Please Note Sections E & F of this document pertain to Self-Employed households. Due to the complex nature of eligibility determination for Self-Employed households, Section E & F are not shown here. You must meet with an intake specialist for eligibility information if you have Self-Employment income.

III. ELIGIBILITY AND BENEFITS

Eligibility is based on total gross annual income (before taxes and deductions) for all household members and/or self-employment income (after LIHEAP allowable deductions) and vulnerability to energy costs as defined within this Guidance.

Massachusetts LIHEAP benefit levels are structured to target the greatest assistance to households with the lowest gross income. Subject to final Federal appropriation, LIHEAP benefit levels are listed in the Income Eligibility Chart. LIHEAP benefits are not guaranteed to eligible households, but are dependent upon the availability of funds.

See the Appendix of this Guidance for the FY 2009 LIHEAP Income Eligibility Chart. It is based on the 200% of the Federal Poverty Level, limited to a maximum of 60% of estimated State Median Income. The LIHEAP Income Eligibility Chart is also based on gross annual income for all household members.
IV. INCOME AND REQUIRED DOCUMENTATION

A. **Overview:**

Income documentation must represent 4 consecutive weeks prior to the application date or any 4 consecutive weeks after the application date through April 30th, or the last date of an extended intake period. Subgrantees shall have income documentation on file for each member over 18 years in the applicant household.

Care should be taken when gross income is identified because pre-tax deductions from wages may distort the full, countable gross amount. Elected deductions such as deferred compensation, “cafeteria plans” and health care contributions are examples of such pre-tax deductions. They should be counted to arrive at the true gross amount.

In cases where an Earnings Summary Sheet is provided with a W-2, the highest gross pay reported is what should be counted for LIHEAP purposes. It is not unusual for the Earnings Summary Sheet to have the highest gross amount.

B. **Income Calculations**

To obtain gross annualized amounts (52 weeks), the following is applied:

- 4 weeks totals are multiplied by 13;
- Bi-weekly income sources are multiplied by 26;
- Semi-monthly sources are multiplied by 24;
- Annual income sources are multiplied by 1;
- Year-to-date must obtain a weekly average and multiply by 52

C. **Income Sources**

Countable eligible income sources include:

- Wages and salaries (including bonuses, tips, overtime allowances, and taxable benefits/contributions), self-employment earnings (less allowable LIHEAP deductions), strikers’ benefits, military earnings (see Active Military Personnel Section II. M.);
- Social Security, Supplemental Security Income (SSI);
- TANF, (gross grant amount, including protective payment portion, when applicable), EAEDC;
- Unemployment compensation;
- worker’s compensation;

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diamond disability insurance payments;

diamond Pensions and annuities, dividends, interest greater than $100, estate or trust income;

diamond Rental income less allowable deductions;

diamond Royalties, cash prizes or lottery winnings;

diamond Alimony, child support, mortgage/rent payments in lieu of or in addition to support payments;

diamond Regular/ongoing cash support given to or on behalf of a household by others;

diamond DTA rent allowances, any scholarship or scholastic grant which can be used for current maintenance (housing, food, clothing, etc.) and is not covered under the Higher Education Act or its amendments; and any other payment considered by the state to be income;

diamond Odd jobs employment income;

diamond Income from lump sum receipts such as, but not limited to: stocks/bonds, capital gains, inheritances, insurance payments (excluding life insurance and third party payments), one-time alimony/child support, pensions/annuities/IRA withdrawals for applicants who are at 59 1/2 years of age or older.

D. Income Documentation

Income source documentation must contain:

diamond Client’s name,

diamond Social Security Number or Employee Identification Number, whenever possible, and

diamond Gross income.

1. Acceptable Documents for Wage and Salaries

Wage documents must show:

diamond Client’s name with Employee Identification Number (if available) or Social Security number,

diamond Gross income, and

diamond Dates of pay period.

Paystubs may represent:
- 4 consecutive weekly pay periods, or

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- 2 consecutive bi-weekly pay periods, or
- 2 consecutive semi-monthly pay periods, or
- 2 pay periods at a minimum of 4 weeks apart to obtain year-to-date when the applicant cannot provide four consecutive weekly pay stubs.

