

## OCA Policy Bulletin

### Volume I – Chapter 2: CSBG – Section B: Programmatic

#### Client Eligibility and Income Documentation (revised May 2012)

##### **INCOME CALCULATIONS**

Eligibility for services under the Community Services Block Grant (CSBG) is determined on the basis of a household's income in relation to federal HHS poverty guidelines issued annually and published in the Federal Register. Updated federal poverty guidelines are effective immediately upon publication in the Federal Register unless otherwise specified by HHS.

To be income-eligible for services funded by CSBG, a household must have total household income for the last 12 months or 90 days equal to or less than **125%** of the federal poverty guidelines The period to be used in determining annual income must not be more than 12 months, or less than the 90 day period preceding the request for assistance by the household.

##### **INCOME REVERIFICATION (Re-Establishing Customer Eligibility)**

Household Income for CSBG services **must be re-verified** if the customer's income has changed since their last visit to the agency and/ OR if the "Poverty Income Guidelines" have changed since the customer's last visit.

Note that customers, who are in the midst of a program and have an income increase that makes them ineligible, must be allowed to complete the program.

##### **CATEGORICAL ELIGIBILITY**

Households receiving public assistance from DHS (PRC, OWF, TANF, and DA) are considered to be categorically eligible for CSBG-funded services. However, these sources of income/public assistance and the associated dollar amounts must be documented.

##### **SELF-DECLARATION OF INCOME STATEMENT**

Any household unable to supply complete income documentation must sign a Self-Declaration Statement. If an agency representative has reason to believe that income documentation does in fact exist, a concerted effort must be made to obtain complete and up-to-date income documentation. Qualifying an applicant to receive CSBG-funded services through the acceptance of a Self-Declaration of Income statement should occur only when all attempts to obtain actual income documentation have failed. Persons claiming zero (0) income **must explain in detail their ability to exist, i.e. their source(s) of food and shelter.**

##### **INCOME DOCUMENTATION FOR TARGET AREAS**

For some programs, aimed at certain groups, especially youth and children, it may be difficult to obtain income documentation for each individual. In these cases, grantees may document income levels in targeted geographic areas in order to verify the extent to which clients within that area are income eligible. Documentation of target areas must be based on census tract data or other valid measures of the incidence of poverty within a defined geographic area within the local agency's service territory. At least fifty-one percent (51%) of target area residents must be income eligible in order for CSBG services to be provided to the group on this geographic basis. The documentation and a request for a waiver from documenting household income for program participants must be submitted to the OCA for review and approval. Waiver requests must explain in detail why it would be impossible or a hardship to

collect income documentation for the CSBG-funded program in question. Services cannot be offered until the waiver is approved. A waiver from individual household income documentation does not however constitute a waiver for completion of a CSBG Intake Form. The requirement to complete CSBG intake remains.

## **REQUIRED INCOME DOCUMENTATION**

When programs or projects are funded by more than one funding source, income documentation is not always required for 100% of the clients participating. The amount of CSBG funds spent to support a program expressed as a percentage of the total program budget may be used to determine the minimum percentage (number) of clients that must be demonstrated to be income-eligible for the CSBG-funded services in accordance with CSBG guidelines.

**For example – CSBG provides 5% of total program funding Buckeye CAP’s Senior Medication Program which serves 200 seniors. Income- eligibility documentation is required for at least 5% of the 200 participating seniors In this case; income-eligibility documentation would be required for at least 10 participants.**

## **INCOME DEFINITIONS**

The definitions of income described below are to be used in determining client eligibility for CSBG-funded services. Examples of the types of acceptable documentation of income are provided.

