

Title 20. Public Health and Welfare

Chapter XIII. Division of County Operations, Department of Human Services

Subchapter A. Generally

Part 502. Transitional Employment Assistance Policy Manual

Subpart 1. General Provisions

Codification Notes. This subpart as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "2/1/06"

20 CAR § 502-101. Purpose of the Transitional Employment Assistance (TEA) Program.

(a)(1) The purpose of the Transitional Employment Assistance (TEA) Program is to help needy families become economically self-sufficient by providing opportunities to obtain and retain employment sufficient to sustain the family.

(2) Central to this purpose is:

- (A) Helping adults and minor parents to reduce out-of-wedlock births; and
- (B) Promoting family unity.

(3) Employment improves the quality of life for parents and children by:

- (A) Increasing family income and assets; and
- (B) Improving self-esteem.

(b)(1) It is the goal of the program that all participants receive services that best prepare them for long-term self-sufficiency.

(2) Therefore, it is important that eligible families receive the supportive services, and, in some cases, education and training to enable them to make the transition from welfare to work.

(3) Through employability assessments, employment planning, and the provision of employment-related services, the program helps recipients recognize their employment possibilities.

(4) TEA recipients are also encouraged and allowed to participate in education and training activities as a component of their individual employment plan.

(5) Minor parents are encouraged and supported in completing a high school education or equivalency so that they are better prepared to enter the job market as adults.

(6) Since TEA benefits are time-limited, emphasis is placed on short-term goals so that the recipient enters employment before the end of his or her time limit.

(c) In addition to case management and employment-related services, the program provides monthly cash assistance to eligible families to help meet the families' basic needs while the parent or parents or other adult relative or relatives work toward increasing their earning potential.

(d)(1) TEA cash assistance is also available to help meet the needs of children who are being cared for by nonparent adult relatives.

(2) Assistance to such relatives may be provided without regard to a specified time limit.

(e) TEA Diversion Assistance provides a one-time lump sum payment in lieu of other TEA services or assistance to help a family accept or retain employment.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-102. Administration.

(a) The Transitional Employment Assistance Program is governed by:

(1) Federal law (Title IV-A of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996);

(2) State law (Acts 1997, No. 1058); and

(3) The state's Transitional Employment Assistance Program State Plan.

(b)(1) The program is jointly funded by the state and federal governments.

(2) The federal funding source is the Temporary Assistance for Needy Families block grant under Title IV-A of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(3) State general revenues also fund the program.

(c)(1) The Division of County Operations is responsible for determining transitional employment assistance (TEA) eligibility.

(2) The Department of Human Services is responsible for providing case management services.

(d)(1) An individualized approach to the delivery of TEA services is paramount to the program purpose of moving families to self-sufficiency in a short timeframe.

(2) To promote this approach, the program is administered with a high degree of flexibility provided to Department of Human Services case managers, the Department of Human Services county office, or frontline staff.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

Title IV-A of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is codified at 42 U.S.C. § 601 et seq.

20 CAR § 502-103. Definitions.

As used in this part:

(1) "Activity-related expenses" means expenses relative to the customer's participation in work activities that are:

- (A) Paid for by the Transitional Employment Assistance Program; and
- (B) Necessary in order for the transitional employment assistance (TEA)

recipient to participate in the work activity;

(2) "Adequate notice" means a written notice that includes:

- (A) A statement of what action the agency intends to take or has taken;
- (B) The reasons for the intended agency action;
- (C) The specific policy supporting such action;
- (D) An explanation of the person's right to request a hearing; and

(E) The circumstances under which assistance is continued if a hearing is requested;

(3) "Administrative hearing" means a process by which the customer can appeal any adverse decision made on their case;

(4) "Assessment" means an initial appraisal and gathering of information, such as:

(A) Needed support services;

(B) Education level;

(C) Work history;

(D) Skills;

(E) Interests;

(F) Volunteer activities; and

(G) Hobbies;

(5) "Assignment (child support)" means when an individual accepts TEA cash assistance for or on behalf of a child or children, the individual has assigned all rights to child support from any other person to the Department of Human Services;

(6) "Caretaker relative" means a person who exercises primary responsibility for the care and control of the child or children;

(7) "Case management" means the process of coordinating and brokering the multiple services needed to achieve progress toward self-sufficiency;

(8)(A) "Casehead" means the adult caretaker relative or a minor parent who is the head of household.

(B) In a two-parent family, the choice of casehead is determined by the parents;

(9)(A) "Certificate" means a check or other disbursement that is issued by the Department of Human Services to the parent who may use such certificate to pay childcare services from a variety of providers.

(B) Sometimes referred to as a "childcare voucher";

(10) "Deferral" means a temporary postponement of program activities;

(11) "Deobligation" means discontinuing supportive services that have been authorized;

(12) "Diversion Assistance" means a one-time-only payment to, or on behalf of, the family that will resolve a financial problem so the adult can maintain or obtain employment;

(13) "Earned income" means salaries, wages, tips, commissions, and any other payment resulting from labor or personal services;

(14) "Eligibility requirement" means conditions that must be met in order for a family or individual to receive assistance;

(15) "Employment plan" means a plan developed by the agency and client that will help the client obtain and/or maintain employment;

(16) "Exemption" means a condition that allows the postponement of program activities;

(17) "Extended support services" means childcare and Medicaid services that are provided after a cash assistance case closes due to employment;

(18) "Gross income trigger" means when the gross income of a family reaches one thousand twenty-six dollars (\$1,026) monthly and the TEA payment is reduced by fifty percent (50%);

(19) "Head of household" means the casehead;

(20) "Head of household minor parent" means a minor parent who is legally married regardless of whether he or she is currently living with the spouse, or a minor parent who is living on their own without adult supervision and it has been determined (20 CAR § 502-307) that this is an appropriate living arrangement for the minor parent and child;

(21) "Head of household teen parent" means a head of household who is under twenty (20) years of age;

(22) "Household composition" means all persons living in the home with family members included in the TEA unit;

(23) "Imposition of sanction" means:

(A) The case was closed; or

(B) If a closure exception was allowed, the payment was reduced due to noncompliance in certain program requirements;

(24) "Income eligibility standard" means the dollar amount that a family's net countable income must be equal to or less than in order to meet the income eligibility requirement;

(25) "Job ready" means a person who has no physical, mental, or job skill barriers that prevent employment;

(26) "Life condition" means problems or barriers that would prevent a customer from meeting participation requirements;

(27) "Mentoring" means a nurturing process in which a more skilled or a more experienced person serves as a role model, teaches, sponsors, encourages, and counsels a less skilled or less experienced person;

(28) "Noncompliance: child support" means failure or refusal to cooperate with the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration in child support activities without good cause;

(29) "Noncompliance: work activities" means:

(A) Failure to participate in work activities;

(B) Refusal to accept employment; or

(C) Termination of employment without good cause;

(30) "Personal Responsibility Agreement" means an agreement specifying the responsibilities of the parent or parents or other adult caretaker while receiving TEA;

(31)(A) "Policy statement" means a written statement that declares an organization's intentions, objectives, or goals.

(B) Policy statements are identified by the shadow box border around it.

(C) Policy statements must be adhered to by all Division of County Operations staff;

(32)(A) "Procedure statement" means information outside of the policy statement.

(B)(i) A procedure may either be a mandatory or a flexible procedure.

(ii) Mandatory procedures use verbs such as "must" and "will".

(iii) A flexible procedure allows the county office staff to use their own judgment or discretion in applying a procedure;

(33) "Protective payee" means a relative, friend, neighbor, or member of a community service group who is appointed to receive the payment on behalf of a family for whom a determination of mismanagement by the adult has been made;

(34)(A) "Relocation assistance" means a one-time-only cash assistance to help a family move from an area of limited job opportunities to a new locality within Arkansas for full-time employment.

(B) The person must have a bona fide offer of full-time employment in the new location;

(35) "Resource" means any real or personal property available to an individual to meet their needs;

(36) "Resource limit" means the dollar amount that a family's total countable resources must be equal to or less than in order for the family to meet the eligibility requirement;

(37) "Sanction" means a penalty imposed for not cooperating with program requirements;

(38) "Subsidized employment" means full-time or part-time employment in a private for-profit enterprise or a private not-for-profit enterprise that is directly supplemented by federal or state funds;

(39) "Subsidized public sector employment" means full-time or part-time employment by an agency of the federal, state, or local government that is directly supplemented by federal or state funds;

(40) "Supportive services payment" means transportation and other non-childcare expenses paid by the agency to eligible providers and customers in order to engage in a work activity;

(41) "Supportive services reimbursement" means payment made to a customer for transportation and other non-childcare expenses that the customer has paid for in order to engage in a work activity;

(42) "TEA customer" means a person who has been approved to receive ongoing cash assistance;

(43) "Time limit" means the maximum number of months, twelve (12), that a family with an adult recipient can receive TEA benefits;

(44) "Timely notice" means a written notice that is mailed at least ten (10) days before the effective date of action;

(45) "Transitional employment assistance" means a program to help economically (TEA) needy families with children under eighteen (18) years of age become more responsible for their own support and less dependent on public assistance;

(46) "Unearned income" means money that was not earned, for example, but not limited to:

- (A) Pensions;
- (B) Annuities;
- (C) Insurance benefits;
- (D) Military allotments;
- (E) Teacher's retirement;
- (F) Workers' compensation;
- (G) Miner's pension; and
- (H) Black Lung Benefits;

(47) "Unsubsidized employment" means full-time or part-time employment that is not directly supplemented by federal or state funds;

(48) "Warrant" means TEA check; and

(49) "Work activity" means allowable activities under TEA.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-104. Personnel.

(a) The Department of Human Services and the Division of County Operations are responsible for the provision of personnel in their areas of responsibilities, which include:

- (1) Determining eligibility;
- (2) Authorizing payments; and
- (3) Providing case management services to eligible families.

(b) Department of Human Services County Administrators and Office Administrators will develop procedures within their individual offices, through training and supervision, whereby decision-making occurs at the lowest possible level.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-105. Volunteers.

(a)(1) Volunteers are subject to the rules and policies of the office where they are assigned.

(2) This includes the policies that govern the disclosure of information concerning the Department of Human Services and its clients.

(3) The volunteer's supervisor in the department's county office is responsible for informing the volunteer of the disclosure policy for each program in which the volunteer works.

(b)(1) Volunteers may perform any duty in the department's county office as determined appropriate by the County Administrator.

(2) However, a paid Division of County Operations employee, as designated by the County Administrator, must review and approve any certification or benefit determination decisions recommended by a nonpaid volunteer.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "7/1/97"

20 CAR § 502-106. Disclosure of information.

(a) Information concerning an applicant, recipient, or other persons known to the agency will not be made available without the written consent of the client except:

(1) To authorized employees of the:

(A) Department of Human Services;

(B) Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration;

(C) Social Security Administration; or

(D) United States Department of Health and Human Services; or

(2) For purposes directly connected with the following:

(A) Any investigation, prosecution, or criminal or civil proceeding conducted in connection with the administration of any program administered by the United States Department of Health and Human Services;

(B) The administration of any other federal or federally assisted program that provides assistance, in cash, in-kind, or services, directly to individuals on the basis of need;

(C) The certification of receipt of transitional employment assistance (TEA) cash assistance to an employer for purposes of claiming the Work Opportunity Tax Credit; or

(D) Any audit or similar activity, e.g., review of expenditure reports or financial review, conducted in connection with the administration of any such program by any governmental entity that is authorized by law to conduct such audit or activity.

(b)(1) In addition, the current address of a recipient may be disclosed to a state or local law enforcement officer at his or her request without the recipient's consent provided the law officer:

(A) Provides the recipient's name and Social Security number; and

(B) Satisfactorily demonstrates that the:

(i) Recipient is:

(a) A fugitive felon;

(b) A probation or parole violator; or

(c) Fleeing prosecution for a felony offense;

(ii) Location or apprehension of such person is within the law officer's official duties; and

(iii) Request is made in the proper exercise of those duties.

(2) A felon is defined as a person who has been convicted of a crime that was termed a felony by the court that heard the case.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "7/1/97"

20 CAR § 502-107. Coordination with other programs.

The County Administrators will establish procedures to ensure coordination between the Transitional Employment Assistance Program and other programs administered by the county office.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "7/1/97"

20 CAR § 502-108. Maintenance of electronic case records.

(a) The maintenance of the electronic case record is the responsibility of the Department of Human Services county office staff.

(b)(1) The electronic record will be maintained in ANSWER.

(2) The processing and review of transitional employment assistance (TEA) case actions will be conducted via ANSWER.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-109. Electronic case record organization.

(a)(1) All forms and supporting documents related to an individual or household will be filed in the individual's or household's electronic case record in ANSWER.

(2) Application forms and other forms and documents relating to a budget unit will be filed in the Budget Unit Notebook.

(3) Forms and documents relating to a specific individual will be filed in the Client Notebook.

(b)(1) The following electronic case record organization system will be followed for the transitional employment assistance (TEA) cash assistance case.

(2) Budget Unit Notebook:

(A) Application status – Request for Assistance (DCO-215); and

(B) Budget unit composition:

(i) Client declaration statement;

(ii) Diversion Assistance Agreement (DCO-182);

(iii) TEA Document Deletion (Diversion and Reimbursement);

(iv) TEA warrant cancellation;

(v) Notice of Appointment (DCO-219);

(vi) Request for Information (DCO-191);

(vii) Collateral statements;

(viii) All manual notices; and

(ix) Change Report Forms (DCO-234).

(3) Client notebook:

- (A) Profile:
 - (i) Personal Responsibility Agreement (DCO-217);
 - (ii) Assignment of Rights (DCO-237);
 - (iii) Birth certificates;
 - (iv) Social Security card;
 - (v) Social Security enumeration;
 - (vi) Client ID;
 - (vii) Marriage license;
 - (viii) Divorce decree;
 - (ix) Life insurance policies;
 - (x) Deeds; and
 - (xi) Acknowledge of Receipt of PUB 389 (DCO-188);
- (B) Income – Earned and unearned income;
- (C) Resources – Household resources;
- (D) Parent:
 - (i) Good Cause Claim (DCO-105); and
 - (ii) Good Cause Notice (DCO-90);
- (E) Immunization – Immunization verification; and
- (F) Sanction (program violations):
 - (i) Intentional program violation (IPV);
 - (ii) Drug conviction;
 - (iii) Fugitive felon; and
 - (iv) Parole/probation violator.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: “12/06/11”

20 CAR § 502-110. Disposition of records.

(a)(1) Transitional employment assistance (TEA) records will be purged when the case has been closed continuously for five (5) years unless an audit is being conducted at that time or there is an outstanding overpayment claim.

(2) In this context, "case closure" refers to the closure of the case for purposes of Transitional Employment Assistance Program services, including extended support services, and therefore does not refer to closure of the cash assistance aspect of the case.

(b)(1) The five-year timeframe will apply to cases in which the adult's lifetime maximum period to receive TEA benefits has been reached.

(2) This is to ensure case record information is available should an audit be conducted on the case during those five (5) years following closure.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

Subpart 2. TEA Application

Codification Notes. This subpart as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "01/01/22"

20 CAR § 502-201. TEA applications generally.

(a) Department of Human Services county offices will accept and process applications for the Transitional Employment Assistance Program.

(b) A transitional employment assistance (TEA) application must be disposed of by either approval or denial as quickly as possible but no later than thirty (30) calendar days from the date the application was received by the department, unless the eligibility worker determines that the applicant needs more time in order to establish their eligibility for services.

(c) The TEA eligibility requirements are:

- (1) Personal Responsibility Agreement requirement;
- (2) Social Security number enumeration;
- (3) Minor parent requirements;
- (4) Children's age and relationship to parent or adult caretaker requirement;
- (5) Citizenship or alienage requirement;
- (6) State residence requirement;
- (7) Time limit requirement;
- (8) Resource requirement;
- (9) Income requirement;
- (10) Work participation requirement; and
- (11) Child support requirement.

(d) Each requirement above is discussed in detail in the section of the manual that deals with that specific requirement.

(e) Information, to establish whether a family meets the above requirements, is obtained from the application form and during the application interview.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-202. Nondiscrimination.

(a) No person shall be prevented from participation, be denied benefits, or be subject to discrimination on the basis of:

- (1) Age;
- (2) Religion;
- (3) Disability;
- (4) Political affiliation;
- (5) Veteran status;
- (6) Sex;
- (7) Race;
- (8) Color; or

(9) National origin.

(b) The Department of Human Services will comply with provisions of the Civil Rights Act of 1964, Pub. L. No. 88-352.

(c) The department has the responsibility of informing applicants and recipients:

(1) That assistance is provided on a nondiscriminatory basis; and

(2) Of their right to file a complaint with the agency or federal government if they think that discrimination has occurred on the basis of:

(A) Age;

(B) Religion;

(C) Disability;

(D) Political affiliation;

(E) Veteran status;

(F) Sex;

(G) Race;

(H) Color; or

(I) National origin.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "01/01/22"

20 CAR § 502-203. Application.

(a) Requests for assistance will be made by completing an:

(1) Application form (DCO-0004, Application for SNAP, Health Care, and TEA/RCA Benefits) and submitting the application to the county office; or

(2) Online application through the Department of Human Services' Access Arkansas website, <https://access.arkansas.gov/>.

(b) Application must be made by the parent or another adult caretaker relative of the child.

(c)(1) The application must be signed by the applicant under penalty of perjury.

(2) If both parents are in the home with the child, either may sign the application.

(d) The eligibility worker will assist with completing the form, if requested.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "01/01/22"

20 CAR § 502-204. Application interview — Applications submitted to the Department of Human Services.

(a)(1) An interview with the applicant is required for applications.

(2) If the household consists of two (2) adults, both will be interviewed.

(3) If only one (1) parent is present for the initial interview and it is determined that the family is potentially eligible, an interview will be scheduled for the second adult to ensure that both parents understand their responsibilities.

(b)(1) If the applicant family consists of a parent who is a minor (non-head of household) and his or her child or children, then the adult with whom such minor parent and child are living will also be interviewed with the minor parent. See the note below.

(2) Note.

(A) The adult caretaker of the minor parent is required to attend to ensure that he or she is aware of the program requirements and responsibilities that will be expected of the minor parent.

(B) In addition, the adult with whom the minor parent is living will, in most situations, be made the payee for the cash assistance grant and therefore be responsible for ensuring that the grant is used on behalf of the minor parent and child.

(C) This will be explained to the adult and minor parent during the interview.

(c)(1) The application will be reviewed with the applicant, including a review and discussion of the Personal Responsibility Agreement.

(2) Refer to 20 CAR § 502-205.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "01/01/22"

20 CAR § 502-205. Personal Responsibility Agreement.

(a) The Personal Responsibility Agreement (PRA) is an agreement that provides the individual with responsibilities with which he or she must comply while receiving cash assistance.

(b) The responsibilities include:

(1) Cooperation with the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration;

(2) Ensuring school-age children are in school;

(3) Ensuring that preschool children receive appropriate immunizations; and

(4) Participation in work requirements, if applicable.

(c)(1) The PRA will be reviewed with the applicant during the interview.

(2) The PRA reviews are conducted to ensure that the applicant understands it and agrees to comply by signing it.

(d)(1) As part of the PRA discussion, the eligibility worker will be responsible for advising the applicant of the supportive services that are available to both recipients and former recipients who become employed.

(2) This will include a thorough review of the PUB-389 (Supportive Services), with a copy given to the applicant.

(3) The Department of Human Services will give a more detailed explanation of supportive services during the assessment.

(e)(1) If the family includes a non-head of household minor parent, the PRA will also be reviewed with such minor parent who must also sign it.

(2) See 20 CAR § 502-303 for specific requirements related to minor parent households.

(f)(1) If a non-head of household minor parent fails to sign the PRA, the application may be approved with the noncompliance sanction applied.

(2) Refer to 20 CAR § 502-305.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "01/01/22"

20 CAR § 502-206. Obtaining information to determine eligibility.

(a)(1) The applicant is the primary source of information and is responsible for providing necessary verifications, as requested, to establish initial and ongoing eligibility.

(2) However, if the applicant is unable to provide essential information, or is having difficulty in obtaining it, the eligibility worker will assist in obtaining required information.

(b)(1) The applicant is expected to provide information as requested.

(2) Although the Department of Human Services may assist the applicant, when necessary, the applicant should be encouraged to obtain as much information as they can, on their own, before requesting assistance.

(3) Such assistance may range from simply advising the applicant about how or where to get the information, to actually obtaining the necessary documents, for example, accessing the Department of Health birth records through ARIES.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "04/01/24"

20 CAR § 502-207. Diversion Assistance.

(a)(1) Diversion Assistance is intended to help a family through a financial problem that jeopardizes employment and that, if not solved, could result in the family requiring regular ongoing cash assistance.

(2) Diversion Assistance is a replacement for, not a supplement to, regular assistance.

(b)(1) Diversion Assistance is a one-time payment to or on behalf of the family that will resolve a financial problem so that the adult can maintain or obtain employment.

(2) Diversion Assistance is only available to an adult once during their lifetime.

(c) The eligibility requirements for Diversion Assistance are as follows:

(1) A minor child must live in the home;

(2) The adult has never received a Diversion Assistance payment;

(3) The Diversion Assistance amount will alleviate the crisis;

(4) The adult:

(A) Is currently employed but having a problem that jeopardizes the employment; or

(B) Has been promised a job but needs help in order to accept the job, for example, they need car repairs or uniforms; and

(5) The adult:

(A) Agrees to forego regular transitional employment assistance (TEA) cash assistance for a period of one hundred (100) days from the date of application; and

(B) Signs a Diversion Assistance Agreement, DCO-182, to that effect.

(d)(1) The regular TEA income and resource requirements do not have to be verified and established.

(2) If the family's resources are obviously over the resource limit, then Diversion Assistance will not be authorized.

(e)(1)(A) The Diversion Assistance payment will be the actual amount needed in order to resolve the crisis for up to a maximum of three (3) months of maximum grant payments for the household.

(B) For example, a household of three (3) = two hundred four dollars (\$204) x three (3) months = six hundred twelve dollars (\$612) maximum diversion payment.

(2) If the amount needed to resolve the problem is more than the maximum payment, and there are no other resources available to assist with the cost, it will be determined whether the maximum will alleviate the crisis in any way.

(3) If not, the payment will not be authorized.

(f)(1) Under Arkansas state law, a Diversion Assistance payment is a loan that the client should repay to the State of Arkansas when able to do so.

(2) Repayment, though, does not entitle the individual to another Diversion Assistance payment in the future.

(g)(1) A Diversion Assistance payment counts as a TEA month or months for purposes of the twelve-month time limit, if the adult later applies for TEA assistance, unless the payment has been repaid.

(2) If not repaid, the diversion payment counts for up to three (3) months of the time limit, based on the amount of the diversion payment, divided by the maximum grant for the family size.

(3) The number of months will be rounded up to the next higher number.

(4) See 20 CAR § 502-309.

(h) **Note.** If the client requests to apply for Diversion Assistance, the client will be referred to the TEA case management unit.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "04/01/24"

Subpart 3. TEA Application Process

Codification Notes. This subpart as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "01/01/2023"

20 CAR § 502-301. Preliminary income and resource eligibility screening.

(a) The income and resource sections of the application will be reviewed with the applicant to determine whether the family may be eligible for assistance.

(b)(1) If the income or resources are above the maximums of five hundred thirteen dollars (\$513) per month for income (20 CAR § 502-515) or three thousand dollars (\$3,000) for resources (20 CAR § 502-420), it is not necessary to continue the application interview.

(2) The Transitional Employment Assistance Program application will be denied.

(c) If it appears that the family may be eligible for assistance, the interview process will continue.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-302. Social Security number enumeration requirement.

(a) To meet the Social Security enumeration requirement, each eligible person included in the budget unit must either:

(1) Declare a Social Security number; or

(2) Apply for a Social Security number if one has not been issued or if one has been issued but is not known.

(b) Individuals who declare a Social Security number.

(1)(A) To declare a Social Security number, an individual must state the number.

(B) Verification is not required.

(2)(A) When an individual declares a Social Security number, the eligibility worker will enter the Social Security number to the ANSWER system for verification through the Income Eligibility and Verification System (IEVS) system.

(B) This verification process is described in this section.

(3)(A) The county office worker will not attempt to verify the Social Security number declared.

(B) However, if the household presents documentary evidence such as a Social Security card, a copy will be placed in the case record and used, if necessary, to clear any Social Security number discrepancies.

(c) Social Security number application process — No Social Security number or Social Security number not known.

(1) Aliens and individuals age twelve (12) or over.

(A)(i) An alien, regardless of age, and an individual age twelve (12) or over must apply in person at the local Social Security Administration office.

(ii) The eligibility worker will issue an SS-5, Application for a Social Security Card, and a DCO-12, Enumeration Referral, along with the identifying information and pseudo Social Security number to the applicant.

(iii) The worker will not forward any evidence to the Social Security Administration for the applicant unless the Social Security Administration specifically requests such evidence.

(iv) A photocopy of the SS-5 and DCO-12 will be retained in the county office until the DCO-12 is returned by the Social Security Administration showing that a complete Social Security number application has been received.

(B) An individual who has been issued a number but does not know it can obtain a replacement Social Security card by completing an SS-5 and taking or mailing it to the Social Security Administration.

(C) If the DCO-12 is returned by the Social Security Administration showing that a complete Social Security number application has not been received, the eligibility worker will send a DCO-1 advising the applicant that he or she must submit a complete Social Security number application to the Social Security Administration within

ten (10) days or the TEA application will be processed without that person's eligibility being considered.

(2) Individuals under age twelve (12).

(A)(i) Form SSA-2853, Receipt for Enumeration at Birth, will be accepted as proof of application for a Social Security number if an application for a Social Security number was made at the hospital when the baby was born.

(ii) The eligibility worker will:

(a) Request the applicant to provide the SSA-2853; and

(b) Make a photocopy for the case record.

(iii)*(a)* The county worker can accept this form as proof until the first reevaluation for continued eligibility.

(b) At that time, if a card has not been received, or a number is not on the system, the worker will complete an SS-5 and DCO-12 to forward to the Social Security Administration office, as described below.

(B)(i) For other individuals under age twelve (12) who must apply for a Social Security number, the eligibility worker must complete the SS-5 and DCO-12.

(ii) The worker will inform the applicant of what are acceptable types of evidence to verify date of birth, identity, and United States citizenship as listed on the SS-5 application.

(iii) The original copies of evidence along with the SS-5 and DCO-12 will be submitted to the local Social Security Administration office.

(iv) A photocopy of the SS-5 and DCO-12 should be retained in the county office until the DCO-12 is returned by the Social Security Administration office indicating that a complete Social Security number application has been received.

(C)(i) If the DCO-12 is returned by the Social Security Administration indicating that additional information or evidence is required, the worker will obtain the additional evidence, if available to the worker, and resubmit the entire Social Security number application and DCO-12.

(ii) If additional evidence is not available to the worker, a DCO-1 will be sent to the applicant requesting the information and advising that if not provided

within ten (10) days, the application will be processed without the person's eligibility being considered.

(3) Qualified aliens not authorized to work in the United States.

(A)(i) The Social Security Administration will not assign a Social Security number or a replacement card to an alien who does not have authorization of the Department of Homeland Security to work in the United States unless the alien has a valid non-work reason for needing a Social Security number.

(ii) Meeting the eligibility requirements for TEA would be a valid reason for the Social Security Administration to authorize a Social Security number.

(iii) To assign a Social Security number in this situation, the Social Security Administration requires documentation from the Division of County Operations that the individual meets all eligibility requirements for cash assistance except for a Social Security number.

(iv) For these individuals, the county office must first determine that the individual meets all points of eligibility except for a Social Security number.

(v) If they are TEA eligible, the county should complete the DCO-12, checking on the form that the non-work alien meets all eligibility requirements except for the Social Security number.

(vi) The county office will issue the DCO-12 and SS-5 to the applicant or responsible party, following the procedures in subdivision (c)(1) of this section, regardless of the age of the qualified alien.

(vii) The Social Security Administration requires an interview for enumeration of all noncitizens.

(B) Note.

(i) Counties should only refer eligible applicants to the Social Security Administration.

(ii)(a) Noneligible, non-work alien parents applying only for their children should not be referred to the Social Security Administration.

(b) They should be given a pseudo Social Security number.

(4) Undocumented alien.

(A)(i) An undocumented alien who is the casehead or included as an ineligible member in an open case will be assigned a pseudo number even if a Social Security number is provided.

(ii) This includes an undocumented pregnant woman.

(B) More information regarding the procedures for applying for a Social Security number can be obtained:

(i) Through the Social Security Administration's website, www.ssa.gov/ssnumber/; or

(ii) By calling toll free at 1-800-772-1213, deaf or hard of hearing at 1-800-325-0778, from 7 a.m. to 7 p.m., Monday through Friday for specific questions.

(d) Verification of Social Security number by Social Security Administration.

(1) Each month, all Social Security numbers that have been entered to ANSWER by the county office with enumeration code "Provided" are submitted to the Social Security Administration to verify Social Security numbers based on:

(A) Name;

(B) Sex; and

(C) Date of birth.

(2) ANSWER will submit every unverified number and pseudo number on a monthly basis.

(3) If all match data agrees with Social Security Administration records, the enumeration code is changed to "Verified" in ANSWER by the system and the Social Security number is no longer keyable by the county.

(4) Once verified the enumeration code "S" will show on the Mainframe, and ANSWER will show verified.

(5) If one (1) or more of the match items does not agree with Social Security Administration records, the enumeration code "Provided" will be changed on the Mainframe and ANSWER system to one (1) of the following mismatched codes:

Mainframe	ANSWER
1	Social Security number not on Social Security Administration files
2	Name matches, DOB matches, Sex does not match
3	Name matches, DOB does not match
4	Name matches, DOB and Sex do not match
5	Name does not match, DOB and Sex not checked.
6	Name and DOB match, multi or different Social Security number

(e) Social Security number Mismatch Report.

(1)(A) Social Security numbers that have mismatched with Social Security Administration records will be reported via the Social Security number Mismatch Report on the ANSWER Reporting System.

(B) A mismatched Social Security number will continue to appear on this report each month until the mismatch has been resolved and the Social Security Administration verifies the number.

(2)(A) The report will reflect the number of times a particular mismatched Social Security number has been submitted to the Social Security Administration.

(B) This counter will appear in the "Counter" column of the Mismatch Report.

(3) The report will be posted to the ANSWER Reporting System by the third workday of each month.

(4)(A) The county staff must review and take action to resolve each mismatch on the report within sixty (60) days of receipt.

(B) The ANSWER Narrative will be updated to reflect the action taken.

(f) Resolving mismatches.

(1)(A) First, check for obvious mismatches, e.g., errors in keying the Social Security number, sex, name, or date of birth.

(B) Next, check state on-line query (SOLQ) to determine if correction can be made in ANSWER from the Social Security Administration data on SOLQ.

(C) If this process does not resolve the mismatch, follow the procedures listed below.

(2) Social Security number not on Social Security Administration files (Code 1).

(A) If the Social Security number submitted is not a pseudo number:

(i) View the person's Social Security card;

(ii)(a) If the number on the card is different from that shown on ANSWER, make the necessary corrections on ANSWER and change enumeration code to "Provided" and save.

(b) The Social Security number will then be resubmitted to the Social Security Administration on the next Social Security number electronically transferred file; and

(iii)(a) If the number on the card is the same as shown in ANSWER, send a photocopy of the card with a memo via fax or email to ANSWER System Support, Office of Program Planning and Development, fax number 501-682-1597.

(b) The memo should list the casehead name, case number, member name, member Social Security number, the reason for the mismatch, and any other pertinent information the count has obtained, e.g., contact with the Social Security Administration.

(c) Narrate information in ANSWER.

(d) System Support will further investigate and advise the county of further action needed.

(B) **Note.** Code 1 will continue to show for a newborn with a pseudo number until a Social Security number has been issued.

(3) Name matches, DOB matches, sex does not match (Code 2) — Date of birth mismatch (Code 3) — Name matches, DOB and sex do not match (Code 4).

(A) View a copy of the individual's birth certificate or other proof of age.

(B) If date of birth and/or sex is different from that shown in ANSWER, make necessary corrections in ANSWER and change enumeration code to "Provided".

(C)(i) If date of birth and/or sex is the same as shown in ANSWER but different from what is shown in SOLQ, submit an SS-5 to the Social Security Administration with the age documentation.

(ii) A DCO-12 will also be sent with the SS-5.

(iii) When the Social Security Administration's records are corrected:

(a) An update will be received via the enumeration system; and

(b) The enumeration code will be changed automatically to "S" on mainframe and "Verified" in ANSWER.

(D)(i) If all information is the same as shown in ANSWER, send a photocopy of the documents with a memo via fax or email to ANSWER System Support, Office of Program Planning and Development, fax number 501-682-1597.

(ii) The memo should list the casehead name, case number, member name, member Social Security number, the reason for the mismatch, and any other pertinent information the county has obtained, e.g., contact with the Social Security Administration.

(iii) Narrate information in ANSWER.

(iv) System Support will further investigate and advise the county of further action needed.

(4) Name mismatch (Code 5).

(A) View the person's Social Security card.

(B)(i) If the name shown on the card is different from that shown in ANSWER and the person is in agreement, make the necessary corrections in ANSWER and change the enumeration code to "Provided".

(ii) If the person is not in agreement and it has been established that the person is the same, the preferred name will be used.

Example 1: The name on the card is Mary Smith (married name). The name in ANSWER is Mary Jones. Ms. Jones agrees to change her name to Mary Smith. ANSWER is corrected and the enumeration code will be changed to "Provided".

Example 2: Mary Smith prefers to use her maiden name, Mary Jones, instead of her married name. The name in ANSWER is Mary Jones. Her name will not be changed to her married name in ANSWER. Ms. Jones will be advised to contact Social Security Administration to change their records.

(C)(i) If the name shown on the card is incorrect, proof of the correct name should be obtained.

(ii) An SS-5 with the documents verifying the correct name will then be sent to the Social Security Administration to correct their records.

(iii) A DCO-12 will be sent with the SS-5.

