

RESOURCES

STOCKS, BONDS, SECURITIES AND PROMISSORY NOTES

kinds of zero coupon bonds that have been issued from a variety of sources, including the U.S. Treasury, corporations, and state and local government entities.

For all Medicaid A/Rs, except SSI-related A/R's who are subject to community budgeting, the accrued interest is considered countable unearned income in the month the bond matures. The equity value of the zero coupon bond is a countable resource.

Coupon Bonds (Bearer Bonds)

A coupon bond is a bond that pays periodic interest (usually every six (6) months) to the bond holder. Previously such bonds had coupons attached to them which the owner would present to the bond issuer or bank for payment. Coupon bonds have also been known as "bearer bonds" meaning the bearer or the person who had physical possession owned it.

Today such bonds are issued as "registered" meaning the bond is registered in your name and interest is mailed to you every six (6) months. Registered bonds generally do not have coupons attached to them; however, if they pay interest periodically they may be called coupon bonds.

Promissory Notes

A promissory note is a written, unconditional promise, signed by a person, to pay a specified sum of money at a specified time or on demand to the person named on the note. For the owner, (i.e., seller of creditor) of the agreement, a promissory note, if negotiable, is considered a resource in the amount of the outstanding principal balance. (See **RESOURCES TRANSFER OF ASSETS ALL CATEGORIES** for further information on promissory notes.)

- When to Verify Status:**
- (a) When the A/R indicates that s/he or a member of the household owns stocks, bonds or securities;
 - (b) When the A/R's pay stubs show a deduction for profit sharing;
 - (c) When an A/R or a member of the household currently or formerly has been employed by a company known to offer profit sharing.