



Income Calculation Training

Income Calculation Requirements for Community Services Programs

CoC, ESG, & HOPWA



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Training Series Guide

Thank you for participating in our virtual income training series. This series has guidance on how to calculate income for Continuum of Care (CoC), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA). This training guide is meant to accompany the training series videos and supplement your learning from the virtual sessions.

Calculating client income is an important part of implementing CoC, ESG, and HOPWA. For the federal regulations that define income and how to calculate it correctly, visit these links:

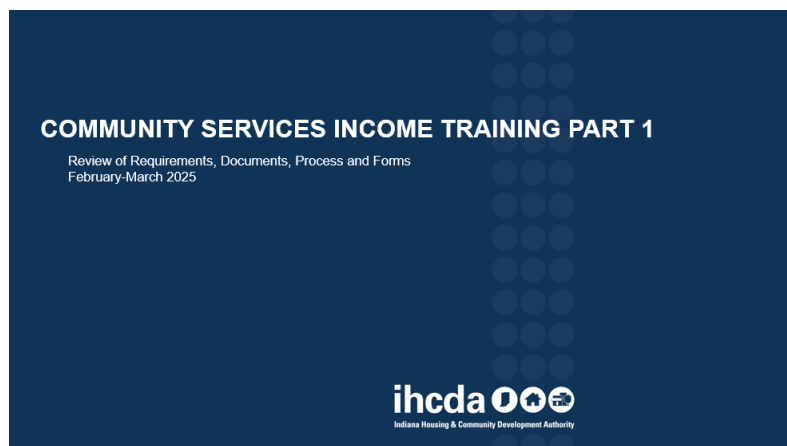
- Income Calculation Exclusions: <https://www.ecfr.gov/current/title-24/subtitle-A/part-5/subpart-F/subject-group-ECFR174c6349abd095d/section-5.609>
- Income Deductions: <https://www.ecfr.gov/current/title-24/subtitle-A/part-5/subpart-F/subject-group-ECFR174c6349abd095d/section-5.611>

Session 1: Getting Started with Calculating Income

Session 1 defines terms for the training session, overviews the income caps for programs, and highlights the client rent contribution requirements. It overviews the importance of income in serving clients and engaging in the progressive engagement model.

Why is income important for our programs?

Income establishes eligibility for ESG and HOPWA programs. It defines the client rent contribution for CoC, ESG, and HOPWA. Further guidance on how to determine rental assistance in rapid rehousing programs is available in the IN-BoS CoC RRH Written Standards for CoC and ESG programs. Income supports effective case management and helps households achieve stability.

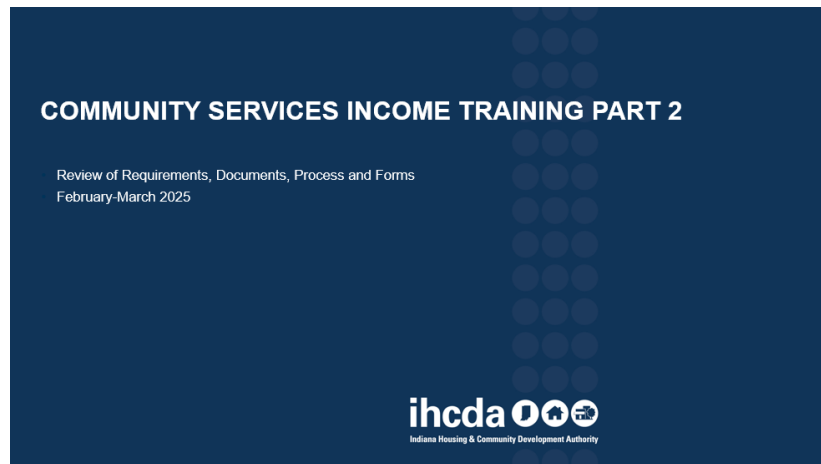


Session 2: Calculating Income for Community Services Programs

Session 2 reviews the regulations for how to calculate income. The regulation link is listed below. If an item is not excluded, then it should be included.

