



HEART

HOUSING & ECONOMIC ASSISTANCE TO REBUILD TEXAS

HEART Program Income Certification Webinar

tsahc
TEXAS
State Affordable Housing Corporation

Welcome & About Us



About the HEART Program

Grants of up to \$50,000 **and** free technical assistance to grantees to help build capacity and scale their programs to assist more Texas families.

The HEART program supports the following activities:

1. Housing Recovery Repairs that alleviate health and safety issues, such as mold remediation, roof repairs, repairing/replacing broken windows and doors, repairing damaged electrical systems, and fixing cracked pipes and foundation issues caused by flood waters.

2. Programmatic grants to support:

- Case management and supportive housing services; financial counseling; nonprofit donation centers; direct financial assistance; volunteer coordination; outreach services and events.
- Develop comprehensive disaster preparedness plans to protect buildings, residents and business operations.
- Long term planning efforts with a focus on incorporating resilient features and green building standards.

Housing recovery repair grants are administered by TSAHC, and programmatic grants are administered by Enterprise.

HEART Fall Webinar Series

- **October 10, 2018: Managing Federal Funds**
Are you ready to manage federal funds? An overview of policies and procedures a nonprofit should have in place before applying for federal funds
- **October 24, 2018: Volunteer Management**
Lessons learned from home repair nonprofits after Hurricane Katrina
- **November 7, 2018: Ready to Respond**
How to prepare staff to handle emergencies and ensure residents are safe.
- **November 28, 2018: Income Certification**
A comprehensive overview of the income certification process

Recordings available at www.rebuildwithheart.org

HEART Program



Donate Now

HEART Program Documents

Welcome to the HEART Program resource page. On this page you'll find all the information and documents you need to administer your HEART grant.

+ GRANT INFORMATION DOCUMENTS

+ REPORT DOCUMENTS

+ INCOME DOCUMENTS

+ TECHNICAL ASSISTANCE WEBINARS

HEART PROGRAM

HEART PROGRAM GUIDELINES

HEART GRANTEES

HEART APPLICATION PORTAL

Contact Us- Home Repair Grants

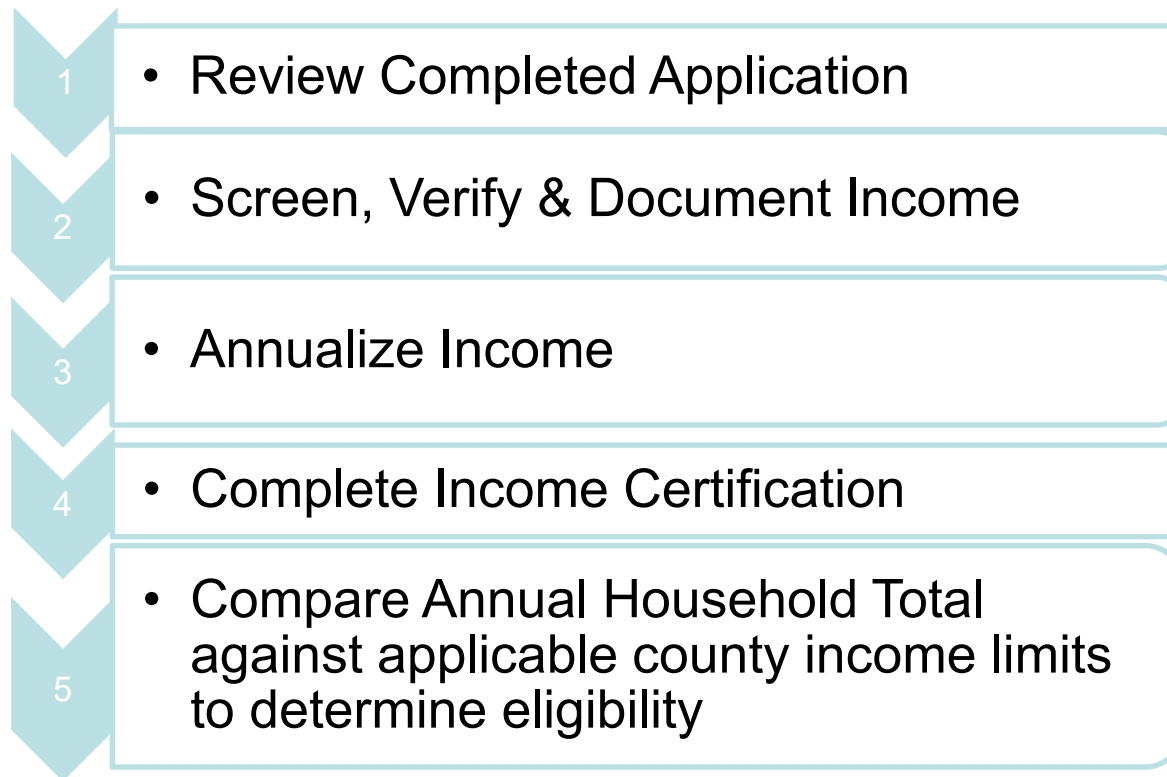
For questions regarding home repair grants, contact Michael Wilt at heart@tsahc.org.