### **Household Income Utilized to Determine Eligibility: Countable Income and Income that is excluded for Purposes of Determining CSBG Income-Eligibility**

Household income is defined as the total annual gross income of all household members before taxes and minus officially excluded sources of income. For example, earned income of dependent minors under the age of 18 is excluded from the determination of household income. All income and allowed exclusions must be documented for household members 18 years of age and older regardless of the household member’s relationship to the *primary applicant*. Head of household and spouse may never be considered minors. Gross household income includes wages, interest, dividends, annuities and pensions. Additional sources of countable income include, but are not limited to the following:

#### **Countable Income:**

Active Military Pay (Basic pay)

Adoption Assistance

Alimony

Annuity

Black Lung

Capital Gains - Proceeds from sale of property, home and stock

Cash Withdraws from Individual Retirement Accounts (IRA)

Child Support Received

Company Disability and Black Lung

Disability Assistance (DA)

Estate and Trust Settlements - minus attorney fees

Farm Income

Garnisheed Wages, including Bankruptcy/Chapter 13  
 Gifts/Monetary Assistance  
 Grants/Training Stipends – living expenses only  
 Immigrant Relocation Allowance  
 Interest earned from Savings Accounts  
 Lump Sum Distribution  
 Odd Jobs  
 Pensions - Government/Veterans/Private Industry  
 Rental Income  
 Self-Employment  
 Social Security, Supplemental Security Income (SSI) Social Security Disability (SSDI)  
 Strike Benefits  
 Temporary Assistance to Needy Families (TANF)  
 Unearned income paid to or on the behalf of minors  
 Unemployment Benefits  
 Utility Allowances (as discretionary income)  
 Wages/Tips  
 Workers' Compensation

**DOCUMENTATION of COUNTABLE INCOME**

A minimum of one source of income documentation is required from among the following acceptable options:

\*\*\***IRS Tax forms** are acceptable proof for certain types of income, however they must be current (ex: 2010 for 2011-2012 CSBG program) and clarification is needed in most cases. The federal gross is used when calculating income from a tax form.

\*\* **90 Day Rule**---Lump sum payments should be prorated over either the 90 day/3 month or 12 month eligibility period) -If the past 90 day/3-month income is used, that amount **must be annualized**, ex: income for the past 3 months was \$100 per month, total household income annualized would be \$1200 yearly

\* See “**Wages**” section.

SOURCE	DOCUMENTATION
<b><u>ACTIVE MILITARY PAY (BASIC PAY):</u></b>	1. Check stub/Pay Statement.
<b><u>ADOPTION ASSISTANCE:</u></b>	1. Stated on application with clarification if necessary 2. Copy of check or assistance statement 3. Signed Office of Community Services (OCS) Self-Declaration Form (this form is primarily used by the Community Action Agencies) or signed letter with amounts listed

<b><u>**ALIMONY DIVORCE SETTLEMENTS/SPOUSAL SUPPORT:</u></b>	<ol style="list-style-type: none"> <li>1. Stated on application with clarification if necessary.</li> <li>2. Bank statement</li> <li>3. Court Documents</li> <li>4. *IRS Form 1040 (line 11)</li> <li>5. Signed OCS Self-Declaration Form or signed letter with amounts listed.</li> </ol>
<b><u>**ANNUITIES:</u></b>	<ol style="list-style-type: none"> <li>1. Stated on application with scanned documentation from previous year</li> <li>2. Copy of check</li> <li>3. Most recent *IRS form 1099-R (box 1)</li> <li>4. Most recent *IRS form 1040 (line 16a) with clarification if necessary</li> <li>5. Signed OCS Self-Declaration Form or signed letter with amounts listed</li> </ol>
<b><u>BLACK LUNG:</u></b>	<ol style="list-style-type: none"> <li>1. Stated on application with scanned documentation from previous year</li> <li>2. Copy of check</li> <li>3. Award letter</li> </ol>
<b><u>**CAPITAL GAINS:</u></b>	<ol style="list-style-type: none"> <li>1. *IRS Tax Statement Form1040 (line 13) with Schedule D</li> <li>2. *IRS Tax Statement Form 1099-DIV</li> </ol>
<b><u>**CASH DISTRIBUTIONS/WITHDRAWS FROM INDIVIDUAL RETIREMENT ACCOUNTS (IRA):</u></b>	<ol style="list-style-type: none"> <li>1. Stated on application.</li> <li>2. Copy of check</li> <li>3. Most recent *IRS Form 1099-R (box 1)</li> <li>4. *IRS Form 1040 (line 15a/15b) with clarification if necessary</li> </ol>
<b><u>CHILD SUPPORT RECEIVED:</u></b>	<ol style="list-style-type: none"> <li>1. Stated on application with clarification if necessary</li> <li>2. Payment Printout/statement from agency issuing payments ex: Ohio Department of Job and Family Services (ODJFS)</li> <li>3. Court Documents with clarification of amounts if necessary</li> <li>4. Copy of check</li> <li>5. Signed OCS Self-Declaration Form or signed letter with amounts listed</li> </ol>
<b><u>COMPANY/EMPLOYMENT DISABILITY:</u></b>	<ol style="list-style-type: none"> <li>1. Award letter with clarification if necessary</li> <li>2. Copy of check stub/pay statement with clarification if necessary</li> </ol>
<b><u>DISABILITY ASSISTANCE (DA)/GENERAL ASSISTANCE (GA):</u></b>	<u>See TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)</u>
<b><u>**ESTATE AND TRUST SETTLEMENTS:</u></b>	<ol style="list-style-type: none"> <li>1. Written documentation from executor, attorney, bank representative, administrator of estate, Power of Attorney (POA) etc. Note: Attorney's fees are excluded</li> <li>2. *IRS Form 1040 (line 17) with Schedule E (this is correct according to the IRS website)</li> </ol>
<b><u>GARNISHEED WAGES/CHAPTER 13 BANKRUPTCY</u></b>	<p style="text-align: center;"><u>See WAGES</u></p>
<b><u>**GIFTS MONETARY ASSISTANCE, NO INCOME, ZERO INCOME (NON-DISCRETIONARY VS. DISCRETIONARY INCOME):</u></b>	<ol style="list-style-type: none"> <li>1. Stated on application with oral clarification if necessary –</li> <li>2. <b>A Signed letter from the gift giver with amount(s) listed</b></li> </ol> <p>Clarify, amounts and frequency of assistance to determine if the amount is a gift or a ***loan – if the client states they are</p>