- Income Calculation Exclusions: <https://www.ecfr.gov/current/title-24/subtitle-A/part-5/subpart-F/subject-group-ECFR174c6349abd095d/section-5.609>

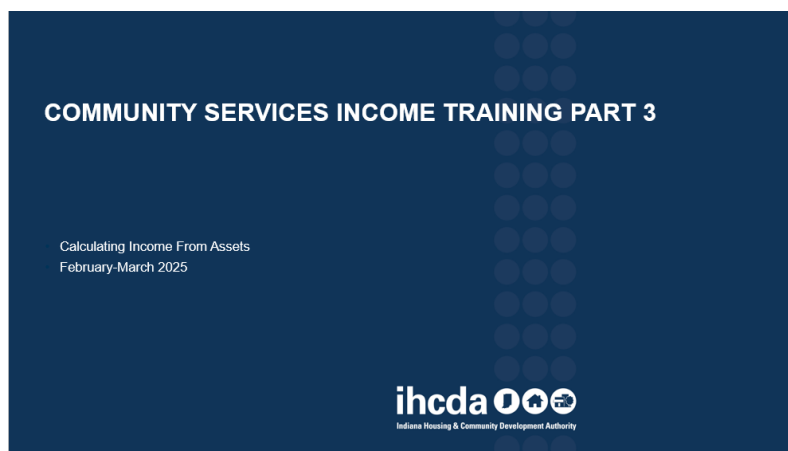
Income can be calculated on current and future planned income. Income information should always be verified in addition to statements from clients. Income calculation is based on gross income. Agencies should have policies for when it is acceptable to use self-attestation for income.



Session 3: Calculating Income from Assets and Verification of Documents

Session 3 discusses assets and how value is calculated. There are unique asset calculation processes when an asset is greater than \$5,000 or is sold for less than fair-market value. Assets must be in the name of the household member; if a client isn't the beneficiary, it is not included.

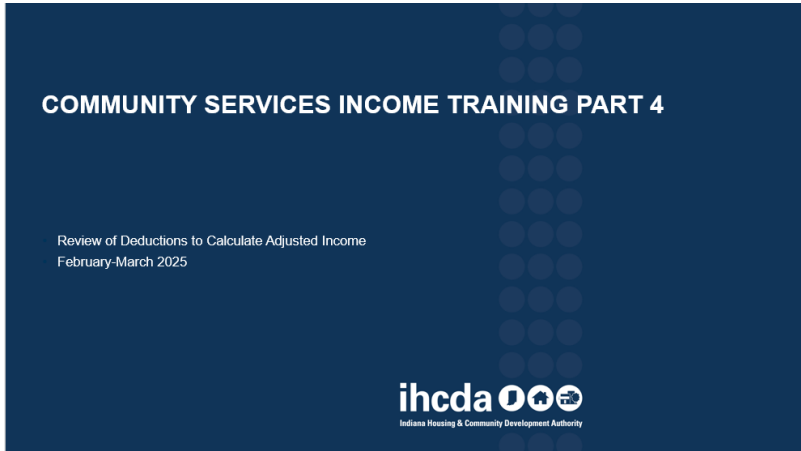
Session 3 also goes over the requirements for documentation. There are practice scenarios to test knowledge and skills about income and assets.



Session 4: Income Deductions

Session 4 describes the allowable deductions from gross income. These include: dependent minor or disabled person deduction, child care deduction, disability assistance deduction, disabled or 62+ household deduction, and unreimbursed medical expense deduction. Details of these deductions can be found in the regulations.

- Income Deductions: <https://www.ecfr.gov/current/title-24/subtitle-A/part-5/subpart-F/subject-group-ECFR174c6349abd095d/section-5.611>



Session 5: Income Practice

This session engages in a series of practice scenarios. Template worksheets are available in this guide and compliment information presented in the training. The template worksheets should be used when completing the session.



Addendum 1: Identifying Income Sources

Identifying income is the responsibility of the agency when establishing eligibility and determining rental assistance subsidies and client contribution. Clients may not be aware of the sources of income that must be included. The questions on this page were brainstormed by IHEDA staff and service provider partners across the Indiana Balance of State.

