cost of such transportation shall be included in the budget.

(For transportation costs of employment see Section 503.1-a.-2.)

317.4 It is recognized that a client may need a special circumstance requirement for transportation costs to move to another area of the State or for a permanent move to another State. A non-recurring allowance equal to the actual verified costs of such transportation shall be included in the client's budget. *out of return to the State*

317.5 It is recognized that a client may need a special circumstance requirement for transportation to attend a recreation center, clubs for the aged, youth clubs, day care centers, etc. When such clubs are operated and sponsored by a recognized agency, a recurring allowance equal to the estimated average monthly minimum cost of such transportation or a non-recurring allowance equal to the actual cost of such transportation shall be included in the budget.

318. Blue Cross and Blue Shield Insurance Premium Costs

It is recognized that an individual may need an allowance to pay the cost of the premiums for Blue Cross and/or Blue Shield Insurance. A monthly recurring allowance based on actual cost may be included in the client's budget unless the health services included within this medical insurance or the expenses of procuring these health services are otherwise available without cost to the client or are otherwise provided for by Agency policy.

500. RESOURCES

501. General Consideration

- 501.1 The Social Security Act and laws of the State of New Jersey provide that the agency shall consider all income and resources of the client in determining need and in determining the amount of assistance to be granted except that in the Aid to the Blind program the first \$50 of a blind client's earned income shall be disregarded in determining need for himself or his dependents who are applying for or receiving Categorical Assistance.*
- 501.2 The establishment in this Manual of certain measures and procedures for determining need and the amount of grant does not imply the exercise by the agency of any control or restriction of the client's use and expenditure of the income or resources which are so measured.
- 501.3 The allowance standards authorized in this Manual are calculated to be adequate and complete; there is therefore no basis for ignoring or discounting certain resources as a means of meeting alleged needs not required by the standards, except that in the Aid to the Blind program the first \$50 of a blind client's earned income shall be disregarded in determining the amount of assistance to be granted.*
- 501.4 Resources are defined as cash, or any other property of value, real or personal, the disposition of which is in the control of the client and which is available, or can be made available, for the support of the client or family budget unit.
- 501.5 The following principles shall govern in the consideration of resources:
- a. The client and each member of the family budget unit shall identify for the agency and participate in the evaluation of his own resources. Resources are of two kinds: available (see Section 502) and potential (see Section 504).
 - b. Whenever any resource or a portion thereof cannot be identified as being exclusively that of a single individual it shall be apportioned on a per capita basis in order to determine the amount available to the client.
 - c. All income of individuals included within the family budget unit shall be recognized as income to the family budget unit.

502. Available Resources

Only available resources shall affect the amount of the grant. The following shall be considered available resources, and their effect on the determination of need and the amount of the grant, whether at the time of application or at any other later time during the period when the client is receiving assistance, shall be as prescribed.

* Refers to A.B. Director's Letter #18.

502.1 Moneys Available in a Lump Sum

*1. LW to
1. Buy food
2. Help out*

a. The entire amount of moneys available for the support of the client at the time of application shall be considered in determining eligibility on the basis of need. If the amount of such moneys is insufficient to meet the budgeted requirements of the client for a period of thirty days, a grant shall be made in accordance with provisions of the Manual, but the grant for the first month shall be limited to an amount necessary to meet the deficit between the available cash and total requirements for that month. If the amount of such moneys is sufficient to meet the budgeted requirements of the client for a period of thirty days or more, the client shall be considered ineligible for payment.

*Money
accumulated from
for services*

b. The entire amount of moneys which may become available to the client at any time during the period where assistance is being received shall be considered in determining need. If the amount of such moneys available to the client is insufficient to meet the budgeted requirements of the client for a period of three months, the grant shall be adjusted, by reduction or suspension, based upon the period of time which the client should be supported by such moneys. If the amount of such moneys available to the client is sufficient to meet the budgeted requirements of the client for a period of three months or more, the grant shall be terminated. (Any money which becomes available to the agency from liquidation of a potential resource owned by the client at the time of application, and which the agency, pursuant to an agreement or arrangement with the client, claims and retains as repayment for assistance extended during the period of liquidation, is not included within the meaning of "moneys available to the client" as used in the preceding two sentences nor shall this statement be construed to limit the policy pertaining to reimbursement in the ADC, DA and OAA programs.)

502.2 Resources On Which Cash Can Be Immediately Realized

The cash, which can be realized by the sale or pledge of a resource within a period of seven days, shall be considered in the same manner as prescribed in Section 502.1 (for information concerning all other resources see Section 504.1).

502.3 Regular Recurring Income

Regular recurring income includes moneys received as income from employment or business, income from investments, trusts, estates, support payments by relatives, or benefits from OASI, Workmen's Compensation, Railroad Retirement, Veterans Administration, Union, Lodges, etc. (When benefits are granted for special purposes in accordance with intent of the law under which they are provided, such as education, rehabilitation, medical costs, etc., such

Current in acc. Post receipt

502.3 (Continued)

benefits shall be recognized as a resource applicable only to the particular requirements for which they are granted).

- Waiver*
- a. When such income recurs at monthly intervals or less it shall be budgeted as monthly income.
 - b. When such income recurs at intervals greater than a month, it shall be budgeted in accordance with either of the following procedures, whichever may be more appropriate in the judgment of the agency, for the individual case situations.
 1. Apply the amount of income in total to meet current monthly requirements and reduce or suspend the grant as may be appropriate. *release*
 2. Pro-rate the amount of income on a monthly basis between the periods of payment, provided that such income shall not be pro-rated to cover monthly periods in advance of the actual receipt of the income.

502.4 Income in Kind and Income Equivalents

502.41 Income in Kind

- a. Any element or requirement which is clearly identifiable as to nature and availability that is being provided without cost, either in part or whole, to the client shall be recognized as income in kind.
- b. The monetary value for income in kind (other than home produce) shall be the appropriate authorized allowance for the element or requirement.
- c. Home produce may either be produced by or contributed to a client. Home produce refers to farm and garden products such as eggs, milk, poultry, potatoes and other vegetables which are consumed by a client and his family and does not refer to the sale of any home produce. When home produce is sold, net income shall be computed according to Section 503.2. When home produce is available in the amount stated in the Section of the appendix pertaining to home produce, the monthly cash value of such income in kind shall be determined according to the method outlined in the Appendix.

502.42 Income Equivalents

When any element included within the total allowance for personal and household needs is being supplied with another element or requirement, the element supplied shall be recognized and budgeted as an income equivalent.

502.5 Occasional Gifts and Contributions

Purely occasional gifts of nominal amount or value such as those given on birthdays, Christmas, and other holidays, shall be disregarded.

502.6 Supplemental Aid by Other Agencies or Organizations

Supplemental aid by other agencies and organizations whether public or private need not be considered as income (i.e., need not be deducted in determining the amount of assistance needed) provided the following concurrent conditions are met:

- a. That the aid granted by other agencies is not in the form of cash to the client.
- b. That there is no duplication between the aid granted by the other agency and the public assistance grant.
- c. That the aid granted by the other agency is for a special purpose not within the function of the public assistance agency, for example, vocational rehabilitation - or that the aid granted by the other agencies is in the form of a service or commodity other than a basic requirement.

502.7 Income From Relatives and Friends

502.71 Consideration of resources to be derived from relatives and friends must be made in terms of social as well as legal relationships, since it is recognized that interest and willingness to assume responsibility are not limited to relatives obligated by law. When income from relatives or friends is available regularly to the client, it shall be budgeted as in Section 502.3. See Chapter 600 for policy and methods for determining a legally responsible relative's capacity to support.

not Regularly - ?

503. Methods for Determining Budgetable Earned Income of a Client*

503.1 From Employment

a. A client's budgetable earned income will be considered as the total wages, bonuses and commissions, etc., in cash or in kind, currently received from the employer less the following:

1. expenses of employment which are not personal but necessary for continued employment such as tools, transportation, materials, special uniforms, child care, etc., if not furnished by the employer;
2. when applicable, the expenses of employment due to participation in employment activities such as expenses for recreation groups, contributions to welfare and gift funds, coffee breaks, etc.;
3. the personal expenses of employment allowance according to age of client. This item includes the additional costs of food, clothing, and personal incidentals.

AGE	MONTHLY ALLOWANCE FOR PERSONAL EXPENSES OF EMPLOYMENT	PER DIEM ALLOWANCE FOR PERSONAL EXPENSES OF EMPLOYMENT
Under 16	\$13.00	\$.60
16 and over	31.00	1.40

When the client works either full or part-time on 16 or more days per month, use the monthly allowance for expenses of employment; when the client works either full or part-time on less than 16 days per month, determine the monthly allowance for expenses of employment by multiplying the number of working days by the per diem allowance for expenses of employment.

4. When the monthly earnings of the client are less than his total monthly expenses of employment (Section 503.1-a.-1.-2.-3.) neither the expenses of employment nor the income shall be included in the client's budget.
- b. Deductions for any other purposes will not be recognized, and if they are being made this amount should be added to the net sums actually received by the employee in order to determine budgetable earned income.
 - c. Earnings shall be verified from voucher records or statements in writing submitted by the employed person, subject to additional verification as required by agency standards.
 - d. Where a client's weekly or monthly earnings are of irregular

* This Section does not apply in A.B. Program -See A.B. Director's Letter #18.

503.1-d. (Continued)

amounts, the current income for budgetable purposes shall be the average earnings computed from the 8 weeks experience immediately preceding the determination.