Example 3: George Williams Martin is listed on the Social Security card. However, the correct name is George Martin Williams as verified by the birth certificate.

(D)(i) If the name on the card agrees with the name in ANSWER, send a photocopy of the card with a memo via fax or email to ANSWER System Support, Office of Program Planning and Development, fax number 501-682-1597.

(ii) This memo should list the casehead name, case number, member name, member Social Security number, the reason for the mismatch, and any other pertinent information the county has obtained, e.g., contact with the Social Security Administration.

(iii) Narrate information in ANSWER.

(iv) System Support will further investigate and advise the county of needed action.

(5) Name and DOB match, multiple Social Security numbers or different Social Security number (Code 6).

(A) The worker will review the Social Security numbers provided and SOLQ to determine which number is correct.

(B) WESD may also be used if determined appropriate.

(C) If the applicant did not provide a Social Security card, the worker will request a copy of it if needed to determine the correct number.

(D) ANSWER will be updated with the correct number.

(6) Pseudo Social Security number.

(A) The system will update a pseudo if only one (1) actual Social Security number is returned.

(B) If more than one (1) is listed on the mismatch report, the worker will:

(i) Determine the correct number; and

(ii) Update the number in ANSWER.

(g) Household cooperation in clearing the Mismatch Report.

(1) When declared Social Security numbers are returned by the Social Security Administration as unverified, it is often necessary for the household to furnish the information necessary to clear the Mismatch Monthly Report.

(2) A request for contact must be issued by the Division of County Operations worker to advise the recipient of the mismatch, what caused the problem, e.g., name is incorrect, and what information must be provided to resolve the problem.

(3) The recipient will be given ten (10) days to furnish the information.

(4)(A) If the household does not furnish the needed information by the end of the designated ten-day period an advance Notice of Adverse Action will be issued.

(B) The notice will specify that:

(i) The recipient has ten (10) days to furnish the information needed to clear the Social Security number mismatch;

(ii) Failure to provide the information will result in terminating eligibility for the individual whose Social Security number has not been verified or closure of the case if applicable; and

(iii) If there are problems in obtaining the needed material the recipient should contact the Division of County Operations county office at once.

(5) If the recipient claims that the information needed to clear the mismatch report cannot be furnished, the Division of County Operations worker must substantiate the inability to provide the needed information.

Example: A household may claim it cannot verify a name change because official records were destroyed in a fire. The Division of County Operations worker would attempt to verify the occurrence of the fire because Social Security Administration records cannot be corrected without the missing documentation. If the county worker verifies that the recipient cannot provide the information needed to verify the Social Security number, the individual may continue to participate if otherwise eligible.

(6) All actions taken by the county office to clear Social Security number mismatches must be fully documented in ANSWER.

(h) **Monitoring of Social Security number Mismatch Report.**

(1) The Division of County Operations ES County Supervisor, or designee in the absence of an ES County Supervisor, will be responsible for monitoring the Social Security number mismatch report posted monthly for appropriate and timely processing.

(2) A random selection will be reviewed for compliance.

(3) The Program Support Specialists will conduct a random review of cases listed on the Social Security number mismatch report monthly for compliance and provide a report to the Area Director.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "TEA Manual 5/1/08"

20 CAR § 502-303. Minor parent households.

(a) If the family includes a minor parent, i.e., under eighteen (18) years of age, certain requirements must be met.

(b) If the minor parent is not determined to be a head of household, these requirements include:

(1) Signing the Personal Responsibility Agreement along with the adult in the home; and

(2) Living in an adult-supervised setting.

(c) All minor parents must attend school or engage in other educational activities.

(d) These requirements are described in more detail in 20 CAR §§ 502-305 and 502-306.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/99"

20 CAR § 502-304. Head of household minor parent.

(a) For purposes of the Transitional Employment Assistance Program, a head of household minor parent is defined as:

(1) A minor parent who is legally married under Arkansas state law, regardless of whether he or she is currently living with the spouse and regardless of whether he or she is currently living with his or her own parent; or

(2) A minor parent who is living on his or her own without adult supervision and it has been determined, in accordance with 20 CAR § 502-307, that this is an appropriate living arrangement for the minor parent and child.

(b) If the minor parent is determined to be a head of household, then he or she may be the transitional employment assistance (TEA) casehead and payee, and the requirements specific to a non-head of household minor parent will not apply.

(c) **Note.** A head of household minor parent is required to sign the Personal Responsibility Agreement just as any adult parent or other adult caretaker is required to do.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/99"

20 CAR § 502-305. Minor parent Personal Responsibility Agreement.

(a) For purposes of this section, "minor parent" means a non-head of household minor parent.

(b)(1) A minor parent will be required to sign the Personal Responsibility Agreement (PRA) on the application form along with the adult applicant.

(2) The minor parent's signature is required whenever the Transitional Employment Assistance Program application includes the minor parent's child.

(3) It does not matter if the minor parent is one (1) of several siblings for whom application is being made or if the minor parent and child are the only members of the transitional employment assistance (TEA) applicant family.

(4) As long as the minor parent's child is included, the minor parent will be required to sign the Personal Responsibility Agreement along with the adult.

(5) If the minor parent refuses to sign the PRA, the twenty-five percent (25%) reduction in payment (noncompliance sanction) will be applied.

(c)(1) The responsibilities outlined on the PRA will be discussed with the minor parent.

(2) These include requirements in relation to the Transitional Employment Assistance Program, such as child support requirements and participation in education and training activities.

(3) The availability of services such as childcare assistance and child health services to help meet the minor parent's personal and family responsibilities will be explained.

(d)(1) If possible, the PRA will be signed at the application interview.

(2) However, if the minor parent is not at the application interview, a time will be scheduled for the minor parent to come in and sign the PRA.

(e) If the application is submitted online, minor parent agrees to the provisions of the PRA by electronically signing the PRA.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/99"

20 CAR § 502-306. Non-head of household minor parent living arrangements.

(a) A non-head of household minor parent and his or her child must live in the home of the minor parent's parent, legal guardian, or other adult relative except in certain situations listed in 20 CAR § 502-307.

(b)(1) If an application is made by an unmarried minor parent who is living on his or her own with a child or in a home that does not meet the above criteria, then it will be determined if he or she meets one (1) of the exception situations listed in 20 CAR § 502-307.

(2) If the first exception is met, then no further development is required.

(3) If he or she meets one (1) of the exceptions listed in 20 CAR § 502-307, then the county office will help in locating:

(A) A second chance home;

(B) A maternity home; or

(C) Another appropriate adult-supervised living arrangement.

(c)(1) If the minor parent does not meet any exception, then the minor parent will be advised of the living arrangements requirement and that such arrangements must be resolved before transitional employment assistance (TEA) benefits can be authorized.

(2) A timeframe within which the minor parent and child must move into an appropriate living arrangement may be designated.

(3) Such timeframe should be reasonable based on the minor parent's individual circumstances but should not result in the application being unreasonably delayed.

(d) If an appropriate living arrangement is available to the minor parent and he or she refuses such arrangement, then the application will be denied.

(e) **Note — Referrals to the Division of Children and Family Services.**

(1) A minor parent under the age of sixteen (16) should be referred to the Division of Children and Family Services if sexual abuse is suspected.

(2) Also, if deemed appropriate, a referral to the division on a homeless minor parent and child may be made.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/99"

20 CAR § 502-307. Exceptions to minor parent living arrangements.

(a) If an unmarried minor parent and child are not living in a living arrangement as described in 20 CAR § 502-306, then the county office will first determine whether the minor parent meets one (1) of the following exception situations before requiring a change in living arrangements or denying the application:

(1)(A) The minor parent's current living arrangement is determined to be appropriate.

(B) In this situation, the parent and minor child or children must continue to reside in such living arrangement as a condition of continued receipt of cash assistance.

(C) An example of such an arrangement might be that the minor parent and child are living with an unrelated adult who has been acting as a parent to the minor;

(2) The minor parent has no parent, legal guardian, or other appropriate adult relative of his or her own who is living or whose whereabouts are known;

(3) The minor parent's parent or legal guardian will not allow the minor parent and child to live in his or her home, and there is no other appropriate adult relative who will allow the minor parent and child to live in their home;

(4) The minor parent or child is being or has been subjected to serious physical or emotional harm, sexual abuse, or exploitation in the home of the minor parent's parent or legal guardian;

(5) Substantial evidence exists of an act or failure to act that places the minor parent or child at risk of imminent or serious harm in the home of the minor parent's parent or legal guardian; or

(6) It is otherwise determined that it is in the best interest of the minor parent's child to waive the living arrangement requirement for the minor parent and child.

(b)(1) The decision as to whether a particular living arrangement is appropriate under subdivision (a)(1) of this section is made at the county office level.

(2) The case record should be documented as to why a living arrangement was determined to be appropriate.

(c)(1) The type or amount of verification requested of the minor parent to establish any of the above exceptions will be determined by the county office.

(2) Since the intent of the living arrangement requirement is to ensure as many minor parents and their children live in adult-supervised settings as possible, attempts to verify the basis of an exception should be made.

(3) However, depending upon the individual situation, the minor parent's declaration may be accepted, if deemed appropriate.

(d) In situations in which it is determined that either subdivision (a)(4) or (a)(5) of this section applies, a referral to the Division of Children and Family Services will be made on behalf of the minor parent and child.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-308. Minor parent education.

(a)(1) A minor parent who does not have a high school diploma or equivalency and whose child is over three (3) months old must:

(A) Attend school; or

(B) Participate in other educational activities directed toward the attainment of a high school diploma or its equivalent.

(2) Regular attendance and satisfactory progress will be the minor parent's continuing work participation activity.

(3) The minor parent will be advised of this requirement during the application or Personal Responsibility Agreement (PRA) interview.

(b)(1) If the minor parent is enrolled in school or is participating in other educational activities when application is made, the county office should verify enrollment and attendance before approving the application and document the case record accordingly.

(2)(A) If the minor parent is not enrolled in school or other educational activities, he or she will be advised of this requirement and that enrollment and regular attendance in school or participation in other approved educational activities will be required.

(B) The application may be approved if all other eligibility requirements are met, but the minor parent will be required to verify enrollment as his or her first scheduled work participation activity.

(3) Refer to 20 CAR § 503-135 for a more detailed discussion regarding the minor parent education requirement.

(c)(1) If school is not in session when the application is made, it will be discussed with the minor parent as to what his or her plans are when school resumes.

(2) As long as he or she plans to attend school when it resumes, the application may be approved, if otherwise eligible.

(3) However, verification of enrollment will be obtained as soon as school resumes.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-309. Time limit.

(a)(1) Beginning March 1, 2024, a family who meets all the eligibility requirements may receive transitional employment assistance (TEA) cash assistance benefits for a period of up to twelve (12) total months.

(2) The months counted are based on receipt by the adult recipient or head of household minor parent.

(3) Refer to 20 CAR § 502-912 for circumstances under which the time limit may be extended.

(b) The time limit does not apply in the following situations:

(1) In cases in which the only parent in the home, or both parents if both are living in the home, receives Supplemental Security Income benefits, and therefore, no adult is included in the case;

(2)(A) In months in which the individual is deferred or exempt from work activity participation requirements.

(B) See Example 2, below; and

(3)(A) In the months in which a non-head of household minor, under eighteen (18) years of age, parent receives cash assistance.

(B) The count will begin when the minor reaches eighteen (18) years of age.

(c)(1) The time limit applies in cases in which the nonparent caretaker's relatives choose to be included in the TEA payment with the child.

(2) If a nonparent relative is a payee only, then the time limit does not apply to the case.

(3) This will be explained to the nonparent adult relative during the application interview.

(4) See Example 1, below.

(d) The time a child receives assistance will not count toward their time limit when they become an adult.

(e)(1) Payments made by another state under a Temporary Assistance for Needy Families program count toward the twelve-month limit in Arkansas if the adult has received more than forty-eight (48) such payments in another state.

(2) Only the payments from another state in excess of forty-eight (48) total payments will count toward Arkansas's twelve-month limit.

(3) **Note.**

(A) The DCO-118, TANF Assistance Received Out of State, will be used to report TEA benefits received from another state.

(B) The form should be emailed to the TEA Policy Unit.

Example 1: A grandmother is applying (after July 1998) for her grandchild. The grandmother chooses to be included in the unit. After six (6) months of receiving TEA benefits, the case closes because the child has returned to their parent. The grandmother later reapplies for herself and a child of her own. Because she previously received six (6) months of assistance, she has six (6) months remaining in the twelve-month limit. Had she not been included with her grandchild previously, her twelve-month period would begin at one (1) month.

Example 2: Ms. Jones was temporarily deferred from work activity requirements due to a domestic violence situation at the time her TEA application was certified in January. The deferral continued for the next five (5) months, ending in June. The deferral months of January through June will not count toward Ms. Jones' twelve-month limit.

(f)(1) Diversion Assistance payments count towards the twelve-month time limit unless the payment has been repaid.

(2) The number of months that a diversion payment counts is based on the diversion amount divided by the maximum grant for which the family would have been eligible had the diversion not been made.

(3) The number of months is rounded up to the next higher number.

(4) See 20 CAR § 502-207.

(g)(1) Inquiry to the TEA Time Clock may be made to determine the number of months an adult has received TEA benefits.

(2) Regular TEA payments and diversion payments are listed on this screen as well as payments paid by another state that must be counted toward the time limit.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "04/01/24"

20 CAR § 502-310. Child support requirements.

(a) When one (1) or both parents are not living in the home with the child, or when legal paternity has not been established, the person receiving assistance for the child must comply with the child support enforcement requirements unless it would be against the best interests of the child.

(b) These requirements are:

(1)(A) The assignment of child support rights.

(B) Arkansas state law, Acts 1997, No. 1296, provides for an automatic assignment of child support rights when an individual accepts transitional employment assistance.

(C) Refer to 20 CAR § 502-311; and

(2)(A) Cooperation in obtaining child support and establishing legal paternity.

(B) Refer to 20 CAR § 502-312.

(c) The cash assistance payment for which the family is otherwise eligible will be reduced by twenty-five percent (25%) if the casehead or minor parent fails to cooperate, without good cause, with child support enforcement requirements.

(d)(1) The purpose of the Child Support Enforcement Program is to:

(A) Promote greater financial responsibility of parents to their children;

and

(B) Provide a child support collection service to reduce dependency upon public assistance.

(2) This purpose may be stated in the following objectives:

(A) Identifying and locating noncustodial parents of children for whom assistance is requested;

(B) Establishing paternity of children born out of wedlock for whom assistance is requested, including situations in which both parents are living with the child;

(C) Obtaining support payments due individuals for whom assistance is requested; and

(D) Obtaining any other payments or property due individuals for whom assistance is requested.

(e) During the application interview, the child support enforcement requirements will be explained to the applicant.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/99"

20 CAR § 502-311. Assignment of child support rights.

(a) Under Arkansas state law, when an individual accepts transitional employment assistance (TEA) for or on behalf of a child or children, such individual will be deemed to have assigned to the Department of Human Services any rights to child support from any other person as such individual may have:

(1) In his or her own behalf or on behalf of any other family member for whom he or she is receiving assistance; and

(2) Which have accrued at the time such assistance, or any portion thereof, is accepted.

(b)(1) The effective date of the assignment is the date the case is certified for cash assistance, or the child or children are added.

(2) The duration of the assignment will extend until:

(A) The termination of TEA with respect to current support rights; and

(B) Such time as past TEA assistance has been reimbursed to the state with respect to accrued unpaid support rights.

(c) Failure to turn in support payments will result in an overpayment, which will be subject to recovery and may result in a sanction for noncooperation.

(d)(1) The automatic assignment of child support rights will be explained to each Transitional Employment Assistance Program applicant.

(2) This will include reviewing with the applicant the Assignment of Child Support (DCO-237).

(3) It is important that the casehead be made fully aware of his or her responsibility to pay to the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration any support payments received from the noncustodial parent once the assignment becomes effective, i.e., approval of the application.

(4) It should be explained to the casehead that paying to the Office of Child Support Enforcement all support payments covered by the assignment is a part of the child support cooperation requirement.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-312. Cooperation in establishing paternity and obtaining support.

(a)(1) An individual may be freed from the requirement to cooperate in terms of subdivisions (b)(1) – (5) of this section, only if good cause for refusal to cooperate is determined to exist per 20 CAR § 502-313.

(2) Good cause is not allowed for refusal to cooperate in terms of subdivisions (b)(6) and (7) of this section.

(b) "Cooperate" includes the following:

(1) Providing information necessary for the referral to the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration;

(2) Appearing at the offices of the state or local agency or of the Office of Child Support Enforcement as necessary to provide verbal or written information, or documentary evidence known to, possessed by, or reasonably obtainable by the casehead that is relevant to the achieving of the objective of:

- (A) Identifying and locating noncustodial parents;
- (B) Establishing paternity; and
- (C) Obtaining support;

(3) Appearing as a witness at court or other proceedings necessary to achieving the objective of:

- (A) Identifying and locating noncustodial parents;
- (B) Establishing paternity; and
- (C) Obtaining support;

(4) Providing information, or attesting to the lack of information, under penalty of perjury;

(5) Providing information necessary to establish legal paternity for children included in the assistance unit for whom legal paternity has not been established;

(6) Paying to the Office of Child Support Enforcement any child support payments received from a noncustodial parent that are covered by assignment after an assignment of child support becomes effective; and

(7) If required by the Office of Child Support Enforcement, entering into a formal repayment agreement, and complying with that agreement, to pay back any child support payments covered by the assignment that were received directly from the noncustodial parent and retained by the client.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-313. Good cause for refusal to cooperate.

(a)(1) An individual may be determined to have good cause for refusing to cooperate with the state in child support enforcement activities and thus be freed from the cooperation requirement.

(2) Good cause may be determined to exist in certain specified circumstances under which cooperation would be against the best interests of the child.

(b) Each transitional employment assistance (TEA) casehead and/or minor parent subject to the cooperation requirement must be informed in writing via Form DCO-90 of his or her right to claim good cause prior to the requiring of cooperation.

(c)(1) TEA will not be denied, delayed, reduced, or discontinued pending claim determination if all other eligibility requirements have been established.

(2) The Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration will not undertake activities to establish paternity or to secure support when notified that an individual has claimed good cause.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/99"

20 CAR § 502-314. Claiming good cause.

(a)(1) A claim of good cause will be made by the casehead or minor parent by completing Form DCO-105 specifying the circumstance under which good cause is believed to exist.

(2) The casehead must provide corroborative evidence to establish the existence of the good cause circumstance and, if requested, provide sufficient information to permit the county office to conduct an investigation.

(3) Evidence and/or information must be provided within twenty (20) days from the date the claim was made, unless the county office grants an extension.

(b) Upon request, the county office will advise the casehead how to obtain the necessary documents and will make a reasonable effort to obtain any specific documents that the casehead is not able to obtain without assistance.

(c)(1) If the application is ready to be certified but the claim is still pending, the worker will complete the certification but no referral to the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration will be made at that time.

(2) See 20 CAR § 502-603(f).

(d)(1) If the application is denied due to other factors, all procedures relating to the claim may be discontinued at that time.

(2) A narrative entry should be made to explain the discontinuance of good cause procedures.

(e)(1) All claims of good cause and circumstances on which claims are based should be carefully documented in the record.

(2) Claims of good cause based on circumstances subject to change should be reviewed periodically.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "7/01/99"

20 CAR § 502-315. Circumstances under which good cause may exist.

(a) Good cause will be determined to exist only if cooperation in establishing paternity and securing support would be against the best interests of the child due to at least one (1) of the circumstances listed below:

(1)(A) The cooperation of the casehead in establishing paternity or securing support is reasonably anticipated to result in physical or emotional harm to the child or to the mother or other relative with whom the child is living.

(B) The potential physical or emotional harm must be of a serious nature to justify a finding.

(C) A finding of good cause for potential emotional harm may only be based upon a demonstrable impairment that substantially affects the functioning of an individual; or

(2) The county office believes that proceeding to establish paternity or to secure support would be detrimental to the child for whom aid is sought due to the existence of at least one (1) of the following circumstances:

(A) The child was conceived as a result of incest or forcible rape;

(B) The adoption of the child is pending before a court of competent jurisdiction; or

(C) The parent or parents are currently being assisted by a state or licensed private social agency to resolve the issue of whether to keep the child or to relinquish him or her for adoption, and the discussions have not gone on for more than three (3) months.

(b)(1) A claim of good cause that has been substantiated based upon the circumstance defined under subdivision (a)(2)(C) of this section will not be valid for more than ninety (90) days from the time such determination was made.

(2) If, after the ninety (90) days referenced above, the issue regarding the continued presence of the child or children in the home has not been resolved, the casehead must submit to the county office each month thereafter evidence and/or information showing that:

(A) The issue has not been resolved; and

(B) Efforts to reach a decision are continuing.

(3) If such evidence and/or information is not provided at such time, Form DCO-1 will be sent, if appropriate, notifying the casehead that such must be provided or

the noncustodial parent information for the Office of Child Support Enforcement referral provided within ten (10) days.

(4) A failure to provide such evidence and/or information will be viewed as a failure to cooperate, and the sanction will be applied.

(c)(1) If, during the ninety (90) days, the issue is resolved that the child or children will remain in the home of the casehead, the good cause claim or decision substantiating the claim will become void.

(2) The casehead must then cooperate as required, or the sanction will be applied.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-316. Substantiation of good cause claim.

(a) A good cause claim may be substantiated by:

- (1) Evidence that corroborates the claim;
- (2) An investigation conducted by the county office when the basis of the claim is anticipated physical harm and no corroborative evidence is available; or
- (3) Both corroborative evidence and an investigation.

(b) It is the responsibility of the casehead to provide corroborative evidence and, if the county office determines that an investigation is necessary, to provide sufficient information to enable such investigation.

(c)(1) The county office will, upon request, advise the casehead how to obtain the necessary documents and make a reasonable effort to obtain any specific documents that the casehead is not able to obtain without assistance.

(2) Such requests will be documented on Form DCO-105.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-317. Types of corroborative evidence.

(a) Good cause claims may be corroborated with the following types of evidence:

(1) Birth certificates or medical or law enforcement records that indicate that the child was conceived as a result of incest or forcible rape;

(2) Court documents or other records that indicate that legal proceedings for adoption are pending before a court of competent jurisdiction;

(3) Court, medical, criminal, child protective services, social services, psychological, or law enforcement records that indicate that the putative father or noncustodial parent might inflict physical or emotional harm on the child or relative;

(4) Medical records that indicate emotional health history and present emotional health status of the casehead or of the child for whom support would be sought, or written statements from a mental health professional indicating diagnosis or prognosis concerning the emotional health of the casehead or of the child for whom support would be sought;

(5) A written statement from a public or licensed private social agency that the child's parent or parents are being assisted by the agency to resolve the issue as to whether to keep the child or to relinquish him or her for adoption; and

(6)(A) Sworn statements from individuals other than the casehead with knowledge of the circumstances that provide the basis for the good cause claim.

(B) A sworn statement is a statement made and sworn to before a person authorized by law to take such a statement.

(C) Those persons who are authorized include a notary public, clerk of the court, or a judge (list not inclusive).

(b)(1) Any evidence considered must have a direct and logical relation to the circumstance or circumstances under consideration or it will be insufficient to substantiate good cause, i.e., it must verify the claim.

(2) Corroborative evidence is to be provided by the casehead within twenty (20) days, or forty (40) days in exceptional cases, from the date the claim was made.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-318. Investigation.

(a)(1) Anticipated physical or emotional harm may be the basis of a claim for which there is no corroborative evidence, particularly in the case of battered women.

(2) When no corroborative evidence is submitted in support of past physical or emotional harm, the county office will investigate the claim when it believes that the claim is credible without corroborative evidence and such evidence is not available.

(b)(1) Good cause will be found to exist if the statement of the casehead and the investigation satisfy the county office that good cause exists.

(2) The casehead has the burden of establishing credibility and the reason no evidence exists.

(3) The agency investigation may not verify good cause, but should establish to the county office's satisfaction the credibility of the casehead.

(c)(1) A determination that good cause exists due to anticipated physical or emotional harm under this section will be reviewed and approved or disapproved by supervisory staff.

(2) The record will document the findings (Form DCO-105).

(d) In addition to cases in which physical harm is the basis of the claim and no corroborative evidence is available, the county office may conduct an investigation to further substantiate a claim when the corroborative evidence provided is insufficient to make a determination.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/99"

20 CAR § 502-319. Special consideration related to emotional harm.

The following should be considered in every case in which the good cause determination is based in whole or in part upon the anticipation of emotional harm to the child, the mother, or the caretaker relative:

- (1) Present emotional state of the person subject to emotional harm;
- (2) Emotional health history of that person;
- (3) Intensity and probable duration of upset;
- (4) Degree of cooperation to be required; and
- (5) The extent of the involvement of the child in the paternity establishment or support enforcement activities to be undertaken.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/99"

20 CAR § 502-320. Good cause claim made at application.

(a) If the applicant makes a good cause claim, he or she will be advised of the information needed to substantiate it and that the information must be provided within twenty (20) days of the date the claim is made.

(b) If the application is ready to be processed, though, before the twentieth day and the evidence has not been provided, it will not be delayed.

(c) Refer to 20 CAR § 502-603(f).

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/99"

20 CAR § 502-321. Providing information for the Office of Child Support Enforcement referral.

(a) Unless good cause for refusal to cooperate has been claimed or has been determined to exist, the transitional employment assistance (TEA) casehead must provide information for the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration referral on each parent who is absent from the home or the putative father when both parents are living in the home with the child and legal paternity has not been established.

(b) **Note.**

(1) Arkansas state law, Acts 1995, No. 1091, amended by Acts 1997, No. 1296, requires both parents to sign an affidavit acknowledging paternity or obtain a court order before the father's name can be added to the birth certificate of any child born April 10, 1995, or later.

(2) Therefore, if the father's name is on the birth certificate of any child born April 10, 1995, or later, paternity has been established.

(3) A referral to the Office of Child Support Enforcement will not be made when both parents are in the home and paternity has already been established.

(c) If the casehead refuses to provide the necessary information to make the Office of Child Support Enforcement referral, the application will be approved with the twenty-five percent (25%) reduction for noncooperation with the child support enforcement requirements.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-322. Cooperation with the Office of Child Support Enforcement following noncompliance.

(a)(1) The sanction for noncooperation with child support requirements will be lifted upon actual cooperation by the person who failed to cooperate.

(2) Refer to 20 CAR § 502-914(a) for a description of the sanction.

(b)(1) When a client whose cash assistance payment was reduced due to child support noncompliance wishes to have his or her payment restored to the full amount, he or she must cooperate with the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration before the full payment is authorized.

(2) The cooperation requirement will be discussed with the client to determine if he or she intends to cooperate now.

(3) If the client states a willingness to cooperate, then he or she will be referred to the Office of Child Support Enforcement.

(c) Processing of the application may continue pending notification from the Office of Child Support Enforcement as to whether the client has cooperated.

(d)(1) If the reason for the prior noncompliance was the parent's or other adult relative's failure to appear in court, then full cooperation cannot occur until the Office of Child Support Enforcement schedules a court date and the client actually appears.

(2) If the Office of Child Support Enforcement advises that the client has agreed to cooperate but that a court date must be scheduled, then the application may be approved at the reduced payment until he or she actually appears in court.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/99"

20 CAR § 502-323. Other explanations.

(a) Other explanations to be given during the application interview are listed below.

(b) Family cap.

(1)(A) A child who is born while the mother is receiving transitional employment assistance (TEA) cash assistance, either for other children or as a minor child herself, will not be included in the case for cash assistance purposes unless the TEA case closes and remains closed for a period of six (6) continuous months.

(B) In addition, a child who is born within nine (9) months of the month TEA benefits were terminated to the mother will not be included for payment unless the mother's case has been closed continuously for six (6) months.

(2)(A) This provision applies equally to:

- (i) Applicants who are pregnant and deliver after certification; and
- (ii) Recipients who become pregnant after certification.

(B) There are no exceptions.

(3)(A) **Note.** The family cap provision does not apply to a child who moves into the home from another home.

(B) See 20 CAR § 502-908.

(4)(A) The county office will thoroughly explain this provision to the applicant and minor parent, if appropriate.

(B) It should be pointed out to the applicant that the provision applies to teenagers included in the unit as well as the adult.

(C)(i) Therefore, if a teen gives birth after the case is certified, that newborn will not be added to the payment.

(ii) See 20 CAR § 502-907.

(c) Administrative hearings.

(1) The county office will explain that the applicant may request a hearing if his or her application is denied or is not acted upon with reasonable promptness.

(2) In addition, if approved for benefits, it will be explained that he or she will have the right to request a hearing if the assistance payment is reduced, discontinued, or terminated.

(3) Refer to 20 CAR § 502-1501 et seq., for more detailed information concerning administrative hearings.

(d) Voter registration.

(1) If the applicant indicated on the application form that he or she would like to register to vote, the applicant will be offered a Voter Registration Application.

(2) Refer to Voter Registration Appendix for voter registration policy and procedures.

(e) Extended support services.

(1) The county office will explain the availability of extended support services, which include Medicaid and child care assistance, when a case is closed due to employment.

(2) Refer to section 5000 of the DHS TEA Case Management Manual for detailed information regarding other extended support services.

(f) Department of Human Services case management services.

(1) During the interview, the Program Eligibility Specialist will explain to the applicant that upon approval, a referral will be made to the Department of Human Services for case management services.

(2) The Department of Human Services case manager will perform all case management activities in accordance with 20 CAR pt. 503.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows at the beginning of the section: "07/01/99"

This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows at the beginning of subsection (b): "02/27/18"

This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows at the beginning of subsections (c) and (d): "07/01/97"

This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows at the beginning of subsections (e) and (f): "12/06/11"

Subpart 4. Eligibility Determination

20 CAR § 502-401. Eligibility determination generally.

(a) In addition to the eligibility requirements dealt with during the application interview, i.e., the Personal Responsibility Agreement (PRA), providing or applying for a Social Security number for all family members, and initial cooperation with the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration, it will be determined and documented in the case record whether the family meets the remaining transitional employment assistance (TEA) eligibility requirements as described in the following sections.

(b)(1) If it is determined, at any point, that an eligibility requirement is not met, it is not necessary to determine whether the applicant meets any other requirements.

(2) The application may be denied based on the requirement not met.

(3) Each requirement is discussed in more detail in the following sections.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/01/97"

20 CAR § 502-402. TEA family/assistance unit defined.

(a) For purposes of the Transitional Employment Assistance Program, the terms "TEA family" and "assistance unit" have the same meaning and are used interchangeably throughout this part.

(b) The above terms refer to the under-age-eighteen, non-Supplemental Security Income child or children for whom application is made and the following persons:

(1)(A) The parent or parents, including minor parents, living in the home with the child unless such parent receives Supplemental Security Income benefits.

(B) If both parents are in the home, they do not have to be married to both be included in the unit;

(2) The non-Supplemental Security Income stepparent living in the home with the child;

(3)(A) Any non-Supplemental Security Income sibling under age eighteen (18) of the child for whom application is made who is living in the home and for whom the parent or other adult caretaker has responsibility even if application is not made for that child.

(B) See Example 1, below; and

(4)(A) A nonparent, non-Supplemental Security Income adult caretaker relative who chooses to be included as an eligible family member.

(B) Only one (1) such relative may be included.

(c) Please see subsection (f) of this section.

(d) The persons described in subdivisions (b)(1) – (3) of this section are required to be included as transitional employment assistance (TEA) family members except when a specific individual eligibility requirement is not met by such person.

(e) Individual eligibility requirements are the following:

(1) Social Security number enumeration (20 CAR § 502-302);

(2) Child's relationship to the caretaker relative (20 CAR § 502-403);

(3) Citizenship or alienage (20 CAR § 502-407);

(4) Fleeing felon or parole or probation violator (20 CAR § 502-411); and

(5) Family cap provision (20 CAR §§ 502-519 and 502-907).

(f) **Notes.**

(1) **Minor parents.**

(A) If the application is made for the minor parent and child only, the minor parent's parent or parents, stepparent, or siblings are not required to be included in the assistance unit.

(B) See Example 2, below.

(2) **Legal/biological father.** If the child has a legal father, according to state law, who does not live in the home but the alleged biological father does, such biological father will not be included as the child's parent until the issue of the legal father has been legally resolved.

(3) **Consolidated units.**

(A)(i) If there are two (2) or more otherwise separate families living in the same house, such families will not be combined into one (1) single TEA family even if some of the children may be half-siblings to each other.

(ii) See Example 3, below.

(B) All minor non-Supplemental Security Income children in the home for whom the caretaker relative has responsibility will be included in one (1) unit.

(C)(i) All minor non-Supplemental Security Income children in the home for whom a legally married couple has responsibility and for whom they are receiving, or wish to receive, assistance will be included with the couple as one (1) TEA family, or assistance unit.

(ii) See Example 4, below.

Example 1: Ms. Adams applies only for her son James and does not want to apply for her daughter Crystal because Crystal receives Social Security Administration benefits from her deceased father's account. Even though Ms. Adams is not applying for Crystal, she must be included in the application and the TEA family, even if Crystal's Social Security Administration income causes ineligibility for the assistance unit.

Example 2: Ms. Craig applies for assistance for her sixteen-year-old daughter, Sue, and Sue's baby, Emily. Other household members include Sue's two (2) brothers. Ms. Craig does not want assistance for herself and her two (2)

sons. The TEA family will consist of Emily and her mother, Sue.

Example 3: Ms. Jones and Ms. Smith each have two (2) children. Mary, Ms. Jones' child, and Tom, Ms. Smith's child, have the same father making them half-siblings. The Jones and Smith families will remain separate families under TEA even though Mary and Tom are half-siblings.

Example 4: Mr. and Mrs. Madison each have a child of their own from a previous marriage living with them. Even though they have no child in common, the four (4) of them (Mr. and Mrs. Madison and the two (2) children) will be considered to be one (1) TEA family, not separate families.

