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**INFORMATIONAL MEMORANDUM**

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**To:** Community Services Block Grant (CSBG) Subrecipients  
**From:** New York State Department of State, Division of Community Services  
**Date:** April 17, 2023  
**Re:** Determining Income Eligibility for CSBG Funded Activities and Programs

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This Informational Memorandum provides non-binding guidance to subrecipients on suggested standards for reasonably determining customer income eligibility for programs funded in whole or in part by the Community Services Block Grant (CSBG). Income eligibility determinations are required for CSBG funded programs, services, and activities. Currently, subrecipients may use 200% of the federal poverty guidelines as the criterion of eligibility.

The CSBG Act generally permits states to use up to 125% of the federal poverty guidelines as the income eligibility standard for CSBG funded programs, services, and activities (*see* 42 U.S.C. § 9902(2)). Per the Consolidated Appropriations Act, 2023 (P.L. 117-328), states may revise this standard by substituting "200 percent" for "125 percent" for all CSBG funding during federal fiscal years 2022 (October 1, 2021 — September 30, 2022) and 2023 (October 1, 2022 — September 30, 2023). New York has elected to use the maximum 200% income eligibility standard for CSBG funded programs, services, and activities provided from October 1, 2021, through September 30, 2023.

Subrecipients are required to apply this eligibility standard when using CSBG funds. While subrecipients possess flexibility in devising their own processes and implementation methods, such processes and methods must be reasonable and appropriate, if not already in place. Subrecipients must document their policies and procedures for using the federal poverty guidelines as a criterion of eligibility. The following guidance is intended to assist subrecipients in carrying out their responsibilities by addressing various questions related to the CSBG income eligibility requirement. A model policy and template follow the questions and answers below. Subrecipients may choose to adopt these materials to help them implement this guidance or adopt their own.

Q1. Is there an income eligibility requirement for CSBG customers?

A1. Yes. A customer's household income must be at or below 200% of the current federal poverty guidelines to be eligible for CSBG funded services.

Q2. Where can I find the current federal poverty guidelines?

A2. The federal poverty guidelines are available at: <https://aspe.hhs.gov/topics/poverty-economic-mobility/poverty-guidelines>. HHS provides a chart with percentages of the federal poverty guidelines, including 200%, under the Resources heading. Agencies should use the most current federal poverty guidelines available when assessing income eligibility.

Q3. What is a "household"?



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- A3. For purposes of determining income eligibility, the subrecipient should determine how many people are within the customer's household. A household includes any individual or group of individuals who are living together as one economic unit. The income of each individual in the household who is 18 years or older must be included in determining income eligibility. In determining whether an individual is part of a household, the subrecipient may consider factors such as whether individuals have legal obligations to support one another, like a parent or guardian and minor child, and whether the individuals communally purchase food or share other expenses.

Q4. What should be considered when calculating household income?

A4. "Income" means a household's total gross income before taxes and withholdings are subtracted. The income of each member of a household should be added together to determine a household's income. Income calculations should include, but are not necessarily limited to:

1. All paid earnings such as wages, salaries, tips, or other income from employment or self-employment.
2. Retirement, pension, and/or Social Security (survivor's benefits, disability, or supplemental security income).
3. Cash payments from assistance programs such as public assistance, unemployment insurance, and workers' compensation.
4. Alimony or child support payments received.
5. Rental income.
6. Interest, dividends, royalties, or income from estates and trusts.

Subrecipients may disregard various noncash benefits and unique sources of cash when calculating a household's income. These include, but are not necessarily limited to:

1. Noncash benefits such as SNAP (Supplemental Nutrition Assistance Program), school lunches, Medicare/Medicaid, HEAP, third party voucher payment programs, housing subsidies like Public Housing and Section 8, home establishment or furniture replacement grants.
2. Tax refunds.
3. Capital gains received from the sale of property including stocks, bonds, a house, or a car.
4. Withdrawals of bank deposits.
5. Money borrowed, gifts, and lump-sum inheritances or insurance payments.
6. Monthly support payments paid by a member of the customer's household for a child or former spouse who does not live in the customer's household.
7. Income from household members younger than 18.
8. Assistance provided in response to disasters, such as through FEMA or related programs, may be excluded from an applicant's income depending on the nature of the assistance program.
9. Benefits that are required by law to be excluded from income calculations.
10. Asset testing is not required in assessing a household's income.

Q5. What forms of documentation are helpful in determining a household's income eligibility?

A5. Forms of proof of household income for purposes of eligibility determinations may include but are not limited to: pay stubs, W-2s, bank statements, tax documents, or award letters from government cash benefit programs. Proof of eligibility determinations for other public benefits programs with income eligibility standards at or below 200% of the federal poverty

guidelines may also be helpful as a supplemental approach.

If none of the above are available at the time of initial assessment and it is reasonable to assume that the customer is income eligible based on the totality of the surrounding circumstances, a written certification of income signed and dated by the customer and staff person who made the eligibility determination may be acceptable. In such cases, follow-up should be conducted to obtain other documentation of the customer's income.

