EXECUTIVE SUMMARY

ALL COUNTY INFORMATION NOTICE NO. I-25-19

This ACIN provides guidance as to when and how to develop in-kind support and maintenance in the Cash Assistance Program for Immigrants (CAPI), as well as on how to apply the reduced needs payment standard in CAPI cases.
April 17, 2019

ALL-COUNTY INFORMATION NOTICE (ACIN) NO. I-25-19

TO: ALL COUNTY WELFARE DIRECTORS
ALL CASH ASSISTANCE PROGRAM FOR IMMIGRANTS (CAPI) MANAGERS

SUBJECT: TREATMENT OF IN-KIND SUPPORT AND MAINTENANCE IN THE CASH ASSISTANCE PROGRAM FOR IMMIGRANTS (CAPI)

REFERENCES: CALIFORNIA DEPARTMENT OF SOCIAL SERVICES MANUAL OF POLICIES AND PROCEDURES (MPP) §§46-140.2, 49-005, 49-010.15, 49-035, 49-037, 49-050, 49-055.32, 63-403;
20 CODE OF FEDERAL REGULATIONS (CFR) §§416.1142, 416.1133(a);
PROGRAM OPERATIONS MANUAL SYSTEM (POMS) §§SI 00835.020, 00835.060(A), 00835.120, 00835.130, 00835.170, 00835.200, 00835.300;

The purpose of this All County Information Notice (ACIN) is to provide guidance to counties and Cash Assistance Program for Immigrants (CAPI) consortia regarding how and when to develop in-kind support and maintenance (ISM) in accordance with CAPI rules and regulations.

**Background**
To be eligible for CAPI, an individual’s or couple’s countable income must be lower than the appropriate CAPI payment standard. (California Department of Social Services (CDSS) Manual of Policies and Procedures (MPP) §§49-035.1, 49-010.15). To determine whether a claimant exceeds the CAPI income limit, the county or CAPI consortium must consider all countable earned and unearned income, including any ISM that the claimant receives. An individual who may appear to have insufficient income for self-support may in fact be in receipt of ISM that allows him or her to obtain food and/or shelter. Such in-kind income would affect the amount of a claimant’s CAPI grant. Thus, it is important that counties and CAPI consortia understand when ISM applies and how to calculate it correctly.
Definitions

*CalFresh* refers to California’s version of the federal Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps. California Food Assistance Program (CFAP) is a separate, state-funded program which provides nutrition benefits to certain immigrants living in California who are not eligible for federally funded CalFresh nutrition benefits due solely to immigration requirements. ([MPP §63-403](#)). CAPI recipients may receive either CalFresh or CFAP, however, for purposes of this ACIN, all references to CalFresh also include the CFAP.

_Earmarking_ is a form of sharing of household expenses that applies when a claimant’s monthly contribution is totally or partially designated to pay for shelter and/or food, and the claimant’s pro rata share for food and/or shelter is satisfied from the earmarked item. ([Program Operations Manual System (POMS) §SI 00835.170](#)).

*Household* means a personal place of residence in which the individual(s) share common living quarters and function as a single economic unit. They need not be related by blood or marriage. ([MPP §49-005(h)(1)](#)).

*Independent living payment standard* is the CAPI payment standard that applies to claimants who reside in their own households (as opposed to in the household of another). A claimant who lives alone or just with a spouse and/or minor children would be paid at this rate. The independent living payment standard also applies to “roommate situations” in which a claimant has rental liability and purchases/prepares his or her own food. Claimants who share a residence with others and pay at least the pro rata share of rent/mortgage payments, utilities and food are subject to the independent living payment standard as well.

*In-kind support and maintenance* (ISM) is a type of unearned income, defined by the MPP §49-035.51 as “any food, clothing or shelter that an applicant receives because someone else pays for or provides it.” Shelter includes rent, mortgage payments, taxes, heating fuel, garbage collection and utilities. ([MPP §49-035.511](#)). CAPI applicants may be fully or partially supported by ISM, and ISM may be “inside” (provided by someone residing in the CAPI applicant’s/recipient’s household) or “outside” (provided by someone residing outside the household).

