

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 except in the Aid to the Blind program, in which case the first \$50 earned income shall be disregarded.
- 702. Budgetary Statement Form PA-3A shall be used to record the budget of the client.
- 703. All information supporting the data in the Budgetary Statement must be included in the agency's case record.
- 703.1 A brief statement describing the client's living arrangement upon which the budget was based shall be included on each Budgetary Statement form.
- 703.2 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; 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:

Is this a licensed boarding home or is the client living on a boarding basis in a family home.

- 704. The Client's Budget
- 704.1 The client's budget is the final statement of the client's total monthly allowances and total monthly income.
- 704.2 The difference between total monthly budgetary needs and the monthly net income is the budgetary deficit.
- 704.3 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).

705. Method of Budgeting

705.1 The living arrangement of the client determines the method to be used for budgeting a client. Budgeting methods for 8 different living arrangements are described in Sections 705.1 A-B-C-D-E-F-G and H.

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Method A.

The client lives either alone in a household or housekeeping arrangement or the client lives as a member of a household in which all members are sharing equally in the food and household needs and the living arrangement is one of the following:

the head of the household is not a legally responsible relative;
or the head of the household is a legally responsible relative but is a recipient of public assistance;
or the client lives with his spouse.

1. Enter on the requirement side of the client's budget:
 - (a) the appropriate total allowance for personal and household needs based on family size, activity of adult and sex and age of child (see Schedule XI);

if client is a blind adult select the appropriate total allowance from the schedule for blind adults for personal and household needs;
 - (b) the allowance for the client's shelter cost (see Appendix Pages 10-13); if shelter is supplied without cost to the client, enter the letter "S" in the appropriate column;
 - (c) the allowance(s) for the essential special circumstance items;
 - (d) the sum of (a), (b), (c) above is the client's total needs.
2. Enter and identify on the income side of the client's budget:
 - (a) all income available to client;
 - (b) when any element included within the preadded 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 income in kind and its appropriate monetary allowance shall be entered as income to the client.

Method B.

The client is a member of a household, the head of which is not a legally responsible relative, but all members are not sharing equally in food and household needs.

1. Enter on the requirement side:
 - (a) the appropriate total allowance for personal needs (food, clothing, personal incidentals and household supplies - see Schedule VII) based on family size (see definition on Appendix Page 6) activity of client and sex and age of child;

- (b) the appropriate total allowance for household needs (see Schedule VIII) items based on number of persons actually using the items;
 - (c) the allowance for 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;
 - (d) the allowance(s) for the essential special circumstance items;
 - (e) the sum of (a), (b), (c) and (d) above is the client's total needs.
2. Enter and identify on the income side of the client's budget, as per instructions explained in Section 705.1 Method A-2.

Method C.

Client lives as a member of a "self-supporting" household, the head of which is a legally responsible relative (other than spouse).

- 1. Enter on the requirement side:
 - (a) the appropriate per capita allowance for personal needs (see Schedule VII);
 - (b) the letter "S" in the appropriate column for household needs and shelter. (In accordance with Shelter Section 3.4c, the household needs and shelter shall be recognized as available to the client without separate cost.)
 - (c) the allowance(s) for the special circumstance items;
 - (d) the sum of (a) and (c) above is the client's total needs.
- 2. Enter and identify on the income side of the client's budget all income available to the client.

Method D.

Client lives as a member of a "marginal household", the head of which is a legally responsible relative (other than spouse).

- 1. Enter on the requirement side:
 - (a) the appropriate per capita allowance for personal needs (see Schedule VII);
 - (b) the appropriate per capita allowance for household needs and shelter. If shelter is supplied without cost, enter the letter "S" in the appropriate column. (In accordance with Shelter Section 3.4d, 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, does not exceed his exemption allowance).

- (c) the allowance(s) for the essential special circumstance items;
 - (d) the sum of (a), (b) and (c) is the client's total needs.
2. Enter and identify on the income side of the client's budget 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.

Method E.

Client lives in a room and board arrangement.

1. Enter on the requirement side of the client's budget:
 - (a) the rate for room and board (see Appendix Pages 13-14);
 - (b) the total allowance for clothing, personal incidentals and household supplies (the personal laundry item) (see Schedule X);
 - (c) the allowance(s) for the essential special circumstance items;
 - (d) the sum of (a), (b) and (c) above, is the client's total needs.
2. Enter and identify on the income side of the client's budget 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 income in kind).

Method F.

Client eats one or more meals in a restaurant.

