

**STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES**

IN THE MATTER OF:

[REDACTED]

Reg No.: 2013-64442
Issue No.: 3003
Case No. [REDACTED]
Hearing Date: December 5, 2013
County: Genesee #2

ADMINISTRATIVE LAW JUDGE: Landis Y Lain

HEARING DECISION

This matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and MCL 400.37 upon the Claimant's request for a hearing. After due notice, a telephone hearing was held on December 5, 2013. The Claimant appeared and testified. Claimant was represented at the hearing by his [REDACTED]. The Department was represented at the hearing by [REDACTED], Assistance Payments Worker

ISSUE

Did the Department of human services to the Department properly deny Claimant's application for Food Assistance Program (FAP) benefits?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On July 8, 2013 Claimant filed an application for Food Assistance Program benefits and Medical Assistance benefits.
2. On July 12, 2013, during a telephone interview Claimant reported that he was receiving \$ [REDACTED] per month donation [REDACTED].
3. On July 12, 2013, a DHS-3503 verification checklist was sent to Claimant requesting verification of income to be returned to the Department by July 22, 2013.
4. The Claimant sent back partial proofs but failed to send proof of income received from his nephew.

5. Claimant also sent a [REDACTED] that was over a year old, dated May 2, 2012. He did not report on the application nor during the interview that he was [REDACTED] but also sent [REDACTED] records that were entered into bridges.
6. The Claimant did not provide any receipts for expenses. The gross income of the business was budgeted.
7. On August 1, 2013 the Department caseworker sent Claimant notice that his application for Food Assistance Program benefits was denied based upon excess income and based upon the fact that he did not provide the [REDACTED].
8. On August 12, 2013, Claimant filed a request for a hearing to contest the Department's negative action.

CONCLUSIONS OF LAW

The Food Assistance Program (FAP) (formerly known as the Food Stamp (FS) program) is established by the Food Stamp Act of 1977, as amended, and is implemented by the federal regulations contained in Title 7 of the Code of Federal Regulations (CFR). The Department of Human Services (formerly known as the Family Independence Agency) administers the FAP program pursuant to CML 400.10 *et seq.*, and MAC R 400.3001-3015. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Bridges Reference Manual (BRM).

Pertinent Department Policy States:

Income means a benefit or payment received by an individual which is measured in money. It includes money an individual owns even if **not** paid directly such as income paid to a representative. Income remaining after applying the policy in the income related items is called **countable**. This is the amount used to determine eligibility and benefit levels. Count all income that is **not** specifically excluded. Earned income means income received from another person or organization or from self-employment for duties that were performed for remuneration or profit. Some rental income is considered earned; see BEM 504, Income from Rental/Room and Board. Unearned income is all income that is not earned. Gross income is the amount of income before any deductions such as taxes or garnishments. This may be more than the actual amount an individual receives.

Exception: The amount of self-employment income before any deductions is called **total proceeds**. The **gross** amount of self-employment income means the amount after deducting allowable expenses from total proceeds, but before any other deductions. BEM 500, pages 1-2

In the instant case, Claimant did provide the Department with [REDACTED] but no [REDACTED]. The Department caseworker properly counted Claimant's gross income and determined that Claimant had excess income for purposes of Food

Assistance Program benefits based upon the information Claimant himself provided. Thus, the Department made the appropriate decision under the circumstances. In the alternative, Claimant was requested to provide verification information about the [REDACTED] that he was receiving from his [REDACTED]

Pertinent policy states:

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. Obtain verification when:

- Required by policy. BEM items specify which factors and under what circumstances verification is required.
- Required as a local office option. The requirement **must** be applied the same for every client. Local requirements may **not** be imposed for MA, TMA-Plus or AMP.

Information regarding an eligibility factor is unclear, inconsistent, incomplete or contradictory. The questionable information might be from the client or a third party.

Verification is usually required at application/redetermination **and** for a reported change affecting eligibility or benefit level. If the individual indicates the existence of a disability that impairs their ability to gather verifications and information necessary to establish eligibility for benefits, offer to assist the individual in the gathering of such information.

Verification is **not** required:

- When the client is clearly ineligible, or
- For excluded income and assets **unless** needed to establish the exclusion. BAM 130, page 1.

Tell the client what verification is required, how to obtain it, and the due date; see **Timeliness of Verifications** in this item. Use the DHS-3503, Verification Checklist (VCL), or for MA redeterminations, the DHS-1175, MA Determination Notice, to request verification.

Exception: For FAP only, if there is a system-generated due date on the verification form such as a DHS-3688, Shelter Verification, a verification checklist is not required to be sent with the verification form.

Note: Use the DHS-3503C, Verification Checklist for Citizenship/Identity, to request documentation of citizenship or identity for FIP, SDA, MA or AMP determinations.

The client must obtain required verification, but you must assist if they need and request help. If neither the client nor you can obtain verification despite a reasonable effort, use the best available information. If **no** evidence is available, use your best judgment. Bam 130, page 3

Allow the client 10 calendar days (**or** other time limit specified in policy) to provide the verification you request. Verifications are considered to be timely if received by the date they are due. For electronically transmitted verifications (fax, email or Mi Bridges document upload), the date of the transmission is the receipt date. Verifications that are submitted after the close of regular business hours through the drop box or by delivery of a DHS representative are considered to be received the next business day. Send a negative action notice when:

- The client indicates refusal to provide a verification, **or**
- The time period given has elapsed and the client has **not** made a reasonable effort to provide it.

Note: For FAP only, if the client contacts the Department prior to the due date requesting an extension or assistance in obtaining verifications, you must assist them with the verifications but do not grant an extension. Explain to the client they will not be given an extension and their case will be denied once the VCL due date is passed. Also, explain their eligibility will be determined based on their compliance date if they return required verifications. Re-register the application if the client complies within 60 days of the application date; see BAM 115, Subsequent processing. BAM 130, page 6

The Department appropriately determined that Claimant did not provide documentation of his [REDACTED] [REDACTED] to Claimant's [REDACTED]. The Department's decision must be upheld.

DECISION AND ORDER

The Administrative Law Judge, based on the above findings of fact and conclusions of law determines that the Department has established by the necessary competent, material and substantial evidence on the record that it was acting in compliance with Department policy when it denied Claimant's application for a Food Assistance Program benefits based upon its determination that Claimant failed to provide verification information and based upon a determination that Claimant provided information of excess income.

/s/ _____
Landis Y Lain
Administrative Law Judge
For Maura Corrigan, Director
Department of Human Services

Date Signed: 12/11/13

Date Mailed: 12/11/13

NOTICE: Administrative Hearings may order a rehearing or reconsideration on either its own motion or at the request of a party within 30 days of the mailing date of this Decision and Order. Administrative Hearings will not order a rehearing or reconsideration on the Department's motion where the final decision cannot be implemented within 90 days of the filing of the original request.

The Claimant may appeal the Decision and Order to Circuit Court within 30 days of the mailing of the Decision and Order or, if a timely request for rehearing was made, within 30 days of the receipt date of the rehearing decision.

LYL/tb

cc:

