
**DEPARTMENT
POLICY**

Count all non-excluded assets of State Emergency Relief (SER) group members for all SER services with every application. Count only available assets when determining SER eligibility. Consider an asset totally available unless it is claimed and verified that a portion of the asset's value belongs to another individual.

ASSET LIMITS**Cash/Liquid**

The SER group must use countable cash assets (identified as liquid assets in Bridges) to assist in resolving their emergency. The cash asset limit is \$15,000. With the exception of burial, service requests with cash assets of \$15,000 or more will be denied. See ERM 306 for information on asset policy for burial requests.

Non-Cash

SER groups have a \$15,000 non-cash asset limit. With the exception of burial, service requests with non-cash assets of \$15,000 or more will be denied. See ERM 306 for information on asset policy for burial requests.

Note: SER groups composed solely of Family Independence Program (FIP), State Disability Assistance (SDA), Supplemental Security Income (SSI), Medicaid (MA) and Food Assistance Program (FAP) recipients have automatic eligibility on the basis of **non-cash** assets.

Burial Assets

For burials, if the decedent is the only group member, there is no asset exclusion. The decedent's homestead, vehicle, bank accounts, etc. are all countable if there are no surviving group members or if the asset is not jointly owned with rights of survivorship.

Allow a \$15,000 cash asset exclusion if there is a surviving group member.

Allow a \$15,000 non-cash asset exclusion if there is one or more surviving group members.

If any surviving group member is a current recipient of FIP, SDA, SSI, MA or FAP, there is automatic eligibility on the basis of non-cash assets only; see ERM 306, Burials.

TYPES OF ASSETS

Assets are cash or non-cash.

Cash/Liquid Assets

Examples of **cash**/liquid assets are:

- Currency and coins.
- Amounts on deposit in banks, savings and loan associations, credit unions and other financial institutions.
- Money in a vendor pre-paid debit card (examples: Direct Express, ReliaCard, etc.).
- Uncashed checks, drafts and warrants.
- Traveler's checks.
- Stocks, bonds and other investments, including negotiable instruments.
- Individual retirement accounts.
- Keogh plans.
- Revocable prearranged funeral contracts.
- Nonrecurring lump-sum payments that do not represent an accumulation of monthly benefits, (such as lottery winnings).

Non-Cash Assets

Examples of **non-cash** assets are:

- Land contracts.
- Real property.
- Vehicles.

**Excluded
Assets**

Count all assets except the following:

- Assets of non-responsible relatives for burials; see ERM 306, Burials.
- Homestead owned or being purchased. This includes the home, all adjoining land and any other buildings on the land.
Note: If the homestead is owned solely by the deceased client, it is **not** excluded.
- Migrant homestead. The homestead may be outside of Michigan if the migrant group intends to return to the home. If the migrant group owns more than one homestead, either in Michigan or outside of Michigan, only one is exempt. All other homesteads are countable assets.
- Household goods (such as furniture, appliances, hand tools, equipment, and machinery).
- Personal goods.
- Burial space. One burial space for each SER group member.
- Assets that are essential to employment or self-employment, including all of the following:
 - Farm livestock and farm equipment.
 - Farmland.
 - Tools, equipment and machinery.
- Motor vehicle. One motor vehicle used as the SER group's primary means of transportation.
- Life insurance (whole life and term).
- Medicare Set-Aside account.
- Irrevocable funeral agreement.
- The budgetable portion of income deposited into a checking or savings account. Do **not** count the same funds as both income and an asset in the same month.

- Educational grants and scholarships: Any amount of a grant, scholarship on deposit or in the group member's possession is exempt as an asset.
- The accumulated earnings of a member of the SER group who is a dependent child (under age 21). The accumulated earnings are exempt if both of the following conditions are met:
 - The earnings are held in a savings account of which the dependent child who earned the money is the sole tenant.
 - The earnings are not commingled with money from any source except the earnings of the dependent child.

Value of Assets

Count the equity value of an asset when determining SER eligibility. Determine equity value of an asset by subtracting the amount legally owed and the cost of sale from the asset's market value.

Market value is the amount of money the owner would receive in the local area if the asset were sold on short notice. Deduct from market value:

- The amount legally owed on the asset.
- The cost of selling the asset.
- An amount which is claimed and verified to belong to a person outside of the SER group.

Verify the amount of cash the group would receive if they sold the non-cash assets. **Deny the application if the equity value of non-cash assets exceeds the non-cash asset limit.**

The value of retirement plans (IRA, 401K, 457, etc.) is the amount of money the person can currently withdraw or borrow from the plan. A repay agreement may be needed if the money is available but will not be received in time to resolve the emergency; see ERM 210, REPAY AGREEMENTS.