503.2 From Self-Employment

a. Earned income from self-employment (other than when an assistance client is operating a rooming or boarding home) is considered to be the net profit from a business enterprise, farming, etc. Net profit is the total revenue less the cost of producing the revenue (business expenses). Personal expenses such as income tax payments, lunches, etc., are not to be considered as business expenses.

b. A client's budgetable earned income from self-employment is the net profit as defined in a. less income taxes and Social Security taxes when required.

c. Persons who are self-employed shall be required to submit evidence of business receipts and expenditures as the basis for a sound estimate of budgetable income. If the person is unable to submit satisfactory records, an evaluation based on current operations as observed and reported by the worker shall be made.

- In the case of a client who is self-employed, if it is clearly evident that the expenses of producing the income exceed the income produced, assistance shall not be granted or continued if the client persists in operating the business, since this in effect would be using public assistance in subsidizing a failing business.

503.3 From Seasonal Earnings

Seasonal earnings refers to income from work which is only available during certain periods of the year and shall be considered in the same manner as prescribed in Sections 503.1 or 503.2 whichever is applicable.

503.4 Net Income to Client From Roomer(s), Roomer-Boarder(s) and Table-Boarder(s)

503.41 Roomer(s) and Roomer-Boarder(s)

a. In situations where the client's shelter cost is for shelter cost only and does not include any of the household need items, the net income to the client from roomer(s) and roomer-boarder(s) who are living in the home with the client is to be determined as follows:

1. Add the appropriate cost figure as set forth below and the per capita share of the actual cost of shelter.

2. Subtract the total monthly cost to the client from the monthly amount paid to the client. The difference is the net income to the client.

b. In situations where the client's shelter cost includes one or more, but not all, of the household need items, the net income to the client from roomer(s) and roomer-boarder(s) who are living in the home with the client is to be determined as follows:

503.41-b. (Continued)

1. Add the appropriate cost figure as set forth below and the per capita share of the actual cost of shelter.
2. Total the appropriate monetary allowance(s) for the item(s) provided with the shelter cost.
3. Subtract the sum of 2. from 1.
4. Subtract the result of 3. from the monthly amount paid to the client. The difference is the net income to the client.

503.42 Table-Boarder(s)

- a. Subtract the appropriate cost figure, as set forth below, from the monthly amount paid to the client.
- b. The difference is the net income to the client.

503.43 Cost Figures

- | | |
|--|---------|
| a. Roomer (items supplied include light, housecleaning supplies, water, fuel, bed and bathroom linens, and laundry of same). | \$11.00 |
| b. Table-Boarder (items supplied include food, cooking fuel, housecleaning supplies, refrigeration and water). | \$35.00 |
| c. Roomer-Boarder (items supplied include food, utilities, housecleaning supplies, fuel, refrigeration, water, bed and bathroom linens and laundry of same). | \$41.00 |

503.44 Net Income to the Client From Roomer(s) and Roomer-Boarder(s) When Client's Shelter Cost Includes All Household Needs

- a. Divide the rental cost by the number of persons living in the home to determine the per capita share of the rental.
- b. Roomer(s)
 1. Subtract from the per capita share of the rental cost the sum of the appropriate per capita allowances (based on the number of persons eating in the home) for cooking and refrigeration.
 2. Add \$2.00* to the result of b.-1.

* (This amount represents the approximate monthly cost of maintenance and replacement for non-durable house furnishings other than household supplies. This amount has been included in the cost figures identified in Section 503.43).

503.44-b. (Continued)

3. Subtract the result of b.-2. from the amount paid to the client; the difference is the net income to the client.

c. Roomer-Boarder(s)

1. Determine the appropriate food allowance for the roomer-boarder(s) according to his age and activity and family size. *(Consider other aspects of family size)*
2. Add to the per capita share of the rental the appropriate food allowance and \$2.00*. *+ 1^{sq}*
3. Subtract the sum, as determined in c.-2. from the amount paid to the client. The difference is the net income to the client.

503.45 The entry of income to the client in his budget shall be limited to the net monthly income as computed according to Sections 503.41, 503.42 or 503.44, whichever is applicable. It is to be assumed for purposes of the "Client's Budget" that all roomer(s), table-boarder(s) and roomer-boarder(s) living in the home with the client are paying an amount that is at least equal to the cost.

503.5 Net Income From Apartments and/or Housekeeping Units in Home of the Client

In such situations, determine the net income by deducting the actual operating costs from the gross income; the following method shall be used:

a. Determine the shelter cost:

1. If the client owns his home:

The sum of the actual yearly cost of home ownership (i.e., taxes, special assessments, interest, mortgage, insurance, sewer charges, water, etc.) divided by 12 to determine the monthly cost.

2. If the client rents his home:

The monthly rent is the shelter cost.

3. Divide the monthly shelter cost by the number of rooms in the whole house to determine a room cost. Multiply the room cost by the number of rooms in each apartment or housekeeping unit to determine the shelter cost per unit.

* (This amount represents the approximate monthly ^{household expenses} cost of maintenance and replacement for non-durable house furnishings other than household supplies. This amount has been included in the cost figures identified in Section 503.43).

503.5 (Continued)

- b. Where the client furnishes heat or any other utility item with rent:
 1. Determine on an actual expenditure basis the average monthly cost of the item(s) furnished by the client.
 2. If the cost of any of the client's utility items are included in the total cost, subtract the client's appropriate monetary allowance for the item(s).
- c. Subtract the sum of the monthly shelter cost and the monthly cost of utility items included with rent, (a + b), if any, from the total rental income paid to the client. The difference is the net income to the client.
- d. Costs for maintenance and repair shall be included in the client's budget in accordance with Sections 307. and 312.

504. Potential Resources

Potential resources are those resources which a client may possess without immediately affecting the amount of his assistance grant because not currently available for expendable use but which must be considered as a possible future source of support to the client.

504.1 Principles Affecting Potential Resources

- a. The agency shall recognize all potential resources and shall plan with the client to assure that all necessary steps are taken to:
 1. convert to the extent hereinafter specified potential resources into cash, available to and expendable by the client for current requirements:
 2. develop a plan with the client, in advance so far as possible, for the utilization of potential resources, when they become converted, in relation to his current requirements;
 3. redetermine the client's eligibility and the amount of assistance, if any, to which he is entitled, as promptly as any potential resource becomes so converted.
- b. The client shall:
 1. participate in the development of a plan for the liquidation and utilization of potential resources;
 2. consent to the accomplishment of the plan;
 3. take all necessary steps contemplated by the plans in order that the liquidation may be accomplished.
- c. Client must be informed at the time of application that all such resources must be liquidated.

- d) Liquidation shall be completed within a period of six months from the effective date of this regulation or from the date of identification of the resource, whichever is later. However, in unusual situations, over which the client and the agency have no control, where it is impossible for liquidation to be completed in 6 months, such period may be extended, with the specific approval of the state agency, upon showing of good and sufficient cause by the local agency. Such showing should be made not earlier than the fifth (5th) month and not later than the sixth (6th) month.
- e) If any client shall willfully fail or refuse, within a period of thirty days after being requested in writing, to consent to or to take any action necessary in connection with a plan for liquidation, he shall be ineligible for assistance.

504.2 Factors Affecting Evaluation of Real Property

- a) Real property used as a home shall be considered as the house in which the client lives, and so much of the land on which such house stands as is reasonably necessary for the maintenance of the house. The precise dimensions of the necessary land will vary because of size of lots on which homes are built, zoning laws, etc., and this shall be a question of fact in each individual case. Real property owned by client or spouse which is used as their home shall ordinarily not be considered for liquidation.

However, when the cost of maintenance of such property is unreasonable or exceeds the shelter maximum when established in the Appendix of the Budget Manual, the impracticality of continued maintenance of the property shall be discussed with the client and plans for liquidation reviewed with him.

Whenever the client is absent from the home and such absence is of a permanent nature, the property shall be considered in accordance with subsection c. If at the time of departure from the home it appears that the absence will be temporary only, it shall be so considered for a period of 4 months following time of departure. At the end of such 4 month's period, the situation shall be reviewed and if the evidence still indicates a temporary absence only, it shall be considered as such for a further period not exceeding 9 months from the time of departure. If the client has been continuously absent from the home for a period of 9 months, the absence shall then be considered to be of a permanent nature.

However, in an extreme situation in which the application of this policy appears to be entirely unreasonable and impractical, the case should be submitted to the state agency for recommendations.

- b) Sale of Home - If a client sells his home, the amount realized shall be considered as an available resource. The client's eligibility shall be re-determined immediately.
- c) Real Property Other Than the Home - All other real property or an interest therein owned by a client and/or spouse living together shall be considered as a potential resource for liquidation.
- d) Plans for Liquidation of Real Property.
 1. Client shall be asked to place a monetary value on such property.
 2. The assessed value of such property shall be determined.
 3. Agency shall secure an independent appraisal of such property from reliable and disinterested persons as far as the client or the agency are concerned.
 4. Client shall be required to offer this property on the market for sale at an asking price to be named by the client. This price shall not be greater than the highest of the three figures (as obtained above) and not lower than the price set by the independent appraisal.
 5. Client shall be required to sell such property within a period of six months at the highest offer provided such offer is not less than the independent appraisal.
 6. Whenever the client presents evidence that such property cannot be sold or that all his efforts have failed to provide a buyer who is willing to buy the property at the established value the property must be re-evaluated.
 7. If a client has used reasonable diligence in seeking a purchaser and is unable to sell the property at any price, such property may be evaluated as having no substantive value, pending any change which might give value to the property.
 8. If encumbrances against the property, plus the cost of sale, equal or exceed the price at which the property can be sold, the

property need not be considered as a potential resource.

