Utility deductions discussed here are specific to SNAP. This PowerPoint was developed based on requests from agencies for refresher trainings and our need to reduce error rates statewide.

This PowerPoint was shared at the April MAFAS and Mentor meetings. It will be available on the SNAP Resource page, along with the Mentor Meeting handouts area on SIR. The SNAP-ME team will also be doing a repeat presentation later in the year.

Utility deduction errors found range from lack of documentation to policy misunderstanding. Utility errors are in the top 5 Quality Control errors cited.

Next, we'll quickly go over basic information, then cover various situations that arise.
Some basics: You can PF1 for Help in any field on the STAT/HEST screen.

Allow the full standard utility allowance for units that incur heating and/or cooling costs.

Allow electric and/or phone standards if the unit incurs those expenses, but not heating or cooling. Units can use either or both of the electric and phone standards if incurred.

In the “FS Choice Date” field, enter the date of application or the effective date of a change in utility allowances.

It is no longer necessary to complete the “Actual Expense in Initial Month” field.

Keep in mind that utility expenses do NOT have to be verified for SNAP, unless there is inconsistent information, and should never be prorated. CM 0010.18.02 and 0010.15

When you have more than one SNAP unit in a household, enter a HEST panel
in each unit’s case and allow the full applicable utility standard for each.

Example: A woman and her children move into a friend’s home, but don’t purchase and prepare together. Both receive SNAP. The friend has the utility bills in their name, but also charges the woman $75 a month for utilities including heat. You would enter a HEST panel for both cases and allow the full Heat/Air utility standard on each case.

When you have multiple members in the same SNAP unit sharing utility costs, you'll enter one HEST panel, add all members who pay toward the utilities, and allow the applicable utility standard for the unit as a whole.

Example: Three adult siblings live together and purchase and prepare food together. Each pays a third of the utility costs. Enter one HEST panel and each of the member numbers in the “Persons Paying” field.
Documentation consists of the application or paperwork received, the STAT/HEST panel, and case notes.

The CAF asks about utilities in two sections: the expedited screening section and the utility expense question.

MAXIS should reflect what was confirmed during the interview. Remember that utilities are self-declared, so we don’t need to verify unless there is questionable information.

Using the case shown as an example: The expedited section shows that the applicant pays only phone. The utility expense question shows Heat & A/C, electric, and phone. There aren’t notes on the CAF, but it appears the worker confirmed the answers by circling them, and also checked the “Confirmed response” box.

For this example, the case note should document the difference between what’s on the CAF and in MAXIS. Without a clarification in case notes, it would be an error.
Remember that scripts are only an outline that pull what’s in MAXIS to the case note. Workers needs to ensure that an explanation can be found for inconsistencies.
One of the three expedited service criteria involves utilities.

Make sure you're allowing the applicable standard utility deduction, not actual expenses or a pro-rated amount, when screening for expedited.

You can use the DHS-4834 as a screening tool, which is located in eDocs, or you can use the expedited screening script in MAXIS.

Resource: CM 0004.04 – Emergency Aid Eligibility – SNAP/Expedited Food
David Bowie – theme song! 😊

If the unit reports a change, or the agency is made aware of a change, the agency must take action on the change within 10 days from the date the change was reported. Resources: CM 0008.06.01 and PQ 15901

If possible, verify the new address and/or utility change through verbal communication and update MAXIS for the next available month, allowing proper notice. This is specific to utilities - refer to the Combined Manual for information on shelter changes.

If the agency is unable to confirm verbally, send a DHS-2919A to request verification of the change, and allow the unit 10 days to respond.

If the change is confirmed, either verbally or with documentation, update to the applicable utility standard for the next available month, allowing for proper notice.

If the change is unconfirmed or unknown, remove the utility standard for the next
available month, allowing for proper notice. Resources: PQ 15901, SIR/TrainLink/Training Toolkit/SNAP Refresher – Processing Changes Q&A

Occasionally the possibility of an overpayment may exist. If that arises, the agency needs to look at reporting requirements prior to determining overpayments.

Six-month reporters DON’T have to report a change in residence or utilities during the certification period. While change reporters ARE required to report a change in residency, they are not required to report a change in utilities unless it’s due to a residency change. Resources: CM 0007.15.03 and PQ 17137
Allow the full standard deduction for units that receive Low Income Home Energy Assistance Program (LIHEAP) of more than $20, at any time, in the past 12 months, while living anywhere in the United States, regardless of whether they currently incur expenses for heating and/or cooling. The full deduction is allowed, without requiring verification (unless questionable), until the next recertification. Resource: PQ 16529

The CAF asks about this in the utility expense question.

Some low income families receive assistance from either Housing and Urban Development (HUD) or Farmers Home Administration Rental Assistance Program (FMHA).