A *non-public assistance household* is one in which at least one member of the household does not receive public income maintenance payments of any type. Examples of public income maintenance payments include Supplemental Security Income (SSI), California Work Opportunity and Responsibility to Kids (CalWORKs), and General Assistance (GA) or General Relief (GR). ISM is developed in non-public assistance households only. When every member of a household receives public income maintenance payments, ISM does not apply. Please note that CalFresh and In-Home Supportive Services (IHSS) are not public income maintenance payments. For example, if all members of a household but one receives public income maintenance payments, it is a *non*-public assistance household and ISM is developed (even if the one
household member not on public assistance receives CalFresh and/or IHSS). The only situation in which a household is considered a “public assistance household” (no ISM) is where every household member receives some type of public assistance. (POMS §SI 00835.130(b)(1); 20 Code of Federal Regulations (CFR) §416.1142).

**Presumed maximum value (PMV)** is the maximum amount that can be attributed to ISM received by a CAPI applicant or recipient for purposes of determining countable income. The value of the PMV is equal to one-third of the federal SSI benefit plus $20. (MPP §49-005(p)(1); POMS §SI 00835.300(C)(2)(a)).

**Pro rata share** is the portion of a household’s total expenses that is attributable to the claimant. It is calculated on the CAPI Statement of Household Expenses and Contributions (SOC 453) by dividing the average monthly household expenses by the total number of people in the household (including adults and children, regardless of age). (MPP §49-005(p)(2)). Determining the claimant’s pro rata share is a step in calculating ISM that applies only to those who reside with others and who pay a portion of the monthly household expenses to the head of household. Pro rata share does not apply to those who pay all household expenses in full each month, nor does it apply to those who are fully supported (i.e., those who pay nothing toward their support). Finally, please note that pro rata share does not apply to claimants who reside alone or with a spouse and/or minor children only.

**Reduced needs payment standard** is a payment rate lower than the “independent living” standard for CAPI applicants or recipients who reside in another person’s household for an entire calendar month and receive both food and shelter from that individual. (MPP §49-035.521). When a claimant’s monthly benefit rate is calculated using the reduced needs payment standard, ISM does not apply. (MPP §§49-035.521(b), 49-050.23).

**Rental liability** applies to those who live in their own households and are required to pay rent to the landlord in exchange for the right to reside on the premises. (POMS §SI 00835.120) Some examples of rental liability include:

- The individual (or his/her spouse, if they are living together) or a person whose income may be deemed to the individual (e.g., the individual’s sponsor, during the active CAPI sponsor deeming period) is listed as a renter or lessee on the lease;
- A room rental within a private dwelling is a form of rental liability. When an individual resides in a private dwelling, he/she must function as a separate economic unit from other household members in order to have rental liability;
- A flat fee for room and board is a form of rental liability. An individual who resides in a separate economic household from the landlord and pays a flat fee for room and board is considered to have rental liability.
**When must the county develop inside ISM?**
The county or CAPI consortium must develop ISM from within the household when a CAPI applicant or recipient resides in a non-public assistance household with at least one person other than his/her spouse or minor child, and either:

- the CAPI applicant/recipient receives contributions from others within the household and has rental liability or ownership interest, or
- the CAPI applicant/recipient purchases his/her food separately or earmarks food or shelter payments.

(MPP §49-035.522(b)).

**Frequently Asked . . .**

**Q:** Does inside ISM apply if a CAPI recipient residing in a non-public assistance household buys all of his own food but pays for it with Food Stamps?

**A:** Yes. Inside ISM must be developed if the recipient buys his food separately from the rest of the household, regardless of whether it is purchased with earned income or with unearned income (such as CalFresh benefits). (MPP §49-035.522(b)).

**Example**

A CAPI applicant resides with her daughter, son-in-law, and their children, none of whom receive public assistance. She purchases her own food and gives her daughter $50 per month to help with household expenses. Does inside ISM apply?

Possibly. The answer depends upon whether the applicant is paying her pro rata share of rent and utilities. If the $50 that she pays each month constitutes less than her pro rata share (total household expenses divided by number of household members), then inside ISM applies. If she pays at least pro rata share, then she is deemed to reside in her own household and inside ISM would not apply.

**When must the county develop outside ISM?**
The county or CAPI consortium must develop outside ISM when a third party who does not live in the household makes a payment to a vendor (not to the claimant) for any item of the household’s shelter or food. (MPP §49-035.522(c)).

**Example**

The CAPI applicants are a couple who reside in their own apartment. The lease states that their monthly rent is $800, utilities included. The couple have no income other than CalFresh benefits. Their daughter provides them with $800 cash each month, so they can pay their rent. Does outside ISM apply?