Jointly Owned Assets

Cash

Count jointly owned **cash** assets as totally available unless the SER group claims and verifies that a portion of the asset belongs to

someone not in the group. Each owner's share is the amount owned; see Value of Assets in this item.

Non-Cash

Count jointly owned **non-cash** assets as equal shares unless the ownership document specifies otherwise.

Burials

For burials, if the deceased jointly owns an asset and the asset ownership document indicates the joint owner has rights of survivorship, the asset is not counted for the SER burial.

Not Countable

Do not count an asset if the SER applicant cannot dispose of their share without the consent of other owner(s) who are not in the SER group and it is verified that the other owner(s) does not agree to the sale of the SER applicant's share.

Domestic Violence Situations

Count only available assets when the SER applicant is in a domestic violence situation. Assets owned exclusively by or under the control of the abusive co-owner are unavailable. This includes homesteads, jointly owned **non-cash** assets and cash assets in the abusive co-owner's possession. Count and verify available **cash** assets in the SER applicant's possession when determining eligibility.

Divestment

Determine divestment when both of the following have occurred within 90 days prior to the SER application:

- A member of the SER group transferred an asset to a person not in the SER group for less than the asset's fair market value, and
- The person transferred the asset to qualify for SER, to receive a larger SER payment than would otherwise have been payable under policy, or to avoid honoring a repay agreement.

There is no divestment if the person who transferred the asset can verify some reason for the transfer other than one of the above reasons.

If divestment has occurred, determine the amount divested by adding the SER group's current assets to the amount divested. Then subtract the appropriate cash asset exemption and non-cash asset limit from the total equity value of current assets. The result is the divested amount.

Deduct the divested amount from the amount that SER would pay. Treat divested funds like a copayment and subtract the funds from the cost of resolving the emergency. Refer the matter to the county prosecuting attorney if the reason for divestment is to avoid honoring a repay agreement.

VERIFICATION

The client's statement (written or verbal) is the only verification needed for assets, unless the self-attestation is questionable. If questionable, obtain verification of all countable assets at application.

Note: Verbal attestation must be documented in the case record.

Example: Client applies for SER. The household's total liquid assets are close to the asset limit. The specialist determines during a conversation with the client that the amount reported is questionable. Verification of the assets is requested.

Exception: Client statement is not an acceptable verification for trusts and annuities.

Do not require verification when countable assets exceed the limit based on a person's own statement of value.

Verification Sources

Verify the ownership and equity value of all non-excluded assets when the client's statement is questionable. Do not verify the value of assets that are not available.

You may use the:

- DHS-20, Verification of Assets.
- DHS-27, Release of Information.

- DHS-223, Documentation Record - used to document information verified by telephone contact with the appropriate source.
- Statement from the vendor or online printout which reflects the current account balance, (examples: Direct Express, ReliaCard, etc.).

Other forms/documents as appropriate.

- Deposit amounts in banks, savings and loan associations, credit unions and other financial institutions can be verified via:
 - Monthly account statement (examination of checkbook is **not** sufficient).
 - Written, faxed or emailed statement from financial institution.
 - Telephone contact with financial institution.
 - Statement from the vendor or online printout which reflects the current account balance (examples: Direct Express, ReliaCard, etc.).
- Money held by another:
 - Written statement from person holding the money.
- Real property/homestead/land contract:
 - Deed, mortgage, purchase agreement of contract.
 - State equalized value (SEV) on current property tax records multiplied by two.
 - Attorney or court records.
 - Contract holder.
 - County records.
 - Statement of real estate agent or financial institution.
- Retirement Account:
 - Written statement from plan administrator.
 - Current account statement.

- Savings Certificate:
 - Written statement from financial institution.
 - Certificate itself.
- Stocks and bonds:
 - Written statement from broker or company.
 - Listing in current newspaper.
- Trust:
 - Copy of trust document.
 - Copy of documents transferring ownership of assets to the trust.
 - Appropriate source for the asset types owned by the trust.
- U.S. Savings bond:
 - Statement from financial institution.
 - Bond.
- Vehicles:
 - Secretary of State Inquiry.
 - Title, registration or proof of insurance.
 - Blue book or NADA book wholesale (trade-in) value. Do **not** add the value of optional equipment, special equipment or low mileage when determining value.
 - Kelley Blue Book at www.kbb.com.
 - Loan statement or payment book.
 - Statement of vehicle dealer or junk dealer, as appropriate.
 - Allow the client to verify a claim that the vehicle is worth less (example: due to damage) than wholesale book value. If the vehicle is no longer listed, accept the person's statement of value.

Documentation

All assets must be entered into Bridges for eligibility and documentation purposes.

LEGAL BASE

Mich Admin Code, R 400.7001 et seq.