

42-200.N. Transfer of Resources

Table of Contents

The Transfer of Resources section includes the following information:

Topic
Regulation
Period Of Ineligibility (POI)
Applying the Period of Ineligibility (POI) - Quarterly Reporting / Prospective Budgeting Impact

Regulation

State regulations require a recipient receive fair market value for a property when the recipient sells, exchanges, or changes the form of property holding. A transfer of resources at less than fair market value will result in a period of ineligibility (POI).

Period Of Ineligibility (POI)

The POI is computed based on the amount that would have exceeded the property limit if the property had been transferred at its fair market value. Human Services Specialists (HSSs) are to determine the POI as follows:

Step	Action
1	Establish the fair market value (FMV) of the property transferred;
2	Add other countable property;
3	Subtract the amount of the property limit;
4	Subtract the amount actually received for the property from the FMV amount determined in step 1 above;
5	Compare the amount calculated in step 3 with the amount calculated in step 4 and determine the lesser of the two amounts;
6	Divide the lesser of the two amounts in step 5 by the minimum basic standard adequate care (MBSAC) for the assistance unit (AU);
7	Round the resulting figure down to the nearest whole number to determine the number of months in the POI.

[Back to Table of Contents](#)

Transfer of property rules do not apply to applicant families.

EXAMPLE:

While on aid, a recipient AU of two persons inherits a parcel of real property with a FMV of \$1,300. The value of this inherited property, when added to other (\$1,400) countable property held by the AU, causes the AU to exceed the allowable property limit (\$2,000). The AU sells the parcel for \$100 which is less than its \$1,300 FMV.

\$1,300	FMV of the parcel of real property
<u>+1,400</u>	Property held by the AU
\$2,700	
<u>- 2,000</u>	AU property limit
\$ 700	Amount in excess of property limit use to determine the POI

\$1,300	FMV of the parcel of real property
<u>- 100</u>	Amount actually received for the real property
\$1,200	Difference between the FMV and the amount received

\$700 is less than the \$1,200 difference between the FMV and the amount received for the transferred property.

[Back to Table of Contents](#)

\$ 700 divided by \$885 (MBSAC for AU of 2*) = 1.12 months.
 POI = 1 month (rounded from 1.12 months).

* MBSAC amounts are subject to change.

NOTE: For restricted accounts POI see [CPG 42-400.J](#).

Applying the
Period of
Ineligibility (POI)
- Quarterly
Reporting/
Prospective
Budgeting
Impact

On the QR7, the recipient must report property or income that was sold, traded, or given away since the last QR7. Once reported, the HSS must determine whether the property and/or income were transferred for FMV.

If a recipient transfers, for less than FMV, property or income that affects the recipient's eligibility or benefit amount, the HSS will establish a POI as described in the [Period of Ineligibility \(POI\)](#) section above.

Applying the POI

When a POI has been determined, the cash aid will be discontinued and the POI will be established at the beginning of the upcoming QR Payment Quarter following the transfer and will continue for the determined number of months of ineligibility. Any aid received by the AU during the ineligible months of the quarter is an overpayment.

When the transfer is discovered too late to discontinue for the first month of the QR Payment Quarter, the POI will begin the first of a month within that QR Payment Quarter after timely and adequate notice is given. Any aid received by the AU during the ineligible month(s) of the current quarter is an overpayment.

When the transfer is in the first or second month of aid, any resulting POI shall begin the first month of the next QR Payment Quarter and will continue for the determined number of months.

[Back to Table of Contents](#)