

benefits for the initial month of application and the next subsequent month, shall be issued a combined allotment which includes prorated benefits for the month of application and benefits for the first full month of participation. The benefits shall be issued in accordance with § 274.2(c) of this chapter.

(D) Households which apply for initial benefits (as described in § 273.10(a)) after the 15th of the month, are processed under expedited service procedures, have completed the application, and have been determined eligible to receive benefits for the initial month and the next subsequent month, shall receive a combined allotment consisting of prorated benefits for the initial month of application and benefits for the first full month of participation within the expedited service timeframe. If necessary, verification will be postponed to meet the expedited timeframe. The benefits shall be issued in accordance with § 274.2(c) of this chapter.

(E) The provisions of paragraphs (i)(4)(iii)(C) and (i)(4)(iii)(D) of this section do not apply to households which have been determined ineligible to receive benefits for the month of application or the following month, or to households who have not satisfied the postponed verification requirements. Households eligible for expedited service may, however, receive benefits for the initial month and next subsequent month under the verification standards of paragraph (i)(4) of this section. Benefits of less than ten dollars (\$10) shall not be issued to a household under the provisions of paragraphs (i)(4)(iii)(C) and (i)(4)(iii)(D) of this section.

(F) In a State with staggered issuance, if a household applies after the 15th of the month and is certified for more than two months, it shall be issued its third month's benefits on the first working day of the third calendar month, not the staggered issuance date. If the State agency chooses to exercise the option to require a second application in accordance with paragraph (i)(4)(iii) of this section and receives the application before the third month, it shall not deny the application but hold it pending until the third month. The State agency will issue the third month's benefits within five working days from receipt of the necessary verification information but not before the first day of the month. If the postponed verification requirements are not completed within 45 days of the date of application, the State agency shall terminate the household's participation and shall issue no further benefits.

(iv) * * * State agencies shall apply the provisions of this section at recertification if a household does not apply for recertification until the month after its certification period ends.

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3. In § 273.3:

a. The existing undesignated paragraph is designated as paragraph (a), and is further amended by removing the first sentence and adding two sentences in its place.

b. Paragraph (b) is added.

The additions read as follows:

§ 273.3 Residency.

(a) A household shall live in the State in which it files an application for participation. The State agency may also require a household to file an application for participation in a specified project area (as defined in § 271.2 of this chapter) or office within the State. * * *

(b) When a household moves within the State, the State agency may require the household to reapply in the new project area or it may transfer the household's casefile to the new project area and continue the household's certification without reapplication. If the State agency chooses to transfer the case, it shall act on changes in household circumstances resulting from the move in accordance with § 273.12(c) or § 273.21. It shall also ensure that duplicate participation does not occur in accordance with § 272.4(f) of this chapter, and that the transfer of a household's case shall not adversely affect the household.

4. In § 273.6, a new paragraph (b)(4) is added to read as follows:

§ 273.6 Social security numbers.

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(b) *Obtaining SSNs for food stamp household members.* * * *

(4) If the household is unable to provide proof of application for an SSN for a newborn, the household must provide the SSN or proof of application at the next recertification. If the household is unable at the next recertification to provide proof of application, the State agency shall determine if the good cause provisions of paragraph (d) of this section are applicable.

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5. In § 273.8, the first sentence of paragraph (e)(2) is revised to read as follows:

§ 273.8 Resource eligibility standards.

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(e) *Exclusions from resources.* * * *

(2) Household goods, personal effects, the cash value of life insurance policies,

one burial plot per household member, and the value of one bona fide funeral agreement per household member, provided that the agreement does not exceed \$1500 in equity value, in which event the value above \$1500 is counted.

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7. In § 273.10:

a. The second sentence of paragraph (a)(1)(iv) is amended by adding the words "second full" after the words "benefits for the".

b. Paragraph (a)(1)(iv) is further amended by removing the third and fourth sentences.

c. Paragraph (c)(2)(iii) is revised.

d. A new sentence is added at the end of paragraph (c)(3)(ii);

e. A new sentence is added to the end of paragraph (f)(3), and four new paragraphs, (f)(3)(i), (f)(3)(ii), (f)(3)(iii), and (f)(3)(iv) are added; and

f. The first sentence of paragraph (g)(2) is amended by adding the words "if the household has complied with all recertification requirements" after "current certification period."

The additions and revision read as follows:

§ 273.10 Determining household eligibility and benefit levels.

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(c) *Determining income.* * * *

(2) *Income only in month received.*

* * *

(iii) Households receiving income on a recurring monthly or semimonthly basis shall not have their monthly income varied merely because of changes in mailing cycles or pay dates or because weekends or holidays cause additional payments to be received in a month.

(3) *Income averaging.* * * *

(ii) * * * Contract income which is not the household's annual income and is not paid on an hourly or piecework basis shall be prorated over the period the income is intended to cover.

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(f) *Certification periods.* * * *

(3) * * * To align the PA or GA and food stamp recertification, the State agency may do the following:

(i) When the household's eligibility for PA or GA has been determined, the State agency may review the household's food stamp eligibility. If eligibility factors remain the same, the household's certification period can be extended up to an additional 12 months to align the household's food stamp recertification with its PA/GA redetermination. The State agency would be required to send a notice informing the household of changes in its certification period. At the end of the