	<p>expected to pay the gift back, this would be considered a loan and would NOT be counted as income).</p>
<u>NO INCOME/ZERO INCOME</u>	<p>1. A signed OCA Self-Declaration of Income Form explaining how the customer is surviving and/or maintains their household. This form must explain in detail the customer's source of maintaining shelter; receiving food, etc.</p>
<u>NON-DISCRETIONARY INCOME</u>	<p><b>EXAMPLE:</b> If payments for rent, utilities, etc. are paid directly to the payee (gas co. landlord etc.) and this is documented from a signed letter of the person who paid the bill or a cancelled check etc. this is considered <b>NON-DISCRETIONARY</b> income and <b>WOULD NOT</b> be counted.</p>
<u>DISCRETIONARY INCOME</u>	<p><b>EXAMPLE:</b> If the cash was given directly to the client for them to pay the bills at their own discretion; it would be considered <b>DISCRETIONARY</b> income and <b>WOULD</b> be counted.</p> <p>***LOANS—Loans are never counted /included as income. Gifts are included as income <u>only</u> if they are <b>DISCRETIONARY</b>.</p>
<u>GRANTS/Training Stipends/Work Study Programs, Fellowships, Scholarships (exclude amounts for books, educational fees, and tuition)</u>	<p>1. Statement from educational institution or company providing grant with clarification if necessary</p> <p>2. Award Letter with clarification if necessary</p> <p>3. Signed OCS Self-Declaration Form or signed letter from client (Please refer to E-2.13)</p> <p>4. *IRS Form 1099 and 1040 (line 7)</p> <p>5. *IRS Form W-2</p> <p>Some students receive a tax form (W-2 or 1099) for Work Study Programs, Fellowships and Scholarships. Amounts used for books, educational fees and tuition are excluded.</p> <p><b>Example:</b> Susan Harris, who attends The Ohio State University, receives a \$2,000 scholarship, with <u>\$1,000 specifically designated for tuition</u> and \$1,000 specifically designated for living expenses. Her tuition is \$1,600. She may exclude \$1,000 from income, but the other <u>\$1,000 designated for living expenses is taxable and must be included in income.</u></p> <p>1. Allowance Statement</p> <p>2. Copy of check with clarification if necessary</p>
<u>IMMIGRANT RELOCATION ALLOWANCE</u>	<p>1. Allowance Statement</p> <p>2. Copy of check with clarification if necessary</p>
<u>INTEREST (earned from financial accounts):</u>	<p>1. Stated on application with clarification if necessary</p> <p>2. Bank statement</p> <p>3. Most recent *IRS form 1099 (form INT boxes 1-3)</p> <p>4. Most recent *IRS form 1040 (line 8a through 9b) (box 1)</p> <p>5. Signed letter with amounts listed with oral clarification if necessary</p>
<u>**LUMP SUM DISTRIBUTION/Social Security or Disability Lump Sum Awards, Insurance Policy Payouts, Lottery winnings etc.: (**use 90 day rule if applicable):</u>	<p>1. Statement from financial institution</p> <p>2. Copy of check with clarification if necessary</p> <p>3. *IRS Form 1040 (line 21)</p> <p>4. *IRS Form W-2, W-2G</p>

