NEW YORK STATE
George E. Pataki   **OFFICE OF TEMPORARY AND DISABILITY ASSISTANCE**   **Robert Doar**
Governor   40 NORTH PEARL STREET   *Commissioner*
ALBANY, NY 12243-0001

Informational Letter

Section 1

Transmittal:	04-INF-17
To:	Local District Commissioners
Issuing Division/Office:	Division of Temporary Assistance
Date:	July 19, 2004
Subject:	Temporary Assistance (TA) Budgeting: Lump Sum Set-Aside Work Sheet
Suggested Distribution:	Temporary Assistance Directors Food Stamp Directors Staff Development Coordinators
Contact Person(s):	TA Policy - Greg Nolan - Central Region Team at (518) 474-9101
Attachments:	Lump Sum Worksheet
Attachment Available On – Line:	☒

Filing References

Previous ADMs/INFs	Releases Cancelled	Dept. Regs.	Soc. Serv. Law & Other Legal Ref.	Manual Ref.	Misc. Ref.
03 ADM-10; 04 INF-12		352.29(h)			

Section 2

I.   Purpose

The purpose of this informational letter is to advise local districts of the development of a worksheet designed to assist local district staff in implementing the lump sum set-aside policy introduced in 03 ADM-10.

II.   Background

Recent changes to lump sum policy introduced in 03 ADM-10 require that local districts allow a resource set-aside and additional "big-ticket" set-asides from a lump sum received by a TA recipient. In order to properly apply the new policy, it is important to administratively process TA cases that receive a lump sum in a methodical, step-by-step fashion.

This office has developed an optional lump sum set-aside worksheet, to assist districts in implementing the new policy. We based it on feedback from districts, both through the recent TA regional meetings and from reviews of local district procedures. This form is similar to one that has been developed and used in some local districts. We are transmitting it to all districts as a "best practice."

III. Program Implications

Use of the lump sum worksheet attached to this informational letter is not mandated. Districts may find it a useful tool, however, in applying TA lump sum policy.

For a review of the policy associated with the use of this form (including assigning lump sums to the district), see 03 ADM-10.

Issued By: _____

Name:	**Richard McElroy**
Title:	**Acting Deputy Commissioner**
Division/Office:	**Division of Temporary Assistance**

LUMP SUM WORKSHEET

Case Name:_____**Case Number:**_____
Person Receiving Lump Sum:_____**Date Received:**_____

STEP I. DETERMINING IF THE NON RECURRING INCOME IS A LUMP SUM
Amount of nonrecurring income $_____
Plus other **actual** monthly income $_____
Total Income $_____

Compare total income to the Case (filing unit) Standard of Need. Total Income =_____
                                                            Standard of Need =_____

If total income is equal to or more than the Standard of Need, then the non-recurring income is a lump sum. ☐ Continue with Step #2 and **Make Sure "LUMP SUM NOTICE – ATTACHMENT A to 03 ADM-10 HAS BEEN PROVIDED.**

If total income is less than the Standard of Need, then the non-recurring income is not a lump sum and must be budgeted as appropriate. ☐ STOP

STEP II. DETERMINING RESOURCE "SET-ASIDE"

Resource Limit for the household: $2,000 (or $3,000 for member age 60 or over) $_____
                                      - Amount of existing non exempt resources:$_____
                                      Equals the "Resource Set-Aside" amount $_____

If the lump sum is equal to or less than the resource set-aside amount Stop☐
The lump sum is a "set -aside" equal to the resource limit then and there is no impact on eligibility.

If the lump sum exceeds the resource set-aside amount, continue to proceed with Step III. The lump sum amount to enter into ABEL is the excess amount or: Amount of Lump Sum: $_____ – Resource set-aside: $_____ = Net Lump Sum: $_____

STEP III. DETERMINING THE PERIOD OF INELIGIBILITY
Enter the Net lump sum amount from Step II into ABEL using code 26 (unearned) or code 12 (earned) or 13 (earned –received by current wage earner). Make sure to use the "to" and "from" date for the month of lump sum receipt and any other actual income. The transmitted budget will indicate the dates of ineligibility. Initiate action to close the case and generate the appropriate CNS notices (E38 - Excess Income - Lump Sum or F38 - Excess Income - Lump Sum (No MA Extension)).

STEP IV. Big Ticket Set- Asides and DEFRA Shortening

If the recipient reapplies and verifies that they have used any of the lump sum for any of the following big-ticket purchases **within 90 days of lump sum receipt,** the period of ineligibility must be shortened (if necessary retroactive to case closing).

Has the recipient chosen to use all or part of the net lump sum to save for an exempt bank account (2-year college tuition, car purchase/ savings)? ☐Yes - Verify and reduce the lump sum by the amount used up to the following acceptable allowances:
• 2-YEAR COLLEGE TUITION ($1,400 per person Maximum)
• CAR PURCHASE ACCOUNT ($4,650 Maximum)
Has the recipient chosen to use all or part of the net lump sum to purchase an automobile exempt from the resource limit because it is needed to seek or retain employment or for travel to and from work activities (maximum amount $9,300 or higher if set by district)? ☐Yes - Verify and reduce the lump sum by car purchase amount.

Has the recipient chosen to use all or part of the net lump sum to purchase a resource exempt burial plot? ☐Yes - Verify and reduce the lump sum by amount.

Has the recipient chosen to use all or part of the net lump sum to purchase a resource exempt bona-fide funeral agreement (maximum amount $1,500)?
☐Yes - Verify and reduce the lump sum by amount.

Do any of the following additional shortening provisions apply?
• ☐ Yes ☐ No - An increase in the family's Standard of Need .
• ☐ Yes ☐ No - All or a portion of the lump sum becomes unavailable for a reason that was beyond the recipient's control.
• ☐ Yes ☐ No - A family member gets and pays for medical care that would normally be covered under Medicaid.
If yes to any of the additional shortening provisions, consider whether additional shortening of the period of ineligibility is appropriate.