



HOUSEHOLD INCOME – DOES THE STIMULUS CHECK COUNT?

This document is intended to give guidance on the issue of “household income” during the COVID state of emergency.

When an application for township assistance is submitted to the township trustee, should the federal stimulus checks, which are being distributed to most individuals as part of the CARES Act, be counted as “income”?

This question was asked by a trustee during a recent webinar with the State Board of Accounts. The answer that was given caused us to engage in a discussion with the SBOA and we found that there was a terminology difference between trustees’ typical jargon and SBOA (typical accounting jargon).

This stems from the fact that The CARES act states that the stimulus money should be treated as a refundable tax credit, which is not recognized as a source of income or revenue at the federal or state level.

We acknowledge that the definition of “income” is generally considered funds that are taxable by the IRS; however in trustees’ jargon, we consider income to be funds that come into the household that could be used for necessities. IC 12-7-2-44.7 gives us the definition for “countable income” to be used by township trustees.

It is our opinion that the referenced checks from the federal government would indeed be considered “countable income” once the money has been received by the applicant for township assistance.

Therefore, it is reasonable to expect that the household use all “countable income” for basic necessities as defined by IC 12-7-2-20.5.

For your reference, the cited statutes are copied below.

INCOME - “Countable income” means a monetary amount either paid to an applicant or a member of an applicant’s household not more than thirty (30) days before the date of application for township assistance, or accrued and legally available for withdrawal by an applicant or a member of an applicant’s household at the time of application or not more than thirty (30) days after the date of application for “township assistance.” The term includes the following:

- (1) Gross wages before mandatory deductions.
- (2) Social Security benefits, including Supplemental Security Income.
- (3) Temporary Assistance to Needy Families.
- (4) Unemployment compensation.
- (5) Worker’s compensation (except compensation that is restricted for the payment of medical expenses.)
- (6) Vacation pay.
- (7) Sick benefits.
- (8) Strike benefits.
- (9) Private or public pensions.
- (10) Taxable income from self-employment
- (11) The value of bartered goods and services provided by another individual for the payment of nonessential needs on behalf of an applicant or an applicant’s household if monetary compensation or the provision of basic necessities would have been reasonably available from that individual.
- (12) Child support.
- (13) Gifts of cash, goods, or services.
- (14) Educational grants and loans to the extent that they are intended to cover basic living needs.
- (15) The monetary value of subsidized housing, utility assistance, or any other basic necessity provided by another governmental or quasi governmental agency.

- (16) Other sources of revenue or services that the township trustee may reasonably determine to be countable income. [IC 12-7-2-44.7]

NOTE: "Countable income" gives a thirty (30) day period for consideration of income; HOWEVER, in the statute related to "wasted resources" there is a provision for "lump-sum" income that exceeds \$400 and gives a one hundred twenty (120) day period for consideration. This provision may be used in consideration of limited sources which are named in the statute (tax refunds, lawsuits, inheritances, or pension payments). While the federal checks being discussed in this document may not fall under this statute, we just wanted to note that tax refunds which have been received within 120 days of the application, SHOULD be considered.

BASIC NECESSITIES DEFINED – "Basic necessities" includes those services or items essential to meet the minimum standards of health, safety, and decency, including the following:

- (1) Medical care described in IC 12-20-16-2.
- (2) Clothing and footwear.
- (3) Food.
- (4) Shelter.
- (5) Transportation to seek and accept employment on a reasonable basis.
- (6) Household essentials.
- (7) Essential utility services.
- (8) Other services or items the township trustee determines are necessities.

[IC 12-7-2-20.5]

WASTED RESOURCES - "Wasted resources", for purposes of IC 12-20, means:

- (1) the amount of money or resources expended by an applicant or an adult member of an applicant's household seeking township assistance during the thirty (30) days before the date of application for township assistance for items or services that are not basic necessities;
- (2) income, resources, or tax supported services lost or reduced as a result of a voluntary act during the sixty (60) days before the date of application for township assistance by an adult member of an applicant's household unless the adult member can establish a good reason for the act; or
- (3) lump sum amounts of money or resources from tax refunds, lawsuits, inheritances, or pension payments of at least four hundred dollars (\$400) that are expended by:
 - (A) an applicant seeking township assistance; or
 - (B) an adult member of the applicant's household; during the one hundred eighty (180) days immediately preceding the date of application for township assistance for items or services that are not basic necessities if, at the time of the expenditure, there were amounts due and owing for items or services constituting basic necessities.

[IC 12-7-2-200.5]