Example 5: Mr. and Mrs. Sanchez each have a child of their own from a previous marriage living with them. They do not have a child in common. Mr. Sanchez's son is receiving four hundred dollars (\$400) per month in child support from his mother. Mr. Sanchez does not want to receive TEA assistance for his son. Because Mr. Sanchez is a stepparent to Mrs. Sanchez's child, he must be included in the TEA case with Mrs. Sanchez and her child. However, his child is not required to be in the case because his child is not a sibling or half-sibling to Mrs. Sanchez's child. Therefore, Mr. Sanchez may choose to exclude his child and thus, the child's income.

(g)(1) The eligibility requirements described in the following sections will be determined in relation to the TEA family members as defined above.

(2) If a requirement affects only an individual's eligibility, the section specific to that requirement specifies so and describes how to treat an individual family member who is ineligible due to the requirement.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "08/01/18"

20 CAR § 502-403. Age and relationship requirement.

(a) The non-Supplemental Security Income child or children must:

- (1) Be under eighteen (18) years of age; and
- (2) Live in the home of a parent or other adult caretaker who is in a specified degree of relationship to the child.

(b) "Home" means the family setting maintained or in the process of being established, as evidenced by the assumption and continuation of responsibility for the day-to-day care of the child by the relative.

(c) A child is considered to be living with a parent or other relative even though:

- (1) The child is under the jurisdiction of a court (receiving probation services or protective supervision);
- (2) Legal custody is held by an agency or other individual provided, though, the child is physically residing with the applicant;
- (3) The child or adult is hospitalized provided that, upon release, the child or adult will return to the home of the applicant; or
- (4)(A) The child or adult is otherwise temporarily absent from the home not to exceed forty-five (45) consecutive days.
(B) See subsection (d) of this section.

(d) **Note.**

(1) The intent of the temporary absence provision above (subdivision (c)(4) of this section) is to continue assistance to a family during short periods of time in which

the adult or child may not be in the usual family setting, e.g., a child may visit the noncustodial parent for up to forty-five (45) days.

(2) It is not intended to provide assistance to an adult on behalf of a child who, on a regular basis, lives in another adult's home the majority of the time, e.g., resides with another relative during the week to enable either the child or parent to attend school in another location.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-404. Degrees of relationship.

The child must be living with a relative who is in one (1) of the following degrees of relationship to the child:

(1)(A) A blood or adoptive relative who is within the fifth degree of kinship.

(B) Such relatives by degree of kinship are as follows:

(i) First degree: parent;

(ii) Second degree: grandparent, sibling;

(iii) Third degree: great-grandparent, uncle, aunt, nephew, niece;

(iv) Fourth degree: great-great-grandparent, great-uncle, great-aunt, first cousin; and

(v) Fifth degree: great-great-great-grandparent, great-great-uncle, great-great-aunt, first cousin once removed, i.e., the child of one's first cousin.

(C) Half-relationships will be considered the same as full relationships;

(2) Stepfather, stepmother, stepbrother, stepsister; or

(3)(A) Spouses of any persons named in the above groups.

(B) Such relatives may be considered within the scope of this provision though the marriage is terminated by death or divorce.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-405. Methods of proving age and relationship.

(a)(1) The child's age and relationship to the parent or other adult caretaker must be verified.

(2) The inability of the casehead to verify the age or relationship of one (1) child does not affect the eligibility of other children in the family.

(b) Acceptable documents to verify age and relationship include the following:

(1) **Birth certificates/hospital certificates.**

(A)(i) Original birth certificates are considered the strongest proof of age.

(ii) Delayed birth certificates will be accepted.

(iii) A hospital certificate is also acceptable proof.

(B)(i) County staff has online access to the Department of Health birth records through the Unique Client Directory Vital Records on DHS SHARE.

(ii) Birth information from this file may be printed and used to verify age and relationship in lieu of an actual birth certificate.

(iii) If the birth information is not available through the Department of Health's birth records, the household will be allowed additional time, if needed, to verify the birth.

(C)(i) For verification of births out of state, the applicant is responsible for obtaining the necessary verification.

(ii) If the applicant cannot obtain such verification, the agency may assist by writing the social service agency in the other state to request their assistance in obtaining verification;

(2) **Government records.** Civil records, court records, draft records, military records, records of the United States Bureau of the Census, Social Security records, and other government records may furnish conclusive proof of age and/or relationship;

(3) **Organization records.** The records of public and private agencies, fraternal societies, organizations such as trade unions, or medical records that give the age or birth date of an individual will be acceptable evidence of age;

(4) **School records.** School enumeration records or registration records will be acceptable proof if made at the time the child was first registered or at least one (1) year prior to the date of the application;

(5) **Employment records.**

(A) The records kept by an organization or individual who has formerly employed the applicant will be considered acceptable proof of age.

(B) This record must be at least five (5) years old;

(6) **License.** The applicant may be able to provide a marriage license that will furnish conclusive proof of age;

(7) **Family birth records.**

(A) Family records of births, marriages, and deaths of members are kept in a permanent register, usually a Bible.

(B) For evidence of birth dates for children, such a record may be accepted.

(C) The condition of entries should show the siblings in the sequence in which they were born.

(D) When a family record is accepted, the case record must contain:

(i) A description of the birth record;

(ii) The reason it was determined to be authentic and longstanding;

(iii) The permanent location of the record; and

(iv) The date and place it was seen by the worker;

(8) **Record of physician.** A copy of a birth record of a physician can be accepted as verification; and

(9) **Statement of witness to birth.**

(A) A notarized statement of a witness, such as a doctor, nurse, midwife, or other person present at the time of birth, is acceptable.

(B) The following facts must be included:

- (i) Name of the child and parents;
 - (ii) Date and place of birth;
 - (iii) Relationship of the witness to the family, such as attending physician or nurse; and
 - (iv) Facts showing that knowledge is primary and direct, not hearsay.
- (c)(1) If proof of one (1) child's age or relationship cannot be obtained, or the client is having difficulty obtaining it, this will not affect the eligibility of any other child in the family.
- (2) Assistance will be approved for the otherwise eligible children.
 - (3) When proof of the excluded child's age or relationship is provided, that child will be added.
 - (4) See the example below.
 - (5) **Note.** A new application will not be required to add the child in this situation.

Example: Ms. Jones applied for three (3) children. The two (2) youngest children were born in Arkansas, and Ms. Jones provided their birth certificates to verify their ages and relationship to her. However, the oldest child was born in Maine, and Ms. Jones lost the copy of the birth certificate she had in a house fire. She has written to the state of Maine to get another copy but has not received anything back yet. All other factors are met, so the application is approved with Ms. Jones and the two (2) younger children included as eligible family members. As soon as the birth certificate is received for the oldest child, he will be added.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "08/10/11"

20 CAR § 502-406. Verifying presence of child in home of relative.

(a) The worker will verify that the child or children are living with the parent or other relative.

(b) Acceptable methods of verification include:

(1) Collateral Statement, Form DCO-76, completed by a friend or neighbor showing the child as a household member (primary type);

(2) Phone contact with a friend or neighbor;

(3) Information from current school records; and

(4) Other types of collateral contact.

(c) The verification used will be documented or filed in the case record.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-407. Citizenship or alienage requirement.

(a) Each individual for whom application is made must be one (1) of the following:

(1) A United States citizen (native born or naturalized);

(2) An alien lawfully admitted for permanent residence prior to August 22, 1996;

(3) A qualified alien for whom federal law requires benefits under Title IV-A of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to be provided;

(4)(A) An alien who entered the United States on or after August 22, 1996, and has been in qualified alien status for at least five (5) years.

(B) **Note.** For an alien who is granted qualified alien status due to being a battered alien, the five-year period begins with the date of the prima facie case determinations or the date the I-130 visa petition is approved; or

(5)(A) An individual who lawfully resides in the United States in accordance with the Compact of Free Association between the government of the United States and the governments of the:

- (i) Republic of the Marshall Islands;
- (ii) Federated States of Micronesia; or
- (iii) Republic of Palau.

(B) These individuals may lawfully live and work in the United States and its territories as nonimmigrants without a visa.

(b) An alien lawfully admitted for permanent residence prior to August 22, 1996, includes the following:

(1) A refugee admitted under Section 207 of the Immigration and Nationality Act;

(2) An alien granted asylum under Section 208 of the Immigration and Nationality Act;

(3) An alien who was paroled into the United States under Section 212(d)(5) of the Immigration and Nationality Act for a period of at least one (1) year;

(4) An alien whose deportation is being withheld under Section 243(h) of the Immigration and Nationality Act; and

(5) An alien who was granted conditional entry pursuant to Section 203(a)(7) as in effect prior to April 1, 1980.

(c) A qualified alien under subdivision (a)(3) of this section is one who meets one (1) of the following criteria:

(1) Was admitted to the United States less than five (5) years ago as a refugee under Section 207 of the Immigration and Nationality Act;

(2) Was granted asylum under Section 208 of the Immigration and Nationality Act less than five (5) years ago;

(3) Whose deportation is being withheld under Section 243(h) of the Immigration and Nationality Act and such withholding decision was made less than five (5) years ago;

(4) Has been admitted for permanent residence under the Immigration and Nationality Act and has worked forty (40) qualifying quarters of coverage as defined under Title II of the Social Security Act or can be credited with such qualifying quarters as follows:

(A) All of the qualifying quarters of coverage worked by the alien's parent while the alien was under eighteen (18) years of age will be credited to the alien;

(B) All of the qualifying quarters of coverage worked by the alien's spouse during their marriage provided they are still married or the spouse is deceased;

(C) No qualifying quarter of coverage described above, beginning on or after January 1, 1997, worked by the alien, parent, or spouse will be credited to the alien if the alien, parent, or spouse, as appropriate, received any federal means-tested public benefit during the period for which the qualifying quarter of coverage is so credited;

(5) Is lawfully residing in the state and is:

(A) A veteran with an honorable discharge from the military;

(B) On active duty, other than for training, in the Armed Forces of the United States; or

(C) The spouse or unmarried dependent child of an individual described in subdivision (c)(5)(A) or (c)(5)(B) of this section;

(6) Has been certified as a victim of a severe form of trafficking under Section 107 of the Victims of Trafficking and Violence Protection Act of 2000, Pub. L. No. 106-386; or

(7) Is a Cuban or Haitian entrant as defined under Section 501(e) of the Refugee Education Assistance Act of 1980.

(d) A qualified alien under subdivision (a)(4) of this section, including battered aliens, is one who meets one (1) of the following criteria:

(1) An alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act;

(2) An alien who is paroled into the United States under Section 212(d)(5) of such act for a period of at least one (1) year; and

(3) An alien who is granted conditional entry pursuant to Section 203(a)(7) of such act as in effect prior to April 1, 1980.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/01/24"

Title IV-A of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is codified at 42 U.S.C. § 601 et seq.

The Immigration and Nationality Act is codified at 8 U.S.C. § 1101 et seq.

Title II of the Social Security Act is codified at 42 U.S.C. § 401 et seq.

The Refugee Education Assistance Act of 1980 was enacted as Pub. L. No. 96-422.

20 CAR § 502-408. Methods of proving citizenship or alienage status.

(a) A declaration of citizenship will be accepted unless the county office determines that the declaration is questionable, in which case verification such as birth certificates or naturalization papers will be required.

(b) The following documents may be used to verify alien status:

(1) **Refugee.**

(A) United States Customs and Border Protection Form I-94 annotated "Admitted as a refugee pursuant to Sec. 207 of the Immigration and Nationality Act", United States Citizenship and Immigration Services Form I-688B or Form I-766

annotated "274a.12(a)(3)", or United States Citizenship and Immigration Services Form I-571.

(B) Date of entry must be less than five (5) years from the current date;

(2) Asylee.

(A) Form I-94 annotated "Asylum status granted pursuant to Sec. 208 of the Immigration and Nationality Act", a grant letter from the United States Citizenship and Immigration Services Asylum Office, Form I-688B or Form I-766 annotated "274a.12(a)(5)", or an order of an immigration judge granting asylum.

(B) If a court order is presented, verify that the order was not overturned on appeal by sending a G-845 to the United States Citizenship and Immigration Services, attaching a copy of the document.

(C) The date asylum was granted must be less than five (5) years from the current date;

(3) Deportation withheld.

(A) An immigration judge's order showing deportation withheld under Section 243(h) and date of the grant, or Form I-688B or Form I-766 annotated "274a.12(a)(10)".

(B) If a court order is presented, verify that the order was not overturned on appeal by sending a G-845 to the United States Citizenship and Immigration Services, attaching a copy of the document.

(C) The date deportation was withheld must be less than five (5) years from the current date;

(4) Lawfully admitted for permanent residence. I-551 (Green Card) or, for recent arrivals, a temporary I-551 stamp on a foreign passport or on Form I-94;

(5) Worked forty (40) qualifying quarters of coverage.

(A) Social Security Administration Query screen (WQRY) will be used to determine if an alien has forty (40) qualifying quarters of coverage, including credited quarters from his or her parent or spouse.

(B)(i) Form SSA-3288, Consent for Release of Information, must be signed by the person for whom quarter of coverage information is needed before making the inquiry.

(ii) If the person is deceased, no consent is needed.

(C) Refer to the Division of County Operations' User's Manual for instructions on how to inquire to WQRY for this purpose;

(6) **Battered aliens.** Form I-130 filed by alien's spouse or parent of the battered child, Form I-360 petition as a widow or widower of a United States citizen, an approved self-petition under the Violence Against Women Act, or an application for cancellation of removal or suspension of deportation filed as a victim of domestic violence;

(7) **Honorable discharge.** A United States military discharge certificate (DD Form 214) that shows character of service as "Honorable" and does not show, in the narrative reason for discharge entry, that the discharge was based on alien status, lack of United States citizenship, or other "alienage" reason;

(8) **Active duty member of the armed forces.** The green service identity card (DD Form 2) or (rarely) red service identity card and copy of current orders showing active duty (not active duty for training purposes only);

(9) **Spouse or dependent child of veteran or active duty.** A marriage license or birth certificate verifying the individual's relationship to the veteran or active duty military person along with the appropriate verification for honorable discharge or active duty; and

(10) **Trafficking victim.** A certification letter issued by the Office of Refugee Resettlement verifying that an individual has been identified as a trafficking victim pursuant to Section 107(b) of the Trafficking Victims Protection Act of 2000.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "03/28/18"

The Immigration and Nationality Act is codified at 8 U.S.C. § 1101 et seq.

The Trafficking Victims Protection Act of 2000 is codified generally at 22 U.S.C. § 7101 et seq.

20 CAR § 502-409. SAVE.

(a)(1) Under the Systematic Alien Verification for Entitlements (SAVE) Program, the United States Citizenship and Immigration Services examines documentation provided by noncitizens to ensure the documentation is authentic and accurate.

(2) SAVE uses a web-based application developed by the Department of Homeland Security for use by federal and state agencies administering entitlement programs.

(3) The telephone verification system is no longer available.

(b)(1) To access the new system, the worker must click on the following link: <https://save.uscis.gov/Web/vislogin.aspx?JS=YES>.

(2) A link to this website is available through ANSWER.

(c)(1) No unauthorized individual may access the SAVE system.

(2) The Division of County Operations supervisor in each county office supervises access to the SAVE system through the county's user group.

(3) He or she:

(A) Adds or deletes SAVE users to the county's user group;

(B) Resets user passwords; and

(C) Reviews user activity.

(4) A worker must be added as a "General User - View user initiated ISV responses".

(5) A lead worker or supervisor must be added as a "General User - View ISV responses for all users in Group" in order to be able to monitor the activities of other group members.

(d)(1) Each worker and supervisor added to SAVE as a user must also sign a safeguard certification before accessing the SAVE system.

(2) These documents will be maintained in a folder in the county for possible audit review.

(3) The document is available on DHS SHARE.

(e)(1) Once a worker is added to the system, he or she will be directed to the tutorial selection at the top of the screen.

(2) The tutorial will step the user through the process of requesting verification of alien status.

(f) **Electronic verification.** SAVE electronically verifies immigration status or naturalized or derived citizenship using a three-step process:

(1)(A) Initial verification (first step) electronically compares information the agency enters against immigration databases and returns a response within seconds.

(B) The system will respond with the applicant's current immigration status and a unique Department of Homeland Security ID.

(C) A code will be provided by the Department of Homeland Security identifying the next verification steps to take as necessary.

(D) If the information provided in the initial response is sufficient to make an eligibility determination, no additional verification is necessary.

(E) When the Department of Homeland Security cannot immediately verify information provided by the individual, a code will be returned instructing the agency to review and correct the information or to institute additional verification;

(2)(A) Additional verification (second step) is initiated electronically by the agency when the system returns information that varies from what the individual presents.

(B) This step takes between three (3) to five (5) federal working days.

(C) The SAVE system will populate the agency action field with the next possible steps.

(D) If information is sufficient to determine eligibility, no further verification is needed.

(E) Third-step verification will be initiated if eligibility cannot be determined based on the code received;

(3)(A) Third-step verification is an electronic process initiated by the agency.

(B) The agency must submit photocopies (front and back) of the applicant's relevant immigration documents using the scan and upload function; and

(4) **Close case.** After a response has been received with enough information to make an eligibility determination, or all electronic methods of verification have been exhausted, the Department of Homeland Security SAVE case should be closed through the SAVE program.

(g) The SAVE user's manual may be found at:

<https://save.uscis.gov/web/media/resourcescontents/saveprogramguide.pdf>.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "05/01/18"

20 CAR § 502-410. Declaration of citizenship.

(a) As a condition of eligibility, a declaration of citizenship, or lawful alien status, must be made in writing, under penalty of perjury, for each transitional employment assistance (TEA) family member.

(b)(1) The Immigration Reform and Control Act of 1986, Pub. L. No. 99-603, requires an applicant for public benefits to declare in writing, under penalty of perjury, whether he or she is a citizen or national of the United States, or if not, that he or she is an alien in satisfactory immigration status.

(2) An individual must be given certain status options from which to choose to make his or her citizenship declaration.

(c)(1) The ANSWER-generated Client Declaration statement is used to obtain the written declaration for the family.

(2) The Program Eligibility Specialist enters the information in the citizenship area of the Client Profile tab for each member of the TEA budget unit.

(3) The individual must be given the status options listed on the Client Profile tab from which to choose to make his or her citizenship declaration.

(d)(1) The alien number, status, date of entry, and country of origin must be completed on the Client Profile tab for any family member included in the assistance unit who is not a United States citizen.

(2) It must be verified, as described in 20 CAR § 502-408, that the Immigration and Naturalization Service status meets the TEA eligibility criteria for an alien.

(3) The Client Declaration is printed and the casehead signs the form on behalf of all adults and children included in the assistance unit.

(e)(1) The casehead is required to sign the Client Declaration to declare citizenship status of the individual each time a new member is added to the case.

(2) If the case is closed and the client reapplies, a new Client Declaration declaring the citizenship status of the assistance unit will be required.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "02/15/05"

20 CAR § 502-411. Fugitive felons and parole or probation violators.

(a) An individual who is fleeing to avoid prosecution, or custody or confinement after conviction, of a felony offense is ineligible for transitional employment assistance (TEA) benefits.

(b) An individual who is violating a condition of probation or parole imposed under federal or state law is ineligible for TEA benefits.

(c)(1) The eligibility of other family members is not affected by the ineligibility of a person described above.

(2) Such ineligible person will not be included in the family size for purposes of determining the payment amount.

(3) However, if the person is the parent or stepparent of any child included in the unit, his or her income will be counted.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-412. Residence requirement.

(a) The family must presently reside in Arkansas and intend to make it their home.

(b)(1) No specific duration of residence is required.

(2) If the applicant has the present intention to make the state his or her home, current eligibility will not be affected even if the applicant intends to leave the state at some future time.

(3) Residence is not affected by a temporary absence from the state, provided the absence is less than one (1) month.

(c)(1) Homeless families who do not have a fixed or permanent address but reside in the state as residents of Arkansas are eligible for transitional employment assistance (TEA) provided they meet all other eligibility requirements.

(2) The county office will determine an address of choice, e.g., a P.O. Box, homeless shelter, etc., for such families.

(3) If otherwise eligible, the case may be certified with this chosen address.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-413. Initial compliance with the Personal Responsibility Agreement requirement.

(a) The Personal Responsibility Agreement requires the adult caretaker, or minor parent, to ensure that:

- (1) School-age children attend school regularly; and
- (2) The children receive immunizations as needed.

(b) "School age" means five (5) years through seventeen (17) years of age, and "preschool age" means two (2) months to five (5) years of age.

(c) Exemptions to the immunization requirement may be approved as described in 20 CAR § 502-416.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "03/28/98"

20 CAR § 502-414. School attendance.

(a)(1) If the adult or minor parent reports at application that all school-age children are enrolled in and satisfactorily attending school, the worker may accept the statement of the applicant.

(2)(A) Enrollment and satisfactory attendance will be verified with the school and documented in the case record in those cases where it is reported that one (1) or more children in the family has failed to enroll or attend school regularly.

(B) Such reports may come from any of several sources including, but not limited to, the school system locally, courts, system-generated reports supplied by the state Department of Education, etc.

(3) "Satisfactory attendance" is defined in accordance with the school's definition of attendance.

(b)(1) If the children are not enrolled, the application may be approved if all other eligibility requirements are met.

(2) However, the adult or the minor parent will be advised that:

(A) The children must be enrolled; and

(B) Certification of enrollment must be provided by the parent no later than thirty (30) days from the date the application is approved.

(c)(1) If school is not in session when the application is made, e.g., summer vacation, then the parental certification must be provided within thirty (30) days of the date school resumes.

(2) See 20 CAR § 502-914(c).

(d)(1) If the children are being home-schooled, the applicant's statement will be accepted unless questionable.

(2) If questionable, then verification that there is an approved homeschooling application on file with the school superintendent should be required.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "03/02/98"

20 CAR § 502-415. Preschool-aged immunizations.

(a)(1) Proof of current immunizations of all preschool-age children will be requested prior to approval of the application.

(2) See Appendix A for the immunization schedule.

(b) If such proof is provided, the case record will be documented accordingly or a copy of the immunization record filed in the record.

(c) If any preschool-age children are in need of immunizations, the application may be approved if all other eligibility requirements are met, but the adult or minor parent will be advised that:

(1) The children must receive the needed immunizations; and

(2) Proof that the appropriate immunizations have been received must be provided no later than thirty (30) days from the date the application is approved (see 20 CAR § 502-914(d)).

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/99"

20 CAR § 502-416. Exemptions due to medical or religious beliefs.

(a)(1) An applicant who refuses to have a child immunized because of religious beliefs or because of a medical problem, e.g., allergic reaction, must provide verification that an exemption has been granted by the Department of Health in Little Rock.

(2) To obtain such exemptions, the applicant must request a Religious Exemption Application or Medical Exemption Application from the department.

(3) The toll free telephone number is 1-800-574-4040.

(4) The department is located at 4815 West Markham, Little Rock, AR 72205.

(b)(1) Upon completion, the application must be submitted to the department at the above address for a decision.

(2) The decision will be sent directly to the parent or parents or caretaker relative.

(3) The normal processing time is two (2) weeks.

(c)(1) The parent or parents or caretaker relative must provide verification of the decision within thirty (30) days from the date the transitional employment assistance (TEA) application is approved or the date on which the child is added to the TEA case, if eligible for payment.

(2) Failure to provide such verification will result in the TEA cash assistance payment being reduced by twenty-five percent (25%) after the appropriate notice.

(3) If, however, a decision remains pending from the department at the end of thirty (30) days, verification of the pending status will be obtained by the applicant from the department and provided to the case worker.

(d) **Note.** Requests can be made only to the central office of the department listed above, not to the local health units.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "04/08/19"

20 CAR § 502-417. Resource requirement.

(a) The countable resource limit for all family sizes is three thousand dollars (\$3,000).

(b)(1) The resources of all persons included in the assistance unit must be determined.

(2) This includes all:

- (A) Adults;
- (B) Children; and
- (C) Minor parents.

(3) In addition, the resources of a non-Supplemental Security Income parent or stepparent living in the home are always considered in determining the children's/stepchildren's eligibility even if such parent or stepparent is not included in the unit as an eligible member.

(c) Certain types of resources, specified in 20 CAR § 502-420, are not counted in determining the family's resource eligibility.

(d)(1) Resource eligibility is determined as of the first day of a calendar month.

(2) If the countable resources are equal to or less than three thousand dollars (\$3,000) on the first day of the month, then the family is resource eligible for the entire month even if the resource value increases and exceeds the limit later in the month.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-418. Definition of a resource.

(a)(1) A resource is any real or personal property available to an individual to meet his or her needs, i.e., can be turned into cash.

(2) Only those resources currently available, or which the individual has the legal ability to make available, will be considered.

(3) Accumulations in trust funds, retirement, and profit-sharing plans, or other arrangements that preclude the use of the property for meeting current needs, will not be considered until such time as the property is actually available.

(b) All or any portion of a payment that is considered as income in the month of receipt cannot be considered as a resource in the same month.

Example: Ms. Smith has a checking account with a balance of seven hundred fifty dollars (\$750). On March 5, she deposits her regular monthly one hundred-dollar Social Security check into it. Since the one hundred dollars (\$100) she deposited is income for March, it cannot be included as part of the resource (the checking account) for March. Any of the March one hundred dollars (\$100) remaining in the account as of April 1, however, would then be considered as a resource.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-419. Verification of a resource.

- (a) The countable value of a resource that is not disregarded must be verified.
- (b) See 20 CAR § 502-420 for disregarded resources.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/01/97"

20 CAR § 502-420. Resources to be disregarded.

The following resources are not considered in determining the family's transitional employment assistance (TEA) eligibility:

- (1)(A) The family's homestead.
 - (B) See 20 CAR § 502-421 for more information regarding the homestead;
- (2) One (1) motor vehicle;
- (3) Household and personal goods;
- (4) Income-producing real or personal property;
- (5) Earmarked resources, including but not limited to educational grants, loans, and settlement payments that are intended and used for purposes that preclude their use for current living costs, etc.;
- (6) Earned Income Tax Credit and other tax refunds;
- (7) Any type of life insurance policy, including the cash surrender value of the policy;
- (8) One (1) burial plot per TEA family member;
- (9) Payments made under any federal, state, or local disaster assistance program;
- (10) Any property or payment required to be disregarded for eligibility purposes according to federal or state statute;

(11) When the unit consists of a minor parent and their child, the resources of the minor parent's parent, parents, or stepparent;

(12)(A) The resources of the spouse of a nonparent relative who is included in the TEA cash assistance unit.

(B) **Note.** If jointly owned, the caretaker relative's pro rata share will be counted;

(13)(A) Individual Development Accounts.

(B) Refer to 20 CAR § 503-220;

(14) Funds up to ten thousand dollars (\$10,000) placed in an escrow account by a TEA recipient who is engaged in a micro-enterprise work activity;

(15) Savings for Education, Entrepreneurship, and Down Payment accounts;
and

(16) Achieving a Better Life Experience (ABLE) accounts.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "01/01/24"

20 CAR § 502-421. Homestead.

(a)(1) A homestead is a house and tract of land that a person considers his or her home.

(2) A mobile home or trailer used as a home will be considered as a homestead, regardless of whether the person also owns the property on which the mobile home is situated.

(b)(1) Only one (1) such tract will be considered a homestead.

(2) However, there is no limit to the acreage or number of lots so long as the property is contiguous.

(3) Any other dwelling units or apartments on the property will be considered a part of the homestead.

(c) The family must:

(1) Be presently residing on the property; or

(2) Intend to move onto it within a period of six (6) months from the date of application or date of purchase, whichever is later.

(d)(1) If the family ceases to live on the property, it will continue to be regarded as a homestead for a period of six (6) months from the date they left the home or the date of application, whichever was later, provided they intend to return to it.

(2) A request to extend the period beyond six (6) months may be approved by the County Administrator, if it is determined that extenuating circumstances exist in the case.

(3) Unless the period has been extended, the recipient will be advised that the homestead becomes excess property after six (6) months.

(e)(1) If the homestead is sold, the net proceeds received from the sale will be disregarded for a period of eighteen (18) months from the date of the sale provided the casehead intends to apply such proceeds towards the purchase of another homestead.

(2) A request to extend the period beyond eighteen (18) months may be approved by the County Administrator if it is determined that extenuating circumstances exist in the case.

(3) When the conditions of the sale of the homestead are such that the proceeds will be received through installment payments, then such proceeds will be disregarded as they are received provided they are applied to the payment of another homestead.

(4) Only that portion of the proceeds, whether received in full or through installment payments, that are actually applied towards the purchase of the new homestead may be disregarded.

(5) Any remaining amount will be considered according to 20 CAR § 502-424(c)(3) or (c)(4), as appropriate.

Example 1: A client receives ten thousand dollars (\$10,000) for his homestead. He reinvests only eight thousand dollars (\$8,000)

into a new home. Therefore, the remaining two thousand dollars (\$2,000) will be considered a resource.

Example 2: A client sells his homestead through an installment payment contract for which the entire balance is not payable upon demand. The monthly payment from the sale is two hundred dollars (\$200). He uses one hundred fifty dollars (\$150) from that payment to make the payment on his new home. Therefore, the remaining fifty dollars (\$50.00) will be considered as unearned income.

(f)(1) The casehead will be advised that if another homestead is not purchased within the eighteen-month period, then at the end of the eighteen (18) months, the proceeds will be considered a resource if received in full, or as unearned income if received in installment payments (refer to 20 CAR § 502-425) beginning with the month after the proceeds first became available.

(2) Therefore, an overpayment may occur if the proceeds are not reinvested in another homestead.

(3) If a client who is receiving installment payments later purchases another homestead and applies the installment payment to the new home, then that portion applied may be disregarded.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-422. Resources considered in full.

(a)(1) Except for property specifically disregarded in 20 CAR § 502-420 and excess motor vehicles, the equity value of any other real or personal property available to the family will be considered in full.

(2) If the family has more than one (1) motor vehicle, then the market value of any additional vehicles will be considered in full.

(b)(1) When a transitional employment assistance (TEA) client has joint ownership of a resource, the client's ownership interest and the availability of the resource to the family must be determined.

(2) If the resource is available to the family unit, the net equity must then be determined.

(3) **Note.** If the jointly held resource is a motor vehicle that is not disregarded, then the market value will be determined rather than the net equity.

(c) 20 CAR §§ 502-429 – 502-436 provide more detailed discussions of real and personal property.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-423. Requesting a legal opinion on resource ownership or availability.

(a)(1) There are situations in which the client's ownership interest or ability to access the resource are not clearly evident.

(2) In such situations, it may be necessary to request a legal opinion from the Office of Chief Counsel of the Department of Human Services.

(b) To request an Office of Chief Counsel opinion regarding a resource owned or jointly owned by a member of a transitional employment assistance (TEA) family, the following procedure will be followed:

(1) The county office will submit a memorandum to the Assistant Director of the Office of Program Planning and Development, Slot S333;

(2) The memo will:

(A) Specify that the request is for a TEA case; and

(B) Include a complete description of the circumstances surrounding the resource with copies of all documentation (deeds, titles, trusts, etc.) attached;

(3)(A) Office of Program Planning and Development staff will screen the request to determine if all necessary information has been provided and will research the files to determine if an opinion on the issue has been obtained previously.

(B) If information is missing, the requesting office will be contacted.

(C) Once all necessary information is obtained, the request will be forwarded to the Office of Chief Counsel if it is determined no previously obtained opinions address the issue; and

(4)(A) Upon receipt of the Office of Chief Counsel opinion or upon the determination that a prior opinion addresses the issue, a written interpretation, via memorandum from the Assistant Director of the Office of Program Planning and Development, will be provided to the requesting county office with a copy to the Office of Field Operations.

(B) This memo will be scanned into the TEA electronic record.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-424. Sale of a resource.

(a) The sale of a resource, including disregarded resources, is considered a conversion of one (1) type of resource (property) to another type (cash) except when the terms and conditions of the sale preclude the seller's ability to obtain full payment on demand.

(b) When an individual sells either real or personal property, the amount the individual received for the property and any terms or conditions of the sale will be determined.

(c) The net proceeds from the sale, sale price less any outstanding encumbrances and costs related to the sale, will be considered as follows:

- (1) If the homestead was sold, refer to 20 CAR § 502-421;
- (2) If the family's only car/truck is sold, the proceeds may be disregarded if the proceeds are applied to the purchase of another car/truck within thirty (30) days of the sale;
- (3) If full payment was received, apply that amount to the resource limit; and
- (4) If the individual sold the property through an installment contract, then the installment payment, less any amount for which the seller is still obligated to pay on the sold property, will be considered as unearned income.

Example: Mr. and Mrs. Warren have agreed to sell five (5) acres of land they are currently buying in another county. The contract they have entered into with the buyer specifies that the buyer will pay them two hundred dollars (\$200) per month for five (5) years. The Warrens will continue to make payments to the bank on the land in the amount of one hundred fifty dollars (\$150) per month. Therefore, only fifty dollars (\$50.00) of the two hundred-dollar payment made to the Warrens will be counted as unearned income.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-425. Excess real property.

The equity value of any real property not used as a homestead (excess property) will be considered a resource in determining transitional employment assistance (TEA) eligibility.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-426. Determining ownership.

(a) Ownership may be verified by any of the following:

- (1) Deeds;
- (2) Wills;
- (3) Contract of purchase; or
- (4) Other documentary evidence.

(b)(1) When two (2) or more persons own an interest in the property, the client's ownership interest and the availability of the property as a resource to the family must be determined.

(2) Refer to 20 CAR § 502-428.

(c)(1) Questions of title, ownership, and property interest that cannot be resolved by the county office may be submitted to the Office of Program Planning and Development, Slot S333, which will request a legal opinion from the Office of Chief Counsel of the Department of Human Services.

(2) The memorandum should present the question involved, any relevant facts, with relevant documents (deeds, contracts, etc.) attached.

(3) See 20 CAR § 502-423.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-427. Forms of ownership.

(a) Fee simple ownership.

(1) When property is held in fee simple, the owner has sole ownership interests.

(2) He or she alone, or his or her legal guardian if mentally incompetent, may sell or transfer ownership interest without conditions imposed by others.

(b) Shared ownership.