If the above pay stub requirements cannot be met, the following wage and salary documents must be collected:

◊ A letter from the employer on company letterhead which includes employer identification, the company’s address, and telephone number, employee’s name, the date employment began (and terminated, if applicable), and the employer’s signature and date, with available pay stub(s) attached, or

◊ An agency prepared form completed, signed, and date by an authorized representative of the employer, with available pay stub(s) attached, or

◊ An unemployment print-out from DET that includes wage and dependent care information, or

◊ In instances where a pay stub cannot be produced to accompany an income statement on letterhead, the employer’s letter may be accepted as income verification. This information must, however, be received FROM the employer, either via mail or in person. When this information is received via mail, the accompanying envelope shall be attached to the letter and included in the file. The agency shall check the return address on the envelope (if applicable) and verify that it corresponds to the employer’s address.

NOTES:
1) The full gross amount on any pay stub including military pay stubs must be counted. See Section III, Part N for details.

2) 2008 IRS Form 1040 with the 2008 W-2 forms for a household can be used in the following situations:
◊ Denied over-income with an application date prior to 1/31/09 and appealing with tax documents

   OR

◊ Applying between January 1 and February 15.

3) Copies of computer worksheets for taxes if filed electronically and a copy of the IRS's confirmation acceptance page showing acceptance number of the electronic filing are acceptable for the Form 1040.
Line 7: date is 12/31/07 for 2007 taxes and is 12/31/06 for 2006 taxes.

Form 4562: Depreciation and Amortization (Including Information on Listed Property)
An applicant may file this form for a deduction for a vehicle not listed on Schedule C or Schedule C-EZ.

G. Unemployment Benefits
Acceptable documentation of unemployment benefits must indicate the client's name or Social Security number, amount of benefits (including dependent allowances) and, if applicable, the date benefits began and were terminated.

Acceptable documents include:
- Division of Unemployment Assistance (DUA) check stub;
- An official signed statement from DUA; and
- DUA printout, which includes wage information.

Exclusions:
- Weekly incentive and training allowances from the Division of Career Services/Unemployment Assistance (DCS/DUA).
- Salaries from public service employment under DCS/DUA.
- Payments received under the Workforce Investment Act's Youth Employment Programs.

H. Fixed Income Sources

These include but are not limited to:
- Social Security benefits (before applicable deductions, e.g. Medicare Premium) (SSA);
- Supplemental Security Income (SSI);
- Emergency Aid to Elderly, Disabled and Children (EAEDC);
- Temporary Assistance to Families with Dependent Children (TAFDC);
- Veteran's Benefits; and
- Retirement/Pension Income.

I. Acceptable fixed income documents:

Acceptable forms of fixed income documents are:

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A copy of current benefit check (SSA, SSI, EAEDC, TAFDC only);

A copy of a benefit check stub (retirement/pension, veteran’s benefits);

An official statement of benefits or computer print-out may also be utilized to document earned income by the assistance unit;

A letter from income sources;

Bank Statements showing direct deposit of SSA, SSI, EAEDC, TAFDC (other deposits or income from other sources on bank statements must be explained/documented);

Subgrantee prepared form completed by income source; or

IRS Form 1099.

**Fixed income documents shall include:**

- Client’s name and/or Social Security Number; and
- Gross amount of benefits.

1. **Fixed Income Documentation by Income Type**

   a. **Social Security (SSA) and Supplemental Security Income (SSI)**

      SSA and SSI checks are acceptable forms of documentation because they identify the client’s address and Social Security Number.

   b. **Emergency Aid to the Elderly, Disabled, and Children (EAEDC)**

      A copy of a benefit check or else a letter from the DTA.

   c. **Temporary Assistance to Needy Families (TANF)**

      Welfare verification, mailed at the end of the summer, may be accepted until December 31st.

      If there is a difference between a TANF check amount and the standard grant amount, the reason must be noted on the Comment Sheet. No further documentation is required.

      Food Stamp print-outs from the Department of Transitional Assistance (DTA) may be utilized to document income from other sources.
The income of TANF households with employment income may be calculated by multiplying the maximum monthly grant by 12 providing that the following remains true:

◊ All household members are part of the TANF assistance unit including those excluded children who were born after the Welfare Reform Act; and

◊ All housing and other eligibility criteria have been determined.

d. **Veteran’s Benefits/Retirement/Pension Income**

Documentation of Veteran’s Benefits and Retirement/Pension Income must have the current cost of living adjustment.