1. What are your sources of income?
2. Let's sit down and start a budget for your household. Where are you getting resources to support your family?
3. What income do you rely on regularly to support yourself?
4. Where have you gotten money in the last few months? Few weeks?
5. Do you receive regular payments from social security? What about regular payments from another source, like a retirement account?
6. Do you do any work for someone regularly that you are paid to do?
7. If you need money, what are some things you typically do to get it? Have you done any of those things recently? Do you do any of them regularly?
8. Sharing income information is required to participate in our housing program. Can you tell me more about any money you earn? Is that pretty regular?

Addendum 2: Terminology

The terms listed below are discussed in the income training. The definitions are listed below.

Adjusted Income- gross income minus eligible deductions according to HUD

Annual Gross Income- total income calculated based upon earnings or planned/anticipated income throughout the year

Area Median Income- (AMI) is calculated by HUD for a region, and defines the midpoint of income distribution, it is used to set eligibility for many HUD programs

Assets- items of value that can be turned into cash

Gross Income- total income

Homelessness- experiencing literal homelessness or residing in shelter (ES), transitional (TH), safe-haven (SH), or place not for human habitation, or fleeing DV without sufficient resources to maintain housing

Homelessness Prevention- programs that have received notification that they will imminently lose housing in next 14 days and have insufficient resources to rehouse themselves

Income- cash or certain assets that are available to the household to contribute toward their stability.

Low income- 80% of AMI

Very low income- 50% of AMI

Rapid rehousing- any Tenant Based Rental Assistance that is up to 24 months

Addendum 3: Program Eligibility and Income

HUD program eligibility can be based on income. Not all programs require income be at a certain amount. Below is a chart of the income expectations for several programs. Programs that don't have an income limit still require that income is calculated for the rental assistance contribution.

Continuum of Care- no income limit

Emergency Solutions Grant- 30% of Area Median Income (AMI) for Homeless Prevention, no income limit for Rapid Rehousing until 6 months

Housing Opportunities for Persons with AIDS- 80% of Area Median Income (AMI)

For an example of the income limits at various statuses in Indiana, visit this [link](#).

Addendum 4: Income Practice Worksheets

Patricia's Scenario- in the training webinar

Patricia and her two children (3, 5) are fleeing domestic violence and need rapid rehousing (RRH) assistance. Sheltering Hearts, a local DV agency, is receiving DV CoC funding to serve survivors with RRH. Patricia met with her case manager and provided the following information:

Document Type	Verification	Amount (if applicable)
Household member verification	Copy of SSN card, written SSN for 5 year old, no SSN for 3 year old	NA
Income	Paystubs for the last 3 paychecks, paid bi-weekly	\$1,400 per paycheck
Income	Screen shots from Uber Eats App showing income for last 30 days	\$250 total income over 30 days
Income	Receipt for gas that client received in cash from local church to fill her car gas tank	\$80 from three days ago
Income	Documents showing she sold an RV below fair market rate one year ago.	The RV was valued at \$10,000 and she sold it for \$5,000

Note Patricia says she only plans to Uber for another 5 months.

Patricia needs childcare for her time working. She is also thinking about going back to Ivy Tech to enhance her certifications and increase her income. She currently works 25 hours per week. Childcare is \$25 an hour per week for both of her children. If she begins Ivy Tech classes, this will add another 8 hours per week of childcare. What is her total annualized income, her total deductions and the final total of her annual adjusted income?

