



NEW JERSEY DEPARTMENT
OF CHILDREN AND FAMILIES

New Jersey Department of Children and Families Policy Manual

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Click here to view on-line or print out a blank CP&P Form [10-5fc Attachment](#), AFDC Financial Need Determination

WHEN TO USE IT

The CP&P Form 10-5fc Attachment is used by the Title IV-E Reviewer to document calculations regarding financial need for every child initially reviewed for Title IV-E benefits. It is designed to be manually completed and attached to the CP&P Form [10-5fc](#), Title IV-E Foster Care Eligibility Initial Determination. The Title IV-E Reviewer completes the CP&P 10-5fc Attachment before checking the appropriate box in CP&P Form [10-5fc](#), Section 5, Financial Eligibility.

HOW TO USE IT

The AFDC Financial Need Determination includes a two-step income test and an asset test. This form may be viewed, or a blank form may be printed, from the computerized Forms Manual or the New Jersey SPIRIT policy manual link. Attach the completed 10-5fc Attachment to CP&P Form [10-5fc](#), Title IV-E Foster Care Eligibility Determination.

See policy [CP&P-IV-F-1-100](#), Title IV-E Foster Care, Kinship Guardianship, and Adoption Assistance, for Title IV-E eligibility requirements and exceptions.

TIPS FOR COMPLETING THE FORM

IDENTIFYING INFORMATION

Enter NJS case identifying information, as indicated.

The month of the determination of financial eligibility should match the eligibility month. The eligibility month is the month the verified complaint was filed or the month the Voluntary Placement Agreement (VPA) for the child's removal was signed.

Note: Effective May 2, 2005, CP&P stopped seeking and/or accepting parental consent as authority to place a child into resource family (foster) care.

CHART OF FAMILY MEMBERS LIVING IN THE REMOVAL HOME

The Chart of Family Members Living in the Removal Home is used to document source and type of financial resources in the removal home which must be considered in the AFDC Financial Need Determination. The chart should include information on all members of the AFDC group. The AFDC group includes the child, his/her parent(s), and minor sibling(s) who live in the removal home.

For each group member, enter the individual's name and his/her relationship to the child under review. For each individual, enter his or her gross monthly earned income, monthly unearned income, and countable assets. The Source of Information column indicates the information source for each entry listed (e.g., LOOPS, the verified complaint, the Medicaid system, etc.). The income of SSI recipients is excluded from income totals, and SSI recipients are not counted as members of the AFDC group. In the case of a step-parent or the parent's civil union partner, the income of the step-parent or civil union partner is considered as Deemed Income, but the step-parent or the parent's civil union partner is not counted as a member of the AFDC group. TANF and Food Stamps are not countable as either earned or unearned income.

Countable Earned Income: Earned income is income earned by the individual's own efforts, such as employment wages. Earned income that is countable under AFDC guidelines includes the gross (pre-tax) amount of wages, salaries, tips, net profit from self employment, sick pay, vacation pay, bonuses, severance pay, etc.

Countable Unearned Income: Unearned income is any cash income that is not gained by labor or services, such as benefits or rewards for services, or compensation for lack of employment, such as Social Security benefits (SSA), Retirement, Alimony, Child Support, worker compensation, investment income, etc.

The chart reflects only a sum total of income and assets for each family member. When a family member has multiple sources of earned or unearned income or multiple assets, this is further explained in the "Title IV-E Reviewer Notes" section, which follows.

TITLE IV-E REVIEWER NOTES REGARDING FAMILY INCOME/ASSETS

The Title IV-E Reviewer Notes section is utilized when further explanation is needed to clarify the Chart of Family Members, or where there is information used in making the decision which is not easily notated in chart format.

Example: if the father had more than one job, the Reviewer would have put total earned income for the father in the Chart of Family Members, but explained that this total income was from two sources in the Reviewer Notes: "Per LOOPS, father has two jobs in eligibility month: ACME, \$500/month; Nick's Dry-Cleaning, \$375/month."

NEED STANDARD TABLE

The Need Standard Table outlines the allowable income amounts for each AFDC group size based on 185% and 100% of the Standard of Need. Use the chart during the two-step financial need test which follows. The table is provided on the form for reference.

STEP 1: 185% NEED STANDARD TEST

The 185% test is a gross income test which is done without deductions to the family income. The 185% test acts as a screening tool: If the family does not pass the 185% test, it is not necessary to go on to the 100% test. The 185% test is completed as follows:

- Line a: Insert the AFDC group size from the Need Standard table.
- Line b: Insert the corresponding income limit from the 185% column of the Need Standard table.
- Line c: Insert the combined gross earned income of the AFDC group members.
- Line d: Insert the combined gross unearned income of the AFDC group members.
- Line e: Add the amounts in Lines c and d to calculate the Total Gross Income.
- If the Total Gross Income is less than the 185% standard of need, the Title IV-E Reviewer continues to Step 2. If the Total Gross Income is more than the standard of need, the child is not eligible for Title IV-E. The Reviewer proceeds immediately to Section 5 of CP&P Form [10-5fc](#), and checks the appropriate box.