No. The $800 cannot be considered ISM because it is provided to the claimants in cash, not in kind. By contrast, outside ISM would apply if the applicants’ daughter paid the $800 directly to the landlord each month. In this case, however, the applicants could potentially
use the cash for purposes other than rent. Therefore, the $800 constitutes regular unearned income (not ISM) and must be counted in full. Presumed maximum value (PMV) would not apply.

**Calculating ISM**

**Step 1: Determine whether the reduced needs payment standard applies**

The first step in calculating ISM is determining whether the reduced needs payment standard applies to the claimant. If the reduced needs payment standard applies, then ISM is zero. (MPP §49-035.521(b)).

The reduced needs payment standard (also known as the “living in the household of another” (POMS §§SI 00835.020(B)(21) rate) generally applies when a claimant:

- resides in the household of another person (related or unrelated) for an entire calendar month, and
- receives food and shelter from that person.

(MPP §§49-035.521, 49-050.23).

Nevertheless, the reduced needs payment standard does not apply to claimants who meet the above standards and who also receive non-medical care from one or more members of the household. (“Non-medical care” includes assistance with activities of daily living such as taking medication, dressing, bathing, toileting, grooming and personal hygiene, monitoring food intake or special diets, maintenance and/or supervision of client cash resources, protective supervision, and other specified personal and domestic services (MPP §§49-050.24, 46-140.2)). Such claimants are subject to the higher CAPI non-medical out-of-home care payment rate.

Please note that it is not necessary for all of a claimant’s shelter and food to be provided by a member of the household in order for the reduced needs payment standard to apply. As long as the claimant receives at least some of his/her shelter and some of his/her food from a member of the household, the reduced needs payment standard will apply.

If a claimant pays for all of his or her food with CalFresh benefits and/or with the assistance of food banks, government or church food distributions, free senior meals or similar community-based alternative resources, the reduced needs payment standard does not apply (because the claimant does not receive any food from the head of household). However, if a portion of a claimant’s food is provided in this way but is supplemented with food provided by one or more members of the household, the reduced needs payment standard will apply (i.e., if the claimant also receives at least some of his or her shelter from within the household).
Examples

Claimant pays nothing toward shelter and food: A claimant over the age of 65 resides in her daughter’s home. The applicant has no income and pays nothing; she receives free shelter from her daughter and pays for most of her food with a CalFresh grant. Her daughter does provide some food to make up the difference of what CalFresh does not cover, particularly when the claimant’s CalFresh EBT balance is exhausted toward the end of the month. The reduced needs payment standard applies. ISM is zero. (MPP §49-035.521(b)). However, if the claimant makes up her food deficit at the end of the month with contributions from food banks or other charitable organizations, the reduced needs payment standard would not apply because all of the claimant’s food is being provided from outside the household (i.e., her daughter does not pay for any of it). In that case, the value of the shelter provided by her daughter would be calculated as ISM (subject to the PMV). The value of the claimant’s monthly CalFresh grant is excluded from unearned income under federal law (MPP §49-035.53(a)) and therefore does not count as outside ISM.

Some food received from outside household: Same as above, except that the applicant typically eats only breakfast and dinner at home. Most days, she is served lunch at the local senior center. Even though she receives some of her food outside the home, she receives both food and shelter from within the household. Therefore, the reduced needs payment standard still applies and ISM is zero. (POMS §SI 00835.200(D)(1)).

Claimant has rental liability: A disabled adult who applies for CAPI states that she resides with her aunt. The aunt does not receive public assistance and does not charge the applicant for shelter or food. However, the applicant’s name is on the lease because the landlord would not allow her to live there otherwise. The claimant has rental liability (if the aunt stopped paying the rent, the claimant would be legally liable to do so), which is generally an indicator that ISM must be developed. (MPP §49-035.522(b)). In this case, however, claimant receives both shelter and food from within the household. Accordingly, the reduced needs payment standard applies and no ISM may be charged to the claimant. (MPP §§49-035.521, 522).

