

# CALFRESH PROGRAM RESTRICTED ACCOUNT COVERSHEET

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## IMPORTANT TO KNOW

### A RESTRICTED ACCOUNT IS:

An account in a bank, credit union, etc. where a family who is receiving CalFresh benefits can keep money to be spent for only the following allowable expenses:

- Buying a home to live in;
- Starting a business; or
- Education or job training for the account holder and his/her dependents. (Dependents are those who are or could be claimed as dependents on the account holder's federal income taxes.)

Before opening a restricted account, you may want to have cash and other resources (such as bank accounts, stocks, real estate, etc.) not exceeding your resource limit available for your use. Here's why:

**If you use any of the funds in your restricted account(s) to pay for emergencies, even when the emergency is due to a death or life-threatening situation, the withdrawal will count towards the resource limit of \$2,000 or \$3,250 (if there is at least one person in the household who is disabled or who is age 60 or older).**

### RULES FOR A RESTRICTED ACCOUNT:

- You must be receiving CalFresh benefits at the time you set up the account.
- More than one restricted account is allowed.
- There is not a limit on the maximum amount of savings in a restricted account.
- Funds in all restricted accounts do not count against your family's resource limit.
- You must sign a Restricted Account Agreement **before** an account can be considered a Restricted Account.
- You can only spend the funds on an allowable expense.
- You must keep the funds, and any interest earned in a restricted account(s) **separate** from any other account.
- Interest earned on the Restricted Account(s) must be deposited directly into the account(s).
- You must complete a Restricted Account Agreement for each Restricted Account.
- If you have a restricted account and go off CalFresh benefits, the funds may be counted against your property and resources if you reapply for benefits.

**REPORTING WITHDRAWALS**

- **Semi-Annual Reporting Households**
  - Withdrawal of funds during the semi-annual period, do not have to be reported until your next income report (SAR 7) or recertification is due.
  - The county will reassess your resources with receipt of the semi-annual report and decide if the withdrawal was for an allowable expense. If your resources are below the resource limit (\$2,000/\$3,250), you will remain eligible for benefits if otherwise eligible.
- **Change Reporting Households**
  - A withdrawal made from your Restricted Account must be reported within 10 days of the date the funds were withdrawn.
  - The county will look at the resource limit within 10 days of the report.
  - The reason for your withdrawal will determine continuing eligibility.
  - If your resources are below the resource limit (\$2,000/\$3,250) you will remain eligible for benefits if otherwise eligible.

**EXPENSES**

- **Purchase Of A Home To Live In:**

You can spend Restricted Account funds on:

  - Deposits, fees, down payment, principal payment
  - Closing costs
  - Repairs and fixtures

You cannot spend Restricted Account funds on:

  - Furniture purchases
  - Household goods
- **Education Or Job Training For The Account Holder(s) And His/Her Dependent(s):**

You can spend Restricted Account funds on:

  - Fees, tuition, books, school supplies, equipment, special clothing needs
  - Student housing and meals
  - Cost of transportation to and from school/vocational training
  - Child care services needed to attend school

**EXPENSES CONTINUED:**

- **Starting Up A New Business:**

You can spend Restricted Account funds on:

  - Purchase, repair, and upkeep of business equipment
  - Tools, uniforms, other protective or required clothing, and shoes
  - Payment on loan principal and interest for business assets or durable goods
  - Rent and utility payments for office or floor space
  - Employee salaries
  - Inventory, shipping, and delivery costs
  - Business fees, taxes, insurance, bookkeeping or other professional services

You cannot spend Restricted Account funds on:

  - Personal expenses, such as entertainment

**PROOF**

You must give proof to the county when setting up a Restricted Account and withdrawal of funds from the Restricted Account(s).

- **Some Examples Of Proof Of Establishing And/Or Withdrawing Funds Include The Following:**
  - Passbook, bank statement or receipt from a bank, credit union etc. that shows the name and address of the bank and the names on the account(s), account number(s), and
  - All account balances and activity since the date you signed the Restricted Account Agreement
- **Some Examples Of Proof To Show How You Spent The Funds Include:**
  - Cancelled check
  - Signed statement from the provider of goods or services that shows the type and amount of expense(s) paid
  - A receipt
  - Restricted Account bank balance statement