(1)(A) Shared ownership means that ownership interest in property is vested with more than one (1) person.

(B) Shared ownership may be by:

(i) Joint tenancy;

(ii) Tenancy in common; or

(iii) For a married couple, tenancy by the entirety.

(2) Joint tenancy.

(A) In joint tenancy, each of two (2) or more joint tenants has an equal interest in the whole property for the duration of the tenancy.

(B) On the death of one (1) of two (2) joint tenants, the survivor becomes sole owner.

(3) Tenancy in common.

(A) In tenancy in common, two (2) or more persons have an undivided fractional interest in the whole property for the duration of the tenancy.

(B) There is no right to survivorship to a tenancy in common.

(4) Tenancy by the entirety.

(A) Tenancy by the entirety results when a conveyance is made to a husband and wife, whereupon each becomes possessed of the entire estate, and after death of one, the survivor takes the whole.

(B) Real estate owned by a married couple by the entirety is marketable only by consent of both parties.

(C) When a marriage has been legally dissolved, former spouses become tenants in common of the property, and either person can market his or her half share, unless conditions in the divorce decree specify otherwise.

(c) **Life estates.**

(1) **Life estates.**

(A) A life estate conveys upon an individual or individuals for his or her lifetime, certain rights in property.

(B) Its duration is measured by the lifetime of the tenant or of another person.

(C) The owner of a life estate has the right:

- (i) Of possession;
- (ii) To use the property;
- (iii) To obtain profits from the property; and
- (iv) To sell his or her life estate interest.

(D) However, the document establishing the life estate may restrain one (1) or more of the individual's rights.

(E) He or she does not have title to the property or the right to sell the property.

(2) **Remainder interest.**

(A) When an individual conveys property to another for life (life estate) and to a second person or persons (remainderman) upon the death of the life estate holder, both a life estate interest and a remainder interest have been created in the property.

(B) Upon death of the life estate holder, the remainderman will own full title.

(C) Several individuals may be designated as remaindermen who would hold ownership jointly or in common, as specified by will or deed.

(d) **Ownership interest in unprobated estate.** An individual may have ownership interest in an unprobated estate if he or she is an heir or relative of the deceased, or has acquired rights on the property due to the death of the deceased, in accordance with a will or state intestacy laws.

(e) **Dower/curtesy.**

(1)(A) State law for dower and curtesy gives a spouse an interest in the other spouse's property.

(B) When the deceased leaves no will, dower or curtesy may be claimed.

(C) When the deceased leaves a valid will, a widowed spouse can elect to take against the will when he or she would have a greater right to dower or curtesy than the will provides.

(2)(A) If there are questions regarding the dower or curtesy interest, the Office of Chief Counsel of the Department of Human Services will be contacted.

(B) A memorandum will be submitted to the Office of Program Planning and Development, Central Office, Slot S333.

(C) The memo should:

(i) Be from the Program Eligibility Coordinator; and

(ii) Contain a complete description of the circumstances and copies of all pertinent documents.

(D) When requesting an opinion, indicate whether or not there are direct descendants (children, grandchildren, etc.).

(f) **Rights to use.** An individual may have ownership of certain property rights such as:

(1)(A) Mineral rights.

(B) A mineral right is an ownership interest in certain natural resources that are usually obtained from the ground, such as coal, sulfur, petroleum, sand, natural gas, etc.;

(2)(A) Timber rights.

(B) Timber rights permit an individual to cut and remove freestanding trees from property owned by another.

(C) A life tenant also has certain timber rights in keeping with good husbandry;

(3)(A) Easement.

(B) An easement is a property right whereby one has the right to use of the land of another for a special purpose; and

(4)(A) Leasehold.

(B) A leasehold conveys to an individual, at the owner's will and usually for an agreed rent, the control of property for a definite period of time.

(C) It does not designate rights of ownership.

(D) Leaseholds may be carved out of life estates.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-428. Determining value of ownership interest.

(a) In determining the equity value, i.e., current market value less encumbrances, of real excess property, the type of ownership, the number of additional owners, and the individual's actual ownership interest must all be taken into consideration.

(b) **Fee simple ownership (sole ownership).** If the individual is the sole owner of excess property and has the right to dispose of it, the equity value of the property is a countable resource.

(c) **Shared ownership.**

(1) If the excess property is jointly owned by two (2) or more individuals, the equity value of the property is charged to the individual in proportion to his or her ownership interest.

(2)(A) In joint tenancy, the property's equity value is divided by the number of owners in proportion to the ownership interest.

(B) When the individual's ownership interest plus other countable resources exceed the resource limit, determine if the individual is free to sell his or her interest.

(C) If the other owners will not consent to selling the property, then the property will not be considered a countable resource.

(D) If they will sell, the property will be counted.

(3)(A) In tenancy in common, the property's equity value is divided by the number of owners in proportion to the ownership interest of each to determine the individual's ownership interest.

(B) The value of the individual's interest will be considered a countable resource, regardless of the other owners' desire to sell.

(4)(A) In tenancy by the entirety, the property's equity value is divided by one-half (1/2) to determine the individual's ownership interest.

(B) If the individual's spouse is willing to sell the property, then it will be considered a countable resource.

(C) If the spouse will not sell, then the property is not considered.

(c) Life estate or remainder interest in nonhome property.

(1) The values must be determined in accordance with state law and state actuary tables.

(2) The county will determine the value of the property in which the person has the life estate/remainder interest and route all the information to the Central Office for a determination on the value of the interest.

(3) A memorandum from the ES Supervisor and all information gathered will be sent to the Office of Program Planning and Development, Slot S333.

(d) Ownership interest held in unprobated estate.

(1)(A) An individual's ownership interest in an unprobated estate is considered to be a resource.

(B) Ownership interest is determined by dividing the equity value of the property by the number of heirs.

(2)(A) The costs of settling the estate, including funeral expenses, payment of mortgages and other debts, attorney fees, etc., will be deducted from the value of the whole estate before determining the individual net interest.

(B) A knowledgeable source estimate of these costs may be used in making the determination if the actual costs are not known.

(3) Once probate proceedings are initiated, the property will be considered inaccessible until probate is completed.

(e) Rights to use.

(1) Mineral rights, timber rights, easements, or leaseholds may all be countable resources if they have a cash value available to the individual.

(2) However, in many cases, none of the above are salable and, therefore, would not be countable.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-429. Determining market value and net equity of real property.

(a)(1) The market value of real property is determined by obtaining an estimate of current market value from a knowledgeable source.

(2) Knowledgeable sources include:

(A) Real estate brokers;

(B) Local office of the United States Farm Service Agency (for rural land);

(C) Banks, mortgage companies, and similar lending institutions;

(D) County agricultural extension service (for rural land); and

(E)(i) Tax assessor of the county in which the property is located.

(ii) If this source is used, then the assessed value must be multiplied by the county multiplier five (5) to arrive at the market value.

(b) The estimate should be written, signed and dated, and have enough information so the source can be identified.

(c)(1) The client is primarily responsible for obtaining the estimate.

(2) However, if requested, assistance to obtain a free estimate will be provided.

(d)(1) Only the net equity in the property is considered.

(2) Net equity is determined by subtracting the value of any liens, mortgages, or other encumbrances from the market value.

(3) If the market value of the property exceeds the resource limit of three thousand dollars (\$3,000), alone or with other countable resources, then the amount of any encumbrances will be verified.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-430. Personal property.

(a) Personal property is property other than real property and consisting primarily of liquid assets.

(b) Ownership of personal property can be in the same form as real property.

(c) The following sections describe more commonly held types.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-431. Cash and money on deposit.

(a) Cash on hand and money on deposit, less the amount received during the month and counted as income, is a countable resource.

(b)(1) Cash on hand includes amounts that the individual has on his or her person and amounts that he or she has at home.

(2) Money on deposit may be in a bank, savings and loan, credit union, or other financial institution.

(c) Jointly held bank accounts with non-Supplemental Security Income recipients.

(1)(A) If joint ownership exists, then the amount considered to be owned by each of the joint owners will be a pro rata amount rather than the full amount.

(B) If it is determined that the transitional employment assistance (TEA) client does not actually own the funds in a jointly held account, then none will be considered a resource to the client.

(2)(A) When a TEA client has a bank account with a non-Supplemental Security Income person, ownership of the account must be determined prior to determining whether it is a resource to the client.

(B) This applies equally to all situations in which at least one (1) of the persons named on the account is a non-TEA person whose resources are not considered.

(3)(A) A person is considered as the owner of funds in a bank account if that person earned, received, or was given the funds.

(B) As this relates to married couples, for TEA purposes, it is normally presumed that both husband and wife are joint owners of funds in a jointly held bank account.

(C) However, this presumption does not preclude ownership by just one.

(D) When there is written documentation, clearly establishing that joint ownership is not intended, then ownership by just one may be determined to exist.

(4) Ownership may be verified:

(A) By written statements from the persons whose names are on the account (primary method); or

(B) Through collateral contacts.

Example: Mr. and Mrs. Jones are currently separated but still have a joint savings account with a balance of one thousand five hundred dollars (\$1,500). Joint ownership does exist, so one-half (1/2), or seven hundred fifty dollars (\$750), will be considered to be owned by each one. Therefore, seven hundred fifty dollars (\$750), Mrs. Jones' share, will be considered a countable resource.

(d) Jointly held bank accounts with Supplemental Security Income recipients.

(1)(A) Any funds in a jointly held bank account that are being considered in determining a Supplemental Security Income recipient's eligibility are not considered in determining TEA eligibility.

(B) This applies to all situations in which a TEA client's name is on a bank account with a Supplemental Security Income recipient, including situations in which the Supplemental Security Income recipient is the TEA client's child or spouse.

(2) Any funds not being considered for Supplemental Security Income purposes will be considered for TEA purposes according to subsection (c) of this section.

(3)(A) Supplemental Security Income policy presumes that all funds in a bank account that is jointly owned by a Supplemental Security Income recipient and another person belong to the Supplemental Security Income recipient.

(B) The Supplemental Security Income recipient may rebut this presumption if some or all of the funds belong to the other person.

(C) However, unless the Supplemental Security Income recipient successfully rebuts the presumption, then Supplemental Security Income will consider all of the funds in the account for Supplemental Security Income purposes.

(D) In that case, none of the funds are considered for TEA purposes even if the TEA client's name is on the bank account.

(4)(A) When a TEA client's name is on any type of bank account with a Supplemental Security Income recipient, it will be presumed that all of the funds in the account are being considered for Supplemental Security Income purposes.

(B) It is not necessary to verify with Supplemental Security Income whether the bank account funds are being considered for Supplemental Security Income purposes unless the TEA client advises that:

(i) Supplemental Security Income is not considering all of the funds;

or

(ii) The amount in the account would appear to cause Supplemental Security Income ineligibility if considered.

(C) In either of those situations, the worker will verify with Supplemental Security Income whether the funds are being considered in determining the Supplemental Security Income recipient's eligibility.

(5)(A) Except in the above two (2) situations, it is not necessary to verify with Supplemental Security Income whether the bank account funds are being considered for Supplemental Security Income purposes.

(B) It will be presumed that they are being considered for Supplemental Security Income and, therefore, will not be considered for TEA.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-432. Trust or restricted accounts.

(a) A trust or restricted account is one in which moneys are held by a person (trustee) for another (beneficiary) with specific instructions for withdrawal.

(b) Trust funds that are legally available to help meet a transitional employment assistance (TEA) family member's needs must be considered a countable resource.

(c) Trusts that have, as the only restriction, the requirement of prior court approval are considered accessible until a formal request for withdrawal has been made to the court and the court has formally denied the request.

(d) Trusts that are not accessible to meet the individual's basic needs, e.g., the court has denied a withdrawal request, are not considered in determining the family's TEA eligibility.

(e) If there are questions concerning the accessibility of a specific trust account, the pertinent trust documents and other information describing the situation should be sent to the Assistant Director of the Office of Program Planning and Development, Slot S333, for review and request of an Office of Chief Counsel of the Department of Human Services opinion, if necessary.

(f)(1) If a trust is determined to be inaccessible, it will be reported to the Third Party Liability Unit as a third-party resource for Medicaid purposes if the individual is Medicaid eligible.

(2) In this situation, the family should be advised that the trust will be considered a third-party resource.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-433. Motor vehicles.

(a)(1) One (1) car or other mode of personal transportation owned by the family is totally disregarded, without regard to its market or equity value.

(2) The market value of any other vehicle is counted in full.

(3) The vehicle with the highest market value will be the disregarded vehicle.

(b)(1) If the customer wishes to challenge the value determination made by the county office, he or she will be given the opportunity to submit at least two (2) appraisals from knowledgeable sources.

(2) The county office will decide which appraisal to accept.

(c) Any one (1) of the following value determination methodologies may be used in arriving at the market value of vehicles used for personal transportation:

(1) NADA Used Car Guide, excluding value of optional equipment;

(2) Knowledgeable sources such as a local dealer or auto insurance company;

or

(3) County personal property tax office.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

"NADA" means the National Automobile Dealers Association.

20 CAR § 502-434. United States Savings Bonds.

(a) A United States Savings Bond is an obligation of the federal government that is nontransferable.

(b) These bonds are normally owned by the owner or owners shown on the front of the bond.

(c) If bond ownership is shared, each person's share as a resource is equal, even though any one (1) of the owners listed on the bond may dispose of it.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-435. Stocks and bonds.

(a)(1) Shares of stock represent ownership in a corporation.

(2) Stock value is determined by the closing price.

(b)(1) Verification of stock value may be made by consulting the financial section of a newspaper for stock that is listed in either the New York Stock Exchange or NYSE American.

(2) For stocks not listed on either exchange, that is "over the counter", the bid price is used to determine market value.

(3) If these bids are not listed in the newspaper, a local securities firm may be contacted to obtain the price.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-436. Other types of personal property.

(a) Any other available property not specifically disregarded is counted as a resource.

(b) See 20 CAR § 502-420 for disregarded resources.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

Subpart 5. Income Eligibility and Payment Determination — Work Activity Participation

20 CAR § 502-501. Income eligibility and payment determination generally.

(a) The family must be economically needy, which means, in part, that the family's countable income is below the income eligibility standard established by the state.

(b)(1) If income and all other requirements are met, then the monthly cash assistance payment is determined.

(2) This is based on the family size and the family's total countable income.

(c) The following sections describe how to determine what income is countable and how to calculate it, the income eligibility standard, and how to determine the payment amount.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "04/08/19"

20 CAR § 502-502. Persons whose income must be determined and verified.

(a)(1) The income of all persons included in the assistance unit must be determined.

(2) This includes all:

- (A) Adults;
- (B) Children; and
- (C) Minor parents.

(3) In addition, the income of a non-Supplemental Security Income parent or stepparent living in the home is always considered in determining the children's/stepchildren's eligibility even if such parent or stepparent is not included in the unit as an eligible member.

(b)(1) All income that is considered in determining eligibility for transitional employment assistance (TEA) benefits will be verified.

(2) Unless considered questionable, income that is disregarded need not be verified.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/1997"

20 CAR § 502-503. Potentially eligible for other income benefits.

(a) If any member of the family appears to be potentially eligible for any other benefit that would provide additional income to the family, e.g., unemployment, Supplemental Security Income, etc., the applicant will be required to apply for such benefit and provide verification of the application.

(b)(1) Once it is verified that application for the benefit has been made, transitional employment assistance (TEA) benefits will not be denied or delayed pending a decision on the application.

(2) The case should be added to the worker's "To Do" list in ANSWER to check on the status of the application.

(c) The worker should be alert to the potential eligibility of a child for Social Security benefits from a deceased parent or a noncustodial parent with a disability.

(d) Verification of unemployment insurance benefit applications may be obtained by inquiring to the WESD screen.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-504. Unearned income.

(a) Unearned income is generally money paid to or on behalf of an individual that does not represent any type of payment for work or services rendered by an individual.

(b) Except for that specifically disregarded in 20 CAR § 502-506, unearned income received by a transitional employment assistance (TEA) family member is considered in determining the family's eligibility and payment amount.

(c) The following are possible sources of countable unearned income:

(1) Pensions, annuities, insurance benefits, Social Security, railroad retirement, veterans' benefits, military allotments, teachers' retirement, state retirement, and workers' compensation;

(2)(A) Payments received for the rental of:

- (i) Rooms;
- (ii) Dwelling units;
- (iii) Buildings; or
- (iv) Land.

(B) Taxes, any interest paid on the property's loan principal, and the expense of upkeep may be deducted;

(3) Interest, dividends, and income from capital investments;

(4) Payments from estates, trust funds, or other personal property that cannot be converted into cash because of legal provisions;

(5)(A) Child support payments.

(B) **Note.**

(i) Child support payments are counted only for purposes of income eligibility.

(ii) They are not counted for purposes of determining the payment amount; and

(6)(A) That portion of the income of an alien's sponsor that must be deemed available to the alien.

(B) See 20 CAR § 502-505.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/04/2004"

20 CAR § 502-505. Income of an alien's sponsor.

(a)(1) Section 212(a)(4)(C) of the Immigration and Nationality Act requires that an alien who enters the United States seeking permanent residence under one (1) of the criteria listed below must have a sponsor.

(2) A sponsor is defined as any person who executed an affidavit of support (Form I-864) on behalf of an alien as a condition of the alien's entry into the United States.

(b) A sponsored alien may be:

(1)(A) An immediate relative, admitted under Section 201(b)(2)(A)(i) of the Immigration and Nationality Act, of a United States citizen or a lawfully admitted permanent resident alien.

(B) An immediate relative is defined as a spouse, a child under twenty-one (21), or parent of a sponsor who is at least age twenty-one (21);

(2) A family-based preference alien, admitted under Section 203(a) of the Immigration and Nationality Act, who is a married or unmarried adult son or daughter or a sibling of an adult United States citizen or lawfully admitted alien for permanent residence, or the spouse and unmarried minor and adult children of the principal sponsored alien under Section 203(d) of the Immigration and Nationality Act; or

(3) An employment-based preference alien admitted under Section 203(b) of the Immigration and Nationality Act who is a relative of an individual who owns at least five percent (5%) of the petitioning entity.

(c) When an individual has sponsored an alien, then a portion of the sponsor's income must be deemed available to the alien until the alien:

(1) Becomes a United States citizen;

(2) Has worked, or can be credited with, forty (40) qualifying quarters of work, excluding any quarter after December 31, 1997, in which the alien received

Supplemental Nutrition Assistance Program, Medicaid, Temporary Assistance for Needy Families, or Supplemental Security Income benefits; or

(3) Departs the United States permanently or dies.

(d) Computing deemed income of an alien's sponsor.

(1) To determine the amount of the sponsor's, or his or her spouse's, income that will be deemed to the alien, the Case Manager will:

(A) Determine the sponsor's gross monthly earned income and deduct twenty percent (20%), up to one hundred seventy-five dollars (\$175), of the gross;

(B) Add any unearned income to the gross earned after the twenty percent (20%) deduction;

(C)(i) Deduct the one hundred percent (100%) standard or the federal poverty level for the same family size as the sponsor and those persons living in the same household whom the sponsor claims as dependents for federal income tax purposes and who are not included in the transitional employment assistance (TEA) assistance unit.

(ii) Refer to Medical Services Policy Manual, 20 CAR pt. 500, Appendix F for a current federal poverty level chart;

(D) Deduct any amounts actually paid by the sponsor to persons not living in the same household who are claimed by the sponsor as dependents for federal income tax purposes;

(E) Deduct any alimony or child support payments paid to persons not living in the same household; and

(F) The amount remaining after all allowable deductions will be included as unearned income in the alien's TEA budget.

(2)(A) When an individual is the sponsor of two (2) or more aliens, the amount of the deemed income will be divided equally among the sponsored aliens.

(B) Any income deemed to a sponsored alien will not be considered in determining the need of other nonsponsored members of the alien's family except to the extent the income is actually available.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/01/04"

The Immigration and Nationality Act is codified at 8 U.S.C. § 1101 et seq.

20 CAR § 502-506. Unearned income to disregard.

(a) The following types of unearned income are not counted in determining a family's transitional employment assistance (TEA) eligibility or payment amount:

(1)(A) Supplemental Security Income benefits and other income of Supplemental Security Income recipients/eligibles.

(B) This includes individuals who do not receive a Supplemental Security Income payment due to an increase in income that exceeds the Supplemental Security Income benefit level but are receiving Medicaid in a Supplemental Security Income category.

(C) These individuals are:

(i) Widows or widowers with a disability who would be eligible for Supplemental Security Income if the 1984 reduction factor increase and any subsequent COLAs were disregarded (Medical Services Policy Manual, B-343);

(ii) Widows or widowers over age sixty (60) with a disability (Medical Services Policy Manual, B-344) (categories 31 and 41);

(iii) Pickle eligibles (Medical Services Policy Manual, B-342);

(iv) Widows and widowers with a disability and surviving divorced spouses who have a disability (Medical Services Policy Manual, B-345); and

(v) Adult children with disabilities (Medical Services Policy Manual, B-346) (categories 31 or 41);

(2)(A) Educational assistance/awards.

(B) This includes student loans, grants, scholarships, incentives, work study, etc.

(C) Such assistance may be from:

- (i) A governmental entity (federal, state, or local); or
- (ii) Private agencies or organizations;

(3) Incentives, reimbursements, or any other payment made from TEA funds resulting from participation in work activities;

(4)(A) Assistance from other agencies and organizations that is based, in whole or in part, on financial need.

(B) Such assistance includes, but is not limited to:

- (i) Subsidized United States Department of Housing and Urban Development housing, including utility allowances;
- (ii) Payments for rehabilitative services or training, including sheltered workshop payments;
- (iii) Home Energy Assistance Program (HEAP) payments; and
- (iv) Cash payments from churches or other charitable organizations for rent, food, or other basic needs;

(5)(A) Bona fide loans from any source, e.g., bank, any other establishment engaged in the business of making loans, or an individual.

(B) A loan is considered bona fide if it meets any of the following conditions:

- (i) There is a written agreement to repay the money within a specified time, or it was obtained from an individual or establishment engaged in the business of making loans;
- (ii) The borrower acknowledges the obligation to repay, with or without interest; or
- (iii)(a) The borrower expresses intent to repay either by pledging real or personal property or anticipated income.
 - (b) It is not necessary that the loan be secured solely by specific items of collateral such as real or personal property.

(c) It is only necessary that the borrower express the intent to repay the loan when funds become available in the future and indicate that repayment of the loan will begin when future anticipated income is received;

(6) Any cash contribution from a friend or relative;

(7)(A) Lump sum payments.

(B) This includes insurance settlements, a single payment intended to cover a period of time, such as a Social Security lump sum, and other one-time payments that exceed the income eligibility standard.

(C) Such payments are considered as resources in the month of receipt;

(8) Earned Income Tax Credits and other tax refunds;

(9)(A) Inconsequential income.

(B) This is defined as income that is less than five dollars (\$5.00) per month.

(C) It may be received on a regular or irregular basis and may be from any source.

(D) An example of such income would be interest income paid on a small savings account that amounts to less than five dollars (\$5.00) per month;

(10)(A) Irregular income.

(B) This is income that is not received on a regular basis and is usually not predictable.

(C) Such income may be of any amount and may be from any source.

(D) An example of such income would be a cash gift given to a family member for a birthday or other special occasion;

(11) Emergency or disaster assistance payments made by any federal, state, or local agency or entity;

(12) Payments made directly to landlords and other vendors on behalf of the family;

(13) Federal or state foster care board payments;

(14)(A) Any type of income that must be disregarded according to federal or state statute.

(B) See subsection (b) of this section;

(15) When the family unit consists of a minor parent and his or her child, the income of the minor parent's parent, parents, or stepparent; and

(16) The income of the spouse of a nonparent relative who is included in the TEA cash assistance unit.

(b) **Note.**

(1) At any time there is a question as to whether a particular payment may be disregarded under subdivision (a)(13) of this section, the pertinent documents concerning the payment should be submitted to the Office of Program Planning and Development, Slot S332, for a determination.

(2) This information should include the specific federal or state statute under which it is believed the disregarded treatment is required.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "04/08/19"

20 CAR § 502-507. Verification of unearned income.

(a) Verification will normally be by documentary evidence obtained from the source of the income or through computer matches, or inquiry to system screens, with the agency providing the income, e.g., WESD screen for unemployment insurance benefits.

(b) For unearned income that is disregarded, the worker may, at his or her discretion, verify the income to ensure that it is properly disregarded.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/01/1997"

20 CAR § 502-508. Computation of monthly unearned income.

(a) If unearned income is received more frequently than once per month, the monthly income is computed as follows:

(1) If received weekly, the weekly amount will be multiplied by 4.334 for the monthly amount;

(2) If received biweekly, the biweekly amount will be multiplied by 2.167; and

(3) If received semi-monthly, the semi-monthly amount will be multiplied by 2.

(b) If the amount of unearned income fluctuates from month to month, then an average of the past two (2) months will be computed.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/01/1997"

20 CAR § 502-509. Earned income.

(a)(1) Earned income includes wages, salaries, tips, commissions, and any other payment resulting from labor or personal service.

(2) Generally, if the person is working as an employee, Federal Insurance Contributions Act (FICA) taxes are withheld from earned income.

(3) Earned income also includes income from self-employment.

(b)(1) Most earned income is considered in determining a family's transitional employment assistance (TEA) eligibility.

(2) However, in certain situations that are specified in the following sections, earnings are not counted.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/01/97"

20 CAR § 502-510. Earned income to be disregarded.

(a) Earned income received in the following situations is not counted in determining the family's transitional employment assistance (TEA) eligibility:

(1) Earnings received by a family member in an on-the-job training (OJT) placement;

(2) Earnings received by a family member in a subsidized employment placement;

(3) Earnings received by a family member participating in the Workforce Investment Act of 1998, 29 U.S.C. § 2801 et seq. [repealed];

(4) Earnings from any source received by a non-head of household minor parent or a child member of the family;

(5) In-kind earned income;

(6) When the unit consists of a minor parent and his or her child, the income of the minor parent's parent or parents and stepparent;

(7) College work study earnings;

(8) The income of the spouse of a nonparent relative who is included in the TEA cash assistance unit; and

(9) That portion of earned income from self-employment that is deposited into a micro-enterprise escrow account.

(b) **Note.**

(1)(A) OJT and subsidized employment wages are not counted for income eligibility in relation to the income eligibility standard.

(B) However, such earnings are considered for purposes of determining whether the payment will be the full amount or the fifty percent (50%) amount.

(C) See 20 CAR § 502-518.

(2) **Exception.** OJT income received by a family member participating in the Workforce Investment Act program is disregarded for both eligibility and payment amount for TEA purposes.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-511. Verification of earned income.

(a) Verification of earnings from employment may be by any one (1) or a combination of the following:

- (1) Check stubs;
- (2) Pay slips; and
- (3) Collateral contact with the employer.

(b)(1) Sufficient verification should be obtained so that the actual income of the employee can be determined.

(2) The worker should not automatically assume that one (1) check stub accurately reflects earnings for an entire month.

(3) The latest two (2) months' verification should be required so that an average monthly earnings amount can be determined.

(4) For cases in which the individual has recently started employment and two (2) months' verification is not available, the income should be computed from the best information available.

(c) Verification of earnings from self-employment may be by any one (1) or a combination of the following:

- (1) Federal income tax return;
- (2) Purchase, sales, and account books; and
- (3) Any other source that establishes the source and amount of income.

(d) As soon as an individual is known to be engaged in a farming, business, or other self-employment enterprise, he or she should be advised of the necessity of keeping accurate records so that his or her income can be determined.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/1997"

20 CAR § 502-512. Computation of monthly gross earned income — Employee.

(a) The gross earned income amount that will be used to determine eligibility is an estimate of the amount that the individual can reasonably be expected to have available in the next month or months.

(b)(1) The estimate of monthly earnings is usually based on the assumption that the earnings received in the most recent months are reflective of the earnings that will be received in the current and following months.

(2) In most situations, the estimate will be an average of the latest two (2) months' gross earnings.

(3) However, in some situations, such as when the client has just started employment or has had a change in pay rate or hours, this assumption will not hold true.

(4) Therefore, the estimate of monthly earnings must be based on the latest information that is available at the time the earnings are being computed.

(c)(1) Gross monthly earnings will be computed as follows.

(2)(A) Determine the average gross pay per pay period.

(B) Any advance EIC payments paid to the employee with his or her regular earnings are excluded.

(3) If earnings are paid weekly, multiply the weekly gross by 4.334 for the monthly amount.

(4) If paid biweekly, multiply the biweekly amount by 2.167.

(5) If paid semi-monthly, multiply the semi-monthly amount by 2.

(6)(A) In some situations, the average pay per pay period cannot be determined based on the latest two (2) months' earnings because the client has not yet

worked a full two (2) months, or a change has occurred within the past two (2) months which has affected current earnings.

(B) In these situations, another method that will give a more accurate reflection of the client's earnings should be used to obtain an average pay per pay period.

(C) The following examples describe methods that could be used in some typical situations.

(D) The actual method used, however, is at the discretion of the worker.

(d) Employment started within past two (2) months.

Example 1: Ms. Smith reports on May 22 that she started working on May 14. She received one (1) paycheck on May 18 for three (3) days of work. The check stub shows she worked fifteen (15) hours at five dollars and fifteen cents (\$5.15) per hour. An employer's statement is obtained, which shows she is expected to work twenty-five (25) hours per week at five dollars and fifteen cents (\$5.15) per hour and will be paid weekly. Her monthly gross earnings are computed based on the employer's statement, as follows: $\$5.15$ (hourly wage) \times 25 (number of hours expected to work per week) = $\$128.75/\text{week}$ \times 4.334 = $\$558$.

Example 2: Ms. Jones has received five (5) paychecks since she started working part time on May 31. She provides all five (5) check stubs. The check stub for her first check, which was for the pay period ending June 1, shows earnings for eight (8) hours at five dollars and fifteen cents (\$5.15) per hour. Since this first check was for only two (2) days of work (four (4) hours per day), it will be excluded when determining the weekly average. The other four (4) check stubs are averaged to arrive at a weekly pay period average of $\$104 \times 4.334 = \450.74 monthly gross.

(e) Change occurred within past two (2) months.

(1) For purposes of this section, a change in the earnings amount does not include changes due to normal fluctuations in the number of hours worked or amount paid, or short-term temporary changes such as working an extra shift one (1) week because another employee was sick.

(2) It does include changes in hourly wage, moving from part-time to full-time status or vice versa, obtaining or losing a second job, etc.

Example 3: Ms. Doe received a raise from five dollars and fifteen cents (\$5.15) per hour to five dollars and twenty-five cents (\$5.25) per hour on her March 16 paycheck. She continues to work the same number of hours. She is paid biweekly, so the last four (4) consecutive check stubs are used to determine an average number of hours worked per pay period. Her monthly gross earnings are then computed as follows: $\$5.25$ (new hourly wage) \times 30 (average number of hours) = $\$157.50$ (biweekly earnings) \times 2.167 = $\$341.30$.

Example 4: Ms. Wilson had been working on an as-needed basis and had been averaging ten (10) hours per week. On April 24, she was put on regular employee status, and her employer expects her to work about thirty (30) hours per week. Her hourly wage remains the same at five dollars and fifty cents (\$5.50) per hour. Her gross monthly earnings are computed as follows: $\$5.50$ (hourly wage) \times 30 (new number of hours expected to work) = $\$165$ (weekly earnings) \times 4.334 = $\$715.11$.

Example 5: Ms. Jones has been working part-time for one (1) employer for several years. In July, she begins another part time job in addition to the first job. An average of her last eight (8) consecutive paychecks from the first job is determined and

multiplied by 4.334 for monthly gross earnings of three hundred twenty-five dollars and five cents (\$325.05). A statement from the second employer is obtained that shows Ms. Jones is expected to work fifteen (15) hours per week at five dollars and fifteen cents (\$5.15) per hour. Based on this information, her monthly gross earnings from the second job are computed to three hundred thirty-four dollars and eighty cents (\$334.80). The monthly earnings from the two (2) jobs are then added together for a total monthly gross earnings of six hundred fifty-nine dollars and eighty-five cents (\$659.85).

- (3) As stated earlier in this section, the worker should:
 - (A) Use a method that gives the most accurate reflection of earnings; and
 - (B) Document the case record as to why the method was selected.
- (4) The earnings computation will be documented in the case record.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/1997"

"EIC" means earned income tax credit.

20 CAR § 502-513. Computation of earnings from self-employment.

(a)(1) Like employee earnings, the monthly amount of self-employment earnings that must be considered is the agency's best estimate of earned income that will be available to the individual in a month or months.

(2) Costs directly related to producing the income are subtracted from the self-employment gross.

(3) Only those costs without which the income could not be produced will be subtracted.

(4) Such costs do not include:

(A) Depreciation;

(B) Personal business and entertainment expenses;

(C) Personal transportation;

(D) Purchase of capital equipment; and

(E) Payments on the principal of loans for capital assets or durable goods.

(b) Also, income deposited into a micro-enterprise escrow account will be deducted from the self-employment income prior to computing monthly gross earnings.

(c) For room and board income, a standard one hundred twenty dollars (\$120) per roomer/boarder will be subtracted as the cost related to producing the income.

(d)(1) Self-employment earnings are usually not as predictable as employee earnings and are often received less frequently than monthly.

(2) Therefore, in most situations, a time period longer than two (2) months should be used to determine average monthly self-employment earnings.

(e) **Income received less frequently than monthly (quarterly, annually, etc.).**

(1) Income of this type may include farming, including soil bank and related diversion payments), cattle ranching, business, or any other type of self-employment enterprise in which the income resulting from work performed over a period of time is received at one (1) time rather than during the period in which the work is being performed.

(2)(A) The first step in computing monthly gross earnings in these situations is to calculate the gross annual income for the previous calendar year.

(B) If available, the individual's federal income tax return may be used to determine the annual income and the amount of costs related to producing the income.

(C) The annual allowable costs are subtracted from the gross annual income.

(D) The remainder is then divided by twelve (12) to arrive at an average monthly amount.

(E) This figure is treated as gross earned income.

