

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES  
BISMARCK, NORTH DAKOTA  
DECEMBER 17, 2014**

**IM 5229**

**TO:** County Social Service Directors  
Economic Assistance Policy Regional Representatives  
Economic Assistance Policy Quality Control Reviewers

**FROM:** Carol Cartledge, Director, Economic Assistance Policy  
Juli Schwab, Director, Medical Services

**SUBJECT:** Cooperative Distributions (Patronage Dividends)

**PROGRAMS:** CCAP, LIHEAP, SNAP, TANF

**EFFECTIVE:** January 1, 2015

**RETENTION:** Until superseded

**SECTIONS  
AFFECTED:**

CCAP

400-28-65-10-35 – Self-Employment

400-28-65-15 – Disregard of Certain Income

LIHEAP

415-25-05-27-15 - Treatment of Self-Employment Income

415-25-05-27-20 – Determining Self-Employment Income

415-25-05-30 – Income Not Counted

SNAP

430-05-30-57-15 – Treatment of Self-Employment Income

430-05-30-57-20 – Determining Self-Employment Income

TANF

400-19-55-15-25 – Earned income from Self-Employment

400-19-55-25 – Disregard of Certain Income

### **CCAP/LIHEAP/SNAP/TANF/**

Effective with this IM, EAP programs will no longer count cooperative distributions (patronage dividends) as countable income when determining eligibility. These dividends are usually small dollar amounts, that when annualized, result in little or no effect on the benefit amounts. Excluding this income will ensure consistent treatment for all households with no additional burden to the household or worker.

For individuals that are self-employed, cooperative distributions (patronage dividends) may include income from the sale of goods (grain, milk, cattle, etc.). Any portion of cooperative distributions that is income from the sale of goods is countable income.

The EAP self-employment worksheet for 2014 Tax Forms will continue to include income from the sale of goods and has been updated to exclude cooperative distributions (patronage dividends).

This policy is effective by program as follows:

CCAP – For new applications and reviews received on or after January 1, 2015. For ongoing cases, there are no changes made to the self-employment income until review unless an individual with self-employment income is added to the child care assistance unit.

LIHEAP – For new applications received on or after January 1, 2015. For ongoing cases, income and assets should be reviewed as part of a mandatory reportable change.

SNAP – For new applications and reviews received on or after January 1, 2015. For ongoing cases, the new policy will be used in determining the effect on the benefit if the household reports new self-employment or a change in self-employment that requires recalculation of self-employment income.

TANF – For new applications received on or after January 1, 2015. For ongoing cases, the cooperative distribution will no longer be counted as unearned income beginning January, 2015. For retrospectively budgeted cases, you will not consider the cooperative distribution when determining eligibility in February for March, 2015 benefits.

**HCC Programs**

ACA Medicaid and Healthy Steps – Policy remains unchanged for cooperative payments/patronage dividends. They are taxable income and thus countable under these programs. If tied to a business, they will be included in the business's net income. Otherwise they are reported on the tax forms and are countable dividend income.

Non-ACA Medicaid – Policy remains unchanged. Such payments are countable unearned income for Non-ACA Medicaid. They must be deducted from Farming or Self-employment schedules and treated as unearned income.

If you have questions, please contact your Regional Representative.