<p><b><u>PENSIONS-Government, VA, Private Industry-Government Pensions include: Public Employees Retirement Systems (PERS), School Employees Retirement Pension (SERS) Veterans Pension (VA), Police, Firefighters, Railroad Workers:</u></b></p>	<ol style="list-style-type: none"> <li>1. Stated on application</li> <li>2. Copy of check – If pension is from a private company, and no company name is listed, clarification of the name is acceptable.</li> <li>3. Award letter</li> <li>4. Most recent *IRS form 1099-R (box 1)</li> <li>5. *IRS form 1040 line 20a/20b</li> <li>6. Signed OCA Self-Declaration Form or letter with amounts listed</li> </ol>
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<p><b><u>SELF EMPLOYMENT, Farm income/**Rental Income:</u></b></p>	<ol style="list-style-type: none"> <li>1. Most recent *IRS Form 1040 (line 12, with schedule C/CZ, Line 17 with Schedule E or Line 18 with Schedule F) etc.</li> <li>2. **Form which shows deductions (type) and gross profit with current information; this can be a handwritten form as long as current information (at least 3 months/90 days) is included.</li> <li>3. *IRS Form 1099-Misc 9 (box 1)</li> <li>4. Quarterly Statements (past 3 months/90 days)</li> <li>5. Copy of financial statements or accounting records for at least the past 90 days/3 months</li> <li>6. Signed OCS Self-Declaration Form with amounts (including profit after deductions/expenses listed)</li> </ol> <p>If the client states that they <b>do not file taxes</b> on their self-employment income, refer to: <b>Odd Jobs</b> section.</p> <p>***If the client states that they receive <b>rental income</b> but do <b>not file taxes</b> on this income, ex: receives \$300 a month from son for renting him a home etc, this is not considered self-employment, list this as “other” income in OCEAN.</p>
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<p><b><u>SOCIAL SECURITY, SSI, SSA, SSDI:</u></b></p>	<ol style="list-style-type: none"> <li>1. **Award/Benefit Letter</li> <li>2. Bank Statement with Deposit Amount</li> <li>3. Copy of Check</li> <li>4. Printout from Social Security Office</li> <li>5. Most recent *IRS Form SSA-1099 (box 3)</li> <li>6. Most recent *IRS Form 1040 (line 20a-20b)</li> <li>7. (ODJFS) website Client Registry Information System-Enhanced (CRISE)</li> </ol>
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<p><b><u>STRIKE BENEFITS:</u></b></p>	<ol style="list-style-type: none"> <li>1. Check stub/pay statement</li> </ol>
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<p><b><u>TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF): Disability Assistance (DA), General Assistance (GA), Ohio Works First (OWF) Aid to Dependent Children (ADCF) Welfare, Public Assistance:</u></b></p>	<ol style="list-style-type: none"> <li>1. Copy of check</li> <li>2. ODJFS documents/printout</li> <li>3. Bank statement</li> <li>4. CRIS-E</li> <li>5. Signed OCS self-declaration Form or letter from client with amounts listed</li> </ol>
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<b><u>UNEARNED INCOME PAID TO OR ON BEHALF OF MINORS/SS, SSI, Child Support received:</u></b>	<b>See appropriate “Types of Acceptable Documentation” box within this section.</b>
<b><u>UNEMPLOYMENT BENEFITS:</u></b>	<ol style="list-style-type: none"> <li>1. Copy of check/Award amount letter</li> <li>2. ODJFS printout (must list name and/or social security number and date)</li> <li>3. Eligibility letter with amounts and date</li> <li>4. Most recent *IRS Form 1040 (line 19)</li> <li>5. Most recent *IRS Form 1099-G (box 1)</li> </ol>
<b><u>UTILITY ALLOWANCES</u> (if received as discretionary income):</b>	<ol style="list-style-type: none"> <li>1. Housing Authority Documentation</li> <li>2. Lease/Rental Agreement</li> <li>3. Printout/Documentation from ODJFS</li> </ol>
<b><u>WAGES/*Gross Earnings:</u></b>	<ol style="list-style-type: none"> <li>1. Pay stub(s) —must be dated within the past 30 days from the application date and must cover income period of (at least) the past 90 days/3 months</li> <li>2. Statement from employer (must list client’s name) with company name</li> </ol> <p><b>TIPS:</b> If tips are not declared or listed, we need to clarify the amount received, for example; a waitress/bartender/busboy is paid \$2 an hour, their income is supplemented by tips to equal \$10 an hour, and we need clarification, proof of the addition \$8 tip income.</p> <p><b>*Garnisheed Wages, Chapter 13 Bankruptcy and elective payroll deductions ex: Christmas Club, payroll advances etc. <u>are included</u> in total gross household income; these are usually listed in the deduction section on a paystub.</b></p>
<b><u>**WORKERS COMPENSATION:</u></b>	<ol style="list-style-type: none"> <li>1. Award letter with clarification of amounts if necessary</li> <li>2. Printout/letter from agency providing disability compensation (Bureau of Workers Comp BWC) etc.</li> <li>3. Copy of check with clarification if necessary</li> <li>4. Bank statement</li> </ol>

