**105.1 Purpose**

This section describes the treatment of income received by households with boarders as defined in Section 100.4 (Boarders) of this Supplemental Nutrition Assistance Program (SNAP) manual.

**105.2 General Information**

1. Income received by households with boarders in both commercial and non-commercial board situations is considered self-employment income.
2. Persons residing in a commercial boarding house (establishments licensed as an enterprise that offers meals and lodging for compensation) are considered boarders regardless of the compensation they pay.
3. Persons residing in a non-commercial boarding house are considered boarders if they pay reasonable monthly compensation for their meals and lodging as described in Section 100.4 of this manual.

**105.3 Income from Boarders**

## Exclude persons who are boarders as defined in Section 100.4 of this manual when determining the household’s eligibility and benefit level.

## Include as income all direct payments to the household for room and meals, including contributions to the household’s shelter expenses.

## Do not count shelter expenses paid directly by boarders to someone outside the household as income to the household.

### Example 1: A boarder pays $20.00 a month to the household for the heating bill. This amount is counted as income to the household.

### Example 2: A boarder pays the telephone bill for the household directly to the phone company. The amount of the payment is not counted as income to the household.

**105.4 Allowable Costs of Doing Business**

1. Exclude the portion of the boarder payment that is a cost-to-do business when determining the income received from boarders.
2. The amount allowed as the cost-to-do business is 50% of the proprietor’s gross monthly receipts received from boarders.

**105.5 Computing Income**

## Net monthly self-employment income from boarders is determined by:

## Adding together all direct payments to the household by the boarders and then,

## Applying the 50 percent (cost-to-produce) deduction.

## Add the result of this computation (net income from self-employment) to other earned income, if any, and apply a 20 percent earned income deduction to the total.

## Compute the shelter costs the household actually incurs (even if the boarder contributes directly to the household for shelter expenses) to determine if the household will receive a shelter deduction.