Example: After expenses, Ms. Smith earns one thousand two hundred dollars (\$1,200) annually from farming. This amount prorated over twelve (12) months equals one hundred dollars (\$100) per month. Therefore, one hundred dollars (\$100) gross earnings would be considered for TEA purposes.

(3)(A) If the previous year's income is not a fair reflection of the current year's income, the worker may determine, by averaging recent months or other means, an amount that will fairly reflect the current year's income.

(B) The case record should be documented to clearly reflect the manner in which the income was determined and the basis for considering it a fair reflection of the current year's income.

(f) Income received monthly or more frequently (weekly, daily, etc.).

(1) Income of this type may include:

(A) Room and board payments;

(B) Babysitting;

(C) Sales from Avon, Tupperware, etc.; or

(D) Any other type of self-employment in which the income is received at least monthly as the work is performed.

(2)(A) The first step in computing monthly gross income in these situations is to determine an average monthly gross based on the latest two (2) months' income.

(B) Verification of the latest two (2) months' gross income and costs related to producing the income should be obtained.

(C) After allowable self-employment costs are subtracted from the monthly gross, an average of the latest two (2) months will be determined to arrive at the monthly gross earnings, which will be used to determine income eligibility.

(3) **Note.** A standard one hundred twenty dollars (\$120) per roomer/boarder will be subtracted as the allowable costs for producing room and board income.

Example: Ms. Woods sells Tupperware products and provides copies of her last two (2) months' order invoices. These show her total sales and the items she had to purchase such as hostess gifts, receipt books, etc. For each month, her total gross income from sales less the costs related to producing the income is determined. These amounts are then averaged to arrive at a monthly gross earnings amount of two hundred fifty dollars (\$250).

(4)(A) If the latest two (2) months' income is not a fair reflection of the individual's current income, then another method to determine the average monthly income may be used, e.g., an average of more than two (2) months' income.

(B) The case record should be documented to clearly reflect the manner in which the income was determined and the basis for considering it a fair reflection of current income.

(g) The self-employment income computation will be documented in the case record.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "3/15/00"

20 CAR § 502-514. Income eligibility determination.

Once the family's countable monthly gross income is computed, then their income eligibility can be determined.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "01/04/1999"

20 CAR § 502-515. Income eligibility standard.

(a) The income eligibility standard is the same amount for all family sizes and is used to determine both initial and ongoing income eligibility.

(b)(1) Countable unearned income plus net earned income (gross minus certain deductions specified in 20 CAR § 502-516) is compared to the income eligibility standard.

(2) If the total countable income exceeds the standard, the family is ineligible for transitional employment assistance (TEA) benefits.

(c) The income eligibility standard is five hundred thirteen dollars (\$513) per month.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "01/01/2023"

20 CAR § 502-516. Earned income deductions for income eligibility.

(a) Before the monthly income is compared to the income eligibility standard, certain deductions are allowed from the monthly gross earnings.

(b) These deductions are:

(1)(A) Work-related deduction, twenty percent (20%).

(B) This deduction is to account for withholding taxes and other mandatory work-related withholdings from gross earnings.

(C) Applicants receive only this deduction; and

(2)(A) Work incentive deduction.

(B) Recipients who start or continue work while receiving transitional employment assistance (TEA) benefits receive both the twenty percent (20%) work-related deduction and this sixty percent (60%) incentive deduction.

(C) The purpose of the incentive deduction is to encourage recipients to find employment or to increase their earnings while receiving assistance.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "01/04/1999"

20 CAR § 502-517. Determining income eligibility.

(a)(1) To determine the family's income eligibility, an income eligibility budget is computed in ANSWER.

(2) The income for each household member is keyed in the member section.

(3) The household member, the source of income, and the verification obtained for the income will be documented in ANSWER.

(b) The following subsections outline the income eligibility budget for applicant families and for recipient families.

(c) Applicant income eligibility budget.

(1) Compute the family's countable unearned income.

(2) Compute the family's monthly countable gross earned income.

(3)(A) From the monthly gross earnings, deduct twenty percent (20%) of the gross amount to arrive at the monthly net earnings.

(B) May multiply the gross earnings by eighty percent (80%).

(4)(A) Add the net earnings to the unearned income to arrive at the monthly countable income.

(B) Compare the total monthly countable income to the income eligibility standard of five hundred thirteen dollars (\$513).

(5)(A) If the income is equal to or less than five hundred thirteen dollars (\$513), then the family meets the income requirement, and the eligibility and payment determination will continue.

(B) See 20 CAR § 502-518.

(6) If the income is over five hundred thirteen dollars (\$513), then the family is ineligible, and the application will be denied.

Example 1: Ms. Jones has one (1) child, and their only income is a one hundred twenty-five-dollar per week unemployment insurance benefit. Their monthly countable income is computed to be five hundred forty-one dollars and seventy-five cents (\$541.75). This exceeds the income eligibility standard of five hundred thirteen dollars (\$513), so the application is denied due to income.

Example 2: Mr. and Mrs. Miller have two (2) children and no unearned income. Mr. Miller is currently employed for only a few hours per week (ten (10) hours) at eleven dollars (\$11.00) per hour. His gross monthly earnings are computed to be four hundred seventy-six dollars and seventy-four cents (\$476.74). When the twenty percent (20%) work-related deduction is applied to the gross earnings, it results in net countable earnings of three hundred eighty-one dollars and forty cents (\$381.40). Since this is below the standard of five hundred thirteen dollars (\$513), the family is income eligible.

(d) For applicant families who are income eligible, the earned income deductions available to recipients should be explained so that the adult is aware that assistance will not automatically be terminated if he or she finds a job or increases his or her earnings.

(e) Recipient income eligibility budget.

(1) Compute the family's countable unearned income.

(2) Compute the family's monthly countable gross earned income.

(3)(A) From the monthly gross earnings, deduct twenty percent (20%) of the gross amount.

(B) May be computed by multiplying the gross earnings by eighty percent (80%).

(4) From the amount arrived at in subdivision (e)(3) of this section, deduct sixty percent (60%) to arrive at the net countable earnings.

(5) Add the net earnings to the unearned income to arrive at the monthly countable income.

(6) Compare the total monthly countable income to the income eligibility standard of five hundred thirteen dollars (\$513).

(7)(A) If the income is equal to or less than five hundred thirteen dollars (\$513), then the family continues to meet the income requirement and the payment will be determined.

(B) See 20 CAR § 502-518.

(8) If the income is over five hundred thirteen dollars (\$513), then the family is no longer eligible.

Example 3: Ms. Adams, who is receiving benefits for herself and two (2) children, has started working at a local plant. She works thirty (30) hours a week at eleven dollars (\$11.00) per hour. Her gross monthly earnings are one thousand four hundred thirty dollars and twenty-two cents (\$1,430.22). Her income eligibility budget is computed as follows: $\$1,430.22 \times 80\% = \$1,144.17$ - $\$686.50$ (60% of $\$1,144.17$) = $\$457.67$. Since the net countable

income of four hundred fifty-seven dollars and sixty-seven cents (\$457.67) exceeds the income eligibility standard of five hundred thirteen dollars (\$513), the family is no longer income eligible.

Example 4: Mr. Turner has started working part time and his monthly gross earnings are computed to be nine hundred fifty-three dollars and forty-eight cents (\$953.48). The income eligibility budget is as follows: $\$953.48$ (gross earnings) \times 80% = $\$762.78$ - $\$457.66$ (60% of $\$762.78$) = $\$305$, which is less than the standard of five hundred thirteen dollars (\$513). The family remains income eligible.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows at subsections (c) and (e): "01/01/2023"

20 CAR § 502-518. Payment determination.

(a) Once all eligibility requirements have been established, including income eligibility, then the family's monthly payment amount is determined.

(b)(1) The payment amounts are based on nine (9) payment levels according to family size.

(2) The maximum payment a family may receive is the payment level for the particular family size.

(c)(1) All eligible transitional employment assistance (TEA) family members, as defined in 20 CAR § 502-402, will be included in the family size for payment except a child who is not eligible for payment due to the family cap provision.

(2) See the discussion regarding the family cap below.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "01/04/1999"

20 CAR § 502-519. Maximum payment levels.

(a) The payment levels by family size are as follows:

Family Size	Maximum Amount
1	\$ 81
2	\$162
3	\$204
4	\$247
5	\$286
6	\$331
7	\$373
8	\$415
9 or more	\$457

(b) **Family cap.** The family cap provision prohibits payment to a child who is born while the mother is receiving transitional employment assistance (TEA) benefits, either for other children or as a minor child herself.

(c) **Notes.**

(1) The family cap provision does not affect the child's potential Medicaid or Supplemental Nutrition Assistance Program eligibility.

(2) A child who was previously excluded for payment due to the family cap provision but the family's case has been closed continuously for at least six (6) months may be included for payment upon reapplication.

(3)(A) A child who was excluded for payment under the Aid to Families with Dependent Children family cap waiver as of July 1, 1997, will continue to be excluded for payment under TEA unless the case is closed continuously for six (6) months.

(B) In addition, a child who was excluded under the Aid to Families with Dependent Children waiver but whose mother's Aid to Families with Dependent Children case had been closed for less than six (6) months prior to July 1997 will be ineligible for payment if a TEA application is submitted and approved within the six-month period following the Aid to Families with Dependent Children closure.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-520. Reduced payment — Gross income trigger.

(a)(1) The payment amount for the family size will be reduced by fifty percent (50%) when the family's countable monthly gross income, excluding assigned child support payments, is equal to or more than one thousand twenty-six dollars (\$1,026).

(2) If the reduction does not result in a whole dollar amount, then it will be rounded down if the remaining cents are forty-nine cents (49¢) or less, and up if fifty cents (50¢) or more.

Example 1: Mr. and Mrs. Smith have two (2) children. Mr. Smith has a disability and receives both Social Security and Supplemental Security Income disability benefits. Mrs. Smith and the two (2) children receive a total of one hundred fifty dollars (\$150) per month Social Security Administration benefits. Since Mr. Smith is a

Supplemental Security Income recipient, he is excluded from the family size for payment and his income is not considered. Only Mrs. Smith and the two (2) children are included. They are income eligible, based on the standard of five hundred thirteen dollars (\$513), so their payment is determined as follows. The monthly gross income of one hundred fifty dollars (\$150) is less than one thousand twenty-six dollars (\$1,026) so their payment is the maximum grant for a family size of three (3), or two hundred four dollars (\$204).

Example 2: Ms. Brown has received TEA benefits for one (1) month for herself and one (1) child. She has now found a job and is expected to earn one thousand two hundred dollars (\$1,200) gross per month. After allowing the recipient earned income deductions (twenty percent (20%) of the gross and then sixty percent (60%)), she is income eligible based on the income standard of five hundred thirteen dollars (\$513). The payment is then determined as follows. Gross countable income (one thousand two hundred dollars (\$1,200)) exceeds one thousand twenty-six dollars (\$1,026) so the Browns' payment is fifty percent (50%) of the maximum for a two-person family, or eighty-one dollars (\$81.00).

(b) The payment determination showing the number of persons included in the grant, the family's gross income, and the grant amount will be documented in the case record.

(c)(1) When a family's payment amount reduces to the fifty percent (50%) amount, the worker should discuss possible alternatives to continuing to receive cash assistance with the casehead.

(2) It should be explained that even though the payment has been reduced, the time limit count is continuing.

(3) Therefore, it may benefit the family in the long-term to terminate cash assistance while the family's gross income is at the one thousand twenty-six dollars (\$1,026) or above level rather than continue to receive the reduced transitional employment assistance (TEA) payment.

(4) It must be emphasized that the decision to close the cash assistance at this time is strictly the client's, and he or she should not be made to believe that the cash assistance case must be closed.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "01/01/2023"

20 CAR § 502-521. Drug screenings.

(a)(1) In accordance with Acts 2015, No. 1205, drug screenings of Transitional Employment Assistance Program and Arkansas Work Pays Program applicants and recipients will be conducted during the eligibility determination and redetermination (reassessment) phase of the application process.

(2) The drug screenings will be used to determine whether there is reasonable cause to believe the applicant or recipient engages in illegal drug use.

(3) Drug testing results will be kept confidential.

(b) **Note.** The Transitional Employment Assistance Program and Arkansas Work Pays Program drug screening and testing program is separate from any employer required drug screening and/or drug testing.

(c) **Drug screening questionnaire requirements.**

(1) Applicants and recipients will be required to submit a completed Drug Assessment Questionnaire as part of the eligibility determination or redetermination process.

(2) Refusal and/or failure, without good cause, to submit a completed Drug Screening Questionnaire will result in denial of the application or case closure.

(3) The Drug Assessment Questionnaire process can only be initiated after it has been determined that the household meets all other Transitional Employment Assistance Program eligibility requirements.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "08/01/16"

20 CAR § 502-522. Exemptions from drug screening and testing.

The following individuals are exempt from the drug screening and testing requirements:

(1) A dependent child under the age of eighteen (18);

(2)(A) A non-head-of-household minor parent who lives in the home of the minor parent's parent, legal guardian, or other adult relative described in 20 CAR § 502-307.

(B) **Exception.**

(i) A minor parent will not be exempt from the drug screening requirement if the minor parent is a head-of-household minor parent.

(ii) Refer to 20 CAR § 502-304; and

(3) An individual participating in the Career Pathways Program or Community Investment Initiative under the Transitional Employment Assistance Program and Arkansas Work Pays Program.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "08/01/16"

20 CAR § 502-523. Cooperation with drug testing and plan of action requirements.

(a)(1) If the Drug Assessment Questionnaire (DAQ) indicates a reasonable suspicion that the individual has engaged in the illegal use of drugs, the applicant/recipient will be required to take a drug test.

(2) The Division of County Operations will notify the Department of Human Services via a task in ANSWER and an email to ADWSTANFFamilySupport@Arkansas.gov that the individual's DAQ indicated the use of illegal drugs.

(3) The Department of Human Services will then coordinate with the individual for drug testing and treatment.

(4) The Division of County Operations will be notified via task in ANSWER of the individual's drug testing and treatment participation status.

(b)(1) Refusal and/or failure to cooperate with drug testing will result in a reduction in benefits.

(2) The benefits will be reduced by dropping the nonparticipating adult from the case.

(3) The case will then be processed with a designated protective payee in place.

(4) A protective payee will be designated for the household in accordance with instructions at 20 CAR § 502-1005.

(5) Exception.

(A) A protective payee will not be appointed to a single-parent Arkansas Work Pays Program case.

(B) Arkansas Work Pays Program cases will be closed if a single parent refuses or fails to cooperate with drug testing requirements.

(c) The Department of Human Services will notify the Division of County Operations of the results of the drug test via task and:

(1) If the result of the drug test is negative, the Division of County Operations will process the application with full benefits, with no protective payee designee; or

(2)(A) If the result of the drug test is positive, the Department of Human Services will coordinate with the individual to create a plan of action (POA), which will include a substance abuse evaluation to determine the appropriate treatment plan and/or recovery support group or resource.

(B) If the individual cooperates with the POA, the application will be processed with full benefits.

(C) If the individual fails to cooperate with the POA, the application will be processed with reduced benefits, and a protective payee will be designated.

(D) **Note.**

(i) If the participant is a single-parent Arkansas Work Pays Program applicant/recipient, close the case.

(ii) Refer to the exception at subdivision (b)(5) of this section.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "08/01/16"

20 CAR § 502-524. Work activity participation.

(a)(1) All able-bodied adult family members are required to work or participate in work activities that are designed to lead to employment.

(2) In addition, all minor parents, including a minor parent whose child is excluded for payment due to the family cap provision, are required to participate in educational activities as their work participation requirement.

(3)(A) There are limited exceptions to this.

(B) Refer to 20 CAR § 503-122.

(b) Transitional employment assistance (TEA) employment services are available to all adult family members.

(c) **Note.** A non-parent adult caretaker who has chosen to not be included as an eligible member is not required to participate in work activities.

(d) **Referral to Department of Human Services.**

(1)(A) A referral to the Department of Human Services will be made upon approval of the Transitional Employment Assistance Program application.

(B) The individual will be referred with a work participation status of:

(i) Mandatory; or

(ii) Exempt, child under the age of three (3) months.

(C) The Division of County Operations will not determine any other deferral reason for the adult.

(2) **Note.**

(A) If the case closes due to a work activity noncompliance and the client reapplies, a referral will be made to the Department of Human Services for compliance prior to approval.

(B) The Department of Human Services will notify the county if the client complies.

(C) If the client complies, the case will be approved at the appropriate payment level (full payment if another sanction is not involved).

(D) If the applicant does not comply, the application will be denied.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

Subpart 6. Application Disposal

20 CAR § 502-601. Application disposal generally.

(a) A Transitional Employment Assistance Program application will be disposed of by:

- (1) Approval;
 - (2) Denial; or
 - (3) Transferring the application to another county.
- (b) This subpart describes the procedures for each process.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/1999"

20 CAR § 502-602. Application approval/certification.

(a) A Transitional Employment Assistance Program application will be approved, or certified, only after all eligibility requirements have been established.

(b) In addition to documentation of all eligibility requirements, including income, resource, and budget computations, the worker will ensure that the electronic record includes a signed DCO-215, Application for Assistance.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/1999"

20 CAR § 502-603. Office of Child Support Enforcement notifications.

(a)(1) Unless a claim of "good cause" has been determined or is pending determination, the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration will be notified when transitional employment assistance (TEA) is approved for a child who has an absent parent or for whom paternity is not legally established.

(2) This notice provides information regarding the child's noncustodial parent and/or putative father so that the Office of Child Support Enforcement can start paternity or child support enforcement activities for the family.

(b) The referral to the Office of Child Support Enforcement is system generated from information keyed by the county office to the parent tab in ANSWER.

(c) A referral will be made on the following persons:

(1)(A) The absent parent of any minor child or unmarried minor parent who is not the head of household.

(B) If both parents are absent from the home, a referral will be made on each parent.

(C) **Note.**

(i) If the child has a legal father under state law and such father is absent from the home, the referral will be made on the legal father even if the mother states he is not the biological father.

(ii) In that situation, a memorandum explaining it, with information about the alleged biological father, will be sent to the Office of Child Support Enforcement; and

(2) The putative (alleged) father of a child for whom legal paternity has not been established, including a putative father living in the home with the child (see 20 CAR § 502-321).

(d) In single-parent adoption situations, there is no Office of Child Support Enforcement referral to make unless the adoptive single parent is absent from the home.

(e)(1) If good cause has been determined to exist, no referral to the Office of Child Support Enforcement will be made on the parent on whom the claim was based.

(2) The good cause indicator code will be entered on the child's member record on ACES.

(f) **Good cause claim pending.**

(1)(A) If a good cause claim is pending at the time the application is ready to be approved, the approval will not be delayed.

(B) Assistance will be authorized in the amount for which the family is otherwise eligible without regard to the good cause claim, i.e., the adult claiming good cause will be included.

(C) No Office of Child Support Enforcement referral on the parent on whom the claim is based will be made while the good cause claim is pending.

(2) Except in situations in which domestic violence is not an immediate issue, the following procedure will be followed to ensure that the claim is resolved in a timely manner following certification:

(A) On the same day the approval notice is sent, notify the casehead that the corroborative evidence and/or information to conduct an investigation must be provided by a specified date (twentieth day from the date the claim was made); and

(B) If the evidence and/or information is not received by the specified date, notify the casehead via DCO-1 that he or she must provide the evidence, or the absent parent information needed for the Office of Child Support Enforcement referral, within ten (10) days or the cash assistance payment will be reduced by twenty-five percent (25%) for noncompliance with the child support requirements.

(3) For cases involving a more immediate domestic violence situation, e.g., family is living in a shelter, the case manager should use discretion in determining time frames for completing the good cause determination.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows at subsection (f): "07/01/1999"

"ACES" means Automated Client Eligibility System.

20 CAR § 502-604. Effective date of payment.

(a)(1) Payment will begin on the first day of the month in which the application is being certified.

(2) The initial payment will not be prorated based on the date of certification.

(3) The first payment will be for a full month even if the application is certified on the last day of the month.

(b)(1) For purposes of this section, the "month of certification" means the month in which eligibility is determined to exist.

(2) See example below.

Example: The worker determines eligibility and completes the application process on August 28. After a second-party review, the supervisor concurs with the eligibility determination and it is keyed to ANSWER on September 1. The first month of payment will be for August, and it will be a full month's payment.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/1999"

20 CAR § 502-605. Application approval — Completion steps.

(a) The following specific steps will be taken to complete a Transitional Employment Assistance Program application approval:

(1) Ensure the narrative contains sufficient documentation of all eligibility requirements and computations and other pertinent information so that the family's circumstances and all determinations will be clearly understood by a supervisor or other reviewer;

(2)(A) Key the approval in ANSWER.

(B) The child support referral will be system generated to the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration upon approval;

(3) Complete Form DHS-3350 for referrals to appropriate agencies for requested services;

(4) Make any other necessary referrals to agencies or organizations to help meet a specific family need such as housing assistance;

(5) If there are any requirements still outstanding, such as a child support good cause claim pending or providing verification of school enrollment or immunizations, have the case added to the worker's To-Do List in ANSWER or other county office control system to ensure the outstanding issues are resolved in a timely manner; and

(6) In situations in which a system-generated approval notice is not sent, complete Form DCO-1 to notify the casehead of the approval and grant amount.

(b) If the family also applied for Supplemental Nutrition Assistance Program and Medicaid and those applications are still pending, the worker will continue processing those applications.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-606. Application denial.

(a) An application will be denied when:

(1) Ineligibility due to a particular eligibility requirement is determined;

(2) Eligibility cannot be established due to the lack of documentary evidence needed to establish an eligibility requirement; or

(3) The applicant requests the application be withdrawn.

(b) When denying an application, the worker will:

(1) Ensure that all pertinent information regarding the reason for denial is documented in ANSWER so that it will be clearly understood by a supervisor or other reviewer;

(2)(A) If the reason for denial is withdrawal, obtain a written statement from the applicant requesting withdrawal, if possible.

(B) If the applicant does not request the withdrawal in writing, then send Form DCO-1 advising the applicant the application will be denied in ten (10) days at his or her request;

(3) Complete Form DHS-3350 to make any referrals for services requested by the applicant;

(4) Key the denial in ANSWER using the appropriate denial code; and

(5) If a system-generated notice of denial is not sent, complete Form DCO-1, Notice of Action, to advise the applicant of the denial.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-607. Transferring an application to another county.

(a) If an applicant has a pending application and moves out of the county, transfer the application to the county in which the applicant now lives.

(b) **Responsibility of transferring county.** When an applicant moves out of the county in which the application was taken and reports it to that county, the county will:

(1) Deny the application using denial reason code 053, Transferred to Another County;

(2) Change the address;

(3) Change the county;

(4) Re-register the application using the original application date;

(5) Transfer the application in ANSWER;

(6) Send an email to the receiving county's Program Eligibility Coordinator and County Administrator notifying them of the transfer; and

(7) Document all pertinent information in ANSWER.

(c) **Responsibility of receiving county.** When an applicant moves out of the county in which the application was taken and reports it to the receiving county, the receiving county will:

(1) Deny the application using denial reason code 053, Transferred to Another County;

(2) Change the address;

(3) Change the county;

(4) Re-register the application using the original application date;

(5) Transfer the application in ANSWER;

(6)(A) Schedule the interview with the applicant.

(B) It is not necessary to obtain a new application;

(7)(A) Process the application in the normal manner.

(B) Every attempt will be made to process the application within the thirty-day time limit from the original date of application; and

(8) Document all pertinent information in ANSWER.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

Subpart 7. Referring Transitional Employment Assistance Program Cases to Department of Human Services

20 CAR § 502-701. Referrals to the Department of Human Services.

(a) During the interview, the Division of County Operations eligibility worker will explain to the client that upon approval a referral will be made to the Department of Human Services for case management services.

(b) The referral will be made via a task in ANSWER.

(c) The Department of Human Services case manager will perform all case management activities in accordance with the Transitional Employment Assistance and Work Pays Policy Manual, 20 CAR pt. 503.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-702. Reapplication after closure.

(a)(1) If a participant whose case has been closed due to noncompliance reapplies for transitional employment assistance (TEA), a referral will be made to the Department of Human Services.

(2) The county office will hold the application until the department notifies the county of the client's participation status.

(b) For cases closed due to noncompliance:

(1) If the applicant does not participate in his or her assigned work activity for two (2) weeks, the TEA application will be denied; or

(2) If the applicant participates in his or her assigned work activity for two (2) weeks, the application will be approved for full payment.

(c) For cases closed due to another reason while under a noncompliance sanction:

(1) If the applicant fails to comply in his or her assigned work activity, the case will be opened at the reduced payment level the individual was receiving when the case closed; or

(2) If the applicant participates in his or her assigned work activity, the application will be approved for full benefits.

(d)(1) The worker will make the referral to the department via a task.

(2) An email may be sent along with the task but is not required.

(3) On the DCO-191, Request for Information, under "Other Information", the worker will write: "You will be contacted by DHS and given an opportunity to participate in an assigned work activity for two weeks."

(4) The department will contact the client when the task is received.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "01/02/18"

Subpart 8. Continuing Eligibility

20 CAR § 502-801. Continuing eligibility generally.

(a) The Division of County Operations has a continuing responsibility to provide assistance for eligible participants as adequately as funds will permit and to ensure that no ineligible recipient continues to receive assistance.

(b) The division and the participant have the responsibility to ensure that information upon which a participant's eligibility is based is current and complete.

(c) During follow-up contact with the Transitional Employment Assistance Program participant, the eligibility worker and case manager will ensure that the requirements in this subpart continue to be met.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-802. Timely (advance) and adequate notices for reduction, hold, or termination of assistance.

(a) When the county office proposes to terminate, reduce, or hold the assistance payment or change the payee to a protective payee, a timely and adequate notice (DCO-1 or system generated) will be mailed or given to the participant prior to the date of the action.

(b)(1) "Timely" or an "advance" notice is one which is mailed at least ten (10) days before the date of action, that is, the date upon which the action would become effective, except that in instances of probable fraud, the notice is timely if it is mailed at least five (5) days before the date of action.

(2) Day one (1) is considered the day following the day the notice is sent.

(c) "Adequate" is a written notice that includes:

- (1) A statement of what action the agency intends to take or has taken;
- (2) The reasons for the intended agency action;
- (3) The specific policy supporting such action;
- (4) An explanation of the person's right to request a hearing; and
- (5) The circumstances under which assistance is continued if a hearing is requested.

(d)(1) If an administrative hearing is not requested within the advance notice period, then the action will be taken.

(2) If a hearing is requested within the advance notice period, the eligibility worker will forward a copy of the DCO-1 to Appeals and Hearing, Slot N401, and the action will be delayed pending the hearing unless the participant specifically requests assistance not be continued pending the hearing.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-803. When a timely (advance) notice is not required.

(a) Advance notice is not required when:

(1) The agency has factual information confirming the death of the transitional employment assistance (TEA) payee and there is no relative to serve as the new payee;

(2) The agency receives a written statement signed by a participant that he or she no longer wishes assistance, or that gives information which requires termination or reduction of assistance, and the participant has indicated that he or she understands the consequences of supplying such information;

(3) The participant has been admitted or committed to an institution, thereby rendering him or her ineligible;

(4) The participant has been placed in a long-term care facility;

(5)(A) The participant's whereabouts are unknown, and agency mail directed to him or her has been returned by the post office indicating no known forwarding address.

(B) The participant's check must be made available to him or her if his or her whereabouts become known during the payment period covered by the returned check;

(6) A participant has been accepted for assistance in a new jurisdiction (another state) and that fact has been established by the jurisdiction;

(7) A TEA child is removed from the home as a result of a judicial determination or voluntarily placed in foster care by his or her legal guardian;

(8) The participant has been informed in writing at the time of certification that assistance shall automatically terminate at the end of a specific period; or

(9) The sanction for noncooperation with child support requirements is imposed following a determination of such noncooperation by the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration.

(b)(1) In the above situation, an adequate notice is still required.

(2) If the participant requests a hearing within ten (10) days of the date the action was taken, then assistance will be reinstated to its previous level unless the participant specifically requests assistance not be continued pending the hearing, and except when the reason for closure is reaching the time limit.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

Subpart 9. Non-Work Participation Eligibility Requirements

Codification Notes. This subpart as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-901. Periodic reviews.

(a) Time-limited cases.

(1) During employment updates and other periodic contacts with a participant, the Program Eligibility Specialist will ensure that the participant continues to meet eligibility requirements that are subject to change, e.g., child in the home, income, etc.

(2) If it is determined that a family's circumstances have changed, the Department of Human Services will notify the Division of County Operations and continued eligibility will be determined.

(3) The participant will be also be reminded of his or her responsibility to report changes within ten (10) days.

(b) Non-time-limited cases.

(1) Cases that are not subject to the time limit will be reviewed on a yearly basis.

(2) Form DCO-190, TEA/Work Pays Reevaluation, will be sent to the household to complete.

(3) Non-time-limited cases may also be reevaluated during the Supplemental Nutrition Assistance Program recertification or when the semi-annual report is completed.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

"TEA" means transitional employment assistance.

20 CAR § 502-902. Resources.

(a) Newly acquired resources should be reported to the county office within ten (10) days of receipt.

(b) Resources will be verified according to the same standard used to determine original eligibility.

(c) If the total countable resources available to the unit are over the limit of three thousand dollars (\$3,000), the transitional employment assistance (TEA) case will be closed.

(d) A timely notice will be required prior to case closure.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-903. Income.

(a)(1) The Division of County Operations Program Eligibility Specialist or Department of Human Services case manager will discuss income changes during periodic contacts with the participant.

(2) The participant will be advised that he or she must report changes within ten (10) days.

(b)(1) Income and eligibility will be redetermined only when a significant change occurs.

(2) A significant change is defined as:

- (A) A new job;
- (B) A change in hourly rate or salary;
- (C) A status change from part-time to full-time and vice versa;
- (D) Loss of a job; or
- (E) Start or termination of an unearned source of income.

(c)(1)(A) When a change in income is due to termination of employment or a reduction of earnings, the Department of Human Services worker will determine the reason for the change to ascertain whether it meets the requirements of good cause.

(B) Refer to 20 CAR § 503-224(c).

(2) Verification of a change in income is required.

(d)(1) A decrease in payment or case closure requires a timely notice.

(2) If the case remains eligible but the payment increases, an adequate notice will be sent.

(e)(1) In certain situations, extended support services may be authorized when a TEA case is closed due to earnings.

(2) Refer to 20 CAR § 502-1305 and 20 CAR § 503-213.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-904. Recomputing income.

(a) When a family reports a significant change in income, the budget will be recomputed to determine the family's continued eligibility.

(b)(1) If the net countable income exceeds five hundred thirteen dollars (\$513) (income eligibility standard), the family is no longer eligible.

(2) See Example 1.

(3) Refer to 20 CAR § 502-517(e).

(c)(1) If the net countable income does not exceed five hundred thirteen dollars (\$513) and the gross countable income does not exceed one thousand twenty-six dollars (\$1,026), the assistance payment will remain the same.

(2) See Example 2.

(3) Refer to 20 CAR § 502-517(e).

(d)(1) If the net countable income does not exceed five hundred thirteen dollars (\$513) but the gross countable income exceeds one thousand twenty-six dollars (\$1,026), the assistance payment will be reduced by fifty percent (50%).

(2) See Example 3.

(3) Refer to 20 CAR § 502-520.

Example 1: Mrs. Jones receives two hundred eighty-six dollars (\$286) per month assistance for herself, her husband, and her three (3) children. Mr. Jones started to work, and his monthly gross earnings are computed to be two thousand dollars (\$2,000). The income eligibility budget is as follows: $\$2,000$ (gross earnings) \times 80% = $\$1,600$ - $\$960$ (60% of $\$1,600$) = $\$640$. Since the net countable income of six hundred forty dollars (\$640) exceeds the income eligibility standard of five hundred thirteen dollars (\$513), the family is no longer eligible.

Example 2: Mr. Thomas receives assistance for himself and one (1) child (one hundred sixty-two dollars (\$162)). He started to work, and his monthly gross earnings are computed to be one thousand twenty-five dollars (\$1,025). The income eligibility budget is as follows: $\$1,025$ (gross earnings) \times 80% = $\$820$ - $\$492$ (60% of $\$820$) = $\$328$. Since the net countable income is less than the income eligibility standard of five hundred thirteen dollars (\$513), the family remains eligible. The assistance payment (one hundred sixty-two dollars (\$162)) remains the same because the gross

earnings (one thousand twenty-five dollars (\$1,025)) are less than one thousand twenty-six dollars (\$1,026).

Example 3: Mrs. Hill receives assistance for herself and two (2) children (two hundred four dollars (\$204)). She has found employment, and her monthly gross earnings are computed to be one thousand two hundred fifty dollars (\$1,250). The income eligibility budget is as follows: $\$1,250$ (gross earnings) \times 80% = $\$1,000$ - $\$600$ (60% of $\$1,000$) = $\$400$, which is less than the standard of five hundred thirteen dollars (\$513). The family remains income eligible. Since the gross income is greater than one thousand twenty-six dollars (\$1,026) (refer to 20 CAR § 502-518), the assistance payment is reduced by fifty percent (50%). The new assistance payment will be one hundred two dollars (\$102).

(e)(1) Even if the family remains eligible, the participant may choose at any time to have his or her case closed.

(2) The worker should discuss this option with a participant who becomes employed, since each month of receipt reduces the number of months he or she may receive benefits in the future.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "01/01/2023"

20 CAR § 502-905. Child support income exceeds assistance payment.

(a)(1) The Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration sends the transitional employment

assistance (TEA) family any current monthly child support collected that is in excess of the TEA payment.

(2) A printout is sent to the county office stating that the child support exceeds the TEA payment.

(3) If the total child support collected, alone or with other countable income, exceeds the income eligibility standard of five hundred thirteen dollars (\$513), action to close the case will be taken.

(4)(A) If the family remains eligible, however, then contact will be made with the participant to discuss options, or alternatives to cash assistance that could benefit the family.

(B) The contact can be:

(i) By phone;

(ii) In writing; or

(iii) During in-person contacts with the participant.

