

The following Manual References in Title 468 address the correct budgeting procedures when the family has fluctuating earnings:

[2-015 Budgeting Procedures](#): ADC cases are budgeted prospectively. When income fluctuates, the worker must use an average of income for the three most recent consecutive months. When income is stable, the worker must use one month's income.

In addition, also see the 4th paragraph @ 468 NAC 2-015.01:

The worker must recompute the budget every three months. The worker must average the most recent three month's actual income to arrive at the gross income amount for the income period. In arriving at the three-month average, the worker must:

1. List all earned and unearned income periods in the three most recent consecutive months. If there is a particularly high or low check, disregard it in the average;
2. Add gross income for the earned and unearned income for the three months; and
3. Divide by the number of pay periods to arrive at the average monthly amount. Use the conversion tables and convert weekly or bi-weekly income to a monthly amount (see 468-000-201). If the client receives semi-monthly or monthly income, do not convert the income.

While a QRF is probably as good a way as any to obtain the income verifications, it is **not** a mandatory form. We cannot close an ADC case for failure to send in the QRF as long as we do have verification of earnings. In addition, if the family submits most but not all of their wage stubs, request the missing wage stubs rather than merely closing down the case.

The ADC Payment Standard has been unchanged since 1988, so we seldom see families with significant ongoing wages remaining Grant-eligible unless there are either few hours of employment or a very large family. We are required to complete a quarterly verification of earnings for budgeting purposes and the two references shown above support this. However, with our new emphasis on the Work Participation Rate and hours of participation in work activities, we can project participation hours for up to six months when unsubsidized employment is the Work Activity, but we still must complete a quarterly income review for budgeting purposes.

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