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Community Services Policy Manual	SUBJECT Community Services Block Grant: INCOME ELIGIBILITY GUIDELINES		EFFECTIVE DATE 2/01/07 ISSUE DATE

REFERENCES:

- Annual Update of the Department of Health and Human Services (HHS) Poverty Guidelines
- CSPM Item 208 – Poverty Income Guidelines

BACKGROUND:

Section 673(2) of the Coats Human Services Reauthorization Act of 1998 requires the use of the HHS Poverty (income) Guidelines as an eligibility criterion for the CSBG program.

POLICY:

CAAs will determine their own policies, based on local decisions, of what specific assistance/services will be provided to their clients. They will also determine the type, financial limitations and the frequency of any direct monetary services provided as well as any non-income related eligibility criteria.

The following services are not allowed with CSBG funds:

- a. Purchase or improvement of land or the purchase, construction or permanent improvement of any building or other facility.

Note: Assistance with a delinquent mortgage or property tax payment is allowable. A permanent improvement to a home, such as installing a different furnace system (e.g., from electric to gas) or making a change to the inside or outside structure of the home, is not allowed. Contact your DHS grant manager if you are uncertain about the allowability of a specific service.

- b. Leasing of space, buildings, and/or other assets not associated with a CSBG purpose or allowable activity.
- c. Political activity such as:
 - Any partisan or nonpartisan activity or any political activity associated with a candidate or contending faction or group, in an election for public or party office;
 - Any activities to provide voters and prospective voters with transportation to the polls or provide similar assistance in connection with an election; or
 - Any voter registration activity.

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Income Eligibility

Use the 125% of poverty income guidelines to determine eligibility for services provided with CSBG funds. Income refers to total cash receipts (gross) before taxes from all sources (see below) for all household members, for the past 12 months. **NOTE:** A household is all persons occupying a housing unit, regardless of whether they are related. Exception: For income eligibility purposes, Foster Children are not to be included as household members and Foster Care payments/subsidies are not to be included as income. Also, see NOTE under "Income Excludes."

Poverty Income Guidelines

Please refer to CSPM Item 208 for current 125% of poverty income guidelines.

Income Includes

1. Money, wages and salaries before any deductions.
2. Net receipts from nonfarm or farm self-employment (receipts from a person's own business or from an owned or rented farm after deductions for business or farm expenses).
3. Regular payments from the Social Security Administration (gross benefits, including any Medicare premium), railroad retirement, unemployment compensation, strike benefits from union funds, worker's compensation, veteran's payments, public assistance (including Family Independence Program-FIP, Supplemental Security Income-SSI, and State Disability Assistance-SDA), training stipends, alimony, child support, and military family allotments.
4. Private pensions, government employee pensions (including military retirement pay), and regular insurance or annuity payments.
5. College or university scholarships, grants, fellowships and assistantships.
6. Dividends, interest, net rental income, net royalties, periodic receipts from estates or trusts, and net gambling or lottery winnings.
7. Any lump sum payments received by Native Americans, such as from Casino income or other tribal income.

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Income Excludes

1. Capital gains.
2. Any emergency assistance program payments.
3. Any assets resulting from withdrawals from a bank; or the sale of property, a house or a car.
4. Tax refunds, gifts, loans, lump sum inheritances, one time insurance payments or compensation for injury.
5. Noncash benefits such as employer or union paid portion of health insurance, or other employee fringe benefits; food or housing received in lieu of wages; the value of food and fuel produced and consumed on farms; the imputed value of rent from owner-occupied nonfarm or farm housing; and federal noncash benefit programs such as Medicare (Medicare premium payments are **not** excluded), Medicaid, food stamps (including cash received in lieu of food stamps), school lunches and housing assistance.
6. Income earned through employment by a child who is age 18 and under, **and** attends school. **NOTE:** "Earnings" do not include program benefits such as Social Security, Supplemental Security Income, etc.; these **are** included in the total household income.
7. Adoption subsidies and foster care payments.
8. Household members who are absent from the home for 90 consecutive days or more are excluded from the household and therefore, their income is excluded.

