C   NA Child Support Expense

Child support expenses are payments made by a participant in the NA budgetary unit to a person outside the home.

Policy

Allowable Deductions

The following payments are allowable child support expenses:

- Court-ordered child support or cash medical support payments made by a participant to an agency (such as the Division of Child Support Services (DCSS)) or to the court.

   NOTE   When the participant pays less than the monthly court-ordered amount, only the amount paid is allowable. The allowable child or cash medical support expense cannot exceed the monthly court order unless the excess amount is due to DCSS adding arrearages to the court order.

- Recurring arrearage amounts that are being paid for additional child or cash medical support arrearages added to the court order by DCSS.

   NOTE   Recurring legally owed child or cash medical support arrearages are allowable only when the expense has been verified as paid.

Nonrecurring lump sum child or cash medical support expenses are allowable in the month the expense is paid. When the nonrecurring lump sum payment is more than the court order, only the court-ordered amount is allowed unless the expense includes recurring child or cash medical support arrearages or clearinghouse fees.

The participant may pay their legally owed child support or cash medical support payment to a third party in place of the cash payment in accordance with the court order. When this occurs, the payment is allowable as a child support expense for NA. Third party payments include the following:

- Mortgage payments

- Insurance payments

- Car payments

- Medical insurance and bills

The deduction amount is the *lesser* of the following:

- The court-ordered amount

- The verified amount actually paid

NOTE   The deduction amount may be reduced when it includes payment that is not allowable. Payment of spousal maintenance (also known as alimony) is not an allowable expense.

When the Child Support Expense Deduction is Not Allowable

The child support expense is not allowed when **all** of the following are in the same budgetary unit:

- The parent paying the child support.

- The child for whom the child support is being paid.

- The parent receiving the child support.

The following is not allowable as a child support expense and is removed from the payment amount:

- Any portion of the child support payment that is paid with income that is considered not countable.

- Employer charges for garnishment that are not part of the court-ordered child or cash medical support expense.

Procedures

Do not key the child support expense in AZTECS when **all** of the following are in the same budgetary unit:

- The parent paying the child support.

- The child for whom the child support is being paid.

- The parent receiving the child support.

Verify the court-ordered child support amount and the pay history before allowing the expense. Request verification for expenses when **any** of the following occurs:

- New application

- Renewal application

- When a reported change in the expense is received (See Effecting Changes for change procedures)

- When the expense amount is questionable(g)

⚠️ For the safety of the participant, do not upload any document that shows the actual address of an Address Confidentiality Program (ACP) participant. Any person who intentionally obtains or discloses information regarding the physical address of an ACP participant is potentially guilty of a class one misdemeanor. (See ACP for more information about the program)

Budgeting

When the court-ordered amount includes spousal maintenance, allow as an expense only the portion identified as court-ordered child support, cash medical support, arrearages, or clearinghouse fees.

Consistent Monthly Payments

Determine child or cash medical support expense paid monthly or more than monthly by the participant using the last 30 calendar days or longer.

Budget the child support expense as follows:

- The converted amount when it is less than the court-ordered amount

- The court-ordered amount when the converted amount is more than the court has ordered unless the excess is due to arrearages or clearinghouse fees

Budget recurring arrearage amounts and recurring clearinghouse fees that are being paid for additional child or cash medical support arrearages added to the court order by DCSS.

Do not include in the budgeted amount *any* of the following:

- Any portion of the child support payment that is paid with income that is considered not countable for NA.

- Employer charges for garnishment that are not part of the court-ordered child or cash medical support expense.

Document how the amount budgeted was determined. (See Example 1)

Unpredictable Payments

Use the most recent prior three consecutive months and manually average the expense when *one or more* of the following occurs:

- Paid less often than monthly

- Paid with no established frequency

- Unpredictable

- Zero paid month

To manually average the child support expense, complete the following:

- Use the most recent prior three consecutive months.

- Add all payments paid in the prior three consecutive month that were used.

    NOTE   Do not include payment amounts that are not countable

- Divide the total payments by three to determine the average amount. (Drop decimal places after the second decimal place. Do not round.)

- The monthly budget amount is *one* of the following:

    The average amount when it is less than the court-ordered amount.

    The court-ordered amount when the average amount is more than the court-ordered amount unless the excess is due to arrearage or clearinghouse fees.

(See Example 2)

Keying Child Support Expense Amounts

Key the budgeted amount on the appropriate screens in AZTECS.

Key only expenses that have been verified by documented verification, collateral contact, or interface with other public agencies (See Example 3). When requested verification is not provided, determine the benefit amount without allowing the unverified expense. Do not deny or close the case because the expense was not verified.

Verification

The court-ordered child support amount and the pay history must be verified before allowing the child support expense.