2. **Use of Documentation from Previous Years**

Certain types of income documentation may be utilized from year-to-year due to their fixed nature. By adding a Cost of Living Adjustment (COLA) the new year’s income can be determined. The following types of income documentation may be transferred from the prior year’s program files provided there is no change in household status:

◊ Social Security and SSI documentation, with applicable COLA added. (Social Security and SSI documentation must be updated after 5 program years.)

The following COLAS apply for SSA/SSI. When dealing SSA/SSI net amounts, the following Medicare amounts must also be added:

- January 2004, 2.1% increase Medicare $66.60
- January 2005, 2.7% increase Medicare $78.20
- January 2006, 4.1% increase Medicare $88.50
- January 2007, 3.3% increase Medicare $93.50
- January 2008, 2.3% increase Medicare $96.40

◊ Veteran’s benefits documentation, with applicable COLA added.

◊ Due to continuous file format, income worksheets may be used in instances where the COLA has already been factored in and updated.

3. **Fixed Income Exclusions**

◊ Payments under the Nutrition Program for the Elderly (Title VII of the Older American’s Act of 1965).

◊ Payments to, or reimbursement given to, volunteers serving as Foster Grandparents, Green Thumb volunteers, Elder Service Corps Volunteers, Senior Aides or Companions, or those serving in the Service Corps of Retired Executives, AmeriCorp/VISTA, or in FY 2009 LIHEAP Administrative Guidance
any other program established under the Domestic Service Act of 1973.

- Payments received from programs funded under Title V of the Older Americans Act of 1965 and subsequent amendments. This includes “Operation A.B.L.E.”.

- Reverse Mortgages (money received from a loan secured by the equity in the home of an individual who is aged 60 or over.)

- Incentive payments of $30 per week or less received under a vocational rehabilitation program of the Massachusetts Rehabilitation Commission.

- The Veteran’s Educational Aid and Attendant Care payments.

- One-time death benefit from the Social Security Administration (SSA).

- Plans for Achieving Self-Support (PASS) under SSI. SSA applicants must provide a grant notice which specifies “Social Security in the amount of ($____) is not counted as income because (Applicant Name) is applying this income towards her/his plan for achieving self-support”.

- Payments to a nursing home using the spouse’s Social Security benefits. (Written verification from the nursing home is required).

**NOTE:** For other income exclusions, please also see Section IV, Application Intake/Certification, Part U. “Miscellaneous Income Exclusions.”

### 4. Calculations of Fixed Income Sources

- Fixed incomes received monthly (e.g. Social Security, SSI, pensions, etc.) are multiplied by 12.

- Pro-rating fixed income sources to reflect Cost of Living Adjustments (COLAs).

- Calculation of Social Security Benefits:

  The gross benefit including the Medicare amount, where applicable, is multiplied by the COLA to obtain the following year’s benefit.

**NOTE:**

The Social Security Administration may take other deductions in addition to Medicare (e.g., child support payments through a court order) from a person’s Social Security benefit. When an agency has documentation that such deductions are being made, they...
should include those deductions when calculating the person’s income.

It is DHCD’s preference that LIHEAP Agencies make every effort possible to obtain Social Security award letters in order to better document deductions such as Medicare G, child support, etc., that do not show up in bank statements when a direct deposit is made.

Examples of FY 2009 LIHEAP Recertification Applications

Example 1:
A recertification application is received in September of 2008 and on file is the September 2005 Social Security award letter showing a gross benefit of $578.20.

To determine the 2008 Social Security benefit, use the following worksheet:

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2005</td>
<td>578.20</td>
<td>(gross monthly benefit 2005-2006)</td>
</tr>
<tr>
<td>September 2006</td>
<td>578.20 + 4.1%</td>
<td>(4.1% is the COLA for 2006)</td>
</tr>
<tr>
<td></td>
<td>601.90</td>
<td>≈ $602 (gross benefit 2006-2007)</td>
</tr>
<tr>
<td>September 2007</td>
<td>602 + 3.3%</td>
<td>(3.3% is the COLA for 2007)</td>
</tr>
<tr>
<td></td>
<td>621.87</td>
<td>≈ $622 (gross benefit 2007-2008)</td>
</tr>
<tr>
<td>September 2008</td>
<td>622 + 2.3%</td>
<td>(2.3% is the COLA for 2008)</td>
</tr>
<tr>
<td></td>
<td>636.31</td>
<td>≈ 636 (gross benefit 2008-2009)</td>
</tr>
</tbody>
</table>

Example 2:
A recertification application is received in September 2007 and on file is the September 2004 Social Security award letter.