STEP 2: 100% NEED STANDARD TEST

The 100% test is the second step of the two-step financial need determination. In the 100% test, certain disregards and deductions are permitted. The 100% test is only completed if the AFDC group has already passed the 185% test. The 100% test is completed as follows:

- Line a: Insert the AFDC group size from the Need Standard table.
- Line b: Insert the corresponding income limit from the 100% column of the Need Standard table.
- Line c: Insert the gross earned income of the AFDC group members. If there is earned income, then work-related expenses, the "thirty and

one third" disregard, and actual child care costs can be made, as outlined below. (If there is no earned income, the Reviewer enters 0 on this line.)

- Line d: Deduct \$90 work-related expenses for each working adult in the AFDC group.
- Line e: Disregard \$30.
- Line f: Insert the subtotal of Line c minus Lines d and e.
- Line g: Multiply the subtotal on Line f by .333 to calculate one third of the remainder; enter this on Line g.
- Line h: Enter the subtotal of Line f minus Line g.
- Line i: If the working adult has actual child care costs which the Reviewer can document, this amount is indicated on Line i. Note that the child care deduction is limited to \$200.00 for children less than two years of age and \$175.00 for children over two years of age.
- Line j: Enter the Total Countable Earned income by subtracting the child care costs on Line i from the subtotal on Line h.
- Next, the Reviewer adds the Total Countable Earned Income (if any) to the unearned income of the AFDC group members as follows:
- Line k: Enter any child support received by the AFDC group members, minus a one-time disregard of \$50. Example: if 2 children in the AFDC group each receive child support of \$60 each, the Reviewer would enter \$70 on this line ($\$60+\$60=\120; $\$120-\$50 = \$70$).
- Line l: Enter any other countable unearned income of the AFDC group members. (Remember that TANF, Food Stamps, and any income of an SSI recipient are not counted.)
- Line m: If a step-parent of the child under review (including the parent's civil union partner) and his or her spouse (the child's parent) live in the removal household, STOP HERE and complete the Deemed Monthly Income Chart at the end of this form. Enter the amount from Line L of the Deemed Monthly Income Chart here. If there is no step-parent in the home, the entry here will be 0.
- Line n: Add the amounts on Lines j, k, l, and m and enter the Total Adjusted Income here, on Line n.

If the total adjusted income is less than 100% of the need standard of the AFDC group, the family meets AFDC income criteria and the Reviewer continues to the Asset Test. If the adjusted income is more than 100% of the need standard of the AFDC group, the child is not eligible for Title IV-E. The Reviewer discontinues completion of the Financial Need Determination form, returns to Section 5 of CP&P Form [10-5fc](#), and checks the appropriate box.

ASSET TEST

The final step in determining financial need is the Asset Test. Note that the Asset Test need only be completed if the family has passed the 185% and 100% Need Standard Tests.

The Asset Test is done by adding the total countable assets of the AFDC group. Where indicated, the Reviewer inserts the combined total of the countable assets of the AFDC group members. If the total is less than \$10,000, the child meets AFDC financial need. If the assets are more than \$10,000, the child is not eligible for Title IV-E. The Financial Need Determination is complete. Return to Section 5 of CP&P Form [10-5fc](#), and check the appropriate box.

DEEMED MONTHLY INCOME CHART

The Deemed Monthly Income Chart is completed when a step-parent of the child under review (including a parent's civil union partner) lives in the removal home. The deeming process determines a portion of the step-parent's income that is considered available to support the needs of the AFDC group, even though the step-parent is not included in the AFDC group. Note that the step-parent's income is only deemed if his or her spouse or civil union partner also lives in the home, as the step-parent's or civil union partner's deemed income is considered income to that spouse/partner. The deemed income is calculated as follows:

- Line a: Enter the step-parent's AFDC group size. The step-parent's AFDC group includes the step-parent and his or her own dependent children, who are not in the AFDC group, but who live in the home.
- Line b: Enter the corresponding income limit from the 100% column of the Need Standard Table.
- Line c: Enter the gross earned income of the step-parent.
- Line d: If the step-parent is working, deduct \$90 work-related expenses.
- Line e: Enter the subtotal of Line c minus Line d.
- Line f: As with the AFDC group, if actual child care costs can be documented, these are entered on Line f (limited to \$200 for children

less than two years of age, and \$175 for children over two years of age).

- Line g: Subtract the amount on Line f from the amount on Line e, and enter the subtotal here.
- Line h: Enter the unearned income of the step-parent.
- Line i: Enter the actual child support or alimony paid by the step-parent to someone living outside the household.
- Line j: Add the amounts on Line g and Line h, subtract the amount on Line i, and enter the subtotal here.
- Line k: Enter the 100% need standard for the step-parent's group size.
- Line l: Subtract the amount on Line k from the subtotal on Line j, and insert the total here. This amount is the Deemed Monthly Income which must be considered available to the AFDC Group during the 100% Need Standard test. Enter this amount on Line m of Step 2 in the 100% Need Standard test section.

DISTRIBUTION

- Original - Title IV-E Eligibility and Determination Unit file
- Copy - Child's case record (file in "financial" section)
- Copy - Local Office IV-E file