

(i) For the first instance of noncompliance, temporary cash assistance shall be resumed immediately upon compliance;

(ii) For the second instance of noncompliance, temporary cash assistance shall be resumed after 10 days of compliance with the work activity; or

(iii) For the third and any subsequent instance of noncompliance, temporary cash assistance shall be resumed after 30 days of compliance with a work activity.

(7) If temporary cash assistance is reduced or terminated under this subsection, the recipient shall retain eligibility for medical assistance and food stamps, as long as the recipient meets the medical assistance and food stamp program requirements.

[(h)](G) (1) After termination of temporary cash assistance under this section, the recipient may receive transitional assistance.

(2) If the caseworker determines that the local department shall provide transitional assistance, the FIP benefit that would have been paid to the recipient shall be paid instead to a third party payee on behalf of the recipient for a period of up to 3 months.

(3) A recipient who has received transitional assistance may apply for the FIP benefit and the benefit shall be furnished with reasonable promptness to all eligible individuals.

(4) The third party payee shall provide transitional assistance to the recipient in one or more of the following forms:

(i) Counseling;

(ii) Housing;

(iii) Child care;

(iv) Household supplies and equipment;

(v) Direct assistance other than a cash payment; and

(vi) Any other noncash assistance that may be necessary to assist the recipient to make the transition from welfare.

(5) Subject to the approval of the Secretary, the caseworker, in conjunction with the recipient, shall select the third party payee described under paragraph (2) of this subsection.

(6) A local department may pay an administrative fee to a third party payee to cover the administrative costs of the third party payee for providing the services described in paragraph (4) of this subsection.

(7) No portion of the funds provided through transitional assistance may be used for the furtherance of sectarian religious instruction.