<table>
<thead>
<tr>
<th>Month</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 2004</td>
<td>563.00</td>
<td>(gross benefit 2004-2005)</td>
</tr>
<tr>
<td>September 2005</td>
<td>563 + 2.7%</td>
<td>(2.7% is the COLA for 2005)</td>
</tr>
<tr>
<td></td>
<td>578.20</td>
<td>≈ $578.00 (gross benefit 2005-2006)</td>
</tr>
<tr>
<td>September 2006</td>
<td>578 + 4.1%</td>
<td>(4.1% is the COLA for 2006)</td>
</tr>
<tr>
<td></td>
<td>601.70</td>
<td>≈ $602.00 (gross benefit 2006-2007)</td>
</tr>
<tr>
<td>September 2007</td>
<td>602 + 3.3%</td>
<td>(3.3% is the CoLA for 2007)</td>
</tr>
<tr>
<td></td>
<td>621.87</td>
<td>≈ $622.00 (gross benefit 2007-2008)</td>
</tr>
<tr>
<td>September 2008</td>
<td>622 + 2.3%</td>
<td>(2.3% is the COLA for 2008)</td>
</tr>
<tr>
<td></td>
<td>636.31</td>
<td>≈ 636 (gross benefit 2008-2009)</td>
</tr>
</tbody>
</table>

Example 3:
Calculation of real gross income using the Social Security income figures from Example 2 above but using 8 months (January to August) of gross income in 2008 and 4 months (September to December) of gross income in 2007.
Gross benefit in 2008 = $646 X 8 = $5,088.00
Plus Gross benefit in 2007 = $622 X 4 = $2,488.00
Total gross annual income = $7,576

Gross annual income from September 2007 to August 2008 = $7,576.

J. Odd Jobs

Applicants who perform miscellaneous odd jobs such as mowing lawns, raking leaves, babysitting, shoveling snow, and the like as their means of support must document this type of employment by providing a signed and notarized "Income From Odd Jobs/Notarized Income Statement". This statement includes a listing of jobs performed, names and addresses of persons for whom work has been done, and all payments received. Subgrantees should require these applicants to provide checking, savings, or other bank records or bank books to verify the applicant's claim of income. A "Low Income/No Income Form" should be completed, when applicable.

K. Workmen's Compensation

Acceptable documentation includes:

◊ A copy of the check indicating gross benefit, date of loss of employment, and receipt of benefits.
◊ A statement from the employer, insurance agency, attorney of record or union office showing gross benefit, frequency of benefit, effective date of payment, or lump sum payments.

L. Alimony and Child Support

For those who receive this support, acceptable documentation includes:

Documentation of alimony and child support must indicate the amount and frequency of support payments.

◊ Copies of canceled alimony/support checks from source;
◊ Court order or most recent amendment;
◊ A letter from the attorney of record or legal agency representing the applicant;
◊ Notarized letter from support source;
◊ Mortgage/rent paid in lieu of, or in addition to alimony/child support is countable income. A copy of the court order, decree or other legal document specifying the amount and frequency of such payments if required;
◊ Department of Revenue payment history; or,
M. **Interest Income**

The first $100 of interest earned in the 12 month period proceeding the application date may be deducted from the calculation of income. Interest above $100 must be documented for a minimum of one (1) month and up to one (1) year preceding the date of application.

**Source documents include:**

- A bank statement;
- A letter from the bank signed and dated by an authorized representative; or,
- A copy of the most recent IRS Form 1099, Schedule B or line 8a or 8b from Form 1040.

**Exclusions:**

The first $100 of interest earned in the previous 12 months.

**Example 1**

Client's annual interest = $500  
LIHEAP Income = $500 - $100 = $400

**Example 2**

Client's annual interest income = $95  
LIHEAP income = $0

N. **Dividends**

Documentation of dividend income must include the applicant's name and/or Social Security number, amount, and frequency of the dividend(s).

