

**DATE:** February 16, 2016

**TO:** Subscribers

**SUGGESTED DISTRIBUTION:** Commissioners, TA Directors, SNAP Directors, Staff Development Coordinators

**FROM:** Phyllis D. Morris, Deputy Commissioner  
Center for Employment and Economic Supports

**SUBJECT:** REVISED: SNAP Treatment of Funds in On-Line "Crowdfunding" Accounts

**EFFECTIVE DATE:** Immediately

**CONTACT PERSON:** Supplemental Nutrition Assistance Program Bureau (518) 473-1469

### **Background**

With the popularity of on-line platforms that allow individual donors to fund specific campaigns for charity, individuals in need, projects, business ventures and other causes (e.g. GoFundMe, Kickstarter, Indiegogo), United States Department of Agriculture (USDA), Food and Nutrition Service (FNS), has issued guidance (see the attachment) to states on how to treat on-line "crowdfunding" accounts held in the name of SNAP applicants/recipients (A/R), for the purpose of determining SNAP eligibility.

### **Program Implications**

Crowdfunding accounts are **NOT** considered income.

The determination for how crowdfunding accounts should be factored into SNAP eligibility decisions as a resource depends on when the account holder can access the funds. Each crowdfunding website operates differently, but most websites require that campaigns have specific funding goals. Funds may be available throughout the on-line campaign or, only after the specific campaign goal is met.

Once funds in an on-line crowdfunding account are accessible to the SNAP household, these accounts meet the definition of a liquid resource as specified in federal regulation at 7 CFR 273.8 (c) (1). Social Service Districts (SSDs) must determine what funds are accessible to the SNAP A/R at the time of the interview, noting that these accounts vary in how the funds become available. The availability of funds should be determined on a case-by-case basis. In New York State, due to broad-based categorical eligibility (BBCCE) few SNAP applicants and recipients are subject to a resource test as a condition of eligibility for SNAP. However, the availability of liquid resources greater than \$100 to a SNAP applicant household can affect the applicant household's eligibility for expedited processing.



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When funds from an on-line crowdfunding account are used to pay for an expense that qualifies as an allowable budgetary deduction (e.g. out of pocket unreimbursed medical expenses for aged or disabled individuals over \$35 per month, or shelter expenses), the SSD must apply that deduction in the SNAP budget. There is no legal basis to exclude funds in crowdfunding accounts as a liquid resource, even when they are used solely to pay deductible expenses.



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JAN 11 2016

SUBJECT: Treatment of Funds in Crowdfunding Accounts in Determining SNAP Eligibility

TO: All Regional Directors  
Supplemental Nutrition Assistance Program (SNAP)

This memorandum offers guidance for how State agencies should treat funds in crowdfunding accounts for the purposes of determining eligibility. Crowdfunding websites such as GoFundMe, Kickstarter, and Indiegogo are online platforms that allow individual donors to fund specific campaigns for charity, individuals in need, projects, and business ventures. Some State agencies have inquired as to how to treat funds contributed to crowdfunding accounts held in a client's name when making Supplemental Nutrition Assistance Program (SNAP) eligibility determinations.

The determination for how crowdfunding accounts should be factored into SNAP eligibility decisions depends on when the accountholder can access the funds. Each crowdfunding website operates differently, but most websites require that campaigns have specific funding goals. Many of these websites, including GoFundMe, allow account holders to access the funds in one of two ways – either at any point throughout the campaign or only after the funding goal is met.

Food and Nutrition Service has determined that funds in these accounts meet the definition of a liquid resource as specified in §273.8(c)(1) once the funds are accessible to the household. Crowdfunding websites typically indicate the funding goal and level of campaign contributions; however, the funds accessible to the accountholder may differ from those amounts. State agencies should count the actual value of funds accessible to the household at the time of their interview, per regulations at §273.10(b).

Additionally, States inquired about whether the account's value could be excluded if it were used solely for deductible expenses such as medical or shelter costs. The Food and Nutrition Act of 2008, as amended, only provides for certain resource exclusions, and these types of accounts are not addressed. As there is no legal basis for excluding funds in crowdfunding accounts, these accounts must be included in eligibility determinations, even if the funds are used for specific deductible expenses.

However, the crowdfunding account's treatment as a resource has no effect on whether a client receives an allowable deduction. Once the funds from the account, or any other funds available to the household, are used to pay for an expense that qualifies as an allowable deduction, the eligibility worker should properly apply the deduction. If the client has access to the funds from the crowdfunding account and has not used these funds for a qualified expense then those funds should be counted as a liquid resource.

All Regional Directors  
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If you have any questions, please contact Sarah Goldberg via email at  
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Sincerely,



Lizbeth Silbermann  
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Supplemental Nutrition Assistance Program