# Seasonal Sales



This section includes information about income received from seasonal sales.

## Policy

Income received from seasonal sales is considered self-employment(g) income. Seasonal sales income, less allowable self-employment business expenses, is countable.

Sales of seasonal items include, and are not limited to, ***any*** of the following:

- Animals

  Income received from raising and selling animals and their related products is countable and is considered self-employment when it meets the self-employment definition.

- Fishing or Hunting

  Income received from the sales produced from fishing or hunting, is countable and is considered self-employment when it meets the self-employment definition.

- Produce and Wood

  Income received from the sale of cutting wood and growing produce, such as fruits and vegetables is countable and is considered self-employment when it meets the self-employment definition.

Self-employed participants may be eligible for a 40% expense deduction from income. To be eligible for the 40% Self-Employment Expense Deduction, only one allowable expense needs to be verified. When self-employment expenses are not verified using the verification process, eligibility is determined without those expenses.

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 expenses are exceeding their income. (See Income Eligibility for more information about how FAA uses countable and not countable income.)

## Procedures

When the participant meets the definition of self-employment and expenses are incurred, see Allowable Self-Employment Expenses.

When the participant is present, have them sign the Authority to Release Information (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.

When the self-employment definition is not met, consider another type of earned income.

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 reasonably expected to continue. (See Budgeting Income Documentation Requirements for additional information.)

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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.)

When self-employment expenses are not verified, eligibility is determined without the 40% Self-Employment Expense deduction.

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

- When reported on a new application, during the interview of a new application, or changes reported before the eligibility determination of a new application.
- For changes reported 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(g) old.

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

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

- Bookkeeping records
- Business ledgers listing income amounts received and expenses incurred
- Actual receipts

- Contracts for work
- Statements from patrons and companies
- Most recent Internal Revenue Service (IRS) U.S. Individual Income Tax Return (1040) form. Below are common IRS Schedule forms that the participant may provide in addition to the 1040:

  Schedule C, Profit or Loss From Business

  Schedule E, Supplemental Income and Loss

  Schedule F, Profit or Loss from Farming

  Schedules B-1, C, D, K, K-1, K-2, K-3, and M-3 of IRS U.S. Return of Partnership Income (1065) form (See Limited Liability Company (LLC) Definition for more information about LLCs.)

  NOTE Do not use the most recent IRS 1040 and Schedule forms when the participant indicates it does not accurately reflect the participant's current income.

- Rent or mortgage receipt for business property
- Property tax statements for business property
- Utility costs for business property
- Cleaning cost bills for business property
- Business location and equipment maintenance
- Personal records indicating personnel salaries or costs of outside labor, such as canceled checks and payroll checks

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**AZTECS Keying Procedures**

Key SA in the INCOME TYPE field on SEEI.

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.

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**Legal Authorities**

A.R.S 46-292-P01

7 CFR 273.9(b)(1)(ii)

Prior Policy

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