**Source documents include:**

- Copy of dividend check;
- Copy of yearly statement;
- A letter from dividend source; or,
- Copy of IRS Form 1099, Schedule B or line 9a or 9b on Form 1040.
0. **Lump Sum Income**

Lump sum income is countable if received within the 12 months prior to the application date. An agency cannot adjust an application date in an effort to not count the lump sum as income. Receipts from a specific lump sum are only counted once by LIHEAP.

- Stocks/Bonds – the initial investment that results in a capital gain is NOT counted as income;
- Capital Gains – that result from other investments (e.g., sale of house/property). The exception is when the capital gain is reinvested in another house/property within 12 months prior to the application date;
- Royalties;
- Inheritances;
- Insurance payments excluding life insurance payments and third-party payments. Third party payments are defined as payments issued to any entity other than the household. For example, hospital, attorney, etc.;
- One-time alimony or child support (paid in lump sum in lieu of monthly payments);
- Severance package payments;
- Pensions/retirements funds/IRA withdrawal (only applies to people who are 59 ½ years or older);
- Lottery winnings – For amounts over $600 official lottery documentation should be obtained. This can include a signed and dated statement from contest sponsor or lottery commission indicating the gross amount of winnings or a current state income tax return. A self-declaration for winnings under $600 is allowable; and,
- Social Security lump sum received during the previous 12 months must be counted as income and cannot be annualized.

1. **Supporting documentation for lump sum income may include:**

- Investment/bank statements;
- Tax documents;
- Statements from relevant institutions;
- Attorney's statement; or,
- Legal or other official documents (e.g., will, deed, court ordered documents, etc.)
Rental Income

1. **Acceptable documents for rental income:**
   - Copies of cancelled rent checks from all tenants;
   - Written statements for tenants, signed and dated; or,
   - Copy of IRS Form Schedule E

2. **Acceptable Documents for Deductions:**
   - Property tax bills;
   - Homeowner’s insurance policies or bills;
   - Mortgage interest statements;
   - Water and sewer bills; or
   - Form 1040 and Schedule E

3. **Rental Income Exclusions**

Deductions from gross rental income are permitted for applicants who own rental property. For purposes of LIHEAP, these properties must be residential. A copy of the prior year’s Form 1040 with Schedule E is required if taxes are filed. If the tax form is self-prepared, an IRS Form 4506T is required. (See Appendix section "Tax Forms" for this form.)

The amounts reported on Schedule E represent the rented apartment(s) expenses.

Depreciation is not an allowable rental income expense.

Negative rental income is not to be subtracted from other household income but is counted as zero.

**From Schedule E,** the following are allowable rental income expenses:

- Line 5: Advertising;
- Line 6: Auto and travel;
- Line 7: Cleaning/maintenance;
- Line 8: Commissions;
- Line 9: Insurance;
- Line 10: Legal and other professional fees;
- Line 11: Management fees;
Line 12: Mortgage interest paid to banks, etc.;

Line 13: Other interest;

Line 14: Repairs;

Line 15: Supplies;

Line 16: Taxes;

Line 17: Utilities (includes water/sewer); and

Line 18: Other (must be documented).

If the household does not file a Schedule E, all deductions as described in Section E are allowable and the applicant must complete a "Rental Income Worksheet". Only the allowable deductions from the occupied rental units can be deducted. All deductions must be documented.

Documentation representing one billing quarter is acceptable. Copies of rental documents must be maintained on file with the application by the Subgrantee.

**NOTE:** The landlord's unit expenses cannot be deducted. For example, an applicant owns and resides in one apartment of a 2 family house. The owner derives rental income from the second apartment. Since 1/2 of the building is rent producing, 1/2 of the total amount of the property expenses may be deducted from the amount of gross rental income. It is not necessary to calculate rental income deductions if maximum eligibility has been established from documented gross rental income.

Q. **Zero Income**

As defined by this Guidance, a situation in which an individual member of a household or an entire household has zero income.

Any household member 18 years of age or older claiming no income status is required to sign a "Statement of No Income".