504.3 Personal Property as a Potential Resource

- a) All personal property must be evaluated to determine whether it is a potential resource that shall be liquidated.
- b) Household furnishings and personal clothing which are used and useful to the client are regarded as essential for adequate living and shall not be considered as a potential resource for liquidation. Household furnishings and personal clothing which are in storage are presumed to be not used and useful and shall be considered as a potential resource for liquidation in the absence of evidence to the contrary.
- c) Personal Effects - Incidental personal property, commonly recognized as personal effects as watches, jewelry etc., if regularly worn or of small intrinsic value, shall not be considered as a potential resource for liquidation. In unusual situations, however, where there may be an item or items of exceptional value, not regularly used and not essential to the clients' health and welfare, the client shall be informed that such personal effects shall be considered as a potential resource for liquidation.
- d) Automobiles - If the continued possession and operation of an automobile yields net income to the client or spouse or if public transportation is not available, or if the client or his dependent living in the home cannot use available transportation because of illness or a handicap, it shall not be considered as a potential resource for liquidation. In all other cases, the automobile shall be considered as a potential resource for liquidation.
- e) Livestock, Farm Machinery, Tools, etc. - Livestock, farm machinery, tools etc. which are ordinarily utilized in the production of some net income, either in cash or in kind, to the client or spouse shall not be considered as a potential resource for liquidation. Even if no net income is produced, if such possessions are actually used by the client their value as incentive to self help and self satisfaction warrants retention by the client. If livestock or any other similar property is owned by a child for the sole purpose of participating in an organized group or school activity (such as 4-H group) such property shall not be considered for liquidation. In all situations other than those cited above, such property shall then be considered as a potential resource for liquidation.

f) Whenever a person ceases to make use of or is unable to make use of any personal property which was not considered as a potential resource because of such use, it shall then be considered as a potential resource for liquidation.

g)* Insurance as a Resource

1. Purpose of Insurance in the Assistance Budget

Life insurance shall be continued in force solely for the purpose of providing a reserve to meet reasonable burial cost and possible terminal expenses incident to last illness. Fraternal and lodge benefits that are in the nature of life insurance are not to be included within the meaning of this section unless there has been an agreement with the agency which stipulates that the benefit of such insurance will provide a reserve to meet reasonable burial costs and terminal expenses incident to last illness.

2. Premiums Included in the Assistance Budget.

The actual amount of premiums may be recognized in the client's budget as a special circumstance requirement only for clients eighteen or over and only for whole life policies or the equivalent (except in those cases where they cannot be converted) yielding a total death benefit not to exceed \$500.

It is assumed that policies of less than \$300 face value would not provide a death benefit of \$500. However, policies totaling \$300 face value or more or of a type other than whole life are to be submitted at the time of application to the L.I.A.B. (for all companies served by this Bureau) or the insurance company, for all others, for review to determine need for adjustment to the kind and amount stated in the preceding paragraph. Premiums shall be included in the client's budget until the recommendation for adjustment have been received. Thereafter, only the amount of the adjusted premiums shall be included in the client's budget.

It is understood that the L.I.A.B. (for all companies served by this Bureau) or the other insurance companies will take into consideration the following:

* Except in A.B. program. See A.B. Director's letter #9.

- (a) reduced life expectancy because of poor health
- (b) disability income actually being paid
- (c) possible disability benefits.

The recommendations of the L.I.A.B. or the insurance companies shall be followed.

3. Premiums not Included in the Assistance Budget.

If a family wishes to retain insurance for children under the age of 18 the following conditions shall be observed:

- (a) Premiums for such insurance shall not be included in the client's budget.
- (b) Policies shall be limited to whole life or its equivalent at a weekly premium of not more than \$.10 unless the adjustment to this amount of premiums is impossible.
- (c) All policies must be submitted to L.I.A.B. (for all companies served by this Bureau) or the insurance company for all others.

4. General Statements Applicable to Sections 2 and 3.

Any moneys received as a result of adjustment are to be treated as "cash" under Section 502.1.

Any refusal on the part of the client to submit policies for review or to follow recommendations for adjustment shall render the client ineligible for assistance in accordance with Section 504.1.

There shall be an initial presumption that a person has control over the insurance on his life even though the policy is not in his possession. However, any insurance over which the insured has demonstrated that he has no control shall not be considered as a resource available for current maintenance. This demonstration shall include the presentation of evidence on the part of the person having possession that there is a justified reason for such possession.

When the terms of the insurance contract specify that the consent of the beneficiary is necessary for adjustment, borrowing or

assignment and the beneficiary will not give his consent, then the insured shall be required to change his beneficiary to his estate.

When the insured does not have physical possession of the policy, he shall be required to avail himself of legal recourse, if necessary, to secure such possession unless it can be demonstrated that he has no legal right to possession.

- h) Suits and Claims - There are situations where the client is at time of application or subsequently becomes the owner of an interest in a suit or claim arising out of an accident, inheritance of legacy, insurance on the lives of relatives or others, statutory benefits or pensions, unfulfilled contracts or obligations coming to the client, etc. Such interests constitute personal property, and are potential resources which must be recognized. Realization of such interests in cash is frequently not immediately possible or even possible within a period of six months. Such interests when realized, frequently result in lump sum payments of substantial amounts and shall be considered as cash. Where assistance is extended during the period that the realization or liquidation of such an interest is pending, an agreement if authorized by law, shall be made whereby the client will, when liquidation occurs, repay the agency the amount of assistance extended during such period or the amount received as the result of the claim, whichever is the lesser.
- i) Stocks, Bonds, Mortgages etc. - Stocks, bonds, mortgages etc. which cannot be liquidated within a period of seven (7) days constitute a potential resource and shall be considered in the same manner as prescribed in Section 504.1.

600. STANDARDS FOR EVALUATING CAPACITY OF LEGALLY RESPONSIBLE RELATIVES TO SUPPORT

601. Relatives, whatever the relationship, are a possible resource. It is and shall be at all times the duty of the agency and its staff to determine the willingness of relatives, because of their close relationship and evidence of interest, to contribute to the support of the client.

602. Certain relatives are specifically identified by law as legally responsible relatives (RS44:1-140). For purposes of application of the specific policy as provided in Section 600, legally responsible relatives shall be understood to refer to the following relatives according to program:

- A.D.C. - grandparent, parent, spouse, child and grandchild
- O.A.A. - parent, spouse and child
- A.B. - grandparent, parent, spouse and child
- D.A. - parent, spouse and child

603. The capacity of the legally responsible relative to contribute to the support of the client must be determined.

603.1 For the purpose of the Budget Manual, income (as verified) of the legally responsible relative includes:

- a. Gross earnings before deductions, or the net profit from a business, farm or profession before income and other personal taxes are deducted. This includes all income of whatever kind and from whatever source (except as stated in sub-section d. below) for the twelve (12) months immediately preceding the evaluation of his capacity to support.
- b. In those cases where there has been no appreciable change in the earnings in the past year, the average for the most recent period of four months may be accepted as satisfactory evidence of the average for the last year, but the earnings record for the entire twelve (12) month period may be considered if the individual so requests and makes the necessary information available.
- c. "Net profit" as used in the preceding sub-section is the total revenue less the cost of producing the revenue. Business deductions which are allowable for income tax purposes may be recognized as expenses of producing this revenue.
- d. Whenever a legally responsible relative or his spouse is the recipient of benefits which are granted for and restricted to a specific purpose in accordance with the requirements of the law or contract under which they are provided, such as education, rehabilitation, medical care, etc., such benefits shall not be included in the income of the legally responsible relative for the purpose of computing his evaluated capacity to support.

*Current Status
Back
Forward*

In those cases where there has been a change

- 603.2 When a person is receiving food or lodging or both as part of his income, his total gross income shall be determined as follows:
- The gross cash payment plus the monetary value of the maintenance received as used by the employer for tax purposes, (the employer's monetary evaluation for payment of social security and withholding taxes).
- 603.3 With respect to any child for whom a legally responsible relative is providing support, any net income of such child shall be counted as income of the legally responsible relative unless information is provided by the legally responsible relative to substantiate that he by actual practice is foregoing both directly and indirectly all claim to that income.
- 603.4 If a legally responsible relative has either related or unrelated roomers or roomer-boarders living in the home, the method as outlined in Section 503.4 shall be used to determine the net income to the legally responsible relative from such roomers or roomer-boarders.
- 603.5 When a legally responsible relative has an emancipated child living in the home, such child shall be considered as a roomer or roomer-boarder, and Section 503.4 shall be used to determine the net income to the legally responsible relative.
- 603.6 When a legally responsible relative has a child who is turning over all his income to a parent and when this child's income is more than the amount that appears in 1a of the Schedule of Exemptions in Section 607, this child is not to be included in the family unit size. The net income to the legally responsible relative in such situations will be the difference between the gross income of the child and the amount that appears in 1a of the Schedule of Exemptions.
604. In the following situations the capacity of the legally responsible relative to contribute to the support of the client is the amount by which his own income exceeds his own requirements. The requirements of the legally responsible relative shall include:
1. the requirements for the persons in the household, other than the client, who are his legal dependents and are unemancipated and under 18 years of age, and
 2. an estimated allowance for medical care for himself and his dependents. The income and requirements of this legally responsible relative will be determined by the same method as used for a client.
 - a. With respect to OAA, AB and DA, when the legally responsible relative is the husband or wife of the client and is living in the same household with the client and there are dependents in the household who are his legal dependents and are unemancipated and under 18 years of age.

604. (continued)

b. With respect to ADC, when the legally responsible relative is the children's natural or adoptive parent and is not living in the same household with the client.

not clear

a. With respect to ADC, where the legally responsible relative is the husband or wife of the children's natural or adoptive parent or parent person (but is not a legally responsible relative of the children) and is living in the same household with the client.

604.1 Where a child under 18, who has income and resources sufficient to meet his own requirement and (1) is living in the home with one or both of his natural or adoptive parent(s) who are clients of Categorical Assistance, or (2) is living in the home with a grandparent(s) who is a client of ADC; the child's capacity to contribute to the support of the client(s), enumerated above, is the amount by which his income exceeds his requirement. The income and requirements of this legally responsible relative shall be determined by the same method as is used for a client except that the requirements for this legally responsible relative shall also include an estimated allowance for medical care.

- 604.2 When a child over 18, who does not have income and resources to meet his own requirements according to assistance standards, is living with one or both of his parents who are clients of Categorical Assistance and the presence of this child creates a deficit in the client's budget, this child's needs shall not be included in the client's budget. This child's needs shall be met through the appropriate public assistance program.
605. For all legally responsible relatives, other than those relatives coming under the provisions of Sections 604. and 604.1, ¹⁷⁰⁶ the capacity to contribute to the support of the client out of income is determined by the Schedule of Exemptions as set forth in Section 607., and rules relating to the use of such Schedule as set forth in Sections 608. and 609.
- 605.1 (It shall be recognized that a person has a primary responsibility to support those relatives for whom he is legally responsible.
- 605.2 In using the following Schedule of Exemptions, the appropriate family unit size will be determined by recognizing any or all of the following (family unit size for this purpose does not include the client or clients):
- a. legally responsible relatives, himself or herself
 - b. his or her spouse, natural or adopted children, grandchildren, parents, and grandparents when living in the home with the legally responsible relative and for whom the legally responsible relative is providing support in an amount equal to or exceeding the amount of the additional exemption, which would be allowable if the family unit size were increased by the addition of the person for whom such support is being provided. When the amount of this support is not sufficient to entitle the legally responsible relative to include such person in his family unit size, the amount of such support shall then be subtracted from the legally responsible relative's evaluated monthly capacity to support.
- 605.3 When a legally responsible relative is supporting or making contribution to the support of a person (s) within the relationship stated in Section 605.2-b. but this person is not living in the home with the legally responsible relative, the actual amount of such contribution shall be subtracted from the legally responsible relative's evaluated monthly capacity to support. These persons shall not be included in the determination of the legally responsible relative's family unit size.
606. The City Worker's Family Budget originally was developed in response to a directive by the Labor and Federal Security Subcommittee of the House Committee on Appropriations, to "find out what it costs a worker's family to live in the large cities of the U.S." The City Worker's Family Budget was designed to describe a "modest but adequate" standard of living. It was not intended to be a "sub-sistence" budget. Budget includes conventional and social as well as biological needs. The budget describes an urban worker's family of four persons - an employed father, a housewife, not gainfully

606. (Continued)

employed, and two children. The City Worker's Family Budget was used as the basis for the Schedule of Exemptions but adjusted with the Wharton School of Finance and Commerce, University of Pennsylvania, Study of Consumer Expenditures, Income and Saving (a tabulation of the 1950 studies of the United States Department of Labor). A budget was adjusted to the January, 1958 Consumer Price Index as developed by the New Jersey Department of Labor and Industry, Division of Labor.

607. Schedule of Exemptions

Family Unit Size	Annual Exemption (Gross Income)	Monthly Exemption (Gross Income)
1a	\$2400	\$200
1b	3300	275
2	4740	395
3	5400	450
4	5880	(490)
5	7680	(640)
6	8100	675

For each additional person in the family unit add ~~\$120~~ to the annual amount or ~~\$35~~ to the monthly amount. ⁶⁰⁰

74. Phil
5970 5898
- 607.1 The exemption schedule for the family unit size 1a shall be used when the legally responsible relative has no dependents other than the client, and is living in the same household as the client but is not himself the head of the household; in all other cases, when a legally responsible relative has no dependents, other than the client, the exemption schedule for a family unit size of 1b shall be used.
- 607.2 Any income available to a legally responsible relative which is in excess of the amount allowed as an exemption according to the above schedule represents the relative's capacity to support the client unless modified by Sections 608. or 609.
- 607.3 Whenever a legally responsible relative who has an evaluated capacity to support the client is a roomer, table-boarder or roomer-boarder in the home of a client and there is net income to the client from this service, this income should be entered in the budget as income to the client or family budget unit.
608. When the relative whose capacity to support is being evaluated is a married person, and both the husband and wife have incomes, there shall be recognition of the principle that the husband has primary responsibility for the support of his wife and children. Based on this principle, the following rules shall apply:
- 608.1 when the husband is the legally responsible relative whose capacity to support is being evaluated, proceed as follows:

608.1 (Continued)

- a. select from the Schedule of Exemptions the appropriate amount of exemption according to the family unit size and make any adjustments as authorized by Sections 605.3 and 609.;
- b. deduct from this amount the amount of the wife's separate income up to a maximum of \$600;
- c. the resulting figure is the exemption applicable to the husband's income;

(Continued)

- d. when the amount of the wife's separate income cannot be obtained, the agency shall assume that such separate income is \$600.

608.2 When the wife is the legally responsible relative whose capacity to support is being evaluated, proceed as follows:

- a. select from the Exemption Schedule the appropriate amount according to the family unit size and make any adjustments as authorized by Sections 605.3 and 609.;
- b. if the husband's income equals or exceeds such amount, then the wife's capacity to support the client is the amount of her separate income less the full amount of ordinary occupational expenses (such as traveling expenses incident to her employment, mandatory payroll deductions over which she has no control, and employment or professional expenses necessary to maintain her present employment); 50% of the excess represents the wife's capacity to support the client;
- c. if the husband's income is less than the amount referred to in Section 608.2a., add the income of husband and wife (less the amount of wife's occupational expenses as defined in Section 608.2b.) and if the sum exceeds the amount referred to in Section 608.2a., 50% of the excess represents the wife's capacity to support the client;
- d. when the amount of the husband's income cannot be obtained, the agency shall assume that the husband's income is adequate to support his family unit. In all such cases, the wife's capacity to support the client is the amount of her separate income less the full amount of any ordinary occupational expenses as defined in Section 608.2b.; 50% of the excess represents the wife's capacity to support the client.

608.3 When the husband and wife have incomes and both are legally responsible relatives of the same client:

- a. add the incomes of the husband and wife;
- b. select from the Schedule of Exemptions the appropriate family size and make any adjustments as authorized by Sections 605.3 and 609.;
- c. the resulting figure is the combined capacity to support of the two legally responsible relatives.

609. Extraordinary Expenses of the Legally Responsible Relatives. The following types of extraordinary expenses shall be considered, in the manner specified, as affecting the legally responsible relative's capacity to support the client.

609.1 Medical Obligation

- a. If the regular monthly cost for medical, dental, nursing,

hospital or other similar medical services necessitated by illness exceeds 5% of the basic exemption shown in the Schedule, the difference between 5% of the basic exemption (see following Schedule) and the actual monthly medical costs shall be added to his monthly basic exemption.

b. Schedule of 5% of Monthly Basic Exemption

Family Size	Monthly Basic Exemption	5% of Monthly Basic Exemption
1a	\$200	\$10.00
1b	275	13.75
2	395	19.75
3	450	(22.50)
4	490	24.50
5	640	32.00
6	675	33.75

50
32

609.2 Educational Expenses -- If educational expenses are being incurred for a member of the family unit for whom free educational facilities are not available, proceed as follows:

- a. when the member of the family unit is being maintained at home, the verified cost of tuition, fees, books and transportation shall, when prorated on a 12 month basis be added to the monthly basic exemption shown in the Schedule;
- b. when the member of the family unit is being maintained away from home, the verified costs of tuition, fees, books and transportation, plus any cost of maintenance in excess of \$450 per annum, shall, when prorated on a 12 month basis, be added to the monthly basic exemption shown in the Schedule.

609.3 Indebtedness Due to Catastrophic Events -- When a legally responsible relative, whether before or following the evaluation of his capacity to support, is required to incur debts due to catastrophic events, other than medical, over which he had no control (for example, fire, flood, etc.) the verified monthly amount of payments necessary to liquidate these debts shall be added to his monthly basic exemption. Whenever a legally responsible relative has been deemed incapable of providing support for a specified period in order to liquidate the indebtedness due to catastrophic events, the agency shall re-evaluate the legally responsible relative's capacity to support at the date set for full payment of the debt.

610. The legally responsible relative may fulfill his obligation to the support of the client by contributing in cash or in kind or by cash and kind. The following rules must be applied:

- a. contribution must be regular, recurrent and reliable;

- b. contribution other than cash must be substantial and identifiable;
- c. contribution other than cash must be acceptable to the client, unless otherwise ordered by the courts.

611. Availability of the legally responsible relative's capacity to support the client.

611.1 Whether the client is living in the same household or separate and apart from the legally responsible relative, the amount of the relative's monthly capacity to support shall be considered available to the client and entered as income in the client's budget, unless Section 612.2 applies.

612. Effect of the legally responsible relative's capacity to support on the Eligibility of the client.

612.1 The client will not be eligible for assistance when the amount of the legally responsible relatives' capacity to support equals or exceeds the amount of the client's total budget deficit.

612.2 When any legally responsible relative ^{actually available} not living in the same household as the client, fails or refuses to make available to the client all or any portion of his monthly capacity to support, and this has been verified, such amount shall not be entered as income in the client's budget. However, in every such case, the agency shall, within 30 days, take appropriate action in accordance with available procedure to compel contribution in the indicated amount.

613. Effect of relative's refusal to furnish necessary information.

- a. Whenever the legally responsible relative fails or refuses to furnish or produce information concerning his ability to support the client, it shall be deemed a failure or refusal to provide support for the client as required by law.
- b. In every such case, the agency shall take appropriate action within 30 days in accordance with available procedure to secure judicial determination of the legally responsible relative's ability to support the client in the amount determined.

Any actual available income from LRR shall be recognized as income in the client's budget.