Contact Us- Programmatic Grants

For questions regarding programmatic grants, contact Monica Gonzalez at mgonzalez@enterprisecommunity.org.

Income Certification Process

**Always follow the following 5 Basic Steps
when qualify households**



Note: For HEART Program, households must earn no more than 80% AMI (HUD Section 8 Income Limits)

Verification Methods

Employed & Other

- Verify one full month of work (i.e., Pay Stubs, Employment Verification, Award Letters, W-2, Retirement or Unemployment Benefits)

Self-Employed

- Annualize year-to-date total on a current profit and lost statement and average the amount with the net income figures from the two most recent year's of federal tax returns (with depreciation added back).

Non-Employed & Other

- Any person 18 years old or older with no income must complete a Certification of No income.

*All verifications, regardless of method, must be dated within 120 days of the certification date.

Calculation Methods

- HUD's method of annualizing income consist of:
 - Annualizing current gross income (prior to any adjustments)
 - Calculate income assuming current circumstances will last a full 12 months.
 - Calculate anticipated income when information is made available on changes expected to occur.
 - Stay Consistent – Management must develop policies and procedures that will remain consistent throughout the verification process.

Annualize Income

Basic method to calculate periodic wages include:

Full-Time Hourly • Wage x 2080

Weekly • Wage x 52 pay periods

Bi-Weekly
(every other week) • Wage x 26 pay periods

Semi-Monthly
(twice a month) • Wage x 24 pay periods

Monthly • Wage x 12 pay periods

No check stubs!?

- In the event that the applicant does not have check stubs or cannot obtain them you have more options.
 1. Have the employer complete an Employment Verification (EV):
 - The EV (example on next slide) will assist with capturing overtime, commissions, tips, bonuses, and employment start and end dates.
 2. Obtain tax returns
 - Capture all types of income (i.e., Form 1099, Form 1040, Schedule C, and/or Form 2016).
 3. Self Certification: If a resident is self employed and does not have any tax documents for previous years a “Self-Certification” form can be completed for expected annual income.
- The above options are commonly used to determine income for Seasonal, Part-Time, Short-term, and Temporary Income.

Example Employment Verification (EV)

TO: (Name & address of employer) _____ Date: _____

RE: _____ Applicant/Tenant Name _____ Social Security Number _____ Unit # (if assigned) _____

I hereby authorize release of my employment information.



 Signature of Applicant/Tenant

 Date



The individual named directly above is an applicant/tenant of a housing program that requires verification of income. The information provided will remain confidential to satisfaction of that stated purpose only. Your prompt response is crucial and greatly appreciated.

 Project Owner/Management Agent

Return Form To:

THIS SECTION TO BE COMPLETED BY EMPLOYER

Employee Name: _____ Job Title: _____

Presently Employed: Yes No Date First Employed _____ Last Day of Employment _____

Current Wages/Salary: \$ (circle one) hourly weekly bi-weekly semi-monthly monthly yearly other

Average # of regular hours per week: _____ Year-to-date earnings: \$ _____ through ____/____/____

Overtime Rate: \$ _____ per hour Average # of overtime hours per week: _____

Shift Differential Rate: \$ _____ per hour Average # of shift differential hours per week: _____

Commissions, bonuses, tips, other: \$ _____ (circle one) hourly weekly bi-weekly semi-monthly monthly yearly other _____

List any anticipated change in the employee's rate of pay within the next 12 months: _____ Effective date: _____

If the employee's work is seasonal or sporadic, please indicate the layoff period(s): _____

Additional remarks: _____

How to Annualize Income – Case Study

A three-member household applies and discloses the following information: Household (HH) member #1 receives weekly wages, HH#2 receives benefits, and HH#3 is a seasonal employee. Each household's income is annualized below:

