



General Assistance and Public Assistance Diversion Payments

The memorandum below was sent to all Food Stamp regions to announce a change in policy.

June 16, 1998

Subject: FSP - General Assistance and Public Assistance Diversion Payments

To: All Program Directors / Food Stamp Program

More and more States are making one-time or special assistance payments to households under State programs, that may or may not be funded under Title IV-A of the Social Security Act, to keep the households from becoming monthly recipients of regular Temporary Assistance for Needy Families (TANF). We have advised several regional offices via Email and a memo to the Northeast Regional Office on March 17, 1998, that such payments cannot be considered a nonrecurring lump-sum payment but must be counted as income. They are not over and above a normal assistance grant but are the normal grant for certain households at risk of becoming regular TANF recipients.

We have gathered more information on these types of payments, and we are now reconsidering our position. Because of the diverse manner in which the payments are made, we believe that they must be judged on a State-by-State basis.

Some of the factors we will consider in making a decision to exclude the payments are as follows:

- The payment is a one-time payment made no more than once in any 12-month period to meet needs that do not extend beyond a 90-day period, such as automobile repair to retain employment and avoid welfare receipt and appliance repair to maintain living arrangements; and
- The State agency advises in writing that the payment is primarily designed to address barriers to achieving self-sufficiency, rather than provide assistance for normal living expenses; and
- The household did not receive a regular monthly TANF payment in the prior month or the current month.

We are requesting that each State agency that makes such payments submit in writing information including, but not limited to, the eligibility criteria, a statement of how often the household can get the payments, what expenses the payments are for, the period of intended use, if the payments will be made from a program separate from the TANF program, what source of funds will be used, whether the household can receive a diversion payment and a regular TANF grant simultaneously, and if the diversion payment counts toward the TANF time limit.

Please call Mary Patrick 703-305-2507 if you have any questions on this memo.

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