700. INSTRUCTIONS FOR BUDGETING

701. The amount of the assistance grant is determined by the budgeting method on a monthly basis. In order to determine the amount, if any, of the assistance grant, the total monthly allowances for all of the elements in both basic requirements and the essential special circumstance requirements shall be balanced against all income which is available to the client or family budget unit except in the Aid to the Blind program* (see Section 501.1).
702. In the budget for a family budget unit, the total monthly allowances for both basic and special circumstance requirements of all members of the family budget unit are balanced against the total income of all members of the family budget unit. The budgeting deficit, if any, represents the need of the total family budget unit.
703. Budgetary Statement Form PA-3A shall be used to record the budget of the client or family budget unit.
704. All information supporting the data in the Budgetary Statement must be included in the agency's case record.
- 704.1 A brief statement describing the client's or family budget unit's living arrangement upon which the budget was based shall be included on each Budgetary Statement form under "Comments".
- 704.2 The following information should be included within this statement:
- a. If client lives as a member of a family unit:

Number of persons in home; members of family budget unit; who is the head of the household; and the items, if any, furnished with the shelter cost.
 - b. If the client lives alone:

Kind of living arrangement, that is, house, apartment or housekeeping unit, rented rooms, etc.; and the items, if any, furnished with the shelter cost.
 - c. If the client is living on a boarding basis:

Whether the client is living in an approved boarding home or whether the client is living on a boarding basis in a family home.
705. The Client's Budget
- 705.1 The client's budget is the final statement of the total monthly budget and total monthly income.

* See A.B. Director's Letter #18.

- 705.2 The difference between total monthly budgetary needs and the monthly net income is the budgetary deficit.
- 705.3 The amount of the grant shall be the amount of the budgetary deficit adjusted to the nearest dollar. (Fifty cents or above shall be carried to the next highest dollar.)
706. Persons to be included in Budget
- 706.1 OAA, DA, AB
- a. Include only the client in the budget when he is living in any one of the following arrangements:
1. alone;
 2. as a member of a family where either the head of the household or spouse of the head of the household is a legally responsible relative;
 3. as a member of a family with non-legally responsible relatives or others;
 4. on a boarding basis;
 5. in a private or public medical institution or in the approved infirmary section of a non-profit or charitable home.
- b. In the following situations, the persons mentioned shall be recognized as constituting a "family budget unit" and the needs of the client are determined from the preparation of a budget for such unit, as specified:
1. When husband and wife are living together and both are recipients of Categorical Assistance, need shall be determined on the basis of the family budget unit. One-half of the combined budgetary deficit represents each client's budgetary deficit.
 2. When husband and wife are living together, but only one spouse is a client and the other spouse is not eligible for Categorical Assistance, need shall be determined on the basis of a family budget unit. The difference between combined need and combined income is the budgetary deficit to the client.
- 706.2 ADC
- a. Since an ADC grant necessarily relates to a family ^{grant?} of at least two persons, all ADC determinations necessarily involve preparation of a budget for a "family budget unit."

706.2 (continued)

b. The following persons shall be recognized as constituting a "family budget unit" and the needs of the client are determined from the preparation of a budget for such unit:

*Whole
Refer
to 706.1*

1. the eligible child or children;
2. the needy natural or adoptive parent or parent person (if not separately eligible for other Categorical Assistance programs); and
3. the needy incapacitated spouse of the natural or adoptive parent or parent person (if not separately eligible for other Categorical Assistance programs).

707. Method of Budgeting.

707.1 The living arrangement of the client determines the method to be used for budgeting a client. *Budgeting methods for different living arrangements are described in Section*

LIVING ARRANGEMENT

METHOD FOR BUDGETING

METHOD A

Client:

Enter under requirements the appropriate allowances for:

1. lives alone and maintains a home.
2. lives with his spouse
3. is a member of a household and all are sharing equally in food and household needs, and
 - a. head of household is not a legally responsible relative, or
 - b. head of household is a legally responsible relative but is a recipient of public assistance.
4. has roomer-boarder(s) living in the home with him.

1. personal and household needs based on family size, activity of adult and sex and age of child (see Schedule XI);
(for blind adult, see special schedule)

Shelter cost (see Appendix Pages 10-13); if shelter is supplied without cost to the client, enter the letter "S" in the appropriate column;

the essential special circumstance items.
2. The sum of the items in 1. above is the client's, or if applicable the family budget unit's, total needs.

Enter and identify under income:

1. all income available to client or members of family budget unit;
2. when any element included within the pre-added schedule of total personal and household needs is available without cost to the client or is being supplied with another requirement, the element so supplied or available without cost is an income equivalent and its appropriate monetary allowance shall be entered as income to the client.

707.1 (continued)

LIVING ARRANGEMENTMETHOD BClient:

1. is a member of a household and all members are not sharing equally in food and household needs; or
2. has roomer(s) and/or table-boarder(s) living in home.

METHOD C

1. Client is a member of a self-supporting household the head of which is a legally responsible relative.
2. In ADC where the client lives in a self-supporting household the head of which is the "parent" (or spouse of the "parent") but is not a legally responsible relative of the children.

METHOD FOR BUDGETING

Enter under requirements the appropriate allowances for:

1. personal needs (food, clothing, personal incidentals and household supplies - see Schedule VII) based on family size, activity of client and sex and age of child;

household needs (see Schedule VIII) items based on number of persons actually using the items;

the client's shelter cost (see Appendix Section); if shelter is supplied without cost to the client, enter the letter "S" in the appropriate column;

the essential special circumstance items.

2. The sum of the items in 1. above is the client's total needs.

Enter and identify under income:

(Same as Method A.)

Enter under requirements the appropriate allowances:

1. for personal needs (see Schedule VII);

the letter "S" in the appropriate column for household needs and shelter (in accordance with Shelter Sections 3.4 b and c, the household needs and shelter shall be recognized as available to the client without separate cost);

2. The sum of the items in 1. above is the client's total needs.

Enter and identify under income:

1. all income available to the client.

707.1 (continued)

LIVING ARRANGEMENT

METHOD FOR DULGETING

METHOD D

1. Client is a member of a "marginal" household the head of which is a legally responsible relative (other than a spouse).
2. In ADC the client lives in a "marginal household the head of which is the "parent" (or spouse of the "parent") but is not a legally responsible relative of the children.

Enter under requirements the appropriate allowances for:

1. *a* personal needs (see Schedule VII);
- b* household needs and shelter. If shelter ^{is} supplied without cost, enter the letter "S" in the appropriate column. (In accordance with Shelter Sections 3.4 b and d, the appropriate authorized allowance for shelter and household needs shall be included in the client's budget to the extent that the amount of such costs, together with other income available to such relatives or step-parents or parent persons, does not exceed the exemption allowance);
- c* the essential special circumstance items.
2. The sum of the items in 1. above is the client's total needs.

Enter and identify under income:

1. all income available to the client.
 - a. However, when any element which is included within the pre-added schedule of total allowance for personal and household needs is available to a client at a lesser cost than the appropriate monetary allowance, proceed as follows:

Subtract the cost of the element so available from the amount of the appropriate authorized monetary allowance. The difference is the amount to be entered as income to the client.

Personal + household needs should be Personal needs

707.1 (Continued)

LIVING ARRANGEMENTMETHOD FOR BUDGETINGMETHOD E

Client lives in a room and board arrangement.

Enter under requirements the appropriate allowances for:

1. room and board (see appendix Page 14);

clothing, personal incidentals and household supplies (the personal laundry item) (see schedule X);

the essential special circumstance items.

2. The sum of the items in 1. above is the client's total needs.

Enter and identify under income:

1. all income available to the client.

(In situations where the room and board rate includes laundry of the client's personal clothing, the item "household supplies" shall be entered as an income equivalent.)

METHOD F

Client eats one or more meals in a restaurant.

Enter under requirements the appropriate allowances for:

1. restaurant meals (see Schedule II), the appropriate total allowance for clothing, personal incidentals and household supplies (laundry) (see Schedule X) and according to his shelter arrangement, the appropriate allowances for household needs items (appendix pages 10-13);

the client's shelter cost;

the essential special circumstance items.

2. The sum of the items in 1. above is the client's total needs.

Enter and identify under income:

1. all income available to the client.

707.1 (continued)

LIVING ARRANGEMENTMETHOD FOR BUDGETINGMETHOD G

Client is purchasing patient care in a medical institution or in a home other than a medical institution.

Enter under requirements:

1. the rate which shall include room and board, laundry of personal clothes and care;

the allowance for clothing and the appropriate personal incidentals allowance. (If in a home other than a medical institution, use the personal incidentals allowance for clients in boarding homes. If in a medical institution, use the applicable personal incidentals allowance.)

- the allowance(s) for the special circumstance items.

2. The sum of the items in 1. above is the client's total needs.

Enter and identify under income:

1. all income available to the client.

707.2 Determination of Initial Grant

- A. The initial grant is the first full or partial payment of assistance to or on behalf of an individual or individuals.

1. Determination of initial grant.

Enter on the requirement side:

- (a) the total monthly allowance for personal and household needs (see Schedule XI);
- (b) monthly allowance (s) for regular recurring special circumstance items.

2. The sum of (a) and (b) equals the sub-total.

3. Determine the per diem cost of the sub-total in 2 above by dividing by 30.

4. Multiply the per diem cost by the number of days to be included in the initial grant.

5. Add to the amount determined in 4 above, the allowance for:

- (a) shelter owing for the current month;

707.2-A.-5 (Continued)

- (b) non-recurring special circumstance items.

This total represents the client's or family budget unit's needs.

- 6. From the total needs, subtract all income. Income is the sum of:

- (a) all cash on hand at the time of issuance of the initial grant;

- (b) all income that will become available to the client or family budget unit during the period covered by the initial grant;

- (c) the monetary value of all income in kind and income equivalents (including any basic requirements provided for in whole or in part without cost to the client; any element supplied to the client with another element or any element or requirement which already has been paid for in whole or part for the current month only). However, when shelter is provided without cost to the client, merely enter the letter "S" in the allowance side of the budget.