(b) When the child support income exceeds the assistance payment, but the family remains income eligible, the participant will be given the following options:

(1)(A) Close the TEA case and receive the full child support.

(B) Explain to the participant that the child support payment is more than the TEA payment and even though a partial child support payment is being received, the limited months of TEA are continuing to count.

(C) Also, explain that Medicaid may continue and if the absent parent stops paying, reapplication for TEA can be made; or

(2)(A) Continue to receive TEA and the partial child support payments.

(B) Explain to the participant that if this option is chosen, the payments will continue to count toward the time limitation.

(c)(1) It will be the participant's decision as to which option is chosen.

(2) If there is no response from the participant, no further action will be taken on the case.

Example: The family's TEA payment is two hundred four dollars (\$204) per month. The absent parent is paying two hundred twenty dollars (\$220) per month in child support. The Office of Child Support Enforcement is sending the participant sixteen dollars (\$16.00). It would be to the family's benefit to close the TEA case and receive the child support in full. The time limit clock would stop at this point. If the family reapplies in the future, the time limit will pick up from where it previously ended.

(d)(1) Whichever option is chosen, the caseworker should redetermine the family's Medicaid eligibility.

(2) The family may be eligible for three (3) months of extended Medicaid due to child support income or may be eligible in another Medicaid category.

(3) Please refer to Medical Services Policy Manual, 20 CAR pt. 500.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "01/01/2023"

20 CAR § 502-906. Household composition.

(a) An eligible child must be living in the home in order for a family to continue to be eligible for transitional employment assistance (TEA).

(b) Family members must continue to live in the home with the child for continued individual eligibility.

(c) Changes in household composition could result in individuals being added, dropped, or the case closed.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-907. Family cap provisions — Newborns.

(a)(1) A child who is born while the mother is receiving transitional employment assistance (TEA) cash assistance either for other children or as a minor child herself will not be included in the case for cash assistance purposes.

(2) In addition, a child who is born within nine (9) months of the month TEA benefits were terminated to the mother will not be included for payment unless the mother's case has been closed continuously for six (6) months.

(b)(1) This provision applies equally to applicants who are pregnant and deliver after certification, and to participants who become pregnant after certification.

(2) There are no exceptions.

(3) The income and resources of a child excluded due to the family cap are disregarded when determining the family's continued eligibility for and amount of cash assistance.

(c)(1) Since the newborn is not eligible for cash assistance, the father of such newborn living in the home, who is not already included in the assistance unit, will not be added to the unit solely due to the birth of the child.

(2) His income and resources will not be considered for cash assistance.

(3) However, if he and the mother marry, he will be added (as the stepparent of the child or children receiving cash assistance) and his income and resources will then be considered.

(d) The family cap provision does not apply to a child who moves into the home from another home (see 20 CAR § 502-908).

(e)(1) A separate Medicaid determination for the child may be required.

(2) Refer to Medical Services Policy Manual, 20 CAR pt. 500.

(3) The referral to the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration will be made in ANSWER.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-908. Adding other individuals.

(a) A child or other adult who moves into the home and meets all eligibility requirements will be:

- (1) Added to the transitional employment assistance (TEA) case; and
- (2) Eligible for payment.

(b) The county will obtain a new DCO-215 in order to obtain information needed to establish the new member's eligibility and the continuing eligibility of other family members.

(c) **Note.**

(1) A child to whom the family cap provision has been applied, either under the AWDP waiver or under TEA, will continue to be subject to the family cap provision, unless the case has been closed continuously for a period of six (6) months.

(2) In addition, a child who was born within nine (9) months after case closure will not be added unless the case has been closed continuously for six (6) months.

(3)(A) This does not apply to a child who was under the family cap but was later added for payment.

(B) He or she will continue to be eligible.

(d) Once all eligibility requirements have been established for the new individual, he or she will be added.

(e) **Procedures for adding a person.**

(1) Obtain and record sufficient information to verify all eligibility requirements for the person being added.

(2) Complete a new budget in ANSWER to determine the unit's continuing eligibility and grant amount.

(3) If appropriate, send notice to the individual advising him or her that a referral will be made to the Department of Human Services for work activity participation.

(4) Complete Form DHS-3350 for referrals to agencies for requested services such as family planning services.

(5) Make any other necessary referrals to agencies or organizations to help meet a specific family need such as housing assistance.

(6)(A) If a child is being added for whom cooperation with the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration is required, provide the casehead an opportunity to claim good cause (DCO-90) prior to requiring his or her cooperation.

(B) If good cause is not claimed or does not exist, the referral will be made by adding the absent parent's name to the appropriate section in ANSWER.

(C) If good cause is determined to exist, no referral will be made.

(7) Submit the budget in ANSWER.

(8) In situations in which a system notice is not generated, notify the participant of the action by Form DCO-1.

(f) Effective date of payment.

(1) The effective date of payment for the individual will be the first day of the month in which the worker determines the individual's eligibility.

(2)(A) Applications to add people will be processed within thirty (30) days.

(B) Benefits will not be prorated.

(C) The grant amount will be adjusted based upon one (1) additional assistance unit member and the countable income of that family member.

Example: Ms. Jones' son had been living with his grandmother. He moved back to his mother's home on July 22. Ms. Jones applied on July 23 to add her son to her TEA case. She completed the action on July 25. Ms. Jones currently receives a payment in the amount of two hundred

four dollars (\$204) and her new payment amount will be two hundred forty-seven dollars (\$247). For the month of July, Ms. Jones will receive an additional forty-three dollars (\$43.00) (difference between two hundred forty-seven dollars (\$247) and two hundred four dollars (\$204)). If eligibility is not determined until August, benefits for her son will start in August. No retroactive benefits will be paid.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows at subsection (f): "07/01/97"

20 CAR § 502-909. Dropping individuals from the TEA grant.

(a)(1) Individuals who become ineligible for transitional employment assistance (TEA), e.g., die, move from the home, reach the maximum age for a child, will be dropped from the TEA case.

(2) The casehead is eligible to receive assistance for the individual for the month in which the change occurs.

(b) In the case of a payee adult who becomes ineligible because he or she is no longer living in the home, a change in payee will also be made.

(c) When an individual is dropped from the grant, the worker will complete the following tasks:

- (1) Record pertinent information in the case record;
- (2) Complete a new budget in ANSWER to determine the family's continuing eligibility and payment amount;

(3)(A) Give advance notice (system generated or DCO-1), if necessary.

(B) If advance notice is not necessary, notify the participant that the action has been taken via Form DCO-1 if a system generated notice is not sent; and

(4) Submit the completed budget.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-910. Marriage of the TEA parent.

When a transitional employment assistance (TEA) participant reports a marriage, the worker will:

(1) Require an application to add the new spouse to the unit unless the spouse is a Supplemental Security Income participant;

(2) Determine if the person married is employed or has any other income or resource;

(3) If the family remains eligible, refer the new member to the Department of Human Services for work participation requirements;

(4) Record all pertinent information in the appropriate section of ANSWER;

(5) Complete a new budget in ANSWER;

(6)(A) Allow the participant an opportunity to complete a Voter Registration Application so that he or she can report an address or name change to the county clerk's office if he or she so chooses.

(B) Refer to Voter Registration Appendix;

(7) In situations in which a system notice is not generated, notify the participant by Form DCO-1, if appropriate; and

(8) Submit the budget in ANSWER.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-911. Time limit.

(a)(1) Beginning April 1, 2024, a family who meets all the eligibility requirements may receive transitional employment assistance (TEA) cash assistance benefits for a period of up to twelve (12) months.

(2) The twelve (12) months do not have to be consecutive months.

(3) The months counted are based on receipt by the adult recipient or head of household minor parent.

(b) The time limit does not apply:

(1) To cases in which the only parent in the home, or both parents if both are living in the home, receives Supplemental Security Income benefits, and therefore, no adult is included in the case;

(2) In the months in which an individual is deferred or exempt from work activity participation; or

(3)(A) In the months in which an under the age of eighteen (18) non-head of household minor parent receives cash assistance.

(B) The count will begin when the minor reaches eighteen (18) years of age.

(b)(1) The time limit applies to nonparent caretakers' relatives only when such relatives choose to be included in the TEA payment with the child.

(2) If a nonparent relative is a payee only, then the time limit does not apply to the case.

(c) The time a child receives assistance will not count toward his or her time limit when he or she becomes an adult.

(d)(1) Payments made by another state under a Temporary Assistance for Needy Families program count toward the twelve-month limit in Arkansas if the adult has received more than forty-eight (48) such payments in another state.

(2) Only the payments from another state in quantity that is in excess of forty-eight (48) will count toward Arkansas's twelve-month limit.

(e)(1) Diversion Assistance payments also count toward the twelve-month limit if not repaid.

(2) See 20 CAR § 502-309.

(f) **Note.** A client may request case closure at any time during receipt of assistance.

(g)(1) During periodic contacts, the Program Eligibility Specialist will inform the client of the number of months of TEA eligibility remaining.

(2) The Program Eligibility Specialist should continue to stress to the client the importance of employment because of the time limit.

(h)(1) The Program Eligibility Specialist will explain to the recipient what action will be taken once the twelve-month time limit has been reached.

(2) Refer to 20 CAR § 502-1302 for termination procedures.

(3) The Program Eligibility Specialist will advise that the TEA case be closed unless it is determined that an extension, or exemption from the time limit, should be granted (see 20 CAR § 502-912).

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "04/01/24"

20 CAR § 502-912. Time limit exemptions, extensions, reviews, and closures.

Refer to sections 4141 – 4147 of the TEA Case Management Manual.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-913. Appeal rights.

(a) If the decision is to close the case at the end of twelve (12) months and not allow an extension, the client has the right to appeal that decision through the Office of Appeals and Hearings of the Department of Human Services.

(b) However, benefits will not be continued pending the hearing decision after the twelve (12) months.

(c) Retroactive payment may be made if the hearing decision overturns the case closure decision.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "04/01/24"

20 CAR § 502-914. Failure to comply with non-work-related aspects of the Personal Responsibility Agreement.

(a) Child support.

(1) Failure to comply with child support requirements will result in a twenty-five percent (25%) reduction in the transitional employment assistance (TEA) payment.

(2) The Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration will:

(A) Determine if a parent or other adult caretaker relative has failed to comply with child support requirements;

(B) Determine if the client had a satisfactory reason for the act of noncompliance;

(C) Provide the client an opportunity to appeal the noncompliance decision prior to notifying the Department of Human Services; and

(D)(i) Impose the noncompliance sanction if a parent or other adult relative fails to comply with child support requirements.

(ii) See below.

(3)(A) Child support sanctions will be processed automatically through ANSWER.

(B) ANSWER will process sanction request files from the Office of Child Support Enforcement each night, then complete a budget to apply the sanction.

(C) WACE will be updated with the new grant amount, and an adequate notice will be system-generated.

(D) The notice will advise the client of his or her right to request an administrative hearing of the payment reduction.

(4)(A) However, the payment reduction is the only appealable issue to the Department of Human Services.

(B) Since the Office of Child Support Enforcement made the noncompliance decision and has already provided the client an opportunity to appeal it, the noncompliance decision is not an appealable issue with the Department of Human Services.

(b) Lifting the child support sanction.

(1) A child support sanction may be lifted at any time a parent or other adult caretaker relative complies with the Office of Child Support Enforcement.

(2) If the parent or other adult caretaker relative wishes to have the sanction lifted by complying with the Office of Child Support Enforcement:

(A) A referral will be made to the Office of Child Support Enforcement;
and

(B) Notification from the Office of Child Support Enforcement that he or she has cooperated must be received prior to the assistance being restored to the full amount.

(3)(A) If a customer whose cash assistance payment was reduced due to noncooperation with the Office of Child Support Enforcement states a willingness to cooperate and appears at the Office of Child Support Enforcement office, but the reason for noncooperation was that the customer had previously failed to appear in court, then he or she must actually appear at the next scheduled court date the Office of Child Support Enforcement arranges in order to be fully cooperating.

(B) In this situation, the payment will remain at the reduced amount until he or she appears at the scheduled court date.

(C) The Office of Child Support Enforcement will:

(i) Notify the county office of this stipulation when the applicant is first referred to them for cooperation; and

(ii) Follow up with a notice to the county office following the customer's appearance at court.

(c) **School attendance.**

(1) School attendance is required in order for an eligible child to receive assistance.

(2)(A) For purposes of this subsection, school attendance relates only to children and not minor parents.

(B) Refer to 20 CAR § 503-135 for minor parent education requirements.

(3)(A) During the application process, the worker may accept the applicant's statement that all school-age children are enrolled in and satisfactorily attending school.

(B) Enrollment and satisfactory attendance will be verified with the school, and documented in the case record, in those cases where it is reported that one (1) or more children in the family has failed to enroll or attend school regularly.

(C) Such reports may come from any of several sources, including, but not limited to, the school system locally, courts, system-generated reports supplied by the state Department of Education, etc.

(4)(A) "Satisfactory attendance" is defined in accordance with the school's definition of attendance.

(B) During periodic contacts with the parent, a declaration of school attendance will be accepted unless attendance appears questionable, e.g., information received from other sources that the child is not attending.

(C) Form DCO-65 may be completed by the school to verify attendance.

(D) Phone contact or other documentary evidence from the school may also be accepted.

(5) If a child is being homeschooled, verification that there is an approved homeschooling application on file with the school superintendent may be required if the client's homeschooling allegation appears questionable.

(6) If the child is not enrolled in school:

(A) A ten-day notice will be issued to the casehead stating that the child will be dropped from the TEA case unless verification is received that the child is attending school;

(B) The unearned income and resources of the child will be counted in determining continued eligibility; and

(C) In order to be added back to the case, verification must be received from the school that the child has attended satisfactorily for a period of thirty (30) days.

(d) Immunizations.

(1)(A) Immunizations of preschool-age children is a requirement for TEA.

(B) Exemptions to this requirement due to religious beliefs or medical problems may be approved as described below.

(2) If a parent was given thirty (30) days to have the children included in the TEA case immunized:

(A) Verification must be provided by the thirtieth day;

(B) If the parent does not bring the verification, the worker will issue a ten-day notice stating that unless verification of the immunizations is received, the TEA cash assistance payment will be reduced; and

(C) The family may provide the child's immunization (shot) record or verification from the local health department or physician.

(3) See Appendix A for the American Academy of Pediatrics Immunization Schedule, which identifies the age and type of immunization the child should have.

(e) Exemptions due to religious beliefs or medical problems.

(1) A parent or caretaker relative who refuses to have a child immunized because of religious beliefs or because of a medical problem, e.g., allergic reaction, must provide verification that an exemption has been granted by the Department of Health.

(2)(A) To obtain such exemption, the parent must request a Religious Exemption Application or Medical Exemption Application from the Department of Health.

(B) The address is 4815 West Markham, Little Rock, AR 72205.

(C) The toll free telephone number is 1-800-482-5400.

(3) Upon completion, the application must be submitted to the Department of Health at the above address for a decision.

(4) The decision will be sent directly to the parent or parents or caretaker relative.

(5)(A) The normal processing time is two (2) weeks.

(B) The parent or parents or caretaker relative must provide verification of the decision within thirty (30) days from the date the TEA application is approved or the date in which the child is added to the TEA case, if eligible for payment.

(C) Failure to provide such verification will result in the TEA cash assistance payment being reduced after appropriate notice.

(D) If, however, a decision remains pending from the Department of Health at the end of the thirty (30) days, verification of pending status will be obtained by the applicant from the Department of Health and provided to the case worker.

(6) **Note.** Requests can be made only to the central office of the Department of Health listed above, not to the local health units.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows at the beginning of the section and at subsections (b), (d), and (e): "07/01/99"

This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows at subsections (a) and (c): "12/06/11"

20 CAR § 502-915. Cooperation with Quality Assurance Unit.

(a) A family must cooperate with the Quality Assurance Unit if the case is selected for a Transitional Employment Assistance Program review.

(b) Failure to cooperate will cause the entire family to be ineligible.

(c) Upon notification from the Quality Assurance Unit that a family has failed to cooperate, a ten-day notice will be issued to the family stating that the transitional employment assistance (TEA) case will be closed unless cooperation occurs.

(d) If the family contacts the office stating a willingness to cooperate, a referral will be made to the Quality Assurance Reviewer.

(e) The closure will be delayed pending notification from the Quality Assurance Reviewer as to whether the client actually cooperated.

(f)(1) If the client did not cooperate, then the case will be closed.

(2) The client will be notified of the closure but the notice need not be another advance notice.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/99"

Subpart 10. Non-Eligibility Changes

Codification Notes. This subpart as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-1001. Change of address.

(a)(1) The participant is responsible for notifying the Division of County Operations or Department of Human Services within ten (10) days of any change of address.

(2) It is important that the participant be advised of his or her responsibility to report any change of address within ten (10) days to ensure that the participant will receive appointments, notices, etc., in a timely manner.

(3) It is also important that any change of address reported be processed promptly by the county office.

(b)(1) To change an address:

(A) Record all pertinent information in the case record;

(B) Key the change in ANSWER; and

(C) Send a Voter Registration Application to the participant so that he or she can report this change to the county clerk's office if he or she so chooses.

(2) The worker should also be alert for other changes (acquiring or disposing of property, moving from the homestead, change in assistance unit members, change in income, change in food stamp household) that may be indicated by a change of address.

(c) Change of address to another county.

(1) A transitional employment assistance (TEA) case will be transferred upon the request of the individual, his or her authorized representative, or another county office.

(2) A participant may visit in another county within the state without transferring his or her case record if absence from his or her home county will not exceed one (1) month.

(3)(A) If the absence will exceed one (1) month, the case will be transferred to the county in which the family is located.

(B) This is to ensure that work participation activities continue.

(4) The individual will be advised by letter of the action taken and that the service county to which his or her case record has been sent will be contacting him or her.

(d) To transfer an active case:

(1) If reported to the receiving county:

(A) Change the address in ANSWER;

(B) Select the new county code;

(C) Transfer the open budget; and

(D) Document pertinent information in ANSWER; or

- (2) If reported to the transferring county:
 - (A) Change the address in ANSWER;
 - (B) Select the new county;
 - (C) Transfer the open budget;
 - (D) Send an email to the receiving county's Program Eligibility Coordinator and County Administrator notifying them of the transfer; and
 - (E) Document pertinent information in ANSWER.

(e) When an active case is transferred, a system-generated task is created in ANSWER notifying the receiving county and the Department of Human Services that the case has been transferred.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows at subsections (b) and (c): "12/06/11"

This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows at subsection (d): "08/26/11"

20 CAR § 502-1002. Absence from the state.

- (a) If a participant is absent from the state for more than one (1) month:
 - (1) The case will be closed; and
 - (2) The participant will be advised that he or she may reapply once he or she returns to Arkansas.
- (b) When the county office receives information that a Transitional Employment Assistance Program participant is or will be absent from the state, the worker will ascertain, if possible:
 - (1) The out-of-state address; and
 - (2) Whether the participant intends to return to Arkansas, and if so, the:
 - (A) Reason for the absence; and

(B) Probable length of stay in the other state.

(c) If the participant indicates he or she is moving from the state with no intent to return, the transitional employment assistance (TEA) case will be closed following the appropriate notice (Form DCO-1) to the participant.

(d)(1) If the county office is unable to ascertain the out-of-state address or the participant's intention at the time the absence is reported, e.g., neighbor reports, participant sends letter, etc., then a Form DCO-1 to close in ten (10) days will be sent.

(2) The Form DCO-1 will advise the participant that if his or her absence from the state is only for one (1) month and he or she wishes his or her case to remain open, he or she should contact the county office prior to the end of the ten (10) days.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-1003. Protective payment — Mismanagement.

(a)(1) When there is evidence that the transitional employment assistance (TEA) grant is not being used in the best interests of the child or children, a protective payee to handle the family's cash assistance may be appointed.

(2) Protective payment due to mismanagement is intended to be a temporary measure designed to help the participant improve his or her management and use of money.

(b)(1) If mismanagement is determined to exist and the Division of Children and Family Services is not already providing services to the family, a referral to the division, or other appropriate services or treatment agency, should be made to help the participant resolve his or her money management problems.

(2) If, because of mental or physical incapacity, there is no substantial likelihood a participant will ever be able to manage his or her own affairs, a protective payment should not be recommended.

(3) Such persons should be referred to Legal Services for the appointment of a legal guardian.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1004. Determination of need for mismanagement protective payment.

(a) The case record must clearly reflect the evidence upon which the worker's recommendation for protective payment is based.

(b) Such evidence should indicate mismanagement of funds by the participant to the extent that the child or children are not receiving the benefit of the assistance payment.

(c) Examples of such evidence are:

(1) Continued inability to plan for necessary expenditures;

(2) Continued evidence that:

(A) The child or children are not properly fed or clothed; and

(B) Expenditures for them are made in such a way as to threaten their

chances for:

(i) Health;

(ii) Growth; and

(iii) Development;

(3) Persistent and deliberate failure to meet obligations for:

(A) Rent;

(B) Food; or

(C) Other essentials;

(4) Repeated evictions or incurrence of debts; and

(5) Drug abuse, even if bills are being met (possibly by another relative).

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1005. Standards for selection of protective payee.

(a) Persons who may be selected as protective payee.

(1) A protective payee may be a:

- (A) Relative;
- (B) Friend;
- (C) Neighbor; or
- (D) Member of a community service group.

(2) The person to act as a protective payee should be selected by the participant or with the participant's involvement and consent to the extent possible.

(3) The individual selected to act as payee must:

- (A) Show an interest and concern for the family;
- (B) Have the ability to help the family make proper use of the assistance payment;
- (C) Live near the family or have sufficient means of transportation to enable him or her to maintain close contact with them;
- (D) Have the ability to establish and maintain a positive relationship with the family; and
- (E) Be a responsible and dependable individual, capable of fulfilling his or her responsibilities to the participant and the agency.

(4)(A) Except for those specified below, a Department of Human Services employee may serve as the protective payee when it is determined that it would be in the best interests of the family for a staff member to act as the protective payee.

(B) This would be more appropriate in mismanagement situations than in sanction cases.

(C) Therefore, if such a protective payment is determined to be appropriate, then the staff member selected should be a Division of Children and Family Services employee providing protective services to the family.

(b) **Persons who may not act as protective payee.** The following individuals may not be selected as the protective payee:

(1) Any landlord, grocer, or other vendor of goods or services who deals directly with the participant;

(2) The Secretary of the Department of Human Services;

(3) The Director of the Division of County Operations;

(4) The worker establishing eligibility for the family;

(5) Any employee assigned to the Office of Child Support Enforcement of the Revenue Division of the Department of Finance and Administration; or

(6) Any employee assigned to the Office of Finance or any employee assigned the function of handling processes related to the participant.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1006. Authorization of mismanagement protective payment.

(a) Protective payment will be authorized by the County Administrator upon recommendation of the Program Eligibility Coordinator or his or her designee.

(b)(1) Form DCO-195, Request for Protective Payee Approval, will be used by the county office to recommend a person to act as the protective payee.

(2) It will also be used by the County Administrator to authorize a protective payee request.

(c)(1) Once authorization of the protective payee is received, the worker will notify the participant via Form DCO-1 that the transitional employment assistance (TEA) payment will be changed to a protective payment.

(2) This notice must meet the requirements of a timely and adequate notice and will include the name of the protective payee.

(3) A case will be created in ANSWER with the protective payee as the casehead.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-1007. Designation of emergency payee.

(a) In emergency situations, payments can be made temporarily to a person acting in place of a parent when no eligible payee is immediately available, provided:

(1) The payee has been removed from the home by:

(A) Death;

(B) Desertion;

(C) Imprisonment; or

(D) Confinement to:

(i) The Arkansas State Hospital;

(ii) A residential substance abuse facility; or

(iii) Another medical institution;

(2) Payments are on a temporary emergency basis for the child or children receiving transitional employment assistance (TEA) at the time the emergency occurred; and

(3) Payments are made only for the period of time necessary to make and carry out plans for the child or children, including:

(A) The transfer of responsibility for the child to another:

- (i) Relative;
- (ii) Agency; or
- (iii) Community program; or

(B) For the eligible caretaker relative to return to the home.

(b) No such temporary payment will be made for longer than ninety (90) days.

(c) The county will follow procedures outlined in the electronic benefits transfer (EBT) handbook for obtaining an EBT card for the emergency payee.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "03/15/98"

Subpart 11. Computer Matching and Privacy Protection Act of 1988, Pub. L. No. 100-503, Requirements (IEVS)

Codification Notes. This subpart as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "05/01/08"

20 CAR § 502-1101. Requirements generally.

(a) The following procedures will be used to verify and take action on information received as a result of a covered computer match.

(b) Internal Revenue Service Match BENDEX Wage.

(1) The Internal Revenue Service match will be processed by the Internal Revenue Service Central Processing Unit.

(2) No action is required of the local county office.

(c) BENDEX change — Supplemental Security Income match.

(1) For the above matches, information is considered verified upon receipt.

(2)(A) A ten-day notice to verify is not necessary.

(B) However, the worker will send a ten-day Notice of Adverse Action to the household, if appropriate.

(d) ESD wage, monthly UI, quarterly wage match.

(1)(A) For the above matches, independent verification must occur.

(B) However, WESD will be checked as appropriate.

(2) A ten-day notice requesting verification will be sent to the household.

(3) If the client fails to respond to the ten-day notice, an adverse notice is sent requesting that the client contact the worker within ten (10) days.

(4) If the client fails to contact the worker, the case will be closed at the expiration of the notice period.

(5) If the information provided results in a closure or a reduction, a ten-day Notice of Adverse Action will be issued.

Authority. Arkansas Code § 20-76-401.

Codification Notes. "UI" means unemployment insurance.

20 CAR § 502-1102. Monitoring process.

(a) The Program Eligibility Analyst will conduct a random review of pending applications and cases each month for compliance and provide a report to the Area Director.

(b) The Program Eligibility Analyst assigned to the Internal Revenue Service Central Processing Unit will review a random sample of cases from each match and provide a report to the Area Director.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-1103. Social Security number or name mismatches (Codes 1 or 5).

(a) View the person's Social Security card and obtain a photocopy if one is not already in the case record.

(b)(1) If the number shown on the card is different from the number shown in ANSWER, make the necessary correction to ANSWER and change the enumeration code to "V".

(2) The Social Security number will then be resubmitted to the Social Security Administration on the next tape.

(c) If the name shown on the card is different from the name in ANSWER and the person says the name on the card is correct, change the name in ANSWER to agree with the card and change the enumeration code to "V".

(d)(1) If the person says the name shown on the card is wrong, proof of the correct name should be obtained and ANSWER updated, if necessary.

(2) An SS-5 with the documents verifying the correct name attached should then be submitted to the Social Security Administration to correct their records.

(3) A DCO-12 should be sent with the SS-5 and documents to ensure that the documents are returned to the county office.

(4) The SS-5 and DCO-12 will be annotated by entering the Social Security number shown in ANSWER, preceded by the state BENDEX code (040), in the appropriate spaces.

(5) When the Social Security Administration's records are corrected, an update will be received via the enumeration process and the enumeration code will be changed automatically to "E".

(e) If the name and number on the card agree with the name and number in ANSWER, send a photocopy of the card to the Systems Coordinator, Income Support Section, Central Office.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-1104. Date of birth mismatch.

(a) View or obtain a copy of the individual's birth certificate or other proof of age.

(b)(1) If the age documentation shows a date of birth different from that shown in ANSWER, make the necessary corrections to ANSWER and change the enumeration code to "Y".

(2) The Social Security number will then be resubmitted on the next tape.

(c)(1) If the age documentation shows that the date of birth shown in ANSWER is correct, submit an SS-5 with the age documentation attached to correct the Social Security Administration's records.

(2) A DCO-12 will also be sent with the SS-5 and documents to ensure that the documents are returned to the county office.

(3) The SS-5 and DCO-12 will be annotated as for an original SS-5 by entering the Social Security number shown in ANSWER, preceded by the state BENDEX code (040), in the appropriate spaces.

(4) When the Social Security Administration's records are corrected, an update will be received via the enumeration system and the enumeration code will be changed automatically to "E".

Authority. Arkansas Code § 20-76-401.

Subpart 12. Lost or Stolen EBT Card and Warrant Action

20 CAR § 502-1201. Lost or stolen EBT card.

The county will follow procedures outlined in the Electronic Benefits Transfer (EBT) handbook for reporting a lost or stolen EBT card and obtaining a new card.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-1202. Lost, stolen, and/or forged checks (reimbursement, diversion, relocation).

(a) If a payee notifies the county office that a diversion check has not been received, the worker will determine:

(1) If a check has been issued and mailed;

(2) If it has been at least ten (10) days since the check was issued and mailed;

and

(3) The current status of the check.

(b) These determinations will be made utilizing the Check Register (RSCR) screen or by contacting the Accounts Payable Unit of the Office of Finance.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-1203. Procedure for replacing a missing check.

(a)(1)(A) If a check has not been returned to the Office of Finance within ten (10) days of the check issue date, and the payee states he or she has not received the check, the county office will complete section A of Form DHS-80, Claim of Lost, Stolen, and/or Forged Assistance Warrant/Check, and issue to the payee at the time the report is received.

(B) The county office will fully explain the purpose and ensure completion of all sections of the form.

(C) The payee will be responsible for completion of sections B and C.

(D) Section B will be completed by a member of an appropriate local law enforcement agency.

(E) Section C will be completed by the payee in the presence of a notary public.

(2) Form DCO-1461, Surety Bond for Reissuing Checks, will also be issued to the payee to be returned to the county office with the Form DHS-80.

(3) **Note.**

(A)(i) If there is a notary public in the county office, all sections of the forms relative to notary public may be completed while the payee is in the office.

(ii) The payee will still be required to have section B of Form DHS-80 completed as stated on the form.

(B) For completion of Form DCO-1461, the payee must have the individual who will act as surety present during the visit.

(b) Forms DHS-80 and DCO-1461 along with a cover memo will be forwarded to the Office of Finance, Accounts Payable Unit, Slot W-406, no later than the next working day following submission from the payee.

(c)(1) If the payee cannot secure a surety, no replacement will be made.

(2) Representatives of the Department of Human Services will not act as a surety for a payee.

(d)(1) Upon receipt of the Form DHS-80 and Form DCO-1461, the Office of Finance will determine if all necessary information has been submitted.

(2) If the forms are not completed correctly or are incomplete, the Office of Finance will return the forms to the county office for necessary action.

(e)(1) Upon receipt of the original completed Lost, Stolen, and/or Forged Check forms from the county office (by mail only), the Office of Finance will verify the status of the check.

(2) If the check has not been returned or cashed, Accounts Payable will initiate a stop payment if the check is fifteen dollars (\$15.00) or over.

(3) A stop payment action will not be made for checks that are less than fifteen dollars (\$15.00), but such checks will be canceled on the system by the Office of Finance.

(4) Canceled checks issued through AASIS of less than fifteen dollars (\$15.00) will be reissued by the county office once the Check Register screen shows that the status code has been changed to "X" indicating the check has been canceled on the system by the Office of Finance.

(5) The county office will inform the payee to return the original check if it is received.

(6) **Note.**

(A) The Office of Finance will reissue checks of fifteen dollars (\$15.00) or more.

(B) See subsection (g) of this section.

(f)(1) If the Office of Finance verifies the check has already been cashed and cleared the bank, a copy of the canceled check will be sent to the county office with a cover memo requesting the worker to contact the payee to determine the status of the check.

(2) If the payee reports not receiving the check or states that the signature does not belong to him or her, the county office will notify the Office of Finance to continue processing the replacement check.

(g) The Office of Finance will reissue a replacement check to the payee within seven (7) working days from the date the completed forms are received.

(h)(1) If the original check is later found or returned to the payee, he or she is required to return the check immediately to the county office.

(2) The county office will:

(A) Accept the check from the payee;

(B) Write "void" across the check; and

(C) Forward it to Office of Finance, Accounts Payable Unit, Slot W-406, along with a cover memo explaining the circumstances.

(3) All identifying information, e.g., payee, casehead if different, check number, etc., will be included in the memo.

(4) A copy of both the memo and the voided check will be retained in the county office.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "10/15/97"

20 CAR § 502-1204. Checks returned to the Office of Finance.

If a check has been returned by the post office to the Office of Finance, the following procedures will be followed:

(1)(A) Upon receipt of a returned check issued through AASIS, the Office of Finance will access the Check Register (RSCR) screen and key "U" indicating the check was returned by the post office as undeliverable.

(B) This means that the check can only be mailed at the county office's request.

(C) A system generated report showing such returned checks will be forwarded to the county office the following day;

(2) The county office will be notified either by phone call or memorandum if a diversion or relocation check is returned to the Office of Finance;

(3) Upon receipt of the notice of a returned check, or in situations where the payee contacts the county office regarding the check, the county office will inquire to the Check Register (RSCR) screen to determine the reason for the return; and

(4) If the check was returned due to an incorrect address, the county office will contact the Office of Finance by mail or fax with the correct mailing information no later than the following work day and request that the check be re-mailed to the correct address.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

20 CAR § 502-1205. Mutilated checks.

(a) A check that has been damaged or marred to the point that it cannot be cashed is considered to be mutilated.

(b) If a mutilated check is brought to the county office by the payee, the following procedures will be followed:

(1) The mutilated check will be mailed to the Office of Finance, Accounts Payable Unit, Slot W-406, along with a cover memo explaining the circumstances surrounding the check and authorizing reissuance; and

(2) The Office of Finance will complete the necessary steps to reissue the check to the payee.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

Subpart 13. Termination of Cash Assistance

Codification Notes. This subpart as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "04/01/24"

20 CAR § 502-1301. Termination of cash assistance generally.

(a) A case will be closed:

(1)(A) When the recipient has requested closure.

(B) Advance notice will be given if required.

(C) Refer to 20 CAR § 502-802;

(2) Upon notice of another state agency that the recipient is being certified for assistance in that state;

(3) When the Department of Human Services has factual information that a recipient fails to meet any eligibility requirement; or

(4) When a recipient has failed to furnish requested information or failed to comply with other agency procedures necessary to establish their eligibility after specific written notice (DCO-0001 or system generated) that they must do so.