Answer Key- Patricia

Document Type	Verification	Amount (if applicable)	Answer Key
Household member verification	Copy of SSN card, written SSN for 5 year old, no SSN for 3 year old	NA	Children under 6 are not required to have an SSN card.
Income	Paystubs for the last 3 paychecks, paid bi-weekly	\$1,400 per paycheck	Annualized wage is \$36,400 $\$1,400 \times 26 = \$36,400$
Income	Screen shots from Uber Eats App showing income for last 30 days	\$250 total income over 30 days	\$1,250 for 6 months of Uber Eats $\$250 / 30 = \8.30 \$1,250 for 150 days
Income	Receipt for gas that client received in cash from local church to fill her car gas tank	\$80 from three days ago	\$80 because she received cash to fill up her gas tank.
Income	Documents showing she sold an RV below fair market rate one year ago.	The RV was valued at \$10,000 and she sold it for \$5,000	\$5,000 in asset income
Deduction	Bill from childcare showing \$25 per hour	Anticipating 25 hours per week for work	\$625 weekly/\$32,500 annually $\$25 \times 25 = \625 weekly
Deduction	Bill from childcare showing \$25 per hour	Anticipating 8 hours per week in education	\$200 weekly/\$10,400 annually $\$200 \times 52 = \$10,400$ *note she isn't already in school, but she is thinking about it.
Annualized Income			\$42,730
<i>Patricia's Income is \$39,200 from her employment. She also received \$80 in gas and has \$5,000.</i>			
Deductions			Without schooling \$32,860

<i>Patricia's deductions can be greater than her income ONLY IF she is in education; otherwise the deduction would max out at her income.</i>	With schooling \$43,260
Adjusted Annual Income <i>With schooling -\$1,130</i> Annual income can never be less than zero.	Without school \$9,270 With schooling \$0

Tom's Scenario- NOT INCLUDED in training webinar (great for staff discussion!)

Tom has been experiencing chronic homelessness and was just referred to a CoC supportive housing (PSH) program at Hope Haven from Coordinated Entry. Tom has applied for social security disability several times and was recently approved. He will shortly receive a lump-sum payment and then ongoing payments each month. At his enrollment he also disclosed that he has not been paying for his court-ordered child support for three years. He recently received some inheritance in the form of bonds when his mother passed away. Tom's case manager has a meeting with him today to discuss his income and get him ready to move into his unit next week.

What are some of the questions the case manager should ask Tom at the appointment?

What are the best sources of documentation for his income or assets that the case manager should locate?

Will Tom's child support (back pay OR ongoing) impact on his adjusted income?

	Income or Asset?	Value	Adjusted Value
Lump-sum social security		\$28,000	
Monthly social security	I	\$800	
Bond Inheritance		\$13,500	

*The bond current value is \$13,500 and has not reached maturity. The penalty for withdrawing the bond at this point would be \$1,500. HUD passbook savings rate of .45%

Two weeks after move-in Tom has not provided some of the information requested to finalize his income information. What are some next steps to address this?

How long can they stay?

Answer Key- Tom

Questions brainstormed should include creative ways to help Tom identify sources of income or deductions.

The best source of income documentation is based upon what the agency’s policies say about preferred sources, but regulation states that sources should meet at least this threshold:

- 1) Written 3rd Party Documents- 1st preference
- 2) Oral 3 Party Verification- 2nd preference
- 3) Self-certification- 3rd preference and should be done in a process that ensures first 2 options are approached first, and that verification of self-certification is pursued. Some programs limit how much information can be self-certified. Check with your grant analyst if you have questions.

Tom’s child support and back child support is not deducted from his income. This includes ongoing payments and back payments.

	Income or Asset?	Value	Adjusted Value
Lump-sum social security	Neither for purpose income	\$28,000	NA, not included
Monthly social security	Income	\$800	\$800
Bond Inheritance	Asset	\$13,500	$\$13,500 - \$1,500 =$ $\$12,000 * .45\% = .54$ Value is \$12,005.40

Clients that fail to provide income documentation should receive outreach to ensure they understand the implications of failing to provide the information. All clients should sign a client termination policy when they enroll and be reminded if they fail to meet requirements. Income information is required under HUD guidelines. After they receive appropriate information and warning, then the agency would follow the client termination policy and terminate Tom if he doesn’t comply.

Tom can stay as long as the agency termination policy allows and can receive CoC assistance for no more than 1 month following when he was notified of his termination.

