



## 601-1 Prospective Budgeting

<b>Supersedes:</b>	TANF 601-1 (01/01/2004)
<b>References:</b>	ARM 37.78.102, .402 and .420
<b>Overview:</b>	<p>GENERAL RULE--Financial eligibility and benefit amount for a current or future month must be established using prospective budgeting. Best estimates of income, resources, household composition and other circumstances that will occur during the benefit month are used to prospectively determine eligibility.</p> <p>All prospective budgeting methods can be used with earned and unearned income. However, some specific types of income and situations require certain methods to be applied.</p> <p>All non-financial requirements (TANF 300) must be evaluated prospectively for each benefit month.</p> <p>Information provided by the applicant/recipient must be verified with corroborative documents and/or statements from third parties (i.e., employers, SSA, landlords, relatives etc.). If requested, the worker must assist in gathering verification. Client statement is never sufficient documentation, unless specifically noted in other sections of this manual.</p> <p>The prospective method selected will depend on the income source and the household circumstances.</p> <p>System case notes must clearly document which budgeting method was used to prospect each source of income, including the verification used.</p>
<b>ACTUAL INCOME</b>	<p>Actual income can only be used when:</p> <ol style="list-style-type: none"><li>1 computing an overpayment;</li><li>2 determining past or retroactive Medicaid eligibility; or</li><li>3 some or all pay in the current benefit month has already been received.</li></ol>
<b>PRORATING OVER PERIOD INTENDED TO COVER</b>	<p>Prorating over the period intended to cover is applied to contractual, self-employment, or other income expected to cover a period longer than one month, or received regularly, but less often than monthly.</p> <p><b>NOTE:</b> Periodic payments are not counted as income until the first payment is received after the initial application for TANF (see TANF 500, page 2).</p> <p>Self-Employment income is always prorated over the period intended to cover. Contractual income is always divided by the period of the contract (for example, the total of a nine-month contract is divided by nine).</p>

	<b>NOTE:</b> If significant income changes are expected in any payments received during the review period, the amount to be prorated may change, but the changed payment amount must be prorated over the period intended to cover. For changes in self-employment income, see TANF 503-1.
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