Verification of the last 30 calendar days, or longer when needed, is required when the child or cash medical support expense is paid consistently by the participant on a monthly or more than monthly basis.

Verification of the most recent prior three consecutive months is needed to average the expense when *one or more* of the following occurs regarding the child support payment:

- Paid less often than monthly
- Paid with no established frequency
- Unpredictable
- One or more months had no payment (zero paid month)

Verification of the court-ordered child support amount that can be used includes the following:

- Court records
- Pay records from the Clerk of the Court in Arizona or another state
- Division of Child Support Services (DCSS) documents showing the amount of support required to be paid
- SSA or SSI pay history from the HEAplus State Online Query Internet (SOLQI) screen or the SSA award letter when the child support is taken out of the benefit

Verification of the pay history that can be used includes the following:

- Pay records from the Clerk of the Court in Arizona or another state
- DCSS documents showing the amount of current support paid
- Copies of cancelled checks or money order receipts made out to the custodial parent
- Receipts and pay histories from any state's child support centralized payment processing center
- Paycheck stub with garnishment amount
- Written statement from a person not in the budgetary unit to whom payments are made

- Screenshots of verification from the AZ Child Support Services Portal
- SSA or SSI pay history from the SOLQI screen or the SSA award letter when the child support is taken out of the benefit

AZTECS Keying Procedures

Unless the budgetary unit includes a disqualified NA participant, key the budgeted amount next to the participant who is responsible to pay the bill. When the budgetary unit includes a disqualified participant, see Disqualified NA Participants Effect on the NA Benefit Amount for additional keying instructions.

Key the budgeted amount on EXNS (or EXPC when the expense is billed other than monthly) using the following CS Expense Type Codes:

- CS for current court-ordered child support and clearinghouse fees

  NOTE   Support and fees may be keyed together.

- CS AR for child support arrearages
- CS OT for non-cash child support

Converting to a Monthly Amount

Key expenses billed monthly on EXNS. When the expense is billed other than monthly, use EXPC to convert the expense to a monthly amount. Key *one* of the following Frequency Codes in the FREQ field on EXPC:

- WK when billed on a weekly basis. AZTECS converts the amount to a monthly amount by multiplying the amount keyed by 4.3.

- BW when billed on a bi-weekly basis (every two weeks). AZTECS converts the amount to a monthly amount by multiplying the amount keyed by 2.15.

- SM when billed on a semi-monthly basis (twice a month). AZTECS converts the amount to a monthly amount by multiplying the amount keyed by 2.

- QR when billed on a quarterly basis (four times per year). AZTECS converts the amount to a monthly amount by dividing the amount keyed by 3.

- SE when billed on a semi-annual basis (twice per year). AZTECS converts the amount to a monthly amount by dividing the amount keyed by 6.

- AN when billed on an annual basis (once per year). AZTECS converts the amount to a monthly amount by dividing the amount keyed by 12.

- AC when billed on an occasional(g) basis. AZTECS converts the expense keyed by multiplying the amount by 1.

  NOTE   When the expense occurs occasionally, key the expense in the month it is billed and remove it from ongoing months in AZTECS.

To access EXPC, key Y in the WS field on EXNS and press the Enter key. After keying the information on EXPC, press the Enter key to return to EXNS. AZTECS processes EXPC and displays the converted expenses on EXNS.

NOTE   Do not convert an expense when it is less than a full month's expense due to the expense starting or stopping. Key the actual expense using the AC Frequency Code on EXPC for the month billed and change it for ongoing months.

Examples

1) Michael pays his $110 monthly child support that is ordered by the court.

    Michael receives monthly $61 from Supplemental Security Income (SSI) and $780 from the Bureau of Indian Affairs (BIA) General Assistance.

    Since BIA General Assistance is not countable income for NA, Michael is only eligible for a monthly child support expense deduction of $61.

2) Charles paid child support payments of $110, $0, and $110 for the months of January, February, and March.

    Add the three payments together and divide the amount by three to determine the average monthly payment of $73.33. (110+0+110=220: 220/3 = 73.3333333: drop decimal places after the second decimal place.)

    Charles is ordered by the court to pay $110 per month.

    Charles is eligible for a monthly child support expense deduction of $73.33.

3) James is ordered by the court to pay $225 in monthly child support.

    James receives Social Security Disability benefits of $1267. This is his gross monthly income.

    The Social Security Administration (SSA) deducts the $225 for the child support from James's check of $1267 to give him a net of $1042.

    The gross income of $1267 is keyed on UNIN.

    The child support expense of $225 is keyed on EXNS.

Legal Authorities

7 CFR 273.2(f)(8)(ii)

7 CFR 273.9(c)(17)

7 CFR 273.9(d)(5)

Prior Policy

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