Units that receive a utility allowance are allowed a standard utility deduction. An example would be when you’re looking at HUD shelter cost paperwork and see a reduction in the amount of rent the household is responsible for due to a utility allowance.

Definitions: A utility allowance is determined for tenants where utilities are not
included in the rent. The subsidizing agency does a calculation to determine the maximum amount per month that can be charged for rent, then subtracts the utility allowance to determine resident’s rent. If the utility allowance is greater than the maximum amount of the resident’s portion of rent, a utility reimbursement is paid to the resident.

Units that receive a utility reimbursement, other than LIHEAP, may not claim the standard utility deduction unless they incur, or are expected to incur, heating or cooling costs exceeding the amount of the utility reimbursement paid to them in any month of the certification period. Reimbursements are generally in the form of a check sent to the household.

• Per policy team 4/28/17: Agency does not need proof that utilities will exceed the reimbursement during the certification period unless there is inconsistent information. Client can self-attest. Case note!

Utility reimbursements are excluded from income. Resource: CM 0017.15.81 – Utility Payments

Additional Resources: CM 0018.15.09, PQ 15623 & 17664
When questioning who pays the utilities:

Allow a standard utility allowance deduction when the bill is in the unit's name, even if a third party pays it for them. Examples include when a unit's parent pays the bill directly to the utility company but doesn't live with them, or another household member, who is not required to be in the SNAP unit, pays the bill. Resources: PQ 17338, 17183

Allow a deduction even when the unit is responsible but not paying. Resource: PQ 17399

Allow a deduction when the bill is not in the client's name, but the unit provides proof of paying. Ex. Unit consisting of a non-married couple w/ mutual children. Parent A (who has the bill in their name) is sent to prison. Parent B and children remain living in the home and paying the bills. If the unit provides proof of paying, you can allow a deduction. Resource: PQ 16768

Another example to allow the deduction could exist when the bills are in a landlord's name, but the renter is expected to pay utility costs incurred each...
month – whether the renter pays the landlord or utility company. Resource: PQ 16408.

Also allow a deduction when rent includes a specific amount for utilities. Resource: PQ 17087

Do not allow a utility deduction when:

- The utility bill is in unit’s name, but the person responsible AND paying is an ineligible student. Resource: CM 0018.15.09
  
  Per DHS MAXIS Business Analyst 4/28/17: MAXIS does not currently process these situations correctly. A fix has been requested. Unknown completion date.

- When the rent includes utilities. Resource: PQ 17074

- And again, when the unit receives a HUD/FMHA reimbursement, but the utility costs do not exceed the reimbursement amount in any month in the certification period.
These situations might not occur in your agency frequently, but they do come up throughout the state.

Allow the full deduction for people living in their cars and claiming gas as an expense to stay warm. Resources: PQ 17654, PQ 17263

Also allow the deduction for people living in campers using fuel for heat. Resource: PQ 15856

Units that incur a cooling expense at any time during the year are allowed the full deduction the entire time. Example: when people pay an extra rent amount for electric during summer months only. Resource: PQ 14679

Units that don’t have a traditional phone, but pay for Wi-Fi and use internet calling, are allowed the phone deduction. Resource: PQ 16726
We won’t be discussing rental income, but whether you’re dealing with a Room and Board situation or a rental property, the full applicable SUA is allowable and never prorated.

If a client receives payments for lodging, meals, or related services from people living in the client's home, the income is roomer/boarder income.

Room and Board income is considered earned self-employment income and uses the 2015 and forward self-employment provisions, which means you won’t have to consider expenses such as utilities when calculating income. This income is entered on the RBIC panel.

Clients that receive room/board income are eligible to use an applicable SUA deduction.

Rental property is property the client owns and rents to others, which may include separate living quarters in the same building, such as a duplex.

You’ll need to determine if the rental income is earned or unearned, then deduct...
allowable expenses, such as utilities. You’ll also need to apply a property ratio expense calculation if the client lives on the property.

The client is allowed to use an applicable utility deduction even if they live on the property. Remember to never prorate a utility deduction.

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Definitions: Roomer lives with the unit and pays for lodging only. Boarder eats with the unit and pays for meals only. Roomer/Boarder lives AND eats with the unit and pays for lodging and meals.

Count income from rental property as earned income when the unit spends an average of 20 hours or more per week maintaining or managing the property, which allows the earned income disregard. Otherwise count it as unearned income.

When the client lives on the rental property, determine the rental property ratio. Divide the number of rooms or square footage that the client rents out by the total number of rooms or square footage in the building. To determine the portion of an expense that is an allowable deduction, multiply the expense by the ratio.

Room/Board: PQ 16518, Rental Income: PQ 17431, RBIC – POLI/TEMP TE02.10.49
CM’s 0017.15.33.27, 0014.03.06, 0017.06, 0017.15.33.30, 0017.15.33.03
Please submit any policy related questions through PolicyQuest.

Thank you!