A wage match request is required for zero income households. A wage match must be requested for all adult members of the zero income household. In addition, the agency may do wage matches at its discretion to address concerns and resolve questions.

1. **Required Documentation for Households Claiming Zero Income**

Specific documents and/or forms are required for every household that reports no income, including:
a. "Statement of No Income" to be completed and signed by every member over 18.

b. "Low Income/No Income Interview Form" to be completed by the head of household.

New applicants and recertified households that claim zero income shall submit proper documentation to the Subgrantee to substantiate housing costs. Please note that new applicants that are zero income homeowners must submit this documentation or remain incomplete.

The "Low Income/No Income Interview Form" should clearly show how the household is coping with the lack of income and therefore indicate the appropriate documentation needed for each household. Proof of resources or the lack of such, paid or unpaid bills or proof of financial assistance should follow the information on the form.

This form shall be used when income is $200 or less a month after housing costs are accounted for. Supporting documents are required, such as overdue bills, proof of pending benefits, bank statements, etc. In instances where bank statements show unexplained deposits, agencies must request further information.

LIHEAP agencies shall require the "Low Income / No Income Form", however, certain exceptions could be made, especially in instances where the applicant has already demonstrated her/his eligibility for non-cash assistance, such as Food Stamps, or Women, Infant and Children (WIC) program benefits. These clients cannot be denied solely based on this requirement.

c. Proof of current status of primary bills such as:
   ◦ Heating bill;
   ◦ Mortgage statement or tenant/landlord form sent to landlord;
   ◦ Electric bill; or,
   ◦ Telephone bill

If all bills are current and no resources are indicated and documented by the household, the application is considered incomplete until the situation is satisfactorily clarified.

d. A wage match request shall be submitted to DHCD for all members over 18 in instances when an entire household claims zero income.

e. Students and zero income
   If an individual provides documentation that he/she is a student then no wage match is required.
2. Three types of "Zero Income" households:

a. Households with adequate resources to cover basic expenses

Possible acceptable documentation that would reflect how the household is meeting basic expenses includes:

- Copy of checking, savings, or money market accounts to show withdrawals;
- Bank withdrawals are not considered income, but are used to demonstrate how households meet basic expenses;
- Copy of any early withdrawal of retirement plans such as IRAs, 401ks, or 403Bs;
- Copy of credit card statement; and
- Copy of 1040 tax form for tax refund.

b. Households receiving financial assistance from another source outside the household

In these cases, acceptable documentation that would reflect how the household is meeting basic expenses through assistance from outside sources include:

- "Financial Assistance Statement" form completed by individual donor.
  - All items must be completed.
  - The form is the only acceptable document (no letters from individual donors).
  - Must be notarized.
- Proof of actual assistance (check or money order, deposit in checking account) may be requested if the source of income for the donor or the amount given is questionable.
- Letters from organizations are acceptable.

c. Households with no apparent resources

Acceptable documentation that would reflect how the household is meeting basic expenses with no apparent resources includes:

- Proof of non-receipt of public benefits:
  - TANF
  - SSA/SSI
  - Unemployment benefits
- Bills showing past due amounts (must include primary heat, rent/mortgage, electricity)

- Third party verifications:
  - Agencies should obtain third party verifications for applicants reporting no income.
  - Examples of third party verifications include documentation from the Department of Revenue (i.e., wage match), Department of Transitional Assistance, Social Security, etc.

R. **Other Income Sources**

Documentation for the following categories is acceptable:

1. **Cash Prizes and Lottery Winnings**
   - A signed and dated statement from contest sponsor or lottery commission indicating the gross amount of winnings; or,

   - A current state income tax return.

   If the winning is under $600, a self-declaration is allowable.

2. **Estate or Trust Income**
   - A copy of pertinent legal documentation or written notification from a bank or legal authority specifying the amounts and terms of income.

3. **Annuities**
   - Copy of IRS Form 1099.

   - Official statement from annuity source.

4. **IRA – Individual Retirement Accounts**

   Withdrawals from an IRA such as 401K, 403B, Roth IRA, are considered income. The exception is early withdrawal for those individuals under 59 1/2 year of age; these withdrawals shall not be considered income.