1. Enter on the requirement side of the client's budget:
 - (a) the sum of the appropriate allowance for 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);

- (b) the allowance for the client's shelter cost; or if shelter is supplied without cost to the client enter the letter "S" in the appropriate column;
 - (c) the allowance(s) for the essential special circumstance items;
 - (d) the total of (a), (b) and (c) above, is the client's total needs.
2. Enter and identify on the income side of the client's budget all income available to the client.

Method G.

Client has Roomer(s), Table-Boarder(s) and/or Roomer-Boarder(s) living in the home with him.

1. When only roomer-boarder(s) are living in the home with client, enter on the requirement side of the client's budget:
 - (a) the appropriate allowance for the personal and household needs requirement (see Schedule XI) based on the number of persons in the home including the client;
 - (b) the client's pro-rata share of the shelter cost;
 - (c) the allowance(s) for the essential special circumstance items;
 - (d) the total of (a), (b) and (c) above, is the client's total needs.
2. When roomer(s) or table-boarder(s) or any combination of roomer(s), and table-boarder(s) and/or roomer-boarder(s) are living in the home with the client, enter on the requirement side of the client's budget:
 - (a) the appropriate per capita personal needs allowance (see Schedule VII) based on the total number of persons (including the client) eating in the home;
 - (b) the appropriate per capita household needs cost based on the total number of persons (including the client) sharing in each of the household needs items (see Schedule VIII);
 - (c) the client's pro-rata share of the shelter cost;
 - (d) the client's essential special circumstance requirements;
 - (e) the total of (a), (b), (c) and (d) is the client's needs.
3. Enter and identify any income on the income side of the client's budget, as per instructions explained in Section 705.1 Method A-2.

Method H.

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

1. Client is purchasing patient care in a boarding home, enter on the requirement side of the client's budget:
 - (a) the rate which shall include room and board, laundry of personal clothes and care;
 - (b) the sum of the allowances for clothing and personal incidentals appropriate for clients living in boarding homes;
 - (c) the allowance(s) for the special circumstance items;
 - (d) the sum of (a), (b), and (c) is the client's total needs.
2. Client is purchasing patient care in a family home where neither the head of the household nor the spouse of the head of the household is a legally responsible relative. (If head of household or spouse of the head of the household is a legally responsible relative, see Section 310.44).
 - (a) Follow Method A and include the allowance(s) for care as a special circumstance item.

705.2 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 allowances for:
 - (a) shelter owing for the current month;

(b) non-recurring special circumstance items.

This total represents the client'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 during the period covered by the initial grant;
 - (c) the monetary value of all income in kind (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.

706. Budgetary Statement Section - Recommendation and Decision
- 706.1 Recommendation: Enter the recommendation of the agency with signature of the supervisor.
 - 706.2 Decision: This space is to be filled in by the Director of Welfare.
 - 706.3 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.
 - 706.4 Ratification by Welfare Board refers to the date on which the Welfare Board approves the administrative action of the Welfare Board Director.
 - 706.5 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.
707. Budgetary Statement Section - Determination of Monthly Shelter Cost
- 707.1 This section is to be used to determine client's per capita share of monthly shelter cost.
 - 707.2 Enter the monthly cost of shelter. This will be the actual amount of rent per month or the monthly cost of home ownership.

- 707.3 Enter the number of persons in the shelter unit.
- 707.4 Divide the cost by the number in shelter unit to obtain the client's monthly per capita cost.
708. Budgetary Statement Section - Monthly Budget for Spouse
- 708.1 This is for the purpose of showing the monthly requirements and the monthly income of the spouse when living with the client in OAA, DA and AB and in HLA the husband of the recipient or the children's natural or adoptive parent whether living in the same household with the client or elsewhere. If the income of this person exceeds the requirements, the monthly amount of such excess shall be entered as income in the client's budget.
- 708.2 This budget is to be prepared in the same way as the client's budget, using the schedules of monthly allowances authorized in this Manual. Whenever in OAA, DA or AB, the spouse has any dependents living in the same home or in HLA whenever the husband of the recipient or the children's natural or adoptive parent has dependents (as defined in Section 604.1), their requirements shall also be computed according to budgetary allowances (Sections 604. and 604.1).
709. Budgetary Statement Section - Determination of Income from Roomer(s), Table-Boarder(s) or Roomer-Boarder(s)
- 709.1 The net monthly income from roomer(s), table-boarder(s) or roomer-boarder(s), shall be determined according to Section 503.4.
- 709.2 Any income derived from this source shall be entered on the income side of the client's budget.
710. Budgetary Statement Section - Detail Requirements for Individuals in Family Group
- 710.1 The number of persons in the family group shall be entered in space "Family Group". 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 are scheduled and totaled.
711. Form For Evaluation of Capacity of Legally Responsible Relatives to Support
- 711.1 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.