Step 2: Determine whether inside and/or outside ISM applies

Outside ISM must be developed when a third party who does not live in the household makes a payment to a vendor for an item of the household’s shelter or food. (MPP §49-035.522(c)). For example, outside ISM would apply when a family member or sponsor who does not reside with the claimant pays the claimant’s rent directly to the landlord each month. As another example, outside ISM would apply when a charitable organization or community group provides a claimant with food (not with cash to purchase food) or pays all or part of the claimant’s rent directly to the landlord.
Outside ISM, like inside ISM, is treated as income to the claimant and is subject to the PMV. (MPP §49-035.522). Accordingly, those types of outside assistance that are excluded from income do not constitute outside ISM. Examples include Section 8 housing subsidies, CalFresh benefits, and any assistance based on need wholly funded by a state, county, or city government. (MPP §§49-035.53(a), 49-035.53(c), 49-035.53(o)).

In cases where a claimant is receiving ISM from both outside and inside the household, the total of the outside ISM and the inside ISM must be charged as income to the claimant, subject to the PMV.

**Step 3: Determine whether pro rata share applies**

As indicated in the “Definitions” section above, “pro rata share” is the portion of a household’s total expenses attributable to the claimant. However, pro rata share does not apply in all situations.

It is the county’s (or CAPI consortium’s) responsibility to verify the claimant’s allegations from SOC 814 and SOC 453 regarding non-public assistance household status and the number and identity of people sharing the residence.

- If every member of claimant’s household receives some type of public income maintenance payments, ISM does not apply and pro rata share need not be calculated. (MPP §49-035.522(b))
- If claimant resides alone, pro rata share does not apply and inside ISM is zero.
- If claimant resides with spouse and/or minor children only, pro rata share does not apply and inside ISM is zero.

**Step 4: Determine the number of people residing in the claimant’s household**

CAPI applicants and recipients often allege that they reside in their own households even though they share a residence with others. A separate household functions as a separate economic unit, and more than one economic unit may exist in a single house or apartment. (POMS §§SI 00835.120(A)(4)).

**Step 5: Calculate claimant’s pro rata share of household expenses (if applicable)**

As indicated at the end (bottom of page 2) of the SOC 453, when pro rata share applies it is calculated by dividing the total monthly household expenses by the number of people (counting adults and children) residing in the household. (MPP §49-005(p)(2)). Accordingly, when the number of people sharing a residence increases, the pro rata share for each generally decreases.
Using information provided on SOC 453 and the calculation process described above, determine claimant’s pro rata share.

- If claimant’s monthly household contribution equals or exceeds pro rata share, inside ISM does not apply. This includes shared living situations in which “roommates” share living expenses equally (in which case each effectively resides in his/her own household). (20 CFR §416.1133(a)).
- If claimant’s monthly household contribution is less than pro rata share, the difference is the amount of ISM charged as unearned income to the claimant (subject to presumed maximum value).

Step 6: Determine whether actual value of ISM or PMV applies

Regardless of the amount of ISM attributable to a claimant, the county or CAPI consortium may not charge the claimant with more than the presumed maximum value (PMV). As the PMV is based on the current SSI rate, it changes from year to year. In 2019, for example, the PMV is $277 for an individual and $405.67 for a couple. The PMV acts as a “cap” on the amount of ISM that may be charged to the claimant. In 2019, for example, an individual receiving $2,000 of ISM per month may only have his or her CAPI payment reduced by $277. Those claimants receiving ISM in an amount less than the PMV may only be charged with the actual amount of the ISM received, not the full PMV. For example, a claimant receiving $150 of ISM may only be charged $150 against his or her CAPI grant (not the full PMV of $277).

Example

Claimants, a husband and wife, reside in the household of their son. Also sharing the residence is the son’s wife and two children (total of six in the household). No member of the household receives public maintenance payments. The claimants pay $200 per month toward expenses. SOC 453 indicates that the total monthly household expenses (mortgage, taxes, utilities, food) total $4200. Dividing $4200 by the six members of the household equals a pro rata share of $700. Therefore, $700 X 2 or $1400 is attributable as pro rata share to the claimants. As they pay only $200 per month, they receive monthly ISM in the amount of $1200. However, ISM is subject to the presumed maximum value (PMV), which changes annually and is $405.67 per couple in 2019. Accordingly, the couple can be charged with only $405.67 of ISM. This amount will count as unearned income to the couple in determining the amount of their CAPI grant.

Example

A CAPI applicant resides with her daughter, son-in-law and their children, none of whom receive public assistance. She purchases her own food and gives her daughter $50 per month to help with household expenses. ISM may apply depending on whether the applicant is paying her pro rata share of rent and utilities. If she pays less than pro rata
share, then inside ISM applies. If she pays at least pro rata share, then she is deemed to reside in her own household and inside ISM would not apply.

