

INDIVIDUAL DEVELOPMENT ACCOUNT AGREEMENT

Case Name (Last, First, M.I.): _____

AZTECS No.: _____ HEA ID: _____

Mail Drop: _____ Worker's D-Number: _____

PART I – PURPOSE AND INTENT

An Individual Development Account (IDA) is an interest-bearing savings account that is resource exempt and allows a household to save money to achieve educational or training goals, first home purchase, or business capitalization.

PART II – TERMS AND CONDITIONS

The following eligibility requirements apply for:

DES Cash Assistance & Nutrition Assistance Tribal Cash Assistance (Name of Tribe): _____

- 1) A household may only hold one IDA.
- 2) Deposits may be made by the account holder, by a member of the household, by a person outside the household, or from a non-profit organization for educational or training purposes.
- 3) Deposits must be verified and will be treated as follows:
 - **unearned income** - anticipated deposits into the IDA during the month it is received will not count as income.
 - 50% of anticipated **earned income** deposited into the IDA during the month it is received will not be counted as income up to a maximum of \$100.00.
 - the source of the **earned or unearned income must be verified** by providing receipts, statements, canceled checks, or any other information that will provide proof of the deposit source.
 - Money that is anticipated to be deposited but is not deposited, will result in an **overpayment**, regardless of the source of the income.
- 4) Withdrawals must be verified and will be treated in accordance with the box checked below:
 - IDA withdrawals for educational or training costs will **only** be allowed when paid to an accredited institution of higher education or an accredited licensed or certified training program which offers a vocational, technical, or other recognized course of study.
 - IDA withdrawals will be allowed to pay for educational or training costs, to purchase a home, for business start-up expenses, and for first and last months' rent.
 - The **reason(s) for the withdrawal must be verified**. Verification can be in the form of canceled checks, signed statements, and receipts.
 - Money withdrawn for purposes other than listed above will count as income for benefit determination purposes and **will** result in an **overpayment**.
- 5) Money in the IDA over the following balances will count as a resource:
 - any balance amount which is over \$9,000 **OR**
 - when total deposits made into your account exceed \$12,000 over the lifetime of the account.
- 6) All money in the IDA will count as a resource when your Cash or Nutrition Assistance benefits stop for at least one full month.
- 7) All money in the IDA will count as a resource when the account holder is convicted of program fraud or an intentional Program Violation.
- 8) At each renewal application, the account holder must provide a monthly financial institution account statements to DES showing any activity on the account during the approval period.

PART III – AUTHORIZATION

I certify that I have read the above agreement and understand the terms and conditions of holding an Individual Development Account. I authorize the Department of Economic Security to contact my IDA financial institution to obtain account information for the purpose of establishing my eligibility for assistance.

Client's Signature: _____ Date: _____

Worker's Signature: _____ Date: _____

Completion Instructions for FAA-0257A INDIVIDUAL DEVELOPMENT ACCOUNT AGREEMENT

- A. Purpose. To provide the client with a statement of the terms and conditions necessary for excluding an Individual Development Account (IDA) as a resource.
- B. Completion. To be signed by the client and the worker.
- C. Routing. Original to file, copy to client.
- D. Retention. To be retained in the permanent section of the case record until the record is destroyed.

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