

## .44 Lump Sum Payments



This section has information about lump sum payments.

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### Policy

[Lump sum\(g\)](#) payments are not countable as unearned or earned income. FAA treats lump sum payments as a resource.

Lump sum payments include back payments for initial months or restored benefits. Lump sum payments are paid by, and are not limited to, **any** of the following:

- Assistance Payments
- Child Support
- Social Security Administration
- Veterans Administration (VA) benefits
- Unemployment Insurance (UI) benefits
- Railroad Retirement (RR) benefits
- Indian Gaming Industry Per Capita Disbursements
- Profit Sharing Dividends

Countable income is used to determine an income budget. (See [Income Budgeting](#) to see how FAA determines the income budget.) FAA needs to know about income that is both countable and not countable to determine whether a budgetary unit's income is exceeding their expenses. (See [Income Eligibility](#) for more information about how FAA uses countable and not countable income.)

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### Procedures

When a payment is received that combines a lump sum payment with the regular ongoing unearned income, complete **all** of the following:

- Determine the amount for the payment of ongoing unearned income.
- Determine whether the going income is countable or not countable as unearned income. See [Income Types](#) for income type information.
- Treat the lump sum payment as a resource. See [Example 1](#).

When the participant is present, have them sign the Authority to Release (FAA-1765A) form to contact any companies or businesses involved. The FAA-1765A can be faxed or emailed to the participant's employer when it is not possible to use the Application for Benefits (FAA-0001A) or the HEAplus Authority to Release signed statement.

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### Verification

System interface and the [case file\(g\)](#) must be reviewed before verification is requested. No additional verification is needed when AZTECS interface or HEAplus hubs have verified the information.

The participant has the primary responsibility for providing verification. (See [Participant Responsibilities – Providing Verification](#) for additional policy.)

For NA, **all** of the following income is required to be verified before eligibility is determined:

- Reported on a new application, during the interview of a new application, or changes reported before the eligibility determination of a new application.
- Changes after an eligibility determination of a new application (e.g., a renewal application, mid approval contact, etc.) and **any** of the following apply:

The source of the income has changed.

The income is [questionable\(g\)](#) or [unclear\(g\)](#).

The reported income amount has changed by \$51 or more.

The previous verification in the case file is more than 59 calendar days old.

For CA, all income is required to be verified before determining eligibility.

Examples of verification that can be used for lump sum payments include, and are not limited to, **any** of the following:

- Assistance payments records
- AZTECS INTERFACE INQUIRY MENU (ININ) for verification of SSA or SSI income
- Benefit award letters from SSA, Statement of Earnings VA, and other agencies
- Bank records
- Agency or payer providing the income
- Court records or court orders
- DCSS documents or print outs
- Signed statement from the agency or payer providing the income

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### AZTECS Keying Procedures

When a payment combines a lump sum payment with the regular ongoing unearned income payment, complete **all** of the following:

- Key the appropriate income type code on the appropriate screen for the source of unearned income.
- Key the lump sum on LIAS as a liquid asset.

Document the [case file\(g\)](#) thoroughly to support keyed codes, amounts, and frequencies. See the [AZTECS Data Entry Guide](#) for instructions on keying the AZTECS income screens.

NOTE Documentation must support determinations of eligibility and benefit level. Document in sufficient detail to ensure that any reviewer can assess whether the determination is reasonable and accurate. Include specific information regarding the reason the income is determined to be normal. (See [Budgeting Income Documentation Requirements](#) for additional information.)

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### Examples

- 1) Mary applied for NA on 12/03/22. She lives alone. She received approval for her Supplemental Security Income (SSI) benefits on 11/02/22. Mary's SSI benefit is \$600 per month. On 12/01/22, Mary received a payment of \$1500. The payment included the \$600 regular ongoing payment for 12/22. The remainder of the payment is a lump sum back payment for previous months.

The \$600 SSI payment is countable as unearned income and the \$900 is a liquid asset for December.

On UNIN, key SI in the TY field and key 600.00 in the AMOUNT field.

On LIAS, key LS in the TY field and key 900.00 in the VALUE field.

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### Legal Authorities

AAC R6-12-101 (55)

AAC R6-12-505

AAC R6-12-905.

7 CFR 273.9 (c) (8)

### [Prior Policy](#)

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