**Types of situations in which ISM applies**
The following are among the most common situations in which ISM must be developed:

*Claimant receives free shelter and purchases food with CalFresh benefits*
Example: A claimant who resides with others purchases all of her own food each month with her $190 CalFresh grant. She does not contribute anything toward her shelter expenses (rent and utilities), which are paid for by the head of household. The claimant’s pro rata share of shelter expenses is ISM that is countable against her CAPI grant, subject to the PMV. The claimant’s CalFresh is not counted as outside ISM because CalFresh is an unearned income exclusion. (MPP §§49-035.53(a)).

*Claimant pays pro rata share of shelter (only) or of food (only)*
ISM must be developed if a CAPI applicant or recipient either:
- receives at least some of his/her shelter from within the household but does not receive any food from within the household, or
- receives at least some of his/her food from within the household but does not receive any shelter from within the household.

However, please note that if the applicant or recipient receives some or all of his/her shelter and food from someone within the household, the “Reduced Needs” payment standard would be applicable. (MPP §§49-035.521, 49-050.23)

Example: Claimant pays $450 monthly to the head of household, with instructions to use $400 of it toward rent. Because the claimant has specifically “earmarked” part of her monthly payment for rent, the county must separately calculate her pro rata share for shelter and her pro rata share for food. The county determines that claimant’s pro rata share of the household shelter expense is $400 and that her pro rata share of household food expense is $250. (Program Operations Manual System (POMS) § 00835.170).

- Claimant’s shelter ISM is zero because her earmarked shelter payment equals her pro rata share of household shelter expense.
- Claimant’s food ISM is $200, because the portion of her monthly payment not already earmarked for shelter is $50, which is $200 less than her pro rata share of household food expenses.

In this example, the ISM of $200 is charged as actual ISM to the claimant (because the amount of ISM is less than PMV). The ISM amount of $200 will count as unearned income to the claimant in determining the amount of the CAPI grant.

*Full support from outside the household*
When all of a claimant’s shelter or food is paid for by one or more persons (including organizations) outside the household, outside ISM must be developed because a third
party is making food or shelter payments to a vendor on the claimant's behalf. (MPP §49-035.522(c)).

Example: Maria, age 87, and her husband, Hayden, age 84, are the sole occupants of an apartment in Fontana. They do not have any income or resources of their own, but their daughter, who lives nearby, makes their $850 rent and $125 utility payments each month (by paying the landlord, gas and electric company, and water company directly) and buys groceries for them weekly. The couple is being fully supported from outside the household. When they apply for CAPI, outside ISM must be developed because their daughter is making payments to vendors on their behalf. As the amount of outside ISM received far exceeds the presumed maximum value, the county may charge only the PMV as the couples’ income. Please note that the couple is not eligible for the reduced needs payment standard because they reside independently, not in the household of another; rather, the independent living standard would apply in this case. The couple would be eligible for some CAPI assistance if the total value of the support received from the daughter is less than the maximum monthly CAPI payment for a couple under the independent living standard.

Partial support from within the household
The county must calculate ISM and count it as income (at the presumed maximum value unless actual value is less) of a claimant who resides in the household of another and pays for some (less than pro rata share) of his/her shelter or food expenses each month but receives part of his/her shelter or food from within the household. Please note that this scenario is different than a situation in which a claimant is fully supported from within the household (in which case the reduced needs payment standard would apply, and ISM would be zero).

Example: Qianru, age 72, resided with her sponsor until three months ago, when her sponsor died. Although Qianru has no income, she has $1,500 in savings. Upon her sponsor’s death, she moved into a two-bedroom apartment in Visalia with her friend, Kenisha. Rent on the apartment is $1,800 monthly and utilities are typically about $150. Kenisha purchases food for both herself and Qianru, at a cost of about $500 monthly. Household expenses = $1,800 + $150 + $500 = $2,450. Pro rata share = $2,450 ÷ 2 = $1,225. Qianru’s payment of $100 per month is far below pro rata share. Accordingly, she is being partially supported by inside ISM. She is receiving in-kind support and maintenance in the amount of $1,225 – $100 = $1,125. However, calculation of ISM is subject to the presumed maximum value. As PMV acts as a “cap” on ISM, it is the maximum amount of income that can be charged to a claimant. Accordingly, Qianru cannot be charged with the full amount of in-kind income she receives each month ($1,125). When processing Qianru’s CAPI application, the county will charge her with income in the amount of the PMV only ($277 in 2019). Qianru will not be eligible for the maximum CAPI grant, as the amount of CAPI she receives monthly will be reduced by the PMV to account for some of the in-kind income she receives from Kenisha.
Partial support from outside the household
A CAPI applicant or recipient who provides some of his/her own support but also receives contributions in the form of a payment to a vendor made by people or organizations outside the household must be evaluated for ISM (subject to the presumed maximum value).

