

## KKK Vendor Payments

**REVISION 03**  
(01/01/08 – 03/31/08)

Vendor payments are NOT COUNTABLE.

A vendor payment is money that is not paid directly to the budgetary unit, but is paid to a third party for the budgetary unit's expenses.

Key the VP Unearned Income Code in the INC TYPE field on UNIC.

### NA EXCEPTION

Vendor payments count when either of the following apply:

- Payments are made instead of child support when either of the following occur:

The court has ordered payment be made directly to the budgetary unit

The support is otherwise legally obligated to the NA budgetary unit (See [Countable Support - NA](#))

- Payments are made from money earned by the participant and both of the following apply:

The money is garnished or diverted by the provider of the payment.

The money is paid to a third party for expenses of the budgetary unit.

### CA WARNING

Allow the [A2](#) payment standard when vendor payments are made for [shelter expenses](#) for three or more consecutive months.

**NA WARNING**

When [dependent care](#), [NA medical expenses](#) or [shelter expenses](#) are paid by vendor payment, the following apply:

- Do not allow the portion of the deduction that is paid by the vendor payment.
- Allow any portion of the expense that exceeds the monthly payment amount paid by the vendor payment. Key the amount using the appropriate Expense Code on EXNS.

When the ALLOWABLE expense is paid by a third party as a loan that must be repaid see [Expenses of NA Participants](#)