- 7. The difference between total needs and income is the budgetary deficit. The amount of the initial grant shall be the amount of the budgetary deficit adjusted to the nearest dollar.

708. Budgetary Statement Section - Recommendation and Decision

708.1 Recommendation: Enter the recommendation of the agency with signature of the supervisor.

708.2 Decision: This space is to be filled in by the Director of Welfare.

708.3 Date of administrative action refers to the dates on which the Director of Welfare or his authorized agent approves the initial payment prior to Welfare Board action and the date on which such action becomes effective.

708.4 Ratification by Welfare Board refers to the date on which the Welfare Board approves the administrative action of the Welfare Board Director.

708.5 Welfare Board action refers to the date on which the Welfare Board acts on any case on which there has not been prior administrative action. Date effective refers to the date on which the grant or the change in status becomes effective.

709. Budgetary Statement Section - Detail requirements for Individuals in Family Budget Unit

709.1 The number of persons in the family budget unit shall be entered in space "Family Budget Unit". This is in effect a budget work sheet on which the activity of each adult, and the age and sex of each child is listed and all the monthly budgetary allowances, other than shelter, are scheduled and totaled.

The total shelter allowance for a family budget unit need only be entered in Part I, Client's Budget.

710. Budgetary Statement Section - Determination of Monthly Shelter Cost

710.1 This section is to be used to determine client's or family budget unit's per capita share of monthly shelter cost.

710.2 Enter the monthly cost of shelter. This will be the actual amount of rent per month or the monthly cost of home ownership.

710.3 Enter the number of persons in the shelter unit.

710.4 Divide the cost by the number in shelter unit to obtain the client's monthly per capita cost.

711. Budgetary Statement Section - Monthly Budget for Spouse *OThus*

711.1 This section will need to be used only in the following instances:

- a. In OAA, DA, and AB, the client is living with spouse and spouse has dependents other than the client.
- b. In ADC, the spouse of the recipient or the children's natural or adoptive parent is not living in the same household with the client.

712. Budgetary Statement Section - Determination of Income from Roomer(s), Table-Boarder(s) or Roomer-Boarder(s)

712.1 The net monthly income from roomer(s), table-boarder(s) or roomer-boarder(s), shall be determined according to Section 503.4.

712.2 Any income derived from this source shall be entered on the income side of the client's budget.

713. Determination of Budgetable Earned Income From Employment

This section is to be used to determine the client's budgetable earned income in accordance with Section 503.1.

714. Form for Evaluation of Capacity of Legally Responsible Relatives to Support
- 714.1 Form PA-3B is an analysis of a legally responsible relative's income, his basic exemption and other allowable adjustments as outlined in Chapter 600 for the purpose of determining his capacity to support a client.

APPENDIX

STANDARDS AND ALLOWANCES FOR BASIC REQUIREMENTS

I PERSONAL AND HOUSEHOLD NEEDS

A. PERSONAL NEEDS

Policy and schedules of authorized allowances for food, clothing and personal incidentals.

1. FOOD

- 1.1 The 1955 low cost diet plan of the United States Department of Agriculture, Agricultural Research Service, Human Nutrition Research Branch, is the standard for determining the monthly monetary food allowance. The diet plan meets the recommended Dietary Requirements of the Food and Nutrition Board of the National Research Council.
- 1.2 Differential standards and monetary allowances are established in relation to age and sex of children, activity of adults and according to family size. The per capita monthly food allowances appear in Schedule I.
- 1.3 Monthly monetary allowances for 1, 2 and 3 meals per day for food necessarily purchased in restaurants have been established. The policy and the schedule of allowances for restaurant meals appear on Appendix Page 3.
- 1.4 Monthly monetary allowances for certain therapeutic diets have been established. The policy and schedule for therapeutic diets appear on Appendix Pages 3 and 4.

SCHEDULE I - MONTHLY ALLOWANCES FOR FOOD

BRS Food Pricing 8/58
Low Cost Diet Plan - FE84/55

FAMILY MEMBERS AGE & ACTIVITY	FAMILY SIZE			
	Alone	2	3	4 or more
Birth - 3 years	\$	\$17.60	\$16.20	\$14.70
Child: 4 - 9 years		23.50	21.60	19.60
Child: 10 -12 years		30.60	28.10	25.50
Girls: 13 -18 years		31.20	28.60	(26.00)
Boys : 13 -18 years		38.30	35.10	(31.90)
Adult: Minimal Activity	33.80	30.00	27.50	25.00
Adult: Moderate Activity	36.70	32.60	29.90	27.20
Adult: Strenuous Activity	43.50	38.60	35.40	32.20

Definitions: Family Size - Total number of people for whom marketing and food preparation is done in common. This number will, in some instances, not be identical with shelter unit.

Activity Groupings - as defined on Appendix Page 2.

Age - For purposes of budgeting, the age of the child means the age at his nearest birthday whether in the 6 months past or in the future 6 months.

SPECIAL ADJUSTMENT FOR BLINDNESS

Appropriate food allowances shall be increased by 25% for those blind persons responsible for marketing and food preparation.

DEFINITION OF ACTIVITY GROUPINGS

Adult - Minimal Activity

- a. Refers to any person who is performing the household tasks for a family of not more than two persons (including the client); or
- b. refers to any person who is chairfast or bedfast.

Adult - Moderate Activity

- a. Refers to any person who is performing the household tasks for a family of 3-5 members (including the client) or to any person who is performing the household tasks for a family of not more than two persons but who also is giving extensive personal service or patient care to the other person in the home; or
- b. refers to any person who is undergoing a planned program of physical and/or vocational rehabilitation.

Adult - Strenuous Activity

- a. Refers to any person who is performing the household tasks for a family of six or more members (including the client).

1.5 Allowances for Restaurant Meals

1.51 An allowance for one or more restaurant meals per day shall be included in the client's budget if:

- a. the client, because of a physical, mental or other limitation, is unable to prepare food; or
- b. the client's shelter or living arrangement is such that there are no available facilities for food preparation or food service; and
- c. the client in fact purchases one or more meals in a restaurant.

1.52 In evaluating the circumstances to determine whether a client requires an allowance to eat all or a portion of his meals in a restaurant, the following questions should be considered:

- a. Does the client have cooking facilities available to him? If so, are the facilities adequate for preparation of all meals or are they make-shift facilities with which he can prepare only a light meal or snack?
- b. Is ability to prepare all meals limited by inadequate facilities for storage of food?
- c. Is the client physically able to prepare his meals? If not, is there a spouse or other person in the household able and willing to prepare the meals for him?

instances where the physician has previously stated how long the diet should be continued. It is the responsibility of the physician to determine the beneficial effect of the therapeutic diet.

1.63 When a physician prescribes a diet for which there is no monthly allowance listed, or prescribes two diets for a client, or prescribes for a client who must eat in a restaurant, the local office shall consult the State agency for advice on the necessary monthly monetary allowance.

SCHEDULE III - MONTHLY ALLOWANCES FOR THERAPEUTIC DIETS
(Based on 8/58 Food Pricing)

TYPE OF DIET	ADDITIONAL MONTHLY ALLOWANCES
Bland-Low-Residue (All ulcer diets)	\$ 7.10
Diabetic	9.60
High Vitamin, High Caloric, High Protein (Malnutrition, Tuberculosis, Anemia)	8.30
Low Fat, High Protein	8.30
Low Salt	4.30
Nursing Mother	12.30
Pregnancy	6.00

2. CLOTHING STANDARDS

2.1 The low cost clothing standard as prepared by the Low Cost Clothing Committee of the American Home Economics Association was adjusted to meet current clothing needs in New Jersey. The standard provides for clothing sufficient in kind and quantity to protect health, to provide for cleanliness, to allow for growth in children and is adequate in quality and style to insure the comfort and self-respect of the individual. The standard describes the minimum clothing needs of individuals according to age, sex, occupation and the probable years of wear of the articles of clothing.

2.2 The clothing standard is based on the assumption that a client has an adequate wardrobe and therefore it is intended to provide only for normal replacement of a wardrobe and the recognized expenses of cleaning and maintenance.

2.3 The monetary allowances for clothing are determined by State-wide pricing of the clothing standards. The yearly totals are divided by 12 to arrive at monthly allowances. For articles of clothing with a durability of more than one year, only that portion of the cost as based on the probable years of wear is included in the allowance.

2.4 Clothing standards and monetary allowances are differentiated in relation to age, sex of children, activity, and family size. The per capita monthly allowances for clothing appear in Schedule IV.

2.5 In the situation where a client who, because of a physical or mental incapacity, is unable to do his own shopping for clothing and does not have a relative or interested person in whom he has confidence who could do this shopping for him, the regular recurring monthly clothing allowance shall not be included in the client's budget. However, in all such cases, the clothing requirement shall be granted as a special circumstance requirement as stated in Section 314.

SCHEDULE IV - MONTHLY ALLOWANCES FOR CLOTHING

(Clothing Pricing 4/56)

FAMILY MEMBERS AGE & ACTIVITY	FAMILY SIZE			
	Alone	2	3	4 or more
Birth - 3 years		\$ 5.80	\$ 5.50	\$ 5.20
Child: 4 - 9 years		6.40	6.10	5.80
Child: 10 - 12 years		8.60	8.20	7.70
Girls: 13 - 18 years		10.60	10.10	9.50
Boys : 13 - 18 years		9.30	8.80	8.20
Adult: Minimal Activity	\$ 5.90	5.90	5.90	5.90
Adult: Moderate Activity	8.70	8.70	8.70	8.70
Adult: Strenuous Activity	10.30	10.30	10.30	10.30

Explanation: Special Adjustment for Blindness - An additional allowance of \$4.00 shall be made for blind persons to cover added maintenance and repair costs.

