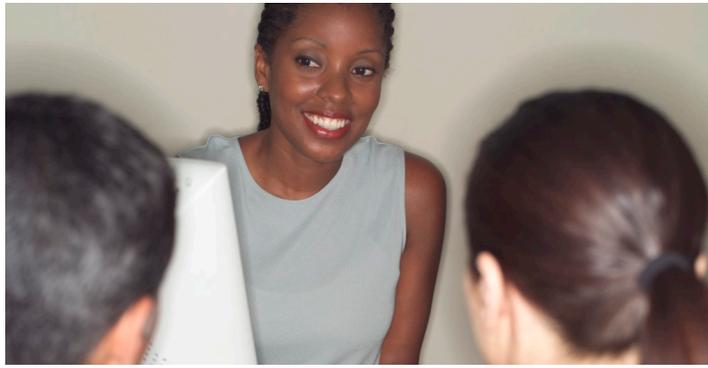


COMMUNITY SERVICES BLOCK GRANT

Q&A on...

Client Eligibility



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Community Action Program Legal Services, Inc.

August 2013

Introduction

The federal Community Services Block Grant (CSBG) funds local Community Action Agencies and other eligible entities to carry out a variety of activities designed to reduce poverty, revitalize low-income communities, and empower low-income families and individuals to become self-sufficient. The following Q&A is intended to assist state CSBG lead agencies and CSBG eligible entities in better understanding certain aspects of determining client eligibility for CSBG services or benefits provided by eligible entities. It is intended to provide practical guidance based on relevant laws, but is not authorized or approved by the federal Office of Community Services, the office within the U.S. Department of Health and Human Services (HHS) that administers the block grant, and does not constitute legal advice. Relevant sections of laws referenced in this guidance are located at the end of this document.

Income Eligibility

1. Is there an income eligibility requirement for CSBG clients?

To be eligible for CSBG services or benefits, clients must be at or below 100% of the federal poverty line as determined by the federal Office of Management and Budget (OMB) based on the most recent federal Census data and as revised annually (or more frequently) by the U.S. Department of Health and Human Services (the HHS poverty guidelines). A state may permit CSBG services to be provided to clients up to 125% of the federal poverty line whenever it determines that doing so serves the objectives of the CSBG program.

Eligible entities should use the most current HHS poverty guidelines when assessing income eligibility. The current guidelines are published in the Federal Register and are available on the HHS website www.hhs.gov.

The guidelines are calculated on a sliding scale based on the number of persons in a client's family. To calculate 125% of the federal poverty line, use the amount stated in the poverty guidelines relating to the number of persons in the client's household and multiply that number by 1.25.

2. May an eligible entity choose to use a lower income eligibility level?

An eligible entity may, consistent with its most recent community needs assessment, give priority in providing CSBG services/benefits to clients of lower income levels within the CSBG income eligibility limit established by the state.

3. Are eligible entities required to follow specific procedures in determining CSBG income eligibility?

The federal CSBG law does not require any particular process for determining client income eligibility; nor do HHS regulations. However, in order to ensure that CSBG funds are being used for income eligible clients, eligible entities should screen for income eligibility. If the state has not specified how to calculate a client's income for the purpose of determining client eligibility for CSBG services or benefits, the eligible entity may adopt its own written procedures for doing so. These procedures may, based on the eligible entity's community needs assessment, give priority to certain client populations within the applicable income limit (such as: people with disabilities; people who are homeless; the elderly; people who are unemployed; and/or people with children under age 18).

4. What issues should states and/or eligible entities consider in designing income eligibility determination procedures?

What Is the Definition of Family?

Neither the HHS poverty guidelines, the federal CSBG Act, nor applicable HHS regulations define the term “family.” Following are two examples of how the term family might be defined. Other reasonable definitions are also acceptable.

Example 1:

The income of all members of each family unit must be included in determining the income eligibility. A family unit may be either: (1) related individuals; or (2) an unrelated individual.

The term “related individuals” means two or more persons related by birth, marriage, and/or adoption who reside together.

The term “unrelated individual” means an individual who is not an inmate of an institution: (1) who resides alone or (2) who resides with one or more persons who are not related to him/her by birth, marriage, and/or adoption. (Examples of unrelated individuals residing with others include a lodger, a foster child, a ward, or an employee.)

If a household includes more than one family unit, the poverty guidelines shall be applied separately to each family unit, and not to the household as a whole.

Example 2:

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 old 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.

What Counts as Income?

Neither the HHS poverty guidelines nor the federal CSBG Act nor applicable HHS regulations define the term “income.” Following is one example of how the term income might be defined. Other reasonable definitions are also acceptable.

