

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 is using income minus expenses as draw:

$$\frac{\text{Total Business Income} - \text{ALL Expenses}}{= \text{Countable Income}}$$

OR

2 The owner receives a 'draw' or 'salary':

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:

$$\frac{\text{Total Business Income} - \text{Allowable Expenses}}{= \text{Countable Income}}$$

CBMS will allow **ALL EXPENSES WITHOUT EXCEPTION** when the client uses income minus expenses as draw.



For SNAP and Cash Data Entry or combo cases with MA, **see page 2**



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**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.



YES ◀ First, indicate if the SNAP or Cash client uses income minus expenses as draw. ▶ **NO**

Self Employment Details

Detail

S-Corp LLC
 Yes No

Client uses income minus expenses as Draw?
 Yes No

*Draw Frequency
Select Draw Frequency... ▼

IF **'YES'** IS SELECTED, use the **Paycheck Summary** and **Income Expenses** related lists.

▼ **Paycheck Summary**

▼ **Income Expenses**

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

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.

Self Employment Details

Detail

S-Corp LLC
 Yes No

Client uses income minus expenses as Draw?
 Yes No

*Draw Frequency
Select Draw Frequency... ▼

Continue to the **S-Corp/LLC Draw (AF/CW/SNAP)** related 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

*Draw Amount

*Paycheck Type
Select Paycheck Type... ▼

CW Eligibility Correction

CW Use Month

SNAP Use Month

*Verification
Select Verification... ▼

Source
Select Source... ▼

*Date Reported

*Date Verified

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.

**GREAT
CONTENT!**

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.