**Income Excluded From Eligibility Determinations**

Agent Orange Compensation/Benefit

Assets from bank withdrawals

Attorney’s fees for Estate & Trust Settlements

\*Child Support Paid

FEMA – Cash Payments

Food Stamps/Cash Payment for food stamps

\*Funds/training stipends designated for specific purposes (i.e., educational Grants/Training stipends for tuition and/or books only-not living expenses).

Handicapped Income - self-sufficiency programs (example: work expenses for the blind)

\*Health Insurance Premiums (dental, vision, health and supplemental insurance)

Income earned by dependent minors less than 18 years of age.

\*Loans from individuals or institutions requiring repayment of either principle or principal and interest

Medicare Payments

\*Military Allowances for Subsistence, Housing, Family Separation, etc.

Prevention, Retention, & Contingency (PRC) - assistance to attempt to divert families from long term financial dependency

Stipend for Foster Care

Tax refunds and rebates

Title III Disaster Relief Emergency Assistance Program (DREAP)

Title V Wages/Senior Community Employment Programs (SCEP) - Older Americans' Act (Public Law 100-175) Experience Works (formerly Green Thumb), Foster Grandparents Program, Mature Services

Transportation Allowances (i.e., Workforce Investment Act (WIA), Job Training Partnership Act (JTPA), Workfare

Work Allowances (i.e., Learning Earning and Parenting [LEAP]

Volunteers in Service to America (Vista) or other AmeriCorps Stipends

\* These exclusions require documentation.

**Household Size** - The following criteria is to be used to determine household size.

1. Tax dependents are to be counted.
2. Those in military service are to be counted.
3. Those in hospital/nursing home, group home are to be counted – unless long term (>6 months) or permanently.
4. Those sharing a kitchen or bath are to be counted.
5. Children of divorced/separated couples are to be counted based on the following information
  - a. Who has LEGAL custody?
  - B. If JOINT custody, who claims them for tax purposes;
  - c. If joint tax return filed, who applies for energy assistance first.
6. Foster children should NOT be counted, nor should foster care income.
7. Those in prison/jail for an extended term (>6 months), are NOT to be counted.
8. Foreign students may not apply as separate households.
9. College students, living away from home, are to be counted as part of the household if they are claimed as dependents for tax purposes. However, the tax dependent student may apply for assistance as a separate household. ***If a duplication error in the OCEAN results, please contact the OCS OCEAN Help Desk at 1-888-995-2227.***

**Questions concerning determination of income eligibility for programs funded in whole or in part by the Community Services Block Grant (CSBG) should be directed to the agency's field representative at the Office of Community Assistance.**