Example: Bertha obtained a visa and immigrated to the United States after she was sponsored by her son, Jean-Claude. She rented a studio apartment for $450 per month, utilities included. She applied for CalFresh and was granted benefits of $192 per month. Facing eviction, Bertha has now applied for CAPI, indicating that Jean-Claude provides her with just $200 per month toward her rent, which he mails directly to Bertha’s landlord. She had been paying for the balance of her rent with savings that are now nearly depleted. Accordingly, Bertha has been partially supported from outside the household. In calculating Bertha’s CAPI benefits, the county must consider the $200 in outside ISM she receives from her sponsor monthly. Her CalFresh benefits constitute assistance based on need and are thus excluded from income. (MPP §49-035.53(c)).

As the total ISM ($200) is less than presumed maximum value, the county charges Bertha with income in the amount of the actual value of the ISM received.

Situations in which inside ISM does not apply
The following are among the most common situations in which inside ISM does not apply and is therefore calculated as “zero” on SOC 452. Please note that outside ISM may still apply if someone outside the household is making payments directly to a vendor to pay for claimant’s shelter and/or food.

Claimant lives alone or resides with spouse and/or minor children only
In these situations, there is no one in the household who could provide inside ISM to the claimant. The claimant’s spouse is either applying for or receiving CAPI jointly with the claimant, or else is ineligible; in the latter case, all of the countable income of the claimant’s spouse is treated as the claimant’s income (“spousal deeming”). (MPP §49-035.721). Please note that an ineligible spouse includes a spouse who may be eligible for CAPI or SSI/SSP but who chooses not to apply. (MPP §49-005(i)(2)).

Claimant is homeless
Homeless individuals are not considered to be living in a household. (POMS §§SI 00835.200(B)(3)). They are defined as those with no permanent living arrangement or fixed place of residence, including transients and those in temporary living situations (e.g., living in a homeless shelter, a motel room, or “couch surfing” with a succession of family or friends). (POMS §§SI 00835.060(A)). As inside ISM applies only to those who reside in a household and who are receiving food and/or shelter from another person living in the same household, inside ISM does not apply to homeless individuals.
Full support from within the household
When a claimant resides in the household of another and the head of household provides the claimant with shelter and food without charge, the claimant is being fully supported from within the household. Accordingly, the CAPI reduced needs payment standard applies and ISM is calculated as zero on SOC 452.

Food/Shelter Payment Standard Chart
The chart below applies to CAPI applicants and recipients who reside with one or more people other than a spouse or minor children for an entire calendar month.

<table>
<thead>
<tr>
<th>Head of Household Pays for</th>
<th>CAPI Payment Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>All of claimant’s food and shelter</td>
<td>Reduced Needs</td>
</tr>
<tr>
<td>All of the claimant’s shelter and some food or some of the claimant’s food and all of the claimant’s shelter. (claimant pays less than pro rata share)</td>
<td>Reduced Needs</td>
</tr>
<tr>
<td>Some of claimant’s food and shelter (claimant pays pro rata share or more)</td>
<td>Independent Living (no inside ISM)</td>
</tr>
<tr>
<td>All of claimant’s shelter, but no food</td>
<td>Independent Living (ISM applies*)</td>
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<tr>
<td>All of claimant’s food, but no shelter</td>
<td>Independent Living (ISM applies*)</td>
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<tr>
<td>Some of claimant’s food, but no shelter</td>
<td>Independent Living (ISM applies*)</td>
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<tr>
<td>Some of claimant’s shelter, but no food</td>
<td>Independent Living (ISM applies*)</td>
</tr>
<tr>
<td>Neither food nor shelter for claimant (claimant has established a separate household within the same residence)</td>
<td>Independent Living (no inside ISM)</td>
</tr>
</tbody>
</table>

*ISM applies only if claimant resides in a non-public assistance household.