3. PERSONAL INCIDENTALS

- 3.1 The standards for personal incidentals are based on current standards for personal grooming and sanitation and the New Jersey Department of Health Standard for Medicine Chest Supplies. The standard includes the items required for personal cleanliness and grooming, first aid supplies, proprietary medicines, ointments, antiseptics, aspirin and laxatives plus an additional allowance for transportation and such miscellaneous necessary expenditures as newspapers and other reading material, writing material, stamps, church and other group activities.
- 3.2 Differential standards and monetary allowances are established in relation to age of children, employment, blindness and for persons living in public and private medical institutions.

SCHEDULE V - MONTHLY ALLOWANCES FOR PERSONAL INCIDENTALS

(Pricing 5/56)

AGE AND ACTIVITY	MONTHLY ALLOWANCES
Birth - 3 years	\$1.50
Child: 4 - 9 years	2.80
Child: 10 - 12 years	3.30
Girls: 13 - 18 years	5.20
Boys : 13 - 18 years	5.20
Adult:	5.20
Adult: Blind	7.20
Adult: Any client (including blind) living in a Private Medical Institution	3.95 [1]
Adult: Any client (including blind) living in a Public Medical Institution	2.90 [1]

[1] Medicine chest supplies are not included since these items are supplied by public and private medical institutions.

4. HOUSEHOLD SUPPLIES

4.1 This allowance includes the supplies for laundry, household cleaning and other housekeeping items such as light bulbs, moth preventatives, etc., which are needed regularly for the maintenance of a home. The standard does not include any items of household furnishings such as dishes, linens, etc.

4.2 For the purpose of budgeting the household supply allowance, a person living alone also includes one who is living as a roomer or roomer-boarder. When a client is living as a roomer or roomer-boarder, the household supply allowance shall be interpreted as the laundry allowance.

SCHEDULE VI - MONTHLY ALLOWANCES FOR HOUSEHOLD SUPPLIES

Family Size	Allowance
Person living alone	\$ 1.90
2 person families	1.25 per person
3 or more person families	1.00 per person

PRE-ADDED SCHEDULE OF ALLOWANCES FOR PERSONAL NEEDS

A pre-added schedule of the monthly allowances for food, clothing, personal incidentals and household supplies according to age and sex of children, activity of adults and family size.

SCHEDULE VII - TOTAL MONTHLY ALLOWANCES FOR PERSONAL NEEDS

(4/56 Clothing Pricing
8/58 BRS Food Pricing
5/56 Personal Incidental Pricing
6/56 Household Supplies Pricing)

Family Member	FAMILY SIZE*			
	1	2	3	4 or more
Infant - 3 years		\$26.20	\$24.20	\$22.40
4 - 9 years		34.00	31.50	29.20
10 - 12 years		43.80	40.60	37.50
Girls: 13 - 18 years		48.30	44.90	41.70
Boys: 13 - 18 years		54.10	50.10	46.30
Adult: Minimal Activity	\$46.80	42.40	39.60	37.10
Adult: Moderate Activity	52.50	47.80	44.80	42.10
Adult: Strenuous Activity	60.90	55.40	51.90	48.70

* Family Size - Total number of people for whom marketing and food preparation are done. This number is not always identical with shelter unit.

Special Adjustments for Blindness

1. Appropriate food allowances shall be increased by 25% for those blind persons responsible for marketing and food preparation.
2. An additional clothing allowance of \$4.00 shall be made for blind persons to cover added maintenance and repair costs.
3. An additional personal incidental allowance of \$2.00 shall be added for an adult blind person who is not gainfully employed.

Gainfully Employed - If a client is gainfully employed, add \$4.50 as an additional allowance for personal incidentals.

B. HOUSEHOLD NEEDS

1. POLICY AND SCHEDULE OF AUTHORIZED ALLOWANCES FOR FUEL FOR HEATING AND UTILITIES

1.1 Where the client is not the sole occupant of the premises, or a distinct portion of the premises in which he lives, all rules and limitations, for apportioning or excluding costs which are specified with respect to shelter, shall apply also with respect to the items of household needs.

2. FUEL FOR HEATING

2.1 The monthly monetary allowances for fuel for heating purposes apply to all types of fuel. The standard for fuel for heating provides for 8 month's heating. The monthly allowance is one-twelfth of the annual costs.

2.2 The fuel for heating allowance shall be determined on the basis of the number of persons as specified in Schedule VIII.

2.3 When the client shares occupancy of premises jointly with one or more other persons, the authorized allowance for fuel shall be an amount equal to the client's pro-rata share (determined on a per capita basis) of the monthly fuel allowance.

3. UTILITIES

3.1 Utilities for the purpose of this Manual includes fuel for cooking, fuel for water heating, lighting and electrical appliances and refrigeration.

3.2 Differential standards and monetary allowances for utilities are established in relation to number of persons or family size actually using the utilities.

3.3 When the client shares utilities with one or more other persons, the authorized allowance for utilities shall be an amount equal to the client's pro-rata share (determined on a per capita basis) of the monthly allowance for utilities as specified in Schedule VIII.

3.4 Fuel for Cooking

The allowance for cooking provides for cooking with any type of fuel.

3.5 Fuel for Water Heating

The allowance for fuel for water heating provides for water heating with any of the following: gas, bottled gas, fuel oil, coal, wood or electricity.

3.6 Lighting

The allowance for lighting also includes the cost of operating all electrical appliances. This allowance does not include the cost of refrigeration.

3.7 Refrigeration

The allowance for refrigeration provides for either electric, gas or ice refrigeration.

SCHEDULE VIII - MONTHLY PER CAPITA ALLOWANCES FOR HOUSEHOLD NEEDS ITEMS

(Based on 9/58 Fuel Pricing)

A schedule of per capita allowances for heating fuel, cooking, water heating, lighting and electrical appliances, and refrigeration.

No. Persons	1	2	3	4	5	6	7 or more
Cooking	\$2.25	\$1.15	\$1.00	\$.75	\$.60	\$.60	\$.50
Water Heating	2.15	1.10	1.20	.90	.70	.80	.60
Lighting & Elec. Appliances	3.00	1.50	1.30	1.00	.80	.75	.50
Refrigeration	1.50	.75	.50	.35	.30	.25	.20
Fuel for Heat	6.00	4.00	3.35	3.00	2.80	2.70	2.60
PER CAPITA TOTALS	\$14.90	\$8.50	\$7.35	\$6.00	\$5.20	\$5.10	\$4.40

SCHEDULE IX - TOTAL ALLOWANCES ACCORDING TO FAMILY SIZE FOR HOUSEHOLD NEEDS ITEMS

(Based on 9/58 Fuel Pricing)

A schedule of total allowances according to family size for heating fuel, cooking, water heating, lighting and electrical appliances and refrigeration.

Size of Family	1	2	3	4	5	6 *
Cooking	\$2.25	\$2.30	\$3.00	\$3.00	\$3.00	\$3.60
Water Heating	2.15	2.20	3.60	3.60	3.60	4.80
Lighting & Elec. Appliances	3.00	3.00	3.90	3.90	3.90	4.50
Refrigeration	1.50	1.50	1.50	1.50	1.50	1.50
Fuel for Heat	6.00	8.00	10.10	12.00	14.00	16.20
TOTALS FOR FAMILY	\$14.90	\$17.00	\$22.10	\$24.00	\$26.00	\$30.60

* To determine family totals for families of 7 or more, use applicable per capita allowances in Schedule VIII.

$$\begin{array}{r} 2.70 \\ 4.80 \\ \hline 7.50 \end{array}$$

$$\begin{array}{r} 4.40 \\ 9.60 \\ \hline 14.00 \end{array}$$

SCHEDULES XI - TOTAL MONTHLY ALLOWANCES FOR PERSONAL & HOUSEHOLD NEEDS

SCHEDULE A

CHILDREN

Family Size	2	3	4	5-6	7 or more	Blind Children
Age						
Birth - 3	\$34.70	\$31.60	\$28.40	\$27.60	\$26.80	Add \$6.00 to Total
Child: 4-9	42.50	38.90	35.20	34.40	33.60	Add \$6.00 to Total
Child: 10-12	52.30	48.00	43.50	42.70	41.90	Add \$6.00 to Total
Girls: 13-18	56.80	52.30	47.70	46.90	46.10	Add \$6.00 to Total
Boys : 13-18	62.60	57.50	52.30	51.50	50.70	Add \$6.00 to Total

SCHEDULE B

ADULTS

Family Size	1	2	3	4	5-6	7 or more
Activity						
Minimal	\$61.70	\$50.90	\$47.00	\$43.10	\$42.30	\$41.50
Moderate	67.40	56.30	52.20	48.10	47.30	46.50
Strenuous	75.80	63.90	59.30	54.70	53.90	53.10

SCHEDULE C

BLIND ADULTS RESPONSIBLE FOR MARKETING
AND FOOD PREPARATION

Family Size	1	2	3	4	5-6	7 or more
Activity						
Minimal	\$76.15	\$64.40	\$59.90	\$55.40	\$54.60	\$53.80
Moderate	82.60	70.40	65.70	60.90	60.10	59.30
Strenuous	92.70	79.50	74.10	68.80	68.00	67.20

SCHEDULE D

BLIND ADULTS NOT RESPONSIBLE FOR MARKETING
AND FOOD PREPARATION

Family Size	1	2	3	4	5-6	7 or more
Activity						
Minimal	\$67.70	\$56.90	\$53.00	\$49.10	\$48.30	\$47.50
Moderate	73.40	62.30	58.20	54.10	53.30	52.50
Strenuous	81.80	69.90	65.30	60.70	59.90	59.10

SCHEDULE X - PRE-ADDED SCHEDULE WHICH INCLUDES THE ELEMENTS OF
CLOTHING, PERSONAL INCIDENTALS AND HOUSEHOLD SUPPLIES

<u>Family Size</u>	<u>1</u>
<u>Activity</u>	
<u>Minimal</u>	<u>\$13.00</u>
<u>Moderate</u>	<u>15.80</u>
<u>Strenuous</u>	<u>17.40</u>

II SHELTER

1. It is recognized that practical, economic and social factors influence and determine the adequacy of a dwelling unit. The fact that existing housing may fail to provide the essentials for the promotion and protection of the health of a client, is not a reason for the lack of recognition of the inadequacy, if any, of the client's housing.
2. Standards for housing as established in the Standards and Sources Section have been adopted from those recommended by the Committee on the Hygiene of Housing of the American Public Health Association. The housing standards are essentially those factors which relate to health. The standards are intended to serve as a guide for evaluating the adequacy of a client's housing. When, in the judgement of the local agency, a client's housing fails to provide for the promotion and protection of the health of the client, it is recommended that the situation be referred to the appropriate local authority.
3. Rules for determining authorized shelter allowance under specified shelter arrangements.

