

10 Expenses Exceed Income (EEI) - Overview

[REVISION 05](#)
(07/01/08 – 09/30/08)

Expenses Exceed Income (EEI) situations exist when a budgetary unit reports expenses that are more than both of the following:

- The budgetary unit's reported gross income.
- The budgetary unit's available resources.

Participants whose living expenses exceed their income must provide proof of how they are meeting their expenses.

Verification of how expenses are being met includes, but is not limited to, any of the following:

- Receipts that show unpaid expenses.
- Additional source of income.
- Bank statements indicating sufficient resources are available and have been used to meet living expenses.

Policy and procedures regarding when EEI must be verified are outlined as follows:

- [EEI at interview](#)
- [EEI during approval period](#)

A Expenses Exceed Income (EEI) – At Interview

[REVISION 45](#)
(01/01/17 – 12/31/17)

When [EEI](#) is discovered at the interview, the participant must provide verification of [how expenses are being met](#).

When receipts for paid expenses are provided, explore with participant how they are managing their finances. This includes, but is not limited to, the following:

- The budgetary unit received income or used resources to meet their expenses.

- The budgetary unit received one or more of the following:

[Loans](#)

[Cash Contributions](#)

[Noncash Contributions](#)

[Vendor Payments](#)

Document how the participant is meeting expenses on the documentation forms.

NOTE When the PI contacts the local office and indicates that they are unable to provide the verification, assist the PI in obtaining acceptable verification.

When otherwise eligible, approve benefits when the budgetary unit provides verification of [how expenses are being met](#).

NOTE The circumstances of the EEI must be resolved at the interview even in cases where the participant has just lost their job. Their statement may be they are not sure how expenses will be made. As long as the statement makes sense and is not questionable, use the CS as verification.

After approval, for programs assigned to [Simplified Reporting](#), verify Expenses Exceed Income (EEI) at the next renewal interview.

After approval, for programs assigned to [Standard Reporting](#), set the EE Pre-defined ACTS Alert when all of the following occur:

- The budgetary unit was determined eligible
- The budgetary unit's expenses exceed their income

When the participant does not provide verification of how expenses are being met, complete the following:

- Deny benefits using the VI Denial Closure Reason Code
- Send the following notices on NORE allowing for [NOAA](#) for the applicable program:
 - For CA A200 notice
 - For NA F200 notice

B Expenses Exceed Income (EEI) – During the Approval Period

[REVISION 50](#)
(01/01/22 – 12/31/22)

For programs assigned to [Simplified Reporting](#), verify Expenses Exceed Income (EEI) at the next renewal interview.

For programs assigned to [Standard Reporting](#), set the EE Pre-defined ACTS Alert when **all** of the following occur:

- The budgetary unit was determined eligible.
- The budgetary unit's expenses exceed their income.

When the ACTS alert is received, send the Expenses Exceed Income (C003) notice allowing the PI 10 calendar days to return the verification.

NOTE Extend the EE ACTS Alert for the workday after the information due date.

Review the returned notice or verification for the following:

- [Returned mail](#)
- No change
- Reported changes (See [Effecting Changes](#))

When verification provided indicates that the budgetary unit's unpaid expenses continue to exceed their income, no action is required.

When one of the following applies, stop the benefits assigned to Standard Reporting using the VI Denial or Closure Reason Code. Allow for [NOAA](#):

- Verification provided with the C003 indicates the budgetary unit's paid expenses continue to exceed the reported income.
- The participant fails or refuses to provide verification for how expenses are being met.