(b) Cash assistance will be terminated at any point it is determined that a family is no longer eligible to receive assistance.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1302. Time limit.

(a)(1) A family that includes an adult is eligible for transitional employment assistance (TEA) cash assistance benefits for a period of not more than twelve (12) months.

(2) The twelve (12) months need not be consecutive months.

(b)(1) During periodic contacts with the TEA Case Manager, TEA recipients will be informed of how many months of eligibility they have remaining due to the time limit.

(2) The number of months a TEA family has received benefits can be determined via the TEA Time Clock.

(c)(1) Upon completion of the tenth month staffing, a decision to close the TEA case or grant an extension will be made.

(2) The TEA Case Manager will advise the client of the decision.

(d)(1) If the decision is to not extend the time limit, the case will be closed when the recipient has received TEA for twelve (12) months.

(2) The client may appeal this decision.

(3) If the client appeals the decision within ten (10) days of the date of the closure notice, benefits will continue, pending the hearing.

(4) Upon actual closure of the TEA case, the TEA Case Manager will send a final notice to the client as a reminder that the TEA case has been closed.

(e) **Note.** The time limit for TEA eligibility has no bearing on Medicaid eligibility.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "04/01/24"

20 CAR § 502-1303. Intentional program violation (IPV).

(a) The family of any individual who pleads guilty or nolo contendere to, or is found guilty of, an intentional program violation (IPV) in the Transitional Employment Assistance Program will be ineligible for further participation in the program for the following minimum time periods:

- (1) For the first offense, one (1) year;
- (2) For the second offense, two (2) years; and
- (3) For more than two (2), permanently.

(b) A ten-day notice will be sent to the client stating that the case will:

- (1) Be closed due to an intentional program violation; and
- (2)(A) Remain closed until the resulting overpayment, for example, the total amount of assistance received to which the family was entitled, has been repaid to the state with interest.

(B) This requirement may be waived by the Director of the Division of County Operations or his or her designee.

(c) Refer to 20 CAR § 502-1601 et seq., for detailed policy and procedures concerning IPV disqualifications.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "04/01/24"

20 CAR § 502-1304. Earnings related.

(a) If at any point it is determined that a family is no longer eligible for transitional employment assistance (TEA) benefits due to earnings, the TEA case will be closed.

(b) An advance notice of closure will be required.

(c)(1) In addition, the family's eligibility for extended support services will be determined.

(2) Refer to 20 CAR § 503-213.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "4/01/24"

20 CAR § 502-1305. Extended support services (ESS).

(a) Extended support services (ESS) are available to certain families who lose eligibility for transitional employment assistance (TEA) due to earnings.

(b) These services are:

(1) Child care;

(2) ESS employment bonus and transportation assistance;

(3) ESS job retention;

(4) ESS case management services; and

(5)(A) Transitional Medicaid.

(B) **Note.**

(i) Eligibility for Transitional Medicaid is determined by the Division of County Operations.

(ii)(a) Individuals approved for Transitional Medicaid will be eligible for the full range of Medicaid services, including services under the Children's Health Services Program.

(b) Refer to Medical Services Policy Manual, 2061.

(iii) All other ESS are determined by the Department of Human Services and the Office of Early Childhood, e.g., child care.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "12/06/11"

Subpart 14. Fraud Investigations

20 CAR § 502-1401. Purpose.

(a) The Fraud Investigation Unit of the Department of Human Services identifies, investigates, and refers for prosecution any individual accused of committing theft of property or theft of public benefits as defined by state law.

(b) This includes agency staff, participants, providers, or other persons who deliberately violate the rules of the Department of Human Services to defraud the state.

(c) The unit prepares the administrative disqualification file on persons accused of committing an intentional program violation.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1402. Organization.

The Fraud Investigation Unit is organizationally located within the Office of Security and Compliance of the Department of Human Services.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1403. Functions.

The Fraud Investigation Unit of the Department of Human Services has the following major functions:

- (1) Review the case record and independently verify information contained in the file to determine if a criminal investigation is warranted;
- (2) Investigate to gather evidence in cases where there is a probability that a fraudulent act was committed; and
- (3) Refer to the prosecutor if facts are obtained which indicate that the accused person, by deception, received Department of Human Services moneys/benefits to which he or she was not entitled.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1404. Referral sources.

Reports of suspected fraud may be received from any source within the Department of Human Services, the general public, public officials, other public agencies, or by the Fraud Investigation Unit of the Department of Human Services itself.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1405. Reporting suspected fraud.

- (a) Criteria for reporting suspected fraud:
 - (1) The suspected fraudulent act or acts resulted in a cumulative overpayment of two hundred dollars (\$200) or more; or
 - (2) Cases in which the participant is receiving assistance in two (2) or more:
 - (A) Names;
 - (B) Counties; or
 - (C) States.

(b) Referrals from Department of Human Services sources in which an overpayment has not been established are referred to the Fraud Investigation Unit of the Department of Human Services via the Form DCO-1700, Suspected Fraud Report.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1406. Review of case.

(a) When a referral is made to the Fraud Investigation Unit of the Department of Human Services, the circumstances will be reviewed to determine if the case warrants investigation toward criminal prosecution.

(b) If one (1) or more of the following facts are present, the case will not be referred for prosecution:

(1) Total amount of the overpayment resulting from the alleged fraud is less than five hundred dollars (\$500);

(2) Age/education of the suspect is not conducive to proving criminal intent;

(3) Statute of limitations has run on all evidence referred; or

(4) Participant is permanently residing out of state.

(c) If one (1) or more of the following facts are present, the decision to investigate lies with the director of the Fraud Investigation Unit:

(1) Fraud is not evident in referred material; or

(2) Fraud resulted from failure to report child support payments.

(d)(1) Cases containing one (1) or more of the above facts may be referred for an administrative disqualification hearing.

(2) Decisions will be made on a case-by-case basis as the evidence supporting the case dictates.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1407. Case accepted for investigation.

The following procedures will be completed for reports of suspected fraud that warrant criminal prosecution:

(1)(A) The case record and any other pertinent information concerning the suspected participant will be requested from the local office manager.

(B) Department of Human Services offices, sections, and units must release any requested information to the Fraud Investigation Unit of the Department of Human Services; and

(2) The investigator assigned to the case will:

(A) Examine the case record and/or any other records on file within or outside the Department of Human Services for suspected false statements of:

(i) Participants;

(ii) Providers; or

(iii) Other persons;

(B) Conduct a systematic inquiry to determine validity of allegations of criminal conduct and interview Program Eligibility Specialists with knowledge of the case, as well as providers, department staff, and the suspect for any accounts of alleged conduct;

(C) Determine the net amount of the overpayment within the criminal statute of limitations or within time frames set out in overpayment policy for cases referred for an administrative disqualification hearing;

(D) Examine the transitional employment assistance (TEA) profile of the participant to determine applicable overpayment;

(E) Prepare a written, documented report at the completion of the investigation for referral to the prosecutor;

(F) Complete the Form DHS-1208, Hearing Statement, for referral for an administrative disqualification hearing;

(G) Administratively close the investigation if, at any stage of the inquiry, the investigative staff determines that the case is not suitable for prosecution or for referral for an administrative disqualification hearing; and

(H) Notify the Department of Human Services referral source of the disposition of the investigation and return copies of the case record to the appropriate county or local office.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1408. Disposition of investigations.

(a) The Fraud Investigation Unit of the Department of Human Services will notify the local office manager of the initial disposition of each referral.

(b) For cases referred for prosecution, the Fraud Investigation Unit will:

(1) Request the prosecuting attorney to file charges and send a copy of the request to the local office; and

(2) Advise the Overpayment Unit of the Department of Human Services of the factual basis for the overpayment as well as submit overpayment calculation documents.

(c) For cases referred for an administrative disqualification hearing, the Fraud Investigation Unit will prepare a Form DHS-1208, Food Stamps Intentional Program Violation, and send to the Overpayment Unit for determination of whether or not the cases should be referred to the Office of Appeals and Hearings of the Department of Human Services for an administrative disqualification hearing.

(d) For cases containing a signed Form DHS-267, Waiver of Hearing and Disqualification Agreement, the Fraud Investigation Unit will:

(1) Advise the local office and the Overpayment Unit of the facts of the case; and

(2) Send a copy of the Form DHS-267 and, if negotiated, a copy of the Repayment Agreement.

(e)(1) For cases administratively closed, the Fraud Investigation Unit will forward a memo to the local office and the Overpayment Unit explaining the reason for the closure.

(2) If an overpayment has been calculated, these documents will be forwarded to the Overpayment Unit.

(f) The final disposition of cases adjudicated by the court will be furnished to the local office manager and the Overpayment Unit by the memorandum from the director of the Fraud Investigation Unit.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1409. Decision to prosecute.

(a) The director of the Fraud Investigation Unit of the Department of Human Services will present the original investigative report of any case deemed worthy of prosecution to the prosecuting attorney.

(b) The prosecutor has sole discretion to:

- (1) Prosecute;
- (2) Accept repayment in lieu of prosecution; or
- (3) Decline to prosecute.

Authority. Arkansas Code § 20-76-401.

Subpart 15. Administrative Hearings (TEA)

20 CAR § 502-1501. Administrative hearings generally.

(a) The purpose of the hearing process is to provide a mechanism by which:

(1) An applicant may appeal the:

(A) Denial of transitional employment assistance (TEA); or

(B) Failure of the Division of County Operations to process the application

within specified times frames; and

(2) A recipient may appeal any agency action resulting in the suspension, reduction, or discontinuance of assistance.

(b) A hearing will not be granted when a change in either state or federal law requiring automatic grant adjustments occurs unless the participant is alleging incorrect grant computation.

(c) A request for a hearing must be received in the Office of Appeals and Hearings of the Department of Human Services no later than thirty (30) days from the date on the Notice of Adverse Action.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/08/12"

20 CAR § 502-1502. Appeal process.

(a) A petitioner or his or her designated representative may request a hearing by:

(1) Completing the reverse side of the Notice of Action;

(2) Making the request by letter to the Office of Appeals and Hearings of the Department of Human Services; or

(3) Completing, with assistance by the Division of County Operations as needed, a DHS-1200, Appeal for a Hearing Form.

(b)(1) The division office will assist the petitioner whenever necessary.

(2) However, the primary responsibility for providing all information relevant to the administrative appeal rests with the petitioner or his or her representative.

(c) The division will immediately forward requests for hearings to the Office of Appeals and Hearings.

(d) **Interpreters or special accommodations needed.** If the applicant/recipient indicates that he or she needs an interpreter, material in a different format, or other special accommodations, the division must immediately notify the Office of Appeals and Hearings.

(e)(1) When an appeal is received in the Office of Appeals and Hearings, the division will be notified.

- (2) A memorandum will be sent to the division office to:
- (A) Provide notification that the appeal has been received;
 - (B)(i) Require the division to prepare and submit an administrative hearing file no later than seven (7) days after receiving the memorandum, if the appeal was timely filed.
 - (ii) The hearing file must contain a County Statement (Form DHS-1203); and
 - (C) Require that within three (3) business days of its receipt of the memorandum, the division will return a copy of the Notice of Adverse Action with the memorandum signed by the responding caseworker if the appeal was not timely filed.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/08/12"

20 CAR § 502-1503. Division of County Operations administrative hearing file.

(a)(1) When the Office of Appeals and Hearings of the Department of Human Services notifies the Division of County Operations that a petitioner has filed a timely request for a hearing, the caseworker will prepare a county administrative hearing file, which will be separate from the individual's case record.

(2) Each page in the hearing file shall be numbered.

(3) A copy of the division's administrative hearing file will be submitted to the Office of Appeals and Hearings within seven (7) days after receiving the memorandum from the Office of Appeals and Hearings.

(b) The division's administrative hearing file shall contain the part of the case record that constitutes documentary evidence supporting the Notice of Adverse Action from which the petitioner is appealing.

(c) The following information must be included in the administrative hearing file:

(1)(A) Notice of Action.

(B) The file must include all notices sent to the petitioner regarding the action under appeal.

(C) The administrative hearing can include only the action specified on the Notice of Action.

(D) The subject of the administrative hearing shall be limited to the action specified in the notice of appeal on which the appeal is based;

(2)(A) Documentary evidence.

(B) The file must contain the part of the case record that constitutes documentary evidence relevant to the Notice of Adverse Action on which the individual appealed.

(C) Examples of documentary evidence include, but are not limited to:

(i) Verification obtained that resulted in the adverse action;

(ii) Any relevant correspondence;

(iii) A copy of the budget, if financial need is the issue;

(iv) Any information supplied by the petitioner; and

(v) Any other pertinent information; and

(3)(A) County Statement (Form DHS-1203).

(B) The file must include a copy of the County Statement.

(C) The County Statement must state the issue and must contain a summary of all facts and evidence supporting the county office's position.

(D)(i) All statements should be in simple language.

(ii) Ambiguous and technical language must be avoided.

(iii) Department of Human Services codes, abbreviations, and acronyms should not be used.

(E) All information will be provided in an alternative format if requested.

(d)(1) The County Statement will summarize the basis for the division's action.

(2) However, the County Statement is not evidence.

(3) Complete documentation is required in the division administrative hearing file to support the County Statement.

(e) Five (5) copies of the DHS-1203 will be prepared and distributed to the following within seven (7) days of the division's receipt of the memorandum from the Office of Appeals and Hearings if the appeal was timely filed:

(1) The original will be mailed to the petitioner prior to the date of the hearing;

(2) A copy will be sent to the appropriate Program Eligibility Specialist;

(3) A copy will be sent to the Office of Appeals and Hearings along with the division administrative hearing file;

(4) A copy will be sent to the Office of Chief Counsel of the Department of Human Services; and

(5) A copy will be retained in the file at the county office.

(f) The petitioner or his or her representative will be advised by the Office of Appeals and Hearings that the division administrative hearing file can be reviewed at the county office.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/08/12"

20 CAR § 502-1504. Subpoenas.

(a)(1) The Office of Appeals and Hearings of the Department of Human Services will provide notice to the parties of the process by which subpoenas may be issued.

(2) Each party must provide to the Office of Appeals and Hearings the correct name and contact information for any witness for which a subpoena is requested.

(b)(1) At the time the county's administrative hearing file is sent, the Division of County Operations must advise the Office of Appeals and Hearings of any witnesses to be subpoenaed to testify on behalf of the division.

(2) The reverse side of the County Statement provides space for the caseworker to request subpoenas for witnesses.

(3) Department of Human Services employees will attend hearings without the requirement of a subpoena.

(4) The caseworker will be advised by the Office of Appeals and Hearings of any witnesses for which the petitioner has requested subpoenas.

(5) The division will have five (5) days from receipt of this notice to request subpoenas for rebuttal witnesses.

(c)(1) The Office of Chief Counsel of the Department of Human Services will issue the subpoenas, pursuant to the terms of agreement and authority of Arkansas Code § 20-76-103 [repealed].

(2) Each subpoena must be served by the party requesting the subpoena.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/08/12"

Arkansas Code § 20-76-103 was repealed by Acts 2011, No. 1139, § 4.

20 CAR § 502-1505. Continuation of assistance or service during the appeal process.

(a) If a petitioner files an appeal for a hearing within the ten-day advance notice period, or five (5) days in case of probable fraud, the case will remain open at the petitioner's request until the hearing case is closed by the Office of Appeals and Hearings of the Department of Human Services.

(b)(1) At the conclusion of the hearing, the hearing official will decide whether the case should be closed or services reduced prior to the rendering of the hearing decision.

(2) The criteria for determining whether adverse action is taken prior to the rendering of the hearing decision will be based on whether or not a fact or judgment situation exists.

(3) If it is determined that the sole issue is one of state or federal law or policy, the proposed action will be taken.

(c) Examples of issues of fact:

(1) Verified earned or unearned income which caused net income to be in excess of the maximum income limitations; and

(2)(A) Protest of agency policy.

(B) The recipient agrees that his or her income or resources exceed the limitation but feels that the policy imposing these limitations is unreasonable.

(d)(1) If the sole issue is one of judgment relating to a state or federal law or policy, no adverse action is taken prior to the hearing decision.

(2) Examples of judgment are:

(A) Disability in MRT cases; and

(B) Value of real or personal property.

(e)(1) The petitioner will be advised at the beginning of the hearing that a decision will be made at the conclusion of the hearing regarding whether the benefits will be reduced or terminated prior to the rendering of the hearing decision.

(2) If the decision by the hearing official is to reduce or terminate benefits, a Notice of Action will be prepared by the Division of County Operations and mailed for immediate action.

(3) This is not an additional ten-day notice.

(f) If a subsequent change occurs that results in adverse action while the hearing decision is pending and the petitioner does not appeal such action within the ten-day notice period, appropriate action will be taken.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/08/12"

"MRT" means medical review team.

20 CAR § 502-1506. Scheduling the hearing.

The Office of Appeals and Hearings of the Department of Human Services will schedule the hearing and send a letter to advise the petitioner of the:

- (1) Time, date, and place of hearing; and
- (2) Name of the hearing official who will conduct the hearing.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/08/12"

20 CAR § 502-1507. Place of hearing.

(a) The hearing will normally be held by telephone in the Division of County Operations county office in the county in which the participant resides.

(b) The telephone hearing may be held in another location if, in advance of the hearing, the parties agree upon that location and notify the Office of Appeals and Hearings of the Department of Human Services.

(c) Upon advance request, hearings may be held:

- (1) In the Office of Appeals and Hearings office at 7th and Main streets in Little Rock, Arkansas; or
- (2) By video conference where available.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/08/12"

20 CAR § 502-1508. Assistance in preparation of an appeal.

The Division of County Operations will provide reasonable assistance to the petitioner in preparing for a hearing, if requested.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/08/12"

20 CAR § 502-1509. Abandonment of the appeal.

(a) Regardless of whether the petitioner is represented, the petitioner must:

(1) Appear in person for all hearings regarding program eligibility or program services; or

(2) Show good cause why he or she cannot be present.

(b)(1) If any party fails to appear, either in person or by telephone, within fifteen (15) minutes after the hearing was scheduled to begin, the Office of Appeals and Hearings of the Department of Human Services will confirm that the party had proper notice of the hearing and will attempt to contact the absent party.

(2) The hearing official may allow an additional fifteen (15) minutes before beginning the hearing.

(c) When the hearing begins, the hearing official will identify for the record any party not present in person or by telephone.

(d)(1) If the petitioner does not appear, the appeal shall be deemed abandoned, subject to reopening on a showing that the appellant exercised due diligence but was unable to appear due to circumstances beyond the petitioner's control.

(2) If the Division of County Operations does not appear, the hearing official may proceed with the hearing and may consider any hearing statements or other documents submitted by the agency.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/08/12"

20 CAR § 502-1510. Withdrawal of the appeal.

(a) If a petitioner advises the county office that he or she wishes to withdraw the request for a hearing, he or she will be requested to sign a statement to this effect or to sign a DHS-1201, Withdrawal of Request for Fair Hearing.

(b) The Division of County Operations will provide this documentation to the Office of Appeals and Hearings of the Department of Human Services and to the Office of Chief Counsel of the Department of Human Services.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/08/12"

20 CAR § 502-1511. Division of County Operations hearing responsibilities.

(a) It is the responsibility of the Division of County Operations to provide an office with privacy in which a hearing can be conducted as well as necessary telephone and/or computer equipment for hearings by telephone or by video conference.

(b)(1) It is also the responsibility of the division to designate a county representative prior to the time of the hearing in all cases except those that involve a disability determination by the Medical Review Team.

(2) The representative will be familiar with the case and able to answer pertinent questions from the:

- (A) Petitioner;
- (B) Petitioner's representative; and
- (C) Hearing official.

(3) The county representative will be prepared to represent the county office at the scheduled time of the hearing to comply with all applicable time frames.

(c)(1) The county representative will ensure that all parties, representatives, and witnesses who have arrived at the Department of Human Services county office or other designated hearing location are escorted to the designated hearings room by the hearing start time.

(2) When a hearing is held in the department's county office, the county representative will ensure that the:

(A) Speaker telephone or video conferencing equipment is operational;
and

(B) Petitioner is comfortably seated in the room where the hearing will be held.

(d) The division may request legal assistance to prepare for the hearing and for representation at the hearing by contacting the Office of Chief Counsel of the Department of Human Services.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/08/12"

20 CAR § 502-1512. Conducting the hearing.

(a)(1) The hearing will be conducted by a hearing official from the Office of Appeals and Hearings of the Department of Human Services.

(2) No person having any part in making the decision being appealed may serve as the hearing official.

(b)(1) The petitioner may be accompanied by friends or other individuals and may be represented by a:

- (A) Friend;
- (B) Attorney; or

- (C) Other designated representative.
- (2) The Division of County Operations will be represented by either the:
 - (A) Caseworker responsible for the case;
 - (B) Division's Program Eligibility Coordinator; or
 - (C) Office of Chief Counsel of the Department of Human Services.
- (c) The hearing officer may not review the case record or other material either prior to or at the hearing unless such material is made available to both the:
 - (1) Participant or his or her representative; and
 - (2) Agency representative.
- (d)(1) The hearing will be conducted in an informal but orderly manner and is recorded.
 - (2) The hearing official will explain the hearing procedure to the parties.
 - (3) The County Statement will be read by the county representative.
- (e)(1) The proponent of an adverse action shall have the burden of proof.
 - (2) The party with the burden of proof will present his or her case first.
- (f)(1) When the petitioner presents his or her case, he or she may do so alone or with the aid of others.
 - (2) The petitioner or petitioner's representative will be given the opportunity to:
 - (A) Present witnesses;
 - (B) Advance arguments;
 - (C) Offer evidence; and
 - (D) Question or refute any testimony or evidence.
 - (3) If the petitioner is unable to present evidence in an effective manner, the hearing official will assist as necessary to assure that the petitioner's evidence is communicated on the record.
- (g) When the division presents its case, it will be given the opportunity to:
 - (1) Present witnesses;
 - (2) Advance arguments;
 - (3) Offer evidence; and

(4) Question or refute any testimony or evidence.

(h)(1)(A) Each party will be allowed to cross examine the other party and any witnesses.

(B) Questioning of all parties will be confined to the issues involved.

(C) Other eligibility factors may be reviewed when appropriate.

(2) When all relevant information has been obtained, the hearing official will issue a final order, which will include:

(A) A finding of facts;

(B) Conclusions of law; and

(C) A decision.

(3) The final order will be mailed to the petitioner and a copy provided to the division.

(i) The parties will also be advised of their right to judicial review in the event of any adverse ruling.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/08/12"

20 CAR § 502-1513. Additional medical assessment.

If the hearing involves medical issues, such as those concerning a diagnosis, an examining physician's report, or a Medical Review Team's decision, and if the hearing official considers it necessary to have a medical assessment other than that of the individual involved in making the original decision, such a medical assessment must be obtained at agency expense and made part of the record.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/08/12"

20 CAR § 502-1514. Hearing decision.

(a) The hearing official will prepare a final order based on the:

- (1) Evidence accepted into the record; and
- (2) Sworn record of testimony of the proceedings.

(b) The format will include:

- (1) An introduction;
- (2) Findings of fact;
- (3) Conclusions of law; and
- (4) A decision.

(c) The final decision will be made by the hearing official who will sign the final order.

(d) Final administrative action must be completed within ninety (90) days from the date of receipt of the appeal.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/08/12"

20 CAR § 502-1515. Judicial review.

When the hearing official has rendered a final agency action on a case and the petitioner or representative is not satisfied with the decision, he or she has the right to judicial review under Arkansas Code § 25-15-212 of the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et seq.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "06/08/12"

Subpart 16. TEA Disqualifications — Intentional Program Violation

20 CAR § 502-1601. Intentional program violations generally.

(a) A determination of an intentional program violation (IPV) is made either through a court of law or by a hearing official in an internal hearing process.

(b) The internal hearing is known as an administrative disqualification hearing.

(c) Penalties in the form of disqualification sanctions are imposed against individuals found guilty of an IPV through a court of law or by a hearing official in an administrative disqualification hearing.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1602. Definition of intentional program violation.

(a) An intentional program violation (IPV) of the Transitional Employment Assistance Program is defined as an action by an individual for the purpose of establishing or maintaining the family's eligibility for transitional employment assistance (TEA) or increasing or preventing a decrease in the amount of the grant that is intentionally:

(1) A false or misleading statement, misrepresentation, concealment, or withholding of facts; or

(2) Any act intended to mislead, misrepresent, conceal or withhold facts, or propound a falsity.

(b)(1) An IPV determination can be made only through the administrative disqualification hearing process or by a court of law.

(2) County office staff will not make IPV determinations.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

"TEA" means transitional employment assistance.

20 CAR § 502-1603. Disqualification sanction — Intentional program violation.

(a) The family of any individual who pleads guilty or nolo contendere to, or is found guilty of, an intentional program violation (IPV) in the Transitional Employment Assistance Program will be ineligible for further participation in the program for the following minimum time periods:

- (1) For the first offense, one (1) year;
- (2) For the second offense, two (2) years; and
- (3) For more than two (2) offenses, permanently.

(b) In addition, the family will continue to be ineligible for transitional employment assistance (TEA) until the resulting overpayment has been repaid to the state with interest.

(c) Only IPV's committed against the Arkansas Transitional Employment Assistance Program will be considered in determining the applicable disqualification period in Arkansas.

(d)(1) For cases in which the family is currently receiving assistance, the disqualification sanction period will begin no later than the second month following the month in which the county office received the decision.

(2) For cases in which the family is not currently receiving assistance, the sanction period will begin with the first month following the month the county office received the decision.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1604. Fraudulent misrepresentation of residence.

(a) The family of an individual who is convicted in a federal or state court of having made a fraudulent statement or misrepresentation of residence in order to receive assistance simultaneously from two (2) or more states will be ineligible to receive transitional employment assistance (TEA) for a minimum period of ten (10) years beginning with the date of such conviction.

(b) In addition, the family will continue to be ineligible for TEA until the resulting overpayment has been repaid to the state with interest.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1605. TEA Administrative Disqualification Hearings

(a)(1) The Office of Appeals and Hearings of the Department of Human Services conducts TEA Administrative Disqualification Hearings and determines if intentional program violations (IPVs) have occurred.

(2) Administrative disqualification hearings will be conducted by a hearing official who has no involvement in the case.

(b) Criteria for conducting an administrative disqualification hearing.

(1) Administrative disqualification hearings are conducted when documentary evidence is available to substantiate one (1) or more allegations that an individual has

committed an IPV and, as a result of the alleged IPV, has erroneously obtained transitional employment assistance (TEA) payments.

(2)(A) A case will not be referred for a TEA Administrative Disqualification Hearing if the total TEA overpayment resulting from the alleged IPV is less than four hundred dollars (\$400) unless the case is also being referred for a Food Stamp Administrative Disqualification Hearing.

(B) If the case is referred for a Food Stamp Administrative Disqualification Hearing and there is also a TEA overpayment, then it will be referred for a TEA Administrative Disqualification Hearing as well, regardless of the amount of the TEA overpayment.

(c) Consolidation of hearings.

(1) TEA Administrative Disqualification Hearings may be combined with other hearings, including Food Stamp Administrative Disqualification Hearings, if the:

(A) Factual issues arise out of the same or related circumstances; and

(B) Individual receives prior notice that the hearings will be combined.

(2) If hearings are combined, the time frames for conducting administrative disqualification hearings will be followed unless the household waives the thirty-day notice requirement for an administrative disqualification hearing.

(d) Participation in the Transitional Employment Assistance Program during the hearing process.

(1) The county office may not disqualify an individual until the Office of Appeals and Hearings finds that the individual committed an IPV.

(2) However, this does not preclude the county office from taking adverse action for other reasons.

Example: If a change in circumstances has occurred that will adversely affect a TEA grant and such change was not reported timely, benefits will be reduced based on the change even though a determination has not been made as to whether the failure to

report resulted from an IPV.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1606. Referral by the Overpayment Unit.

(a) A request for an administrative disqualification hearing is initiated by the Overpayment Unit of the Department of Human Services:

- (1) Of its own volition;
- (2) At the request of the county office; or
- (3) At the request of the Fraud Investigation Unit of the Department of Human Services.

(b) The county office refers cases of suspected intentional program violations to the Overpayment Unit via an overpayment report form.

(c) The Overpayment Unit and Fraud Investigation Unit will review the form and determine if the case is to be referred for:

- (1) Possible prosecution;
- (2) An administrative disqualification hearing; or
- (3) Nonfraud collection.

(d) If the Overpayment Unit refers the case for an administrative disqualification hearing, a copy of the referral will be sent to the county office by the Overpayment Unit.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1607. Preparation of the administrative hearing file.

(a)(1) An administrative hearing file must be prepared on cases referred for an administrative disqualification hearing.

(2) The Fraud Investigation Unit of the Department of Human Services will be responsible for preparing the hearing file for cases it has developed with a possible intentional program violation (IPV).

(3) The county office will be responsible for preparing the hearing file for all other cases referred for an administrative disqualification hearing.

(b) The administrative hearing file will contain:

(1) A completed DHS-1208 Food Stamp/TEA Intentional Program Violation Statement; and

(2)(A) Any supporting documentary evidence upon which the suspected IPV was established.

(B) Examples of documentary evidence include:

- (i) Applications;
- (ii) Change report forms;
- (iii) Collateral statements;
- (iv) Copies of award letters; and
- (v) Verification of resources.

(c) **County office.**

(1) Upon receipt of the notification from the Overpayment Unit of the Department of Human Services that a case has been referred for an administrative disqualification hearing, the county office will prepare the administrative hearing file.

(2) A copy of the file must be submitted to the Office of Appeals and Hearings of the Department of Human Services within seven (7) calendar days of receipt of the referral notification.

(3) The original will be retained in the county office.

(d) **Fraud Investigation Unit.**

(1)(A) The Fraud Investigation Unit will prepare the administrative hearing file for cases it has developed with a possible IPV.

(B) The hearing file will be forwarded to the Overpayment Unit, which will send copies of the file, including documentation gathered by the Fraud Investigation Unit, to the:

- (i) County office; and
- (ii) Office of Appeals and Hearings.

(2)(A) The case record and original applications will be returned to the county office by the Fraud Investigation Unit.

(B) Neither the case record nor the applications should be destroyed as long as an administrative disqualification hearing is pending.

(3)(A) It is the responsibility of the county office to review this information prior to the hearing and to present the evidence at the hearing.

(B) If any questions arise after receipt of this documentation, the county office should contact the Fraud Investigation Unit prior to the date of the hearing to resolve the issue.

(C)(i) The DHS-1208 will contain the name of the fraud investigator who prepared the case.

(ii) If this individual is needed for inquiry or testimony at the hearing, the county office should contact the director of the Fraud Investigation Unit directly to request whatever assistance is needed.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1608. Waived hearings.

(a) Individuals accused of committing an intentional program violation may waive their right to an administrative disqualification hearing.

(b)(1) When a case is referred for an administrative disqualification hearing, the Office of Appeals and Hearings of the Department of Human Services must advise the individual that he or she may waive his or her right to an administrative disqualification hearing.

(2) The opportunity to sign a waiver in lieu of a hearing is given to the accused individual prior to the date the advance notice of a hearing is sent.

(3) If the individual does not sign a waiver by the date specified on the notice, a hearing is scheduled.

(c) If the waiver is signed by the accused individual, the appropriate disqualification sanction will be imposed even if there is no admission to the charges.

(d) The written waiver notification must contain the following information:

(1) The date by which the signed waiver must be received by the Office of Appeals and Hearings;

(2) A signature blank for the accused individual and the caretaker relative;

(3) A statement that the accused individual has the right to remain silent concerning the charges and that anything said or written by the individual concerning the charges may be used in a court of law;

(4) The fact that the signed waiver will result in disqualification for the appropriate period of time even if the accused individual does not admit to the charges;

(5) An opportunity for the accused person to admit the charges or to waive the hearing without admitting to the charges; and

(6) That the accused individual will be notified at least thirty (30) days in advance of the date the hearing is scheduled if he or she chooses not to waive the hearing.

(e)(1) The Office of Appeals and Hearings uses a form titled "Waiver of Right to an Administrative Disqualification Hearing" for this purpose.

(2) A copy of the signed waiver is sent to the county office upon receipt by the Office of Appeals and Hearings so that the appropriate disqualification sanction may be imposed.

(3) Refer to 20 CAR §§ 502-1603 and 502-1615.

(f) Waivers obtained by the Fraud Investigation Unit.

(1) The Fraud Investigation Unit of the Department of Human Services may also obtain a waiver to an administrative disqualification hearing from the accused individual during the course of an investigation and prior to referral to the Office of Appeals and Hearings.

(2) Form DHS-267, Waiver of Hearing and Disqualification, is used for this purpose.

(3) Upon receipt of a signed DHS-267, the Fraud Investigation Unit will forward the form to the county office so that the appropriate disqualification sanction may be imposed.

(4) Refer to 20 CAR §§ 502-1603 and 502-1615.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1609. Advance notice and scheduling of hearing.

(a) The Office of Appeals and Hearings of the Department of Human Services must notify the accused individual at least thirty (30) days in advance of the date the hearing is scheduled.

(b) The notice must include the following information:

(1) The date, time, and place of the hearing;

(2) The charges against the household member who is believed to have committed the intentional program violation (IPV);

(3) A summary of the evidence (administrative hearing file) and that it may be examined at the county office;

(4) A warning that if the accused individual fails to appear for the hearing without good cause, the decision will be based solely on the evidence provided by the county office at the hearing;

(5) A statement that the accused individual may request a postponement of the hearing provided that the request is:

(A) Made to the Office of Appeals and Hearings at least ten (10) days prior to the date of the scheduled hearing; and

(B) For good cause;

(6) If the accused individual fails to appear and later requests that the hearing be rescheduled, he or she must present good cause for failure to appear within ten (10) days of the date of the hearing;

(7) Establishment of good cause will be at the discretion of the Office of Appeals and Hearings;

(8) A warning that if the hearing decision determines that an IPV has occurred, a disqualification period will be imposed according to the following schedule:

(A) One (1) year for the first violation;

(B) Two (2) years for the second violation; and

(C) Permanently for the third violation;

(9) A statement that the state or federal government may still prosecute the household member in civil or criminal court action and collect the overissuances;

(10)(A) A statement that the accused individual may contact the county office for the name and telephone number, if available, of a person who can give free legal advice.