Example:

Income includes total annual cash receipts before taxes from all sources, with the exceptions noted below. Specifically, income includes:

- Wages and salaries before any deductions;
- Net receipts from nonfarm self-employment (receipts from a person’s own unincorporated business, professional enterprise, or partnership, after deductions for business expenses);
- Net receipts from farm self-employment (receipts from a farm which one operates as an owner, renter, or sharecropper, after deductions for farm operating expenses);
- Regular payments from Social Security, railroad retirement, unemployment compensation, strike benefits from union funds, workers’ compensation, veterans’ payments, public assistance (including Temporary Assistance for Needy Families, Supplemental Security Income, and non-federally-funded General Assistance or General Relief money payments), and training stipends;

- Alimony, child support, and military family allotments or other regular support from an absent family member or someone not living in the household;
- Private pensions, government employee pensions (including military retirement pay) and regular insurance or annuity payments;
- College or university scholarships, grants, fellowships, and assistantships;
- Dividends, interest, net rental income, net royalties;
- Periodic receipts from estates or trusts, and
- Net gambling or lottery winnings.

Income does not include:

- Tax refunds;
- Assets drawn down as withdrawals from a bank or the sale of property (such as a house or a car);
- Capital gains;
- Gifts, loans, lump-sum inheritances, one-time insurance payments, or compensation for injury;
- Employer-paid or union-paid portion of health insurance or other employee fringe benefits;
- Food or housing received in lieu of wages;
- Federal or state noncash benefit programs as Medicare, Medicaid, food stamps, school lunches, and housing assistance; or
- Payments required under federal or state law to be excluded from the definition of income for calculating eligibility for federal or state public benefit programs, such as cost reimbursements under the federal Foster Grandparent program (see 45 C.F.R. § 2552.47).

What Period Should Be Used in Determining Income?

Neither the HHS poverty guidelines, the federal CSBG Act, nor applicable HHS regulations specify the period to be used when determining a client’s income. Following are examples of periods that could be used in determining a client’s income. Other reasonable periods are also acceptable.

Example 1:

The period for determining the annual income must not be more than 12 months nor less than 90 days preceding the request for assistance.

Example 2:

Total monthly or annualized gross household income should be used to determine eligibility. The monthly income should be calculated for the 30-day period preceding and including the date of application.

Example 3:

There is no prescribed look-back period for income assessment. Depending on an individual client’s circumstances and the documentation available, it may be reasonable to calculate client 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 client 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 client’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 eligible entity 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 eligible entity's goal in each case should be to most accurately determine a client's actual financial position at the time of assessment.

How Often Should Client Income Be Re-Determined?

Neither the CSBG Act nor applicable HHS regulations specify how often a client's income should be re-determined. Following is one example of a possible re-determination policy:

Example:

After initial determination, the income level of a client receiving ongoing services should be re-determined at least annually, and should be reviewed any time the eligible entity becomes aware of a significant income changing event or circumstance. An eligible entity retains the right to review a client's income level at any time while the client is receiving CSBG-funded benefits/services for the purpose of determining continued program eligibility.

What Types of Income Documentation Should Be Reviewed?

Neither the CSBG Act nor applicable HHS regulations specify the type of income documentation that eligible entities should review in determining an applicant's income eligibility. Following are two possible examples of documentation an eligible entity could review in determining a client's income:

Example 1:

Applicants must provide documentation of their household's source(s) of income. Some examples of acceptable documentation include: pay stubs; a current tax return; IRS Form W-2 and/or 1099; a letter from an employer; a Social Security check or benefits statement; retirement income statement; unemployment insurance benefit statement; child-support payments documentation (copies of checks, history of payments or court papers); or self-employed accounting records. Documentation of current participation in public benefits programs with income eligibility standards at or below 125% of the HHS federal poverty guidelines may also be used.

Applicants who claim no household income must sign a form attesting to that fact and to the accuracy of the information provided to the eligible entity. This form must also be signed by a staff member indicating that the staff member has, in good faith, attempted to verify this condition, and that the information on eligibility in the file is accurate to the best of the staff member's knowledge.

Example 2:

Before an applicant is determined to be eligible on the basis of family income, the applicant must submit information to the program concerning the family's income. Verification must include examination of documents such as individual income tax forms, W-2 forms, pay stubs, pay envelopes, or written statements from employers (if individual income tax forms, W-2 forms, pay stubs, or pay envelopes are not available).

When appropriate, in cases in which no documentation regarding the income eligibility of the applicant has been received by the eligible entity, or when it is either more efficient or reliable to do so rather than to search for eligibility documentation, eligible entities may seek information from third parties who have first-hand knowledge about the applicant's eligibility, and document each such third party's name, title, organizational affiliation (if any) and relationship to the applicant in the applicant's record. Eligible entities also may seek third party information in cases where documents are not submitted to prove a claim that an applicant has no income.

If eligible entities plan to seek third party verification from one or more parties regarding an applicant's eligibility, staff must inform the applicant about each party that they intend to contact. In addition, the applicant must sign a consent form permitting the eligible entity to contact specified third parties; this provides applicants the opportunity to withhold their consent for third party verification from one or

more parties. An applicant must be given the opportunity to withhold consent related to each party the eligible entity would like to contact. If applicants do not sign the consent form, the eligible entity may not contact that party and the applicant remains responsible for providing appropriate documentation.