5. **Non-tuition stipends/payments issued to students over the age of eighteen (18)**

   Non-tuition stipends or other payments made to students over the age of 18 shall be counted toward household income. If the stipend/payment covers multiple years, the amount must be prorated for the LIHEAP year.
6. **Financial Assistance to an Individual or Entire Household Claiming Zero Income**

Financial assistance from family and friends and/or others to any member of an applicant's household shall be considered income if such support has been in effect for more than 30 days. In all situations, the program form titled "Financial Assistance Statement" must be completed by the support source and included in the applicant's file. All information on all lines of the form must be complete. Letters cannot substitute for the form.

If a client claims "no income" status and/or has received family/friend support for more than one program year, the client shall be required to complete the current year application and the "Low Income / No Income Interview Form" in the presence of an intake worker. A denial may be issued if a Subgrantee has reasonable doubt as to the veracity of an applicant's claim of continued support.

- **Individual Donors**

  Financial assistance from family, friends and others must be documented in cases where it is necessary to meet basic living expenses.

  When the financial assistance from family and friends is a short term loan, the loan must also be documented in cases where the support is necessary to meet basic living expenses.

- **Assistance from Organizations**

  Financial assistance from any organization, whether a one time grant or ongoing support, must be documented by a letter on letterhead from the organization specifying the amount given and the duration of the support. This support is counted as income. Examples are utility allowance given in cash to the household or rental assistance provided by any agency or community organization.

**Exclusion:**

Short-term loans (less than 30 days).

- A loan verified by written document;
- Signed by the borrower and lender;
- Expresses the borrower's intent to repay and the conditions of repayment; or
- The terms specify the purpose of the loan and preclude its use to meet current living costs.
S. **Students**

Students, who live away from home for the school year to attend classes and are listed as dependents on their parents' income tax return, shall be counted as members of the parents' household. Proof of enrollment is required in these cases. Zero-income statements are not required for full-time students.

Students who apply for LIHEAP benefits must demonstrate that they are fully self-supporting and independent from their parents and do not live in university-owned housing. Residents of university-owned housing are ineligible for LIHEAP benefits.

Subgrantees shall request the student applicant to submit her/his financial aid statement, the current Guaranteed Student Loan Needs Test, copies of the most recent tax return filed by the applicant, summer employment records, or bank statements to verify student status and income. Students who cannot supply this documentation shall be deemed ineligible.

International students shall provide documentation of their income sources which may include, but are not limited to: scholarships, fellowships, graduate assistantship, part-time employment, and support from others, including family members.

1. **Student income exclusions**

   - Any grant, scholarship or other type of support for a student, the terms of which preclude its use to meet current living costs.
   - Any grant or loan to a post-secondary school student for education purposes made or insured under any program administered by the U.S. Department of Education.
   - Social Security's RSDI children's insurance benefits (Retirement, Survivors, Disability Insurance) paid to persons 18 through 21 years of age who are full-time students.
   - Work-study income of post-secondary school students under a federally assisted work-study program.

All grants and loans to students that are to be excluded must be verified by written documentation from the source of the grant/loan from the school itself.

T. **Income Due to Temporary Legal Guardianship, Legal Guardianship, and Adoption of "Foster" Children.**

In instances where temporary guardianship of a minor has been granted, the child shall not be counted as a household member nor any associated income shall be counted. In cases where legal guardianship has been granted by a court, the child and any associated income (e.g., child support, SSI) shall be counted for LIHEAP purposes. Acceptable documentation for custody may include school records, court documents, an attorney's letter, etc.
Further, when a “foster child” is adopted, the child is considered part of the household and income, if received, is also countable.

U. **Miscellaneous Income Exclusions**

◊ The earned income of a child who is under 18 years of age, not the head of household, does not have dependents, and is employed part-time (less than 30 hours a week).

◊ The earned income of a child who is 18 years of age or older, not the head of household, a full-time or part-time student, and is employed part-time (less than 30 hours a week).

◊ The cash value (face amount) of Food Stamps.

◊ The cash value of USDA donated food stamps or surplus commodities.

◊ The value of assistance received under the Child Nutrition Act of 1966 and the National School Act.

◊ Experimental Housing Allowance Program payments made under contracts entered into prior to 1975.

◊ Funds distributed to or held in trust for members of any Indian tribe pursuant to a judgment of the Indian Claims Commission.

