

## 06 ***Budgeting Unearned Income***

**REVISION 48**  
(01/01/20 - 12/31/20)

The source of the unearned income determines whether the income is countable or not countable.

Consider all income available to the [budgetary unit\(g\)](#) when determining eligibility. (See [Unearned Income Overview](#)) and [Earned Income Overview](#).

NOTE Do not consider the income of a [nonparticipant\(g\)](#) available to the budgetary unit.

Special consideration to the income of a [participant\(g\)](#) whose needs are not included in the budgetary unit is outlined as follows and applies to earned and unearned income:

- [CA Special Consideration](#)
- [NA Special Consideration](#)

Verify and document all income in the [case file\(g\)](#). Documentation must explain discrepancies, support the income budgeted, and the eligibility and benefit level. (See [Verification and Cooperation](#))

The following apply to budgeting unearned income:

- Key all unearned income received, even when the unearned income is not countable.
- When the gross income amount includes countable and not countable income, separate and key the income types individually.
- Budget the countable gross income before deductions for the following:

When the participant's income is being reduced for fraud or Intentional Program Violation (IPV)

When checks or cash are lost or stolen

NOTE When the lost or stolen items are replaced, do not count the replacement.

- AZTECS budgets the gross CA benefit for all programs when the CA payment is reduced for any of the following reasons:  
CA sanction for noncompliance  
Withholding TPEP payments  
CA overpayments caused by the participant. This includes changes reported untimely, fraud, and [IPV](#). (See [Recoupment of CA Income](#))

**EXCEPTION**

Budget the net income when the income is reduced to collect an overpayment from the same source.

- When income of one or more participants and a nonparticipant are combined into one payment, identify and budget the participant's share of income.
- When the participant's share of income cannot be identified through the verification process, complete the following:  
Divide the gross income equally between the number of individuals for whom the income is intended.  
Key the resulting amount as the participant's share of income.
- Count income as received at the time it is made available to the participant.

**EXCEPTION**

Count income in the month for which it is intended rather than the month in which it is made available for reasons including, but not limited to, any of the following:

- An extra child, medical, or spousal support check is received due to a change in issue dates.
- Income is paid directly to a financial institution and it is automatically deposited into the participant's account.
- Income is held or delayed at the request of the participant, or the participant fails to obtain the income when it becomes available.
- A change in pay dates or mailing cycles results in monthly or semi-monthly pay being received in another month.

- Key unearned income on UNIC using the unearned income code that applies to the [type of unearned income](#).

For unearned income retained by a participant for a nonparticipant, see [Third Party Beneficiary Payments](#).

See [Changes in Unearned Income](#) for policies and procedures.

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