(B) If free legal advice is not available, the county office will provide the number of the lawyer referral service of the local bar association; and

(11) A statement that the accused individual has the right to remain silent concerning the charges and that anything said or signed by the individual concerning the charges may be used in a court of law.

(c)(1) A statement attached to the notice contains a space for the accused individual to name any persons he or she wishes to subpoena to present testimony on his or her behalf at the hearing.

(2) A waiver of the right to subpoena witnesses is also included.

(d) The time and place of the hearing will be arranged so that it is accessible to the member of the household suspected of the IPV.

(e)(1) The advance notice is sent by certified mail, return mail, return receipt requested.

(2) When the Office of Appeals and Hearings has proof that the household member accused of committing the IPV has received the advance notice of the hearing or has refused such notice, then the notice requirements have been fulfilled and the hearing can proceed.

(3) When neither proof of receipt nor proof of refusal exists and the household member fails to appear, the Office of Appeals and Hearings has not met its regulatory obligation and cannot proceed with the hearing.

(f) Postponement of hearing.

(1) An accused individual may request a postponement of the scheduled hearing if the request is made at least ten (10) days in advance of the scheduled hearing and he or she shows good cause for the request.

(2) If the accused individual fails to appear but advises the Office of Appeals and Hearings not more than ten (10) days after the hearing date, he or she may be permitted to show good cause for the failure to appear.

(3) The Office of Appeals and Hearings determines whether or not good cause exists.

(4) If good cause is determined to exist, the hearing may be rescheduled within thirty (30) days.

(5) If the hearing is postponed, the time limits for processing will be extended for the number of days between initial scheduling and rescheduling not to exceed one hundred twenty (120) days.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1610. Cancellation of a hearing by the county office.

(a) If, at any time prior to the date of an administrative disqualification hearing, the county office feels that there is insufficient evidence on which to conduct a hearing, the Office of Appeals and Hearings of the Department of Human Services should be contacted immediately so that the hearing can be canceled and the case administratively withdrawn.

(b) This does not apply to cases prepared for a hearing by the Fraud Investigation Unit of the Department of Human Services.

(c) The county office may not cancel a hearing for a case prepared by the Fraud Investigation Unit.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1611. Review of the administrative disqualification file.

(a)(1) When the advance notice of the hearing is sent, the accused individual is advised that he or she has ten (10) calendar days from the date he or she signs the certified mail receipt to review the administrative file and request subpoenas.

(2) This ten-day limit applies only to the request for subpoenas.

(b)(1) The accused individual and/or caretaker relative may review the administrative file any time prior to, or during, the hearing.

(2) However, he or she may request subpoenas only during the ten (10) calendar days following the date the certified mail receipt is signed.

(c) The county office will provide free copies of the administrative hearing file if requested by the household or its representative.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1612. Requesting subpoenas.

(a)(1) The individual accused of the intentional program violation (IPV), the county office, or the Fraud Investigation Unit of the Department of Human Services may request that witnesses be subpoenaed to appear at an administrative disqualification hearing.

(2) The accused individual uses the attachment to the Advance Notice of Hearing to request that subpoenas be issued.

(3) The county office will:

(A) Be advised by the Office of Appeals and Hearings of the Department of Human Services of any witnesses the accused individual has requested; and

(B) Have five (5) days from receipt of this notice to request rebuttal witnesses.

(b)(1) The county office and/or Fraud Investigation Unit may use the reverse side of the County Statement (Form DHS-1208) to request subpoenas.

(2) If additional subpoenas are needed by the county office on cases prepared by the Fraud Investigation Unit, these may be requested by contacting the Office of Appeals and Hearings.

(c) The Office of Chief Counsel of the Department of Human Services will issue the subpoenas pursuant to the terms of agreement and authority of Arkansas Code § 20-76-408.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1613. Administrative disqualification hearing.

(a) Attendance at hearing.

(1) The hearing shall be attended by a representative of the county office in the county of residence of the accused individual or the county of residence of the individual's representative.

(2) The hearing may also be attended by friends and relatives upon request of the accused individual.

(3) If space limitations exist, the hearing officer has the authority to limit the number of persons in attendance at the hearing.

(b) Rights of the accused individual during the hearing. During the hearing, the accused individual has the right to:

(1) Examine the contents of his or her hearing file, which includes all documents and records to be used by the county office at the hearing;

(2) Bring witnesses to present testimony on his or her behalf during the hearing;

(3) Present his or her case or have it presented by legal counsel or other person;

(4) Advance arguments without undue interference;

(5) Question or refute any testimony or evidence including the opportunity to confront and cross-examine adverse witnesses; and

(6) Submit evidence to establish all relevant facts and evidence in the case.

(c) Accused individual's representative.

(1) The accused individual may designate in a signed statement the name of a representative to act in his or her behalf in viewing the hearing file and/or representing him or her at the hearing.

(2) This statement must be contained in the hearing file.

(3) The designated representative will receive a copy of all correspondence regarding the hearing proceedings.

(d) Role of the hearing officer. The hearing officer will:

(1) Administer the oath to all witnesses who will present testimony;

- (2) Request, receive, and make part of the record all relevant evidence;
- (3) Advise the accused individual of his or her right to refuse to answer questions during the hearing;
- (4) Regulate the conduct and course of the hearing consistent with due process to ensure an orderly hearing; and
- (5) Order medical assessments at Department of Human Services expense if necessary to establish intent or lack of intent on the part of the accused individual.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1614. Hearing decision.

(a)(1) The hearing officer will prepare a decision based on the evidence presented.

(2) The format will consist of:

- (A) An introduction;
- (B) Findings of fact;
- (C) Conclusions of law; and
- (D) A decision.

(b) The final decision must be made within ninety (90) days of the date of the advance notice scheduling the hearing unless the hearing has been rescheduled and the time frames have been extended in accordance with the provisions specified under the advance notice provisions.

(c) Absence of intentional program violation.

(1) If the decision is that an intentional program violation has not occurred, the accused individual will be so advised by the Office of Appeals and Hearings of the Department of Human Services in writing.

(2) A copy of the decision will be sent to the:

- (A) County office;

(B) Overpayment Unit of the Department of Human Services; and

(C) Fraud Investigation Unit of the Department of Human Services, only if this unit prepared the case for an administrative disqualification hearing.

(d) Finding of an intentional program violation.

(1) If it is determined that an intentional program violation occurred, the accused individual will be advised of this finding by the Office of Appeals and Hearings.

(2) Two (2) copies of the decision will be sent to the county office, one (1) copy to the Overpayment Unit, and one (1) copy to the Fraud Investigation Unit, only if this unit prepared the case for the administrative disqualification hearing.

(3) Note.

(A) The decision is being sent to the accused individual for information purposes only.

(B) The decision should also be attached to the notice of imposition of disqualification sanction sent by the county office.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

20 CAR § 502-1615. Imposing the disqualification sanction.

(a) When the county office receives a hearing decision finding that an intentional program violation (IVP) has occurred, a period of disqualification from the Transitional Employment Assistance Program will be imposed against the family.

(b) The disqualification periods are as follows:

(1) One (1) year for the first offense;

(2) Two (2) years for the second offense; and

(3) For more than two (2), permanently.

(c) In addition, the family will continue to be ineligible for transitional employment assistance (TEA) until the resulting overpayment has been repaid to the state with interest.

(d) Upon receipt of a hearing decision, the county office will take the following actions:

(1) Establish a disqualification period that begins:

(A) No later than the second month following the month the county office received the decision if the family is currently receiving TEA; or

(B) With the first month following the month the decision was received if the TEA case is closed;

(2) In ANSWER, key the disqualification as an IPV sanction under each member's sanction tab; and

(3)(A) Complete Form DCO-120, Notice of TEA Administrative Disqualification.

(B) **Note.** A "timely" notice, i.e., ten-day advance, is not required in this situation.

(C) This notice will be completed and routed to family even if the TEA case is already closed.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "09/12/12"

20 CAR § 502-1616. Court-imposed disqualifications.

(a) The county office will disqualify a family if a member has been found to have committed an intentional program violation (IPV) by a court of law in accordance with 20 CAR §§ 502-1603 and 502-1615.

(b) When a court finds that an individual has committed an IPV, the Fraud Investigation Unit of the Department of Human Services will inform the county office by memo, with a copy to the Overpayment Unit of the Department of Human Services.

(c) The procedures relative to imposition of the disqualification are described in 20 CAR § 502-1615.

Authority. Arkansas Code § 20-76-401.

Codification Notes. This section as promulgated prior to codification into the Code of Arkansas Rules provided as follows: "07/01/97"

Subpart 17. Temporary Assistance for Needy Families Overpayments

20 CAR § 502-1701. Definition of overpayment.

(a)(1) Any payment received by or for a participant that is in excess of the amount that should have been paid is an overpayment.

(2) However, only those overpayments described in the following sections will be reported and collection pursued.

(b) An overpayment may result from the participant's having:

- (1) Given fraudulent information;
- (2) Withheld information;
- (3) Failed to report information; or
- (4) Failed to report a change in circumstances.

(c) An overpayment may also occur from:

- (1) The agency having made an error or having failed to take action; or
- (2) A combination of participant and agency.

(d) **Note.** By definition, no overpayment exists if the participant does not present the warrant or check for payment or does not access any portion of a month's payment added to his or her Electronic Benefits Transfer (EBT) account.

(e) **Note.** Calculations to determine overpayments must be in accordance with eligibility requirements and budgetary procedures and allowances in effect at the time of such overpayment, not the time of discovery and computation.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1702. Definition of fraud.

(a) Fraud consists of some deceitful practice or felonious device resorted to with the intent to receive an assistance grant to which an individual is not entitled under the rules of the Division of County Operations.

(b) Fraud — Legal provision.

(1) Arkansas Code § 5-36-103 provides that a person commits theft of property if he or she knowingly obtains the property of another person, by deception or by threat, with the purpose of depriving the owner thereof.

(2) Only the courts can determine guilt under the statute and impose the legal penalty.

(3) The responsibility of the worker is to:

(A) Determine where there may be an intent to defraud on the part of the participant or other persons; and

(B) Report their findings to the Overpayment Unit of the Department of Human Services.

(c) Guilty of intentional program violations.

(1) If a family is found guilty of an intentional program violation, the family will be ineligible for transitional employment assistance (TEA) cash assistance until the resulting overpayment has been repaid to the state with interest.

(2) Refer to 20 CAR § 502-1603.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1703. Types of overpayments.

(a) The following types of overpayments will be reported:

(1) Temporary Assistance for Needy Families cash assistance (Transitional Employment Assistance Program and Work Pays);

(2) Reimbursements for work-related activity expenses;

(3) Relocation assistance; and

(4)(A) Child care.

(B) See note below.

(b) **Note.**

(1) If a worker discovers a possible child care overpayment, the information will be provided via memo to the Child Care Eligibility/Family Support Unit, Division of Child Care and Early Childhood Education, Slot S140.

(2) The Child Care Eligibility/Family Support Unit will determine and process all child care overpayments.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1704. Determining the overpayment amount to be reported.

(a) The policy, procedures, and income eligibility standards in effect at the time the participant was overpaid will be used to determine the overpayment amount.

(b) Form DCO-199 will be used to report overpayments in the transitional employment assistance (TEA) cash assistance and Work Pays programs.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1705. Temporary Assistance for Needy Families cash assistance — Overpayments.

(a)(1) When it is determined that a participant has received a transitional employment assistance (TEA) cash assistance or Work Pays payment to which he or she was not entitled, an overpayment report may be required.

(2)(A) An overpayment report will begin with the second month following the month in which the change causing the ineligible or reduced payment occurred.

(B) For situations in which the participant is ineligible at application, the overpayment will begin with the month of approval.

(3) If the change was reported and acted upon so that the correct assistance amount was issued in the second month following the change, then an overpayment report is not required.

(b) **Income.**

(1) The process for calculating a TEA and Work Pays overpayment due to income is described below.

(2) **TEA.**

(A)(i) To determine a TEA overpayment involving income, the caseworker will determine the monthly gross and net income as outlined in 20 CAR § 502-501 et seq.

(ii) Unless a significant change occurred in the income during the overpayment period, the same monthly net income will be used to determine income eligibility for all overpaid months.

(iii) In addition, the same gross monthly income will be used to determine if an eligible family was eligible for a full or reduced payment unless a significant change occurred during the overpayment period.

(iv) Refer to 20 CAR § 502-903 for the definition of a significant change in income.

(v) It is not necessary to verify the actual income in each month of the overpayment period.

(B)(i) If earned income is involved, both the twenty percent (20%) and the applicable work incentive (fifty percent (50%) or sixty percent (60%)) earned income deductions will be allowed when determining income eligibility for the overpayment period.

(ii) The applicable work incentive deduction will be the percentage that was in effect during the particular overpaid month.

(C) The following are examples of overpayment determinations when the income exceeds the income eligibility standard and when the family is entitled to a reduced payment rather than full payment.

Example 1: Mr. Jackson was approved for TEA on May 10. Two (2) months later, the eligibility worker discovered that Mr. Jackson was already working when he applied for assistance. The income made the participant ineligible at approval. An overpayment will be processed beginning with the month of approval.

Example 2: Ms. Jones started working in August. She reported the employment in November. When determining the monthly income, both the twenty percent (20%) and the work incentive deduction were allowed, and the family was no longer eligible for cash assistance. The overpayment will be completed beginning with the month of October. The income amount that determined ineligibility will be used for all overpaid months unless there was a change in the work incentive deduction in any of the months.

Example 3: Mrs. Davis and her two (2) children are receiving TEA benefits in the amount of two hundred four dollars (\$204). Mrs. Davis became employed in November. Her gross earnings are one thousand two hundred dollars (\$1,200) per month. She reported her employment in January of the following year. After allowing the participant earned income deductions, she is income eligible based on the income standard of five hundred thirteen dollars (\$513). However, when determining the payment amount, the gross earnings exceed one thousand twenty-six dollars (\$1,026) (gross income trigger). Therefore, the family was only eligible for a reduced payment of one hundred two dollars (\$102). The overpayment will be completed beginning with

the month of January.

(3) Work Pays.

(A)(i) To determine a Work Pays overpayment involving income, the worker will determine the monthly gross income for each month in which an overpayment exists.

(ii) An overpayment will exist for each month in which the gross income exceeds the federal poverty level (FPL) for the household size and a Work Pays payment was received for that month.

(iii) There are no allowable work deductions for Work Pays.

(B) The following are examples of overpayment determinations when the income exceeds the FPL for the family size.

Example 1: Ms. Brown was approved for Work Pays in October based on her declared income of nine hundred fifty dollars (\$950) monthly. However, when verification of earnings was received in November, the October payment had been made and Ms. Brown's gross income was one thousand seven hundred seventy-five dollars (\$1,775). This exceeded the one hundred fifty percent (150%) FPL for her household size of two (2), and therefore she was not eligible. An overpayment exists for the October payment.

Example 2: Ms. Wilson was approved for Work Pays in October. At the time of approval Ms. Wilson's gross monthly income was one thousand nine hundred dollars (\$1,900), which is below the one hundred fifty percent (150%) FPL for her household size. In December, Ms. Wilson's income increased to two thousand one hundred fifty dollars (\$2,150), which is above the one hundred fifty percent

(150%) FPL. The participant continued to receive a Work Pays payment for three (3) additional months. An overpayment will be calculated beginning with the payment received for the month of February.

(c) Resources (TEA cash only).

(1) When a case is found to be ineligible due to excess resources, the overpayment will begin with the second month following the month in which resources first exceeded the resource limit.

Example: Mr. Jones receives assistance for himself and three (3) children. In February, he received a cash inheritance of four thousand dollars (\$4,000), which was deposited into a bank account. Mr. Jones reported having the bank account in May, and the TEA case was closed in May for excess resources. The overpayment will be completed beginning with the month of April.

(2) **Note.** There is no resource limit for Work Pays.

(d) Household member.

(1) In cases in which a required member has been improperly excluded from the assistance unit, an overpayment will be determined only if inclusion of such person's needs, income, and resources would have rendered the unit ineligible, or eligible for a reduced payment when the full payment was received.

(2)(A) In cases in which a member has been improperly included in the assistance unit, an overpayment will be determined by excluding the person's needs.

(B) The income and resources will be determined in accordance with TEA and Work Pays policy.

(C) See the examples below.

(3) TEA.

Example 1: Mr. Thomas receives TEA cash assistance for himself and three (3) children. He reported in December that his son, John, moved out of the household in October and is now living with an aunt. This change caused a decrease in the assistance payment, and an overpayment will be reported beginning with the month of December.

Example 2: Through a review, conducted in December, it was determined that Mary's grandson, John, was not attending school as required for TEA cash assistance. However, his needs continued to be included in the grant. John receives Social Security Administration benefits in the amount of forty-five dollars (\$45.00). In processing the overpayment, John's needs will be dropped. However, his income and resources will remain in the budget to determine his siblings' continued eligibility and payment amount. The last month John attended school was September. The overpayment will be determined beginning with the month of November.

(4) **Work Pays.**

Example 1: Mr. Jackson was approved for Work Pays in July. He reported his household consisted of himself and his three (3) minor children, Linda, James, and Janice. He verified monthly earned income of one thousand five hundred dollars (\$1,500). During ongoing case management, the Program Eligibility Specialist discovered that Linda never lived in the home with Mr. Jackson but actually lived with her mother in another city. When dropped from the unit, the household is actually over the one hundred fifty percent (150%) FPL for three (3) people. An overpayment will be

determined beginning with the month of approval.

Example 2: Ms. Harris was approved for Work Pays in August. At the time of approval her household consisted of herself and her sixteen-year-old son, Mike. In September, Mike moved out of the home. Ms. Harris failed to report the change. In December, the worker discovered the change. Since there is no longer an eligible child in the home, an overpayment will be calculated beginning with November.

20 CAR § 502-1706. Reimbursements/activity-related expenses — Overpayments.

(a) When it is determined that a participant was reimbursed or received a payment for expenses related to work participation that he or she was not entitled to, an overpayment will be determined beginning with the month in which the reimbursement/payment was made.

(b) This also includes payments received in a month in which the individual was not eligible for Temporary Assistance for Needy Families cash assistance.

Example 1: William's Auto was paid five hundred dollars (\$500) to repair Ms. Smith's vehicle. She was employed at approval of her transitional employment assistance (TEA) application but it was later determined that she stopped working prior to receiving the supportive service and failed to report it. The five hundred dollars (\$500) paid for vehicle repairs will be reported as an overpayment.

Example 2: Ms. Burns, a Work Pays participant of thirteen (13) months, received supportive services in the amount of six hundred fifty dollars (\$650) for tires. It was later discovered that she provided false

information and had not worked in several months. The six hundred fifty dollars (\$650) paid for the tires will be reported as an overpayment.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1707. Relocation — Overpayments.

If it is determined that a relocation assistance payment was provided to a family and it was not used to relocate the family, an overpayment will be prepared for the overpaid amount.

Example: Mr. Jones lives in Camden. He found a job in Texarkana and wanted to relocate. In May, he received a relocation check for two thousand dollars (\$2,000) to move to Texarkana. It was determined in June that he was still living in Camden and commuting to his job in Texarkana. He spent the two thousand dollars (\$2,000) on repairs to his Camden home. Since he did not use the relocation payment to relocate, the relocation payment of two thousand dollars (\$2,000) must be reported as an overpayment.

Authority. Arkansas Code § 20-76-401.

Subpart 18. Procedure for Reporting and Collecting Overpayments

20 CAR § 502-1801. Responsibility for reporting the overpayment.

(a) Overpayment reports will be submitted to the Central Office Overpayments Unit, Slot WG2.

(b)(1) The Division of County Operations will complete and submit overpayments related to eligibility.

(2) Supportive services received during this period will also be determined by the Division of County Operations and included in the overpayment report.

(c) Overpayments related to supportive services only will be completed and submitted by the Department of Human Services.

(d) Recording information in the case narrative.

(1) When an overpayment is discovered, the worker will document in the narrative section of ANSWER:

- (A) The amount of the overpayment;
- (B) The date the overpayment began;
- (C) The reason or reasons why the overpayment occurred; and
- (D) Any other pertinent information.

(2)(A) If the overpayment occurred because the participant provided false or incomplete information or failed to report a change in circumstances within ten (10) days, the participant will be advised of the possible consequences (request for repayment and/or prosecution for fraud) and asked to explain his or her actions or failure to act.

(B) His or her explanation will be recorded in the narrative section.

(C) When all information is recorded, the information will be referred to the appropriate supervisor or his or her designee for concurrence as to the correctness of the overpayment determination.

(3) Field staff will refrain from making accusations of fraud to the participant.

(e) Referral to the Overpayment Unit.

(1)(A) All cases involving incorrect payment as described in 20 CAR § 502-1703 will be referred to the Overpayment Unit of the Department of Human Services.

(B) The referral form will be the original DCO-199.

(C) The appropriate sections must be completed.

(2)(A) If fraud is suspected, Form DHS-1700 will be submitted to the Overpayment Unit.

(B) If the worker is unable to establish the full amount of the overpayment, Form DHS-1700 will be completed and forwarded to the Overpayment Unit.

(C) A memorandum will be attached to the DHS-1700 detailing the worker's efforts and explaining why they were unable to establish the overpayment.

(3)(A) The Overpayment Unit will register all overpayment referrals.

(B) All cases of suspected fraud will be immediately brought to the attention of the Fraud Investigation Unit of the Department of Human Services.

(C) The manager of the Fraud Investigation Unit, or his or her designee, will screen all overpayment referrals at least weekly and select the appropriate referrals for further investigation.

(D) After screening, rejected referrals will be noted as to reason for rejection, and returned to the Overpayment Unit.

(4) If the case is selected for further fraud investigation, the Overpayment Unit will not pursue recovery until notification from the Fraud Investigation Unit that the case has:

(A) Been declined for prosecution;

(B) An agreement reached with the participant and the case is not going to court (signed agreement); or

(C) Been adjudicated.

(5) The stipulations of the court order will be given to the Overpayment Unit by memorandum from the Fraud Investigation Unit.

(6) If it is found in the fraud investigation that the period of time and/or the amount of the overpayment or ineligible payment is different from the original amount submitted by the county office on the DHS-199, the Overpayment Unit will make the necessary adjustments.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1802. Responsibility of the Overpayment Unit.

(a) The Overpayment Unit of the Department of Human Services will make the decision concerning the feasibility of repayment for all overpayments, taking into consideration whether they resulted from:

- (1) Administrative error;
- (2) Misunderstanding of state policies or laws by the participant; or
- (3) Willful withholding or incorrect statement of factual information by the participant.

(b) A review official in the Overpayment Unit will:

(1)(A) Review information submitted by the local offices via DHS-199 and DHS-1700.

(B) Additional information from the local office may be requested when needed for a decision or further action; and

(2) Make a decision on the feasibility of seeking repayment relative to the disposition of the claim when collection and/or fraud referrals are indicated.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1803. Collections.

(a) The Overpayment Unit of the Department of Human Services will make the determination relative to the disposition of the claim when collection and/or fraud referrals are indicated.

(b) When an agreement is reached with the participant, either by the Fraud Investigation Unit of the Department of Human Services or the Office of Chief Counsel of the Department of Human Services, the Overpayment Unit will be apprised of whether:

- (1) Participant has been sentenced;
- (2) Participant's sentence has been suspended contingent upon restitution by court order;
- (3) Voluntary agreement to repay has been reached;
- (4) Signed agreement to repay has been negotiated; and

(5) Civil court action initiated with results.

(c) The Secretary's Office of the Department of Human Services, Cash Receipts Unit, WG2, will be responsible for receiving and processing all moneys collected.

Authority. Arkansas Code § 20-76-401.

Subpart 19. Recoupment and Recovery

20 CAR § 502-1901. Definitions.

As used in this subpart:

(1) "Hardship situation" means a situation in which the participant is in a state of being deprived of what is needed for basic subsistence, e.g., food, shelter, utilities;

(2) "Recoupment" means withholding of a cash amount from the assistance payment when a participant has a pending claim due the state for some amount of prior ineligible or overpaid cash payment;

(3) "Recovery" means regaining moneys lost by the Arkansas Temporary Assistance for Needy Families Program as a result of a participant receiving payments to which he or she was not entitled; and

(4) "Restitution" means securing a direct payment from an individual in the form of a cashier's check or money order made payable to Department of Human Services for overpayments received.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1902. General policy statement.

(a) Overpayments and ineligible payments made to participants of Temporary Assistance for Needy Families cash assistance are subject to recovery action.

(b)(1) The policy of this state is that recovery of overpayments will be pursued.

(2) An effort will be made to recover all reported overpayments.

(3) There will be no distinction between willful and nonwillful withholding of information by the participant, i.e., reasonable and practical steps to correct and collect any overpayment that is known to the state will be made regardless of whether the reason for the erroneous payment was caused by the agency or the participant.

(c) It is not the policy of this state to inflict hardship on individuals or their families by means of its recovery policies.

(d) Therefore, the following rules will be followed:

(1) Recovery may be made from:

(A) Income;

(B) Liquid resources; or

(C) A reduction in the current transitional employment assistance (TEA) or Work Pays assistance payment;

(2) The amount to be recouped from the TEA or Work Pays payment will not exceed ten percent (10%) of the family's full payment level;

(3) Recovery will be made from:

(A) The individual who caused the overpayment; or

(B) If the person responsible for the overpayment has left the household, recovery will be made from any other adult individual who was a member of the overpaid assistance unit;

(4) Recovery of any reported overpayment will be made regardless of the cost effectiveness;

(5) In all situations in which an overpayment has occurred and the participant is currently receiving TEA or Work Pays cash assistance, recoupment of the overpayment will be initiated unless the participant makes full restitution;

(6) The amount of an outstanding overpayment will be used to offset an outstanding underpayment if the family has both; and

(7) When a former participant with an outstanding overpayment reapplies and is found eligible, recoupment will be reactivated based on the participant's current level of:

(A) Payment;

- (B) Income; and
- (C) Liquid resources.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1903. Recovery procedure.

(a) All cases of ineligible payments and overpayments must be reported to the Overpayment Unit of the Department of Human Services as outlined in 20 CAR § 502-1704.

(b) The Overpayment Unit will decide whether payments to ineligibles and/or overpayments will be pursued for recovery and the method of recovery.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1904. Recoupment restrictions.

(a)(1) Overlapping or duplication of transitional employment assistance (TEA) by Supplemental Security Income is not subject to recoupment or restitution.

(2) This will be handled by the Social Security Administration.

(b) Restitution of some or all of an overpayment can be accepted:

(1) Before or at the time of initiation of recoupment;

(2) While recoupment is in process; or

(3) After closure.

(c) If the monthly recoupment amount or maximum recoupment amount exceeds the current cash assistance payment amount, the monthly recoupment amount will be the payment amount less one dollar (\$1.00).

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1905. Overpayment Unit responsibility.

If the decision is made by the Overpayment Unit of the Department of Human Services to recoup the overpayment by a deduction from the current assistance payment to the participant, the Overpayment Unit will:

(1) Send a ten-day advance notice to the participant direct from the Overpayment Unit explaining the recoupment decision and the amount that will be deducted from the payment so the participant will know the reason for the payment change;

(2) Initiate recoupment by reducing the grant if the participant does not request an administrative hearing during the ten-day advance notice period; and

(3) Advise the appropriate office of the:

(A) Total amount to be recouped;

(B) Amount of monthly deduction;

(C) Number of months deductions will be made; and

(D) Effective dates.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1906. Keeping the Overpayment Unit informed.

The appropriate office will promptly report, by memorandum to the Overpayment Unit of the Department of Human Services, any pertinent information (coming to its attention) that would have an effect on an established overpayments claim that has not been satisfied, such as, but not limited to:

(1) Hardship situation;

(2) Acquisition of resources or income that may increase the participant's ability to repay;

(3) Death;

(4) Change of address; and

(5) Recertification of case after closure.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1907. Contacts with participants.

(a) If participants have questions concerning recovery letters received directly from the Overpayment Unit of the Department of Human Services, the county office will refer them to the Overpayment Unit.

(b) If participants wish to make arrangements for repayment, the county office will explain that the final decision regarding recovery rests with the Overpayment Unit and give the mailing address:

Arkansas Department of Human Services
Overpayment Unit
P. O. Box 8181 Slot WG2
Little Rock, Arkansas 72203

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1908. State income tax refund interception.

(a) Acts 1983, No. 372, as amended (Arkansas Code § 26-36-318), and Acts 1985, No. 987, authorize the collection of Temporary Assistance for Needy Families overpayments through the interception of state income tax refunds.

(b) Acts 1985, No. 987, requires prenotification to debtors of intent to set off debts listed prior to the annual debt loading with the Revenue Division of the Department of Finance and Administration.

(c)(1) A computer-generated notice (SS-XA) of the Department of Human Services' intention to intercept refunds will be mailed prior to the annual loading date (December 1).

(2) The SS-XA is sent on cases that have Overpayment Unit of the Department of Human Services debts listed.

(d)(1) The taxpayer has thirty (30) days from the date the notice was mailed to file a written request for a hearing (20 CAR § 502-1911).

(2) If no hearing is requested within thirty (30) days, revenue loading will be effected.

(3) Tax refunds will be mailed to the Secretary's Office of the Department of Human Services to be allocated within the Department of Human Services in order of priority.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1909. Cases eligible for intercept.

(a) In order for a case to be submitted for a state tax refund intercept, the following conditions must be met:

(1) The amount owed the state must be approved by the Overpayment Unit of the Department of Human Services;

(2) The taxpayer must have been notified of the overpayment in at least one (1) demand letter; and

(3) The overpayment must be at least twenty dollars (\$20.00).

(b) If the state tax refund due a taxpayer is less than twenty dollars (\$20.00), the Revenue Division of the Department of Finance and Administration will not intercept the refund.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1910. Allocation of state tax refund.

A state tax refund intercepted to apply against debts to the state will normally be allocated as follows:

(1)(A) When only one (1) overpayment claim exists, the refund will be applied against that claim.

(B) Should the refund be larger than the claim, the balance will be returned to the taxpayer by the Revenue Division of the Department of Finance and Administration; and

(2)(A) When more than one (1) claim exists with the food stamp, Temporary Assistance for Needy Families, and Medicaid programs, the refund will be applied against the oldest claim first until the entire amount is used or all claims are paid.

(B) Any balance after these claims are satisfied will be allocated to other Department of Human Services claims listed, if any.

(C) If there are no additional Department of Human Services claims, then the balance will be returned to the taxpayer.

Authority. Arkansas Code § 20-76-401.

20 CAR § 502-1911. State tax refund intercept (STRI) hearing procedures.

(a) Requesting and scheduling a hearing.

(1)(A) The taxpayer has thirty (30) days from the mailing date of the intercept notice to file a written request for a hearing.

(B) All hearing requests will be sent to the Overpayment Unit of the Department of Human Services.

(C) A chronological register of the hearing results will be maintained to ensure each request is acted upon in a timely manner.

(D) After the identifying information is placed on the register, a copy of the request will be sent to the county office that originated the case and a copy sent to the hearing officer.

(2) Exception.

(A) If the taxpayer has moved to a different county, the county copy along with any case records will be forwarded to the current county of residence.

(B) The appropriate office is required to complete Form DHS-1203, County Office Administrative Hearing Statement, and forward it to the hearing officer for receipt at least two (2) days before the hearing.

(3) If the taxpayer does not appear at the hearing or give notice of inability to appear at least twenty-four (24) hours before the hearing, the request will be considered abandoned.

(4)(A) In the event the taxpayer is unable to be present on the date the hearing is scheduled, the hearing may be rescheduled one (1) time at the taxpayer's request.

(B) After that, the request for hearing will be considered abandoned if the taxpayer does not appear at the hearing.

(C) The rescheduled rehearing must also be held within the thirty-day period from the date of the rescheduled hearing request.

(D) All rescheduling will be recorded on the chronological register.

(5)(A) Accompanying the hearing request, in a pending file, will be a set of hearing forms.

(B) The hearing forms packet will contain an acknowledgment letter (Form SS-RR) and a hearing statement (Form SS-1612).

(C) These forms will be completed when the hearing is scheduled and conducted.

(6) When the acknowledgment letter is mailed to the taxpayer:

(A) A copy is held in the pending file;

(B) A copy is sent to the hearing officer; and

(C) A copy is sent to the appropriate office.

(b) Conducting an STRI hearing.

(1)(A) It is the responsibility of the hearing officer to attend the hearing.

(B) If this is not possible, the hearing officer will designate a representative to attend the hearing.

(C) The hearing officer, or representative, will review the case prior to the hearing.

(2)(A) The hearing will be held in accordance with procedures established under the Arkansas Administrative Procedure Act, Arkansas Code § 25-15-201 et seq., to determine the validity of the claim.

(B) It will be determined at the hearing whether the claimed sum asserted as due and owing is correct.

(3)(A) In conducting the hearing, a representative from the appropriate office will explain the facts of the overpayment.

(B) The taxpayer will be given the opportunity to offer evidence and/or refute information presented by the agency.

(4)(A) In the event the taxpayer requires additional time to provide evidence that would affect the outcome of the hearing, the hearing officer will:

(i) Complete the hearing to the extent possible; and

(ii) Allow the taxpayer ten (10) days to submit the information to the appropriate office for final resolution of the case.

(B) The agency then has five (5) days to recalculate the claim and forward the results to the hearing officer.

(5)(A) Because of the limited time frame allowed by the Revenue Division of the Department of Finance and Administration, it may become necessary to conduct hearings by conference call between the Department of Human Services Central Office and the appropriate local office.

(B) It will be the hearing officer's responsibility to ascertain that all relevant information is obtained and the hearing statement is completed.

(C) The hearing officer will prepare an original letter to the taxpayer summarizing the evidence presented at the hearing and advising the taxpayer of the decision.

Authority. Arkansas Code § 20-76-401.