Determining household income is a key component for the successful administration of your state, federal or locally funded housing programs (purchase assistance, rental, rehabilitation or reconstruction). Though each program may have specific income limits depending on household size, all of them require that the household be income qualified before assistance can be provided.

In Florida, most housing programs have adopted the federal regulations at 24 CFR part 5 to determine the eligibility of household income. Under this rule, income is defined as all amounts, monetary or not, which:

1. Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any family member;
2. Are anticipated to be received from a source outside the household during the 12-month period; and
3. Annual income also means amounts derived from assets.

This method relies on anticipated household income to be received in the next 12 months. Pay stubs and tax returns may provide supporting documentation but they cannot provide information on anticipated raises, overtime, and bonuses. This will require a third-party verification. Third-party verifications are the best practice for establishing anticipated household income. When this is not possible or the third-party verification is not clear, then the organization should resort to verbal communication with the employer to establish hours worked, anticipated raises, and future overtime or bonuses. All communication with the employer must be documented in the file and should include the person who was contacted, their title, and date and time of conversation. Pay stubs and tax returns are considered a last resort if used to establish household income. Failure to use third-party verifications must be documented in the file and should only occur if you cannot obtain a third-party verification or communicate with the third party.

The Florida Housing Coalition conducted an Income Qualification training during its 2012 Annual Conference. The following scenarios were presented and discussed during the training session:

**A Family Member in Prison**

- Go to the state of Florida inmate website at [www.dc.state.fl.us](http://www.dc.state.fl.us) to confirm that the family member is in prison and check the release date.
- Go to the Home page and Click “Inmate Population Information Search.”
- Enter name, Social Security number or birth date and inmate number, if available.
- Print this information for the file.
  - Count as household member if released within the next 12 months.
  - Do not count as a household member if release date is more than 12 months.

**Child Support**

- Count Court Awarded alimony or child support. unless …
  - Applicant certifies payments are not being made.
  - All reasonable legal action has been taken to collect amounts due, including filing with the court or agencies responsible for enforcing payment.
  - Contact the Department of Revenue’s Child Support Enforcement office 1-800-622-5437.
  - Obtain a third-party verification showing benefits received.
  - Accept printouts from the court or agency responsible for enforcing support payments, or other evidence indicating the frequency and amount of support payments actually received.
  - Use this information to document income from child support if applicant has made all legal effort to collect.
  - When no documentation of child support, divorce, or separation is available, either because there was no marriage or for another reason, require the family to sign a certification stating the amount of child support received or that no child support is being received.
**Full-Time Student**
- The earned income of a full-time student 18 years old or older who is a dependent is excluded to the extent that it exceeds $480.
  - Only count the first $480 of income earned for the year.
- All income of a full-time student 18 years of age or older is counted if that person is the head of the family, spouse, or co-head.

**Part-time or Seasonal Employment**
When assisting an applicant who is employed part-time or seasonal:
- Only include the actual income from part-time or seasonal employment.
- The third party verification should state that the employee is part-time or seasonal and provide an estimate of projected part-time or seasonal earnings for the next 12 months.
- If the third-party verification fails to provide sufficient information, use past history to project income for the next 12 months.

**Calculating Income from Self-Employed Applicants**
Obtain:
- One or two most recent tax returns.
- Profit and Loss Statement:
  - aka Income & Expense Report.
  - Schedule C of tax return.
- When calculating annual income, include the net income from operation of a business or profession including self-employment income.

**Calculation Methodologies**
- To annualize full-time employment, multiply:
  - Hourly wages by 2,080 hours;
  - Weekly wages by 52;
  - Bi-weekly amounts by 26;
  - Semi monthly amounts by 24; or
  - Monthly amounts by 12.
- Always use gross, do not round up or down.

**Social Security/Disability Payments**
- Count the gross amount, before deductions
- Include payments received by:
- Adults;
- Adults on behalf of minors; and
- Individuals under 18 for their own support.
- Use the adjusted amount for benefits that are reduced for a prior overpayment.
- If Social Security benefit is being reduced for six months due to prior overpayment, use the reduced benefit amount for six months, then regular amount for six months.

**SSA Benefit Letters**
- Copy of the award letter is acceptable;
- Go to [www.socialsecurity.gov](http://www.socialsecurity.gov);
- Select What You Can Do Online;
- Follow the instructions for requesting a Proof of Income Letter; or
- Call 1-800-772-1213.

**Foster Children and Foster Adults**
- Not counted as household members when determining income eligibility.
- Count as household members when determining the size of a unit needed for occupancy.
- Payments received by the family for the care of foster children or foster adults are not counted.
- This rule applies only to payments made through the official foster care program of local welfare agencies.

**Adopted Children or Children In The Process of Being Adopted**
- Include as a household member.
- Include only the first $480 of adoption assistance payments.

**Live- In Aides**
- They are not counted as household members.

A live-in aide is defined as:
- A person who resides with one or more elderly persons, near-elderly persons, or persons with disabilities, and
- Is determined to be essential to the care and well-being of the person(s);
- Is not obligated to support the person(s); and
- Would not be living in the unit except to provide the necessary supportive services.

**Regular Cash Contributions or Gifts**
- Count as income any regular contributions and gifts from persons not living in the unit. These sources may include rent and utility payments paid on behalf of the family, and other cash or noncash contributions provided on a regular basis.

**Income of Minors**
- Earned income of family members under 18 is not counted.
- Example: part time job afterschool
- Benefits or other Unearned income of minors is counted.
- Example: Checking or savings account, disability payments

**Income Calculator**

The U.S. Department of Housing and Urban Development has created a new income calculator to be used for determining income eligibility under the various HUD programs. To view the calculator go to [https://www.onecpd.info/incomecalculator/](https://www.onecpd.info/incomecalculator/)

**Resources:**
- [https://www.hudnshelp.info/media/resources/GuideToNSPIncomeCertifications.doc](https://www.hudnshelp.info/media/resources/GuideToNSPIncomeCertifications.doc)

The Florida Housing Coalition has an expert team to assist you with income qualification for a variety of housing programs. Contact us at 850-878-4219 or [info@flhousing.org](mailto:info@flhousing.org) for staff training clinics or workshops.