- HH #1 provides 4 check stubs: The Gross pay amounts on the check stubs are:

$$\$251.23 + \$228.67 + \$275.21 + \$222.85 = \$977.96$$

$$\$977.96/4 = \$244.49$$

$$\$244.49 \times 52 = \mathbf{\$12,713.48}$$

- HH #2 provides a Social Security award letter: The Gross benefit amount is \$830.74

$$\$830.74 \times 12 = \mathbf{\$9,968.88}$$

- HH #3 provides a Self-Certification: The applicant discloses he is a seasonal worker, he worked from May - August for a total of \$2,000.00.

$$\$2,000.00 \text{ Total} = \mathbf{\$2,000.00}$$

Income Certification Form – Case Study

- For each household member, each Income Source should be entered on its own line of “Part II” of the Income Certification Form.
- The average Gross Monthly Income amount should be entered in the second column and then annualized and entered into the third column

PART I. HOUSEHOLD COMPOSITION					
Household Member #	Last Name	First Name	Relationship to Household	Date of Birth (MM/DD/YYYY)	Individual with a Disability (Y/N)
1	Doe	John	HEAD	1/1/1981	N
2	Doe	Jane	Co-Adult	1/1/1981	Y
3	Doe	Jack	Co-Adult	1/1/1981	N
4					
5					

PART II. GROSS ANNUAL INCOME				
Household Member #	Source of Income (Wages, SSI, Unemployment)	Base Monthly Income	Annual Income	Supporting Documentation (Y/N)
1	Wages	1,059.46	12,713.48	
2	SSI	830.74	9,968.88	
3	Seasonal Wage	N/A	2,000	
4				
5				
Totals		1890.20	24,682.36	

Income Certification Form – Case Study

- Each applicant should sign the Income Certification

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Applicant's Printed Name

Signature of Applicant

Applicant's Printed Name

Signature of Applicant

SIGNATURE OF ORGANIZATION'S REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part I of this Income Certification is/are eligible under the provisions of program's rules and regulations to live in a unit in this Project.

Organization's Representative Printed Name

Signature of Representative

Other Forms & Notes

- Other sources of income commonly found include:
 - Child support / Alimony
 - Usually Paid Monthly
 - Some Managers request Attorney General print outs (not required)
 - Dividends and Interest from IRA's, VIP's and 401K's
 - SSI benefits
 - Unemployment and workers compensation
 - Monetary Gifts, Car/Cell phone allowances
 - The full amount of public assistance payments.

Award
letters

Other Forms & Notes

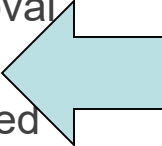
- **Gross Income does not include the following:**
 - Casual, sporadic or irregular gifts.
 - Amounts which are specifically for, or in reimbursement of, medical expenses.
 - Lump sum additions to family assets, such as inheritances, re-enlistment bonuses, insurance, capital gains and settlement for personal property losses.
 - Income from foster child care payments.
 - Income of a live-in aide or Nurse.
 - Amounts of educational scholarships paid directly to the student or the educational institution, and the amount paid by the government to a veteran for use in meeting the cost of tuition.
- **In cases that have complicated calculations, HEART Grantees are encouraged to communicate with TSAHC to ensure calculations are within the Guidelines.**

Documents that are not required for HEART

- Bank statements
 - HOWEVER: If bank statements were collected and revealed other income sources, then those income sources must also be verified as income.
- Property Tax Records
- Social Security Cards
- Mortgage Payment History/Delinquency
- Proof of Homeowners Insurance
 - *These items are not required in this funding cycle, however our guidelines change periodically and some of these items may be required in the future.*

Other Information

- **For HEART critical home repair grantees only:**
 - Household Income Certifications can be submitted for approval on an ongoing basis or during final reports.
 - Repair grants must also submit proof that each home repaired with HEART funds was damaged by Hurricane Harvey and proof that the homeowner did not receive assistance for the repairs through another funding source



Note: Income certifications are NOT required to be submitted for Programmatic Grantees

Contact Us

James Matias

Senior Manager, Asset Oversight and Compliance

jmatias@tsahc.org

512-334-2153

Celina Mizcles Stubbs

Manager, Asset Oversight and Compliance

cstubbs@tsahc.org

512-334-2154



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Questions?