

USDA Discrimination Financial Assistance Program (DFAP) Awards and Supplemental Nutrition Assistance Program (SNAP)

The information below is for the farmers and ranchers who applied for and received a one-time, lump-sum award from the United States Department of Agriculture (USDA) under the USDA Discrimination Financial Assistance Program (DFAP). DFAP was created to address the consequences of prior discrimination by USDA in USDA farm lending. This general information will help people who receive these USDA DFAP awards understand the potential impact of the money on SNAP benefits.

The USDA DFAP Award may affect your SNAP eligibility. Everyone's situation is different. Be sure to consult an attorney or advocate knowledgeable about SNAP in your state for advice.

See below for a list of resources.

What are SNAP benefits?

SNAP is a federal program that provides benefits to low-income households to help pay for food at local grocery stores. SNAP benefits are administered by state human service agencies. SNAP eligibility and program rules differ in each state.

How could my USDA DFAP award affect my SNAP benefits?

Your eligibility for SNAP depends on your household's income, assets/resources, and household composition. In Nevada, most SNAP households, approximately 85 percent, are approved under a qualifier known as *Categorical Eligibility*. For these households, resources are not countable for SNAP eligibility determinations. The lump-sum award you receive from the USDA DFAP is considered a resource, not income, but a resource. For the remaining 15 percent of SNAP households, if your total resources

increase above the maximum allowed by SNAP, you will no longer be eligible for SNAP. But if you remain eligible, your DFAP award will not affect the amount of SNAP you receive.

When is my USDA DFAP award considered “income” for SNAP?

A one-time, lump-sum payment by the government, like the USDA DFAP award, is never considered income for SNAP purposes.

When is my USDA DFAP award considered a “resource?”

Any of the USDA DFAP award left over after the month you receive it is a resource. For example: if you receive an award of \$5,000 in June, and you spend \$1,000 in June, the remaining \$4,000 is a resource beginning in July and continuing each following month you have the money.

What are the SNAP resource limits in my state?

In Nevada, SNAP resource limits are:

- \$4,250 when one or more household members is age 60 years or older, or is disabled;
- \$2,750 for all other households.

What can I do to avoid or minimize the impact of the USDA DFAP award on my SNAP benefits?

If your USDA DFAP award will increase your resources above the limit, you can avoid its impact on your SNAP benefits by spending it in the month you receive it. It is a good idea to save receipts or other documentation of how you spent it, just in case your state agency has questions.

Some permissible ways to spend the DFAP award include: paying off bills (e.g. past due rent, utilities, credit cards); buying new furniture or household goods; buying new farm equipment; buying an irrevocable prepaid burial policy; buying gift cards for stores you often shop at (Wal-Mart, grocery store). Generally, it is not a good idea to pre-pay rent. If you have a large amount of money, consider funding a 529 account (for children’s educational expenses) or an ABLE account (savings for people who were disabled before age 26). Neither of these accounts are considered resources for SNAP.

DO NOT GIVE THE MONEY AWAY. Giving away the money could make you ineligible for the SNAP program for up to one year.

Do I need to report the USDA DFAP award to the human services agency in my state?

Best practice is to report all significant income and resource changes within 10 days of the change. Keep all receipts and other documentation of how the funds were spent in case your state agency asks you to prove you no longer have the funds available to you.

If you or any household member is receiving TANF or Medicaid benefits you must report all changes in employment status (got/lost a job, promotion, full-time to part-time or part-time to full-time, hourly rate of pay or salaried rate of pay); changes of \$50 or more in unearned income such as Social Security, unemployment, veteran's benefits; changes in expenses or someone moving in or out of your home. These changes must be reported by the fifth of the month following the month the change happened.

How do I get information about my SNAP benefits?

Contact your state SNAP agency. You can find contact info at <https://dwss.nv.gov/Contact/Welfare/>.

Where can I find more resources related to the impact of the USDA DFAP award on my SNAP benefits?

For more information, individuals may call Nevada Legal Services (NLS) for potential limited advice. Visit <https://nevadalegalservices.org>. Follow instructions on their website to complete the Online Intake application (you will need an email address). To qualify for their services, individuals must meet eligibility requirements because in most circumstances NLS only serves people that are below the federal poverty guidelines.

- To contact the Las Vegas office, please call 702-386-0404 or 866-432-0404. No walk-ins at the moment.
- To contact the Reno office, please call 775-284-3491 or 800-323-8666. Walk-ins are accepted up to 30 minutes before close Monday-Thursday.
- To contact the Carson City office, please call 775-883-0404. No walk-ins at the moment.

- To contact the Yerington office, please call 775-463-1222. Office hours are Monday-Thursday 9 am-5 pm, Fri 9 am-1 pm. Walk-ins are accepted up to 30 minutes before close.
- To contact the Elko office, please call 775-753-5880. Office hours are Monday-Thursday 8 am-4 pm, Fri 8 am-12 pm. Walk-ins are accepted up to 30 minutes before close.

Additional resources and information are available at <https://www.nlada.org/USDA-DFAP/award-recipients>.

For general questions about your DFAP award, contact the DFAP Call Center at 1-800-721-0970.