

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 and assets/resources. The lump-sum award you receive from the USDA DFAP is not income, but a resource. 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?

Remember, if you still have enough of the USDA DFAP award the month after you receive it to increase your total resources above the maximum allowed in your state, you will not be eligible for SNAP.

In Rhode Island, there is no SNAP resource limit for households that are categorically eligible for SNAP benefits. Most households are categorically eligible for SNAP benefits, including:

- Households in which all members receive or are authorized to receive Rhode Island Works (cash assistance), SSI or General Public Assistance (GPA); and
- Households that receive a TANF-funded service (including receipt of the TANF Information Publication provided to applicants upon submitting their application) and meet gross monthly income standards. Gross income standards are 185 percent of the federal poverty level for families with no members who are disabled or aged 60 and older. Gross income standards are 200 percent of the federal poverty level for families where at least one member is aged 60 or older or is disabled.

Note: Rhode Island will use the 2023 federal poverty levels until September 30, 2024.

The following households are NOT categorically eligible for SNAP benefits:

- Households that contain an individual with an intentional program violation
- Households where the head of household fails to comply with work requirements
- Households with an elderly or disabled individual with earnings greater than 200 percent of the federal poverty level.

Households that are not categorically eligible for SNAP benefits will have the following resource limits:

- \$4,250 for households with at least one member who is disabled or aged 60 or older; OR
- \$2,750 for households without any members who are disabled or aged 60 or older

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 ABL 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.

In Rhode Island, your obligation to report changes will depend on whether you are considered a "change reporter" or a "simplified reporter."

Change reporters are households in which:

- There is no earned income; AND
- All members are elderly or disabled.

Change reporters also include households with migrant and seasonal farmworkers.

Simplified reporters include any households that do not meet the definition of “change reporter” (for example, “everyone else”).

Change reporters must report new resources IF:

- The household is already over 200 percent of the federal poverty level; AND
- The new resource would cause the family to exceed the resource limit.

This report must be made within 10 days of becoming aware of the new resource.

A simplified reporter is not required to report changes in resources except interim reporting.

If you spend the whole award in the month you receive it, you do not need to report it. If you have any money left over in the month afterward, and it pushes your resources above the limit, you should report it.

How do I get information about my SNAP benefits?

Contact your state SNAP agency. You can find contact info at dhs.ri.gov. You can also contact DHS directly at 855-697-4347.

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

For the state of Rhode Island, DFAP awardees may also contact Rhode Island Legal Services for more information and possible representation.

Providence Office (all counties)
56 Pine Street, Suite 400
Providence, RI 02903
401-274-2652, extension 116

Individuals seeking assistance from RI Legal Services will need to go through eligibility screening and meet income and resource requirements in order to qualify for assistance. Alternatively, USDA DFAP awardees may contact the Lawyer Referral Service at 401-421-7799 for assistance.

You can contact the Legal Aid office that serves your community. Not all Legal Aid programs can assist with these kinds of questions, and they only serve people who meet financial and other eligibility requirements. You can look up your local Legal Aid at <https://www.lsc.gov/about-lsc/what-legal-aid/i-need-legal-help>.

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.