During the immediate response to a disaster emergency, it may be reasonable to assume that households will not have income documentation available. In such cases self-declarations of income for households, pending availability of necessary documents, may be appropriate. Further guidance is available in CSBG IM #154, Disaster Flexibilities and Waivers, available at: <https://www.acf.hhs.gov/ocs/policy-guidance/csbg-im-154-disaster-flexibilities-and-waivers>.

Records of the household income documents, self-certifications, and efforts at further supporting documentation should be maintained by all subrecipients. A failure to properly document income eligibility may result in the disallowance of associated expenditures. DOS Program Analysts will monitor for the retention of income eligibility documentation. Please see the NYS Contract for Grants regarding record retention requirements.

Q6. When should a household's income level be assessed for eligibility?

A6. A household's income should be initially assessed and certified for eligibility prior to the receipt of CSBG funded services or assistance and prior to entry into a CSBG funded program. After initial certification, the income level of a household receiving continual services should be assessed for re-certification at least annually and should be reviewed any time the subrecipient becomes aware of a significant income changing event or circumstance. A subrecipient may review a household's income level at any time while they are receiving services (from the subrecipient) for the purpose of determining program eligibility.

Q7. What time frames can be used when assessing the household income?

A7. There is no prescribed look-back period for income assessment. Depending on the household circumstances and the documentation available, it may be reasonable to calculate income based upon the household's gross income in the past 30 days (multiplied by 12) or based upon a review of the past year. For example, if a customer has become unemployed or was the victim of domestic violence and has left the abusive household within the past year, it may be inaccurate to use the data of the past year to assess income. The use of a shorter period of time—perhaps several months—may be a more appropriate and accurate assessment of the customer's income. In addition, case-by-case circumstances such as seasonal employment or an isolated and temporary spike or decline in earnings may require the subrecipient to exercise reasonable discretion to determine the most appropriate time period to review the most accurate income. It is recommended that no time period shorter than the past 30 days or longer than the past year should be used. However, the agency's goal in each case should be to determine a household's actual financial position most accurately at the time of assessment.

Q8. How does the 200% standard apply to programs, services, and activities funded by CSBG

and other funding sources?

A8. If a program is fully and exclusively supported by CSBG funds, all households served by the program must meet the CSBG income eligibility requirement. Where a program serves some customers who meet the CSBG income eligibility requirements and some customers who do not, the subrecipient must use non-CSBG funds to cover the costs of providing services to customers who are not documented as meeting the CSBG income eligibility requirements. A reasonable method allocating costs between the different funding sources should be implemented, and costs charged to CSBG should be proportionate to the amount of resources devoted to serving CSBG eligible customers (staff time, materials, and service costs). For example, a program funded with 50% CSBG dollars may demonstrate that at least 50% of its customers are at or below the CSBG income eligibility standard or that program staff time devoted to CSBG-eligible customers' accounts for 50% of the program costs. Other reasonable bases by which to allocate costs between different funding sources may be appropriate.

Q9. Are there any CSBG services that may not require individualized documentation and recordkeeping with regard to income eligibility?

A9. Yes. Subrecipients will not be required to establish or maintain individualized documentation or records of income eligibility with respect to CSBG services when the location and provision of such services are such that an objective reasonable person would likely conclude that the beneficiaries of such services are generally households with incomes at or below 200% of the federal poverty guidelines. For example, temporary homeless shelters and community soup kitchens may not need to collect individualized documentation. In addition, community centers generally open to the public and located in impoverished or economically distressed census tracts/neighborhoods that provide services targeted to low-income individuals where the nature of the program is openness rather than individual enrollment may not require recordkeeping. Recordkeeping may also not be required for the operation of educational forums made available to the general public.

In such circumstances subrecipients should document the following:

1. Name and description of service provided.
2. Location or setting of the service provided.
3. A description of the census tract, neighborhood or area and its rate of poverty.
4. Reasons why an objective reasonable person would likely conclude the beneficiaries are income eligible.

The documentation described above should be part of the subrecipients income eligibility determination procedures and made available during DCS on-site monitoring.

We hope this guidance is helpful as you continue to provide innovative and effective programming and services using CSBG funds. As you are aware, misrepresentation, false reporting, or manipulation of household income data for the purpose of falsely establishing eligibility is a violation of law, constitutes a ground for the disallowance of expenditures, and undermines the public's faith in the good work performed by these important programs (*see e.g.*, GAO Report, Head Start, May 18, 2010, available at <https://www.gao.gov/assets/gao-10-733t.pdf>).

Please contact your assigned Division of Community Services Program Analyst with any

additional questions. DCS encourages subrecipients to use this guidance as well as compatible guidance offered by CAPLAW in developing written policies and procedures for addressing customer income eligibility.

The following **SAMPLE** documents have been attached to this Information Memorandum as a resource for CSBG Subrecipients to use when developing their policies and forms regarding determining income eligibility for CSBG funded programs, services, and activities:

- Attachment A: Customer Intake Process/Procedure for Determining Income Eligibility for CSBG Funded Programs, Services and Activities
- Attachment B: Customer Income Eligibility Verification
- Attachment C: Customer Self Declaration of Income Form
- Attachment D: Outreach Services Income Eligibility Determination Form