



# LLC/S-CORP DESK AID

## WHAT IS A LLC AND S-CORP?

A **Limited Liability Company (or LLC)** and a **S-Corporation (or S-Corp)** are companies with a specific structure whereby owners get full or limited protection from being held responsible for the company’s debts or liabilities.

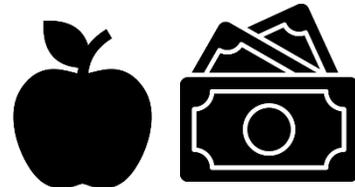


## THIS IS HOW EACH PROGRAM LOOKS AT LLC/S-CORPS:

### SNAP/Cash

Owners of LLC/S-Corps are considered **Employees**.

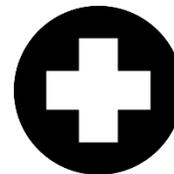
CBMS will determine the countable income 2 different ways:



1. Client business income minus business expenses:
  - a. Total Business Income - Business Expenses = Countable Income
    - i. CBMS will allow **all expenses without exception** when the client uses income minus expenses as draw.
2. Or, the owner receives a ‘draw’ or ‘salary’:
  - a. CBMS will use the amount entered in the ‘S-Corp/LLC Draw Related List’ (CBMS will not use information entered in the ‘Paycheck Summary’ or ‘Income Expenses’ related lists).

### Medical Assistance

Owners of LLC/S-Corps are considered **Self-Employed**.



CBMS will determine the countable income using Self-Employment logic:

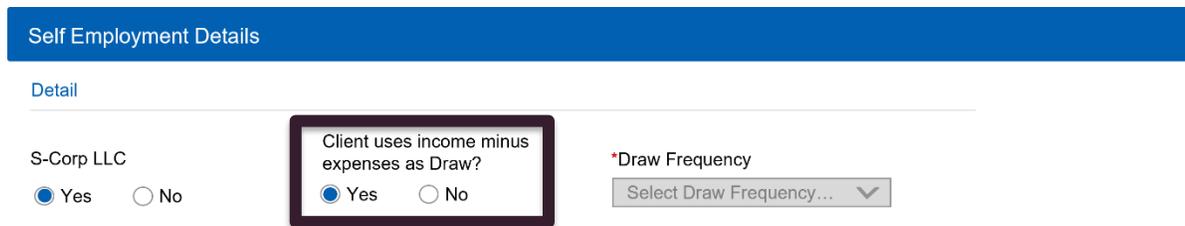
- Total Business Income - Allowable Expenses = Countable Income

## IMPORTANT ANNOUNCEMENT

The Self-Employment Page in CBMS applies the appropriate rules for Self-Employed individuals requesting SNAP and/or Cash benefits who are owners of an LLC/S-Corp. This functionality is also used for combo cases with Medical Assistance.

## COMBO CASE DATA ENTRY

First, indicate if the SNAP or Cash client uses income minus expenses as draw.



The screenshot shows the 'Self Employment Details' section of a form. Under the 'Detail' heading, there are three main fields: 'S-Corp LLC', 'Client uses income minus expenses as Draw?', and '\*Draw Frequency'. The 'S-Corp LLC' field has radio buttons for 'Yes' (selected) and 'No'. The 'Client uses income minus expenses as Draw?' field has radio buttons for 'Yes' (selected) and 'No', and this field is highlighted with a red box. The '\*Draw Frequency' field is a dropdown menu with the text 'Select Draw Frequency...' and a downward arrow.

### If 'Yes' is Selected

Use the Paycheck Summary and Income Expenses related lists.

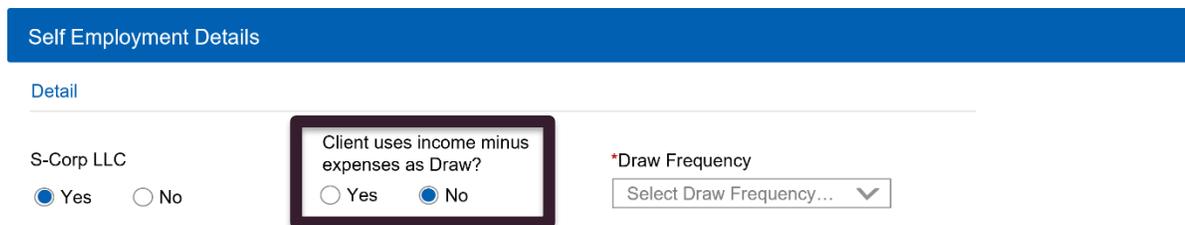
**Note:** If the SNAP or Cash client is using income minus expenses as draw, CBMS will allow all expenses entered without exception.



The screenshot shows two dropdown menus from the 'Self Employment Details' section. The first dropdown is labeled 'Paycheck Summary' and the second is labeled 'Income Expenses'. Both dropdowns have a downward arrow on the left side.

### If 'No' is Selected or the Radio Button is Left Blank

The Draw Frequency field will be mandatory (unless the case is MA only). Indicate the appropriate draw frequency.



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Continue to the S-Corp/LLC Draw (AF/CW/SNAP) related list to indicate list to indicate the draw amount for CDHS programs.

▼ S-Corp/LLC Draw (AF/CW/SNAP)

S-Corp/LLC Draw (AF/CW/SNAP)

Detail

*Date Received	<input type="text"/>	*Draw Amount	<input type="text"/>	*Paycheck Type	Select Paycheck Type... ▼
<input type="checkbox"/> CW Eligibility Correction		CW Use Month	<input type="text"/>	SNAP Use Month	<input type="text"/>
*Verification	Select Verification... ▼	Source	Select Source... ▼		
*Date Reported	<input type="text"/>	*Date Verified	<input type="text"/>		

**Note:** CBMS will not use the information entered in the Paycheck Summary or Income Expenses related lists, even if you have done so for other HLPGs.

## ADDITIONAL REFERENCES

For more information and practice on S-Corp/LLC policy and data entry, check out the [S-Corp/LLC WBT](#) in COLearn and [Entering LLC/S-Corp Income Process Manual](#) for reference on-the-job.

## ACCESSIBILITY

*This document is designed to comply with the Web Content Accessibility Guidelines (WCAG) 2.1 AA standard. If you experience any difficulty accessing the content or have questions regarding the process, please contact [SOC\\_StaffDevelopment@state.co.us](mailto:SOC_StaffDevelopment@state.co.us) for assistance.*