Minors
In most cases, it is unnecessary to calculate the value of ISM for blind or disabled minors who are applying for or receiving CAPI. When a minor resides with one or both parents, the minor is presumed to be fully supported. When a parent is ineligible for either CAPI or SSI/SSP, the value of ISM received by the minor from the parent is accounted for through the parent-to-child deeming process. (MPP §49-035.722). The minor’s CAPI eligibility and payment amount is calculated using the SOC 452A worksheet and the reduced needs standard for disabled/blind minors is used from the CAPI payment standards table.

However, when a disabled or blind minor receives ISM from sources other than a resident parent, including ISM provided by other relatives and non-relatives residing inside or outside the household, the ISM is treated as unearned income to the child and is listed on the SOC 452A in Column B on line 2.
Indigence Exception Note
When a sponsored CAPI applicant or recipient applies for the indigence exception, the county or CAPI consortium must calculate the actual value of all ISM received (including the value of housing subsidies, CalFresh benefits and all inside/outside ISM) in order to determine whether the indigence exception applies. (MPP §49-037.44). PMV does not apply.

Should you have questions regarding the information contained in this letter, please contact Aron Smith, Benefit Programs Unit Manager, in the CDSS Adult Programs Division at aron.smith@dss.ca.gov or (916) 651-1174.

Sincerely,

Original Document Signed By:

DEBBI THOMSON
Deputy Director
Adult Programs Division
Determining when CAPI applicants and recipients should be charged with ISM.

START HERE
Staff analyzes all countable income to determine whether in-kind support and maintenance (ISM) is applicable. (Use SOC 453 form for this purpose.)

First, determine pro rata share: Divide the household expense by the total number of household members (including children) to determine claimant’s pro rata share.

Is the claimant paying at least pro rata share?
• If yes, then no ISM is charged. Use independent living payment standard.
• If no, continue to evaluate for reduced needs.

Is claimant receiving free food and shelter?
• If yes, no ISM charged. Use reduced needs payment standard.
• If no, then develop ISM.

Development of inside and outside ISM:
When to develop inside ISM:
• When claimant resides in a non-public-assistance household and claimant resides with someone other than spouse or minor child and one of the following conditions exists:
  o Claimant has rental liability or ownership and receives contributions from others, or
  o Claimant purchases food separately or earmarks food and shelter payments.

When to develop outside ISM:
• When a third party makes a payment to a vendor for the claimant’s food and/or shelter, determine whether any outside ISM is applicable. Examples:
  o Rental subsidy applies (client has rental liability and someone in the household is related as parent or child to the landlord or landlord’s spouse).
  o Claimant receives rent-free shelter and purchases own food.

Determining the value of ISM:
• If the ISM is less than the presumed maximum value (PMV), enter actual value of ISM on SOC 452.
• If ISM is more than PMV, enter the PMV on SOC 452.

If claimant has applied for the indigence exception, then list all types of ISM on SOC 813. This includes CalFresh, sponsor contribution, CalWORKs, GA/GR, Section 8 or other housing subsidies and spousal deeming.
Staff analyzes all countable income to determine if ISM is applicable. SOC 453

First, determine Pro Rata Share:

Household expenses / Household members = Pro Rata Share.

Is claimant paying at least pro rata share?

Yes

No ISM Charged
Use independent living payment standard.

Yes

Evaluate for reduced needs.

Is claimant receiving free food & shelter?

No

No ISM Charged
Use independent living payment standard.

Yes

Develop ISM:

Develop Inside ISM when:

Claimant resides in non-public-assistance household

— and —

Claimant resides with someone other than spouse or minor child;

and either 1 or 2

1 Has rental liability or ownership

— and —

Receives contributions from others;

OR

2 Claimant purchases food separately or earmarks food and shelter payments.

Develop Outside ISM when:

A third party makes a payment to a vendor for the claimant’s food and/or shelter.

Examples:

- Rental subsidy applies (client has rental liability and someone in the household is related as parent or child to the landlord or landlord’s spouse).
- Claimant receives rent-free shelter and purchases own food.

Determine value of ISM

If ISM is less than PMV, enter actual ISM on SOC 452.

If ISM is more than PMV, enter the PMV on SOC 452.

If claimant has applied for indigence exception, then list all types of ISM on SOC 813. This includes CalFresh, sponsor contribution, CalWORKs, housing subsidies (e.g., Section 8) and spousal deeming.

No ISM Charged
Use reduced needs payment standard.

Yes

Evaluate for reduced needs.