INFORMATIONAL MEMORANDUM

To: Community Services Block Grant (CSBG) Grantees
From: New York State Department of State, Division of Community Services
Date: October 15, 2021
Effective Date: October 1, 2019 through December 3, 2021
Re: Determining Income Eligibility for CSBG Funded Activities and Programs

This Informational Memorandum provides non-binding guidance to program operators 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 is a federally required criterion of eligibility for CSBG funded programs, services, and activities. 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)).

The Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law 116-36), however, authorized states to revise the income limit for eligibility ceiling from 125 to 200 percent of the federal poverty guidelines for CSBG-funded services furnished during federal fiscal years 2020 and 2021 (October 1, 2019 through September 30, 2021). New York State elected to use the maximum 200% income eligibility standard, as authorized by the CARES Act, for CSBG-funded services during federal fiscal years 2020 and 2021.

The federal fiscal year 2022 Continuing Resolution (Public Law 117-43) again authorized states to revise the income limit for eligibility to 200% of the federal poverty guidelines through December 3, 2021. New York has elected to use the maximum 200% income eligibility standard for CSBG-funded programs, services, and activities provided through the 2022 Continuing Resolution, the CARES Act, or the Consolidated Appropriations Act of 2021 (Public Law 116-260) through December 3, 2021.

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. This guidance is intended to assist subrecipients in carrying out their responsibilities by addressing various questions related to the CSBG income eligibility requirement.

Q1. Is there an income eligibility requirement for CSBG customers?
A1. Yes. A customer’s family household (see Answer #4) 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 HHS poverty guidelines?
A2. The federal poverty guidelines are available at: https://aspe.hhs.gov/poverty-guidelines. Agencies should use the most current poverty guidelines available when assessing income eligibility.

Q3. How do I calculate 200% of the current HHS poverty guidelines?
A3. The poverty guidelines use tiered amounts based on the number of persons in a customer’s
family. To calculate 200% of the HHS poverty guidelines, use the amount stated in the poverty guidelines relating to the number of persons in the customer’s family household and multiply that number by 2.00.

Q4. What is a “household”?
A4. For purposes of determining income eligibility, the term “persons in family” in the HHS poverty guidelines means persons in a 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 eligible entity may consider factors such as whether the individual pays for his/her own food and occupancy.

Q5. What should be considered when calculating customer income?
A5. “Income” means a customer’s family household’s total gross income before taxes and withholdings are subtracted. The income of each member of a customer’s family household should be added together to determine a customer’s income. Income calculations should include all paid earnings (wages, salaries, or other income from employment or self-employment), survivor’s benefits, pension or retirement payments, interest, dividends, royalties, rental income, income from estates and trusts, alimony or child support payments received. Cash payments from assistance programs such as unemployment insurance, workers compensation, Social Security, and Supplemental Security Income count as income.

Tax refunds and noncash benefits (such as food stamps, school lunches, Medicare/Medicaid, HEAP, third party voucher payment programs, and housing subsidies) should not count as income. 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 may be disregarded. Asset testing is not required in assessing a customer’s income. In addition, the following receipts do not need to be counted as income: (1) capital gains people receive (or the losses they incur) from the sale of property, including stocks, bonds, a house, or a car; (2) withdrawals of bank deposits; (3) money borrowed, (4) gifts; and (5) lump-sum inheritances or insurance payments.

Pandemic Relief Funds (such as supplemental pandemic unemployment insurance and COVID-19 Economic Impact Payments) may be excluded from an applicant’s income calculation. Assistance provided in response to disasters, such as through FEMA or related programs, may also be excluded from an applicant’s income calculation. Please see: CAPLAW’s “CSBG Income Eligibility in an Emergency, Lessons from the COVID-19 Pandemic” for additional guidance.

Q6. What forms of documentation are helpful in determining a customer’s income eligibility?
A6. Helpful and acceptable forms of proof of customer income for purposes of eligibility determinations may include but are not limited to: pay stubs (W-2); bank statements; tax forms and documents; or other local, state, or federal government documents. Proof of entrance in (or cross-referencing) other public benefits programs with income eligibility standards at or below 200% of the HHS 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 by the customer that is either notarized or countersigned and dated by the 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). Records of customer income
certification along with supporting documentation should be maintained by all CSBG grantees. A failure to properly document income eligibility may result in the disallowance of associated expenditures.

Q7. What time frames can be used when assessing customer income?
A7. There is no prescribed look-back period for income assessment. Depending on an individual customer’s circumstances and the documentation available, it may be reasonable to calculate customer 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, and 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 an agency to exercise reasonable discretion to determine on a case-by-case basis the most appropriate time period to review to most appropriately and accurately assess income). It is recommended that no time period shorter than the past 30 days or longer than the past year should be used, however. In exercising this reasonable discretion, the agency’s goal in each case should be to most accurately determine a customer’s actual financial position at the time of assessment.

Q8. When should a customer’s income level be assessed for eligibility?
A8. A customer’s income should be initially assessed and certified for eligibility prior to the customer’s receipt of CSBG funded services or assistance and prior to entry into a CSBG funded program (see, however, Answer #10 regarding certain programs for which individualized recordkeeping may not be required due to the nature of the services and activities provided, and Answer #9 providing that reasonable intake costs may be incurred when related to CSBG funded programs and activities). After initial certification, the income level of a customer receiving continual services should be assessed for recertification at least annually and should be reviewed any time the agency becomes aware of a significant income changing event or circumstance. An agency retains the right to review a customer’s income level at any time while they are receiving agency services for the purpose of determining program eligibility.

Q9. How does the 200% standard apply to programs, services, and activities funded by CSBG and other funding sources?
A9. If a program is fully and exclusively supported by CSBG funds, all customers served by the program should 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 should 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 apportioning 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 and resources devoted to CSBG-eligible customers’ accounts for 50% of the program costs.

Q10. Are there any CSBG services that may not require individualized documentation and recordkeeping with regard to income eligibility?
A10. Yes. Agencies 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 individuals or families with incomes at or below 200% of the HHS 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 intended to address senior isolation or at-risk youth/delinquency prevention 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.

When individual or household income eligibility determination is not possible, Agencies should document the following:

1. Name of program or service provided
2. Location of service provided
3. Reason for eligibility determination exclusion
4. A description of the low-income neighborhood/area along with documentation of the census tract or other similar supporting data

The documentation described above should be part of the agency’s 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 customer 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 http://www.gao.gov/new.items/d10733t.pdf).

Please contact your assigned Division of Community Services Program Analyst with any additional questions you may have. DCS encourages grantees to use this guidance as well as guidance offered by CAPLAW in developing procedures for addressing Customer Income Eligibility. CAPLAW_CSBGGuidetoClientEligibility_Sept2021.pdf