◊ The tax-exempt portions of payments made under the Alaska Native Claims Settlement Act.

◊ Relocation payments.

◊ Incentive payments to participants in the National Health Insurance Study and the Case Management Demonstration Program.

◊ MassHealth “Premium Assistance” Program payments.

◊ Income including stipends received under the Department of Social Services or Department of Mental Retardation, Foster Care or Guardianship Program for children or adults (the children or adults shall not be counted or listed as household members). Foster Care income must be verified by either a written statement from the foster care agency or a computerized printout. The exception to this rule is when a child is legally adopted or legal guardianship has been granted. In these instances, the child and associated income are counted as part of the household income.

◊ Personal gifts.

◊ Restitution to victims under Public Law 103-286.

◊ Tax Refunds, Economic Stimulus Payments and Earned Income Credits.
Proceeds from surrendering the cash value of a life insurance policy:
- Life insurance payments;
- Third party insurance payments;
- Cancelled debt;
- Proceeds from a loan.

Non-taxable company-paid benefits/contributions.

Early withdrawals (under age 59 ½) from IRAs or other retirement funds.

Reimbursement for mileage.

Withdrawals from checking/saving accounts, money markets, and/or CDs.

Proceeds from a loan, e.g., refinance of home, reverse mortgages.

Payments from Medicaid’s "Group Adult Foster Care" (GAFC) made to service providers, and

Capital gains that are reinvested in another house/property within the 12-month period prior to the application date.

NOTE:
1) For fixed-income exclusions, see Section IV "Income and Required Documentation", Part I, Subsection 3.

2) If unsure how to document or calculate any income sources, please contact CSU for technical assistance.

V. APPLICATION CERTIFICATION

In the determination of eligibility, applications shall be reviewed for completeness, accuracy, and consistency. Attached documentation must support the information provided on the application. Reasonable explanations of any inconsistencies shall be noted on the Comment Sheet, and initialed and dated by the certifier or electronically recorded with date and certifier's initials.

When substantive questions arise regarding eligibility, or the completeness or accuracy of the information provided, additional information shall be required of the applicants. An example of this type of situation would be an application from a household reporting living expenses greater than gross income and said expenses are current. Further explanation of how this household meets these bills is required (as well as a Low Income/No Income Interview Form).
If the documentation provided by a household indicates the presence of other income or additional household members, Subgrantees must request additional information to reconcile the difference.

Complete applications received in the mail may be sent directly to a certifier for eligibility determination. It is not necessary for these applications to be reviewed by an intake worker.

The certifier must sign and date the application at the time of certification.

The Subgrantee shall have 40 working days from application completion date or November 1st (whichever is later) to certify an application. All applications must be certified by the last working day in May.

1. **Comment Sheet**

   The use of the Comment Sheet is mandatory. Notes may be written on the application folder or on a sheet attached to the folder or stored electronically. These notes shall be easily accessible and carried over to the next program year. Notes are required for any significant communication with a client and must be dated and initialed.

   The Comment Sheet must include a notation with the initiator's initials when a wage match is requested, with the date and brief summary of the results.

   Comment Sheet use is a critical component of the application process and provides long-term clarification for situations where an explanation is required by directors, auditors, and DCS/CSU staff.

   *"Post It" notes and other slips of paper that can easily become separated from a client's file are not an allowable substitute for the Comment Sheet.*

2. **Benefits**

   Benefits are assigned to clients by comparing LIHEAP calculated income to the income eligibility chart, taking into account family size and housing situation. Benefit levels must be noted on the front of the application in the appropriate box and on the appropriate screen in the computer system.

3. **Single Certification Process**

   LIHEAP Subgrantees shall coordinate fuel assistance with the Weatherization Assistance Program (WAP) and the Heating Emergency Assistance Retrofit Task Weatherization Assistance Program (HEARTWAP). This will produce "one-stop" energy services for low-income households. Subgrantees are not allowed to charge WAP or HEARTWAP Subgrantees for basic LIHEAP client information.

   The LIHEAP application and certification of eligibility shall constitute an application for all 3 energy programs. Neither WAP nor HEARTWAP will be required to obtain additional income documentation unless a field visit or home audit uncovers details that require additional information. The LIHEAP operator shall transfer a copy(s) of the face of the application form, with appropriate