Jennifer and Mark's Scenario- in the training webinar

Jennifer (52) and Mark (58) have been in the Passageways CoC PSH program for several years. Their case manager met with them and received their income information and all necessary documents to verify their income at annual recertification. Use the information below and the income calculation worksheet to accurately calculate their adjusted income and rental assistance portion. They live in Allen County. Their rent is \$990 without assistance. The current utility allowance is \$134.

Item or Issue	Value	Notes
Mark Employment	\$1,100 bi-weekly	Mark received a letter from his employer confirming a pay raise beginning in 30 days. His new wage will be \$1,250 bi-weekly.
Jennifer disability	\$967 per month	Jennifer is currently on disability
Electric wheelchair rental (unreimbursed)	\$2,300 per month	Jennifer is using the wheelchair to engage in employment program
Jennifer Employment	\$350 bi-weekly	Jennifer works 18 hours weekly in a supportive employment program.
SNAP benefit	\$280 per month	
Medication (unreimbursed)	\$200 per month	Mark and Jennifer's prescribed medications. Mark's are \$50 and Jennifer's are \$150.
Mark's son Benjamin (15) visits Mark and Jennifer on weekends		
Gift cards	\$250	Jennifer received gift cards to Wal-Mart from her friends for her birthday
ROTH IRA	\$5,900	Jennifer has a ROTH from previous employment. The penalty for cashing it out is 10% of the value and an additional \$250 fee.
Savings account	\$1,500	Mark's savings account

Answer Key- Mark and Jennifer

Item or Issue	Value	Answer Key
Mark Employment	\$1,100 bi-weekly, a pay raise beginning in 2 pay periods. New wage will be \$1,250 bi-weekly.	<i>Calculate annual income of \$32,300</i> \$1,100*2 (2 pay periods) \$1,250*24 (24 remaining out of 26 annually)
Jennifer disability	\$967 per month	<i>Calculate annual income of \$11,604</i> \$967*12 (12 months)
Jennifer Employment	\$350 bi-weekly for 18 hour weekly supported employment	<i>Calculate annual income of \$9,100</i> \$350*26=\$9,100
ROTH IRA	\$5,900, cashing it out is 10% of the value and an additional \$250 fee.	<i>Calculate income from asset of (see total below)</i> \$5,900*.1=\$590 \$5,900-\$590= \$5,310 \$5,310-\$250=\$5,060
Savings account	\$1,500 in Mark's savings	\$1,500
Total assets		Calculate imputed income from all assets of \$6,560*.00045=\$2.95 \$6,560+\$2.95=\$6,562.95
Electric wheelchair rental (unreimbursed)	\$2,300 per month for wheelchair that allows her to have employment	<i>Calculate deduction of \$27,600</i> \$2,300*12=27,600
SNAP benefit	\$280 per month	
Medication (unreimbursed)	\$160 per month. Mark's are \$50 and Jennifer's are \$150.	<i>Calculate deduction of \$2,400</i> \$200*12= \$2,400

Mark's son Benjamin (15) visits Mark and Jennifer on weekends		There is no deduction eligible because of Benjamin's age and his part-time care status with the household.
Gift cards	\$250	Birthday gifts are not considered income
<i>Total Annual Income</i>	Both Mark and Jennifer's income is included	<i>Income:</i> $\$32,300 + 11,604 + 9,100 = \$53,004$ <i>Imputed Income from Assets</i> \$6,562.95 <i>Total:</i> \$59,566.95 3% of income is \$1,787.01
<i>Total Deductions</i>	See above, add additional \$400 disabled household	<i>Deductions include</i> 27,600 in unreimbursed medical + \$2,400 in unreimbursed disability assistance subtract \$1,787.01 = \$27,212.99 <i>Plus \$400 disabled household</i> = \$28,612.99
<i>Adjusted Annual Income</i>	Includes all income sources and deductions	\$30,953.96
<i>30% of Adjusted</i>	\$9,286.19	$\$9,286.19 / 12 = \773.85 owed in monthly rent
<i>10% of Gross</i>	\$5,956.68	NA- rent based on higher of 10% gross or 30% adjusted

Important Calculation Notes:

3% of household income is \$1,787.01

Passbook savings rate is .045% or .00045 in this scenario.