Income Computations

For the purpose of computing income to determine income eligibility, the household's income is **ANNUALIZED** based on **ACTUAL** income received for the preceding 90 days or 13 weeks (including the date of application). To annualize, the income received for the 90 days/13 weeks is multiplied by four (4).

Note: An income source should not be annualized when there are periods in the past 12 months when the household member did not receive or earn income from that source. When this occurs, applicable statements should be included on the income computation form.

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If the household is initially determined to be over income (based on annualizing), the agency may redetermine income eligibility based on the household's ACTUAL **INCOME** for the preceding 12-month period (including the date of application).

The income computation process should include working from year-to-date wage income documentation, current and prior monthly benefit documentation, W-2s or income tax returns for prior year's income, and, **as a last resort**, self declarations. **All income** must be included and documented. There is no automatic eligibility for CSBG services. See the attached Income Computations - SAMPLE form (Attachment A) for documenting income computations. Note: The 90 days, 13 weeks, or 12-month period is considered the "lookback" period.

- For applications taken from January 1 through January 31: W-2s and income tax returns may be used as **sole** income documentation. In this instance, the ACTUAL gross income figures from these documents may be used rather than annualizing.
- For applications taken after January 31: W-2s and tax returns may only be used in combination with other current year income documentation. In these instances, the W-2s and tax returns can provide a basis for determining/computing income for the relevant weeks/months in the prior calendar year. See the attached Income Computations – Using W-2s and Tax Returns (Attachment B)

Documentation of Income

Income must be thoroughly documented. The following items are acceptable documentation:

- Copies of paychecks or pay stubs;
- Written statements from employers;
- Letters, benefit statements, or other documents from income sources, e.g., DHS, Social Security, VA;
- Unemployment Compensation Benefit check stubs;
- If self-employed, accounting and other business records showing net income;

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- W-2 statements and tax forms. They will seldom be adequate by themselves unless the date of application is between January 1 and January 31. Note: An exception may be made for the self-employed, since tax records are a convenient source of information about their income. However, they should be used in conjunction with a self-declaration.
- A signed self-declaration of the applicant, but only as a last resort;
- Other documents the program operator has reason to believe will **fully verify** the ANNUALIZED, or ACTUAL, income of the applicant.

Timeframe between Eligibility Determination and Service Provided

The allowable timeframes between eligibility determination and provision of specific assistance/services which have a direct monetary value attached (such as: payment on behalf of the client for delinquent bills, lodging, repair services, medical services, etc. or **vouchers** for food, clothing, furniture, equipment, etc.) are as follows:

- Services should be provided within 30 days of the initial eligibility determination.
- If additional services are requested after 30 days of eligibility determination - but within 6 months/180 days of eligibility determination, the agency must document that the client is still income-eligible for each service.

If the client states that there has been no significant change in the household income status, the agency may take a signed, and dated, self-declaration from the client documenting that “there has been no significant change in the household income status since the date of the initial service application.” The self-declaration should be maintained in the client file with the original client application, the original income documentation and documentation of benefit(s) provided.

- Eligibility must be redetermined and a new application taken (including receipt of the required income documentation) for any direct monetary service to be provided after 6 months/180 days of the original eligibility determination.

These requirements do not apply to **“ongoing services”** provided by the agency where eligibility for a program/project is determined at the beginning of the program/project period (e.g., senior transportation, housekeeping or snow removal; on-site day/after school care; etc.).

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Client File

Agencies must maintain a client file for all recipients of CSBG services. At a minimum, the file must include:

- A copy of the agency's client services application. The application must identify each member of the household as well as income sources and amounts for each member of the household being served. The client and the intake worker must sign the application.
- A copy of all documents used to determine income eligibility; including self-declarations and documented phone conversations (**with names, dates, etc.**) with public case workers.
- **All** calculations for each income source for the prior 12 months (annualized or actual) as well as the total income for the client household.
- The type and dollar value, of the benefits provided.