3.1 Premises Rented By Client.

a. Owner is not a Legally Responsible Relative.

- (1) When the client is sole occupant of the premises, the authorized allowance for shelter shall be an amount equal to the actual rent paid, as verified.
- (2) When the client shares occupancy jointly with one or more persons, the authorized allowance for shelter shall be an amount equal to the client's per capita share of the actual rent paid, as verified. (See Chapter 700 for budgeting a client who has roomer(s) or roomer-boarder(s) living in the home with him.)
- (3) Client lives in a Public Housing Authority Unit. In situations where non-public assistance recipients are living in the same household unit with public assistance recipients, the per capita shelter allowance for the public assistance recipients shall not be greater than if the public

3.1-a.--(3) (Continued)

assistance recipients were the only occupants of the unit.

b. Owner is a Legally Responsible Relative

- (1) When the client and owner are members of the same "shelter unit", any alleged obligation of the client to pay rent will not be recognized as warranting an assistance allowance for rent as such, in view of the legal obligation of the legally responsible relative to provide for the support of the client, but proper allowances for shelter cost may be made in accordance with shelter Section 3.4.
- (2) When the client and owner are not members of the same "shelter unit", an obligation of the client to pay rent may be recognized to the extent that the amount of such rent together with other income available to such relative does not exceed his exemption allowance. *Relative*

3.2 Premises Owned, In Whole Or In Part, and Occupied By Client

a. Method of determining shelter cost. Where premises are owned, shelter cost is recognized as including and limited to the following elements:

- (1) Taxes and assessments. Current Taxes and Assessments. (Back taxes and assessments shall be considered as "indebtedness". See Section 308 of Manual.)
- (2) Insurance. Current cost of fire insurance only. "Fire Insurance" is interpreted to include also tornado, flood, etc.
- (3) Interest. Current interest on mortgages. (Back interest shall be considered as "indebtedness". See Section 308 of Manual.)
- (4) Amortization. Monthly payments on mortgage principal, only where such payments are required by the terms of the mortgage contract or are otherwise required to avert foreclosure.

b. Method of determining shelter allowance. The shelter allowance is based on actual shelter cost, as defined above, as verified, subject to the following limitations:

- (1) Where client is sole occupant, even though ownership is shared jointly with others, allow full shelter cost.
- (2) Where the client shares occupancy with others, allow the client his per capita share of the full shelter cost (as verified).

3.2 (Continued)

c. Method of Payment of Shelter Cost

The allowance for shelter costs, when the premises are owned, in whole or in part and occupied by the client, are normally made on a monthly recurring basis. However, when a certain recognized item of shelter cost is payable periodically at greater intervals than a month, then upon the client's request, an allowance may be made on a non-recurring basis. Budgeting such shelter costs on a non-recurring basis shall be limited to situations of special cause where the client himself has requested this arrangement and where this arrangement is essential in the judgment of the agency. Whenever such shelter costs are budgeted on a non-recurring basis, the special cause shall be substantiated in the case record and shall also be recorded on the budget form (PA-3A).

3.3 Shelter Available to Client as a Boarder or Patient

- a. Where the client has shelter available as an incident of room and board purchased under authorized circumstances or as an incident of an allowance for nursing home care, shelter will be recognized as included in the board or nursing home allowance and no separate allowance shall be made.

3.4 Shelter Available to Client as Member of Household Where the Head of the Household is a Legally Responsible Relative

- a. Where the client is a member of a household the head of which is a person (other than a spouse) who is a legally responsible relative of the client, the determination of authorized shelter allowance is governed by whether such household is "self-supporting" or "marginal".
- b. A "self-supporting" household, for purposes of this determination is one in which the income equals or exceeds the amount for the appropriate family unit in the Schedule of Exemptions (see Chapter 600, et. seq.). A "marginal" household is one in which the income is less than the amount for the appropriate family in the Schedule of Exemptions. *Plus
the
upprop*
- c. Where the client is a member of a "self-supporting" household, the head of which is a relative legally responsible for the support of the client, shelter and household needs shall be recognized as available to the client without separate cost.
- d. Where the client is a member of a "marginal" household, the head of which is a legally responsible relative of the client, the appropriate authorized allowances for shelter and household needs shall be included in the client's budget to the extent that the amount of such costs together with other income available to such relative does not exceed his exemption allowance. However, when the head of the household has agreed to provide all or part of these items (shelter and household needs) without cost to the client or at a lesser cost than the appropriate monthly monetary allowances, the difference shall be recognized as income in kind in the client's budget. *Special*

3.5 Shelter Available to Client as a Member of Household of Persons Where the Head of the Household is Not a Legally Responsible Relative

- a. In OAA, AB and DA, where the client is a member of a household, the head of which is not legally responsible for the support of the client, the appropriate authorized allowances for shelter and household needs shall be included in the client's budget. However, when the head of the household has agreed to provide all or part of these items (shelter and household needs) without cost to the client or at a lesser cost than the appropriate monthly monetary allowances, the difference shall be recognized as income in kind in the client's budget.
- b. In ADC, where the client lives in a household, the head of which is the "parent" (or spouse of the "parent") but is not a legally responsible relative of the children, the determination of whether to include shelter and household needs is governed by whether such household is "self-supporting" or "marginal," and above Sections 3.4-b, -c, and -d shall apply.

3.6 Shelter Available to Client Under Special Circumstances

In a few cases, shelter will be found to be available to the client under special circumstances which do not fall within any of the previously described classifications. For example, full shelter including heat and utilities, or shelter except for heat and utilities, or some other combination of these elements, may be available to the client as compensation or partial compensation for services rendered by the client in the capacity of housekeeper, companion, domestic servant, caretaker, janitor, tenant, farmer, etc. In all such situations the shelter allowance, if any, to be included in the client's budget, shall be limited to the cash expenditure for shelter and related household facilities which the client must actually assume under a fair and reasonable interpretation of the employment arrangement.

In the Aid to the Blind program, the first \$50 of earned income is exempt.* In such situations, determine the cash value of the shelter cost items (shelter, fuel and utilities) which are being provided as compensation. If the sum of the cash value of these items and all other earned income of the client is \$50 or less per month, enter the cash value of the shelter items being provided as compensation, as exempt earned income and include the appropriate authorized monetary allowances for shelter cost items in the client's budget. If the sum of the cash value of the shelter is more than \$50 per month, the amount over \$50 shall be considered as income to the client and the client shall be budgeted accordingly.

3.7 Shelter Available to Client During Temporary Absence

Where client is temporarily absent from his customary place of living (for reasons of hospitalization, visits, etc.) shelter will be recognized as supplied unless, in order to maintain continuity and availability of shelter upon return, it is necessary for the client to continue to pay rent as a bona fide tenant or to pay property charges as the owner of premises. In all such events, the appropriate shelter allowance may be continued for not more than 3 months.

*See A.B. Director's Letter #18.

4. POLICY AND SCHEDULE OF MONTHLY ALLOWANCES FOR ROOM AND BOARD FOR ADULTS
- 4.1 The allowance for room and board with or without personal services shall be understood to be a flat rate to include food, shelter, fuel, utilities, bed and bathroom linens and the incidental services that are necessary for providing these items.
- 4.2 An allowance for room and board (as defined in Paragraph 4.4 of this Section) or for room and board with personal services (as defined in Paragraph 4.5 of this Section) may be included in the client's budget only when the client lives in a home where neither the head of the household nor the spouse of the head of the household is the spouse of the client nor a legally responsible relative of the client or his spouse and acceptance and presence there is based upon an agreement to pay a flat rate for room and board.
- 4.3 When a client is living in an arrangement in which he is paying his pro-rata share of the expenses of the household and may or may not be doing part of the work as a normal member of the family group or when the client is living in the home of a parent, spouse or child he does not have a room and board arrangement. In all such situations, the client's budget shall be itemized in accordance with the standard authorized allowances.
- 4.4 When a client is paying or arranging to pay a flat rate for room and board without additional personal service, the monthly allowance shall be the contract amount agreed upon between the client and the proprietor but shall not exceed \$70 per month.
- 4.5 When it is necessary for a client who has a handicap or major infirmity (for example, certain blind persons, certain persons discharged from mental institutions, and other handicapped persons who require careful understanding, supervision and attention) to purchase, in addition to room and board, extensive personal services on a regular and continuous basis, the monthly allowance for room and board plus such personal services as verified shall not exceed \$85.
- 4.6 Whenever a client is purchasing a room and board living arrangement, with or without personal services, the budgetary allowances for clothing, personal incidentals, household supplies and the necessary special circumstance items shall be recognized in the client's budget. Under such arrangements, the allowable added cost, if any, of a prescribed therapeutic diet is recognizable as a special circumstance item.