What Records Should Be Kept Regarding the Eligibility Determination?

Neither the CSBG Act nor applicable HHS regulations specify the records an eligible entity should keep regarding the determination of an applicant's eligibility for CSBG benefits/services. At a minimum, an eligible entity should retain documentation sufficient to demonstrate that, where an individualized determination of income was required, staff screened applicants for income eligibility. Following are two possible examples of the records that could be kept to document the fact that an eligible entity reviewed a client's income and determined the client to be eligible for CSBG services/benefits:

"At a minimum, an eligible entity should retain documentation sufficient to demonstrate that... staff screened applicants for income eligibility."

Example 1:

An eligible entity maintains a statement that identifies which documents staff examined and states that the applicant is eligible for CSBG services/benefits. The statement is signed by an employee who reviewed the documentation and determined the applicant to be eligible for CSBG services/benefits. Where an applicant claims no household income, the eligible entity maintains the form attesting to that fact signed by the applicant and the staff member who attempted to verify the applicant's household income.

Example 2:

An eligible entity keeps an eligibility determination record for each applicant for CSBG services/benefits, which includes:

- Copies of all documents submitted by the applicant relating to the applicant's eligibility for services and any staff member's notes recording any other information related to eligibility received from any source;
- A signed and dated statement by the applicant certifying that the documents and information that the applicant provided concerning eligibility are accurate to the best of the applicant's knowledge;
- Documentation establishing that a staff member has sought to verify the accuracy of the information on eligibility provided to the eligible entity by:
 - » Conducting an in-person interview with the applicant; and
 - » Seeking information from third parties who have first-hand knowledge about the applicant's eligibility in cases in which no documentation regarding the income eligibility of the applicant has been received by the eligible entity, or when it is either more efficient or reliable to do so rather than to search for eligibility documentation. The record should include the names, titles, and affiliations of the third parties, and the applicant's signed consent form permitting the program to contact each particular third party; and
- A signed and dated statement by the staff person who made the eligibility determination certifying that the information on eligibility in the file is accurate to the best of the person's knowledge, and based on that information, the person has determined the applicant to be eligible for services.

5. Are there any cases where individualized determination of income eligibility may not be required?

There are certain circumstances where individualized determination of income eligibility may not be required. Check with your state CSBG office on this point.

Services are provided on a group, rather than individual, basis and circumstances indicate that those benefiting are likely to meet the CSBG income eligibility requirements. For example, a financial literacy class provided to parents of children in the eligible entity's Head Start program, or a job skills class provided to residents of a homeless shelter.

Services are provided on an individual basis but circumstances make it impossible or impracticable to obtain income documentation and indicate that those benefiting are likely to meet the CSBG income eligibility requirements and/or that the services facilitate linkages and coordination of services to low-income people in the community. For example, a community resource hotline that provides referrals to local health and human services providers; general information and referrals regarding benefits and services available to low-income people in the community; and disaster response and relief (such as emergency shelters or provision of food and clothing during or immediately following a disaster).

Services are intended to increase community awareness of or involvement in poverty issues. For example, an eligible entity sponsors a community forum on improving health care access for low-income people, convenes a meeting of organizations in the community serving homeless clients to discuss coordinating service delivery, or holds an open house to publicize the availability of its programs to members of the low-income community.

Other Eligibility Issues

1. How should costs be allocated for programs supported by both CSBG funds and funds that either do not have eligibility requirements or that have less restrictive eligibility requirements than the CSBG program?

When CSBG funds are used to support another program that does not have eligibility requirements, that has higher income eligibility requirements than the CSBG program, or that does not limit services to the CAA's CSBG service area, clients should be screened for CSBG eligibility and identified as CSBG-eligible or not CSBG-eligible.

The eligible entity should have a reasonable, documented basis for allocating the program costs between CSBG and the other funding source(s) based on the relative benefit each funding source receives. This can be done, for example, by demonstrating that either: (1) the proportion of program clients who are CSBG-eligible is equal to or greater than the proportion of program costs paid with CSBG funds (e.g., if 70% of program costs are paid from CSBG funds and 30% are paid from another source, at least 70% of the clients served must meet CSBG eligibility requirements); or (2) the proportion of program staff time devoted to serving CSBG-eligible clients is equal to or greater than the proportion of program costs paid with CSBG funds (e.g., if 70% of program costs are paid from CSBG funds and 30% are paid from another source, at least 70% of staff time must be allocated to serving CSBG-eligible clients).

"The eligible entity should have a reasonable, documented basis for allocating the program costs between CSBG and other funding source(s)..."

2. May an eligible entity require documentation that applicants for CSBG services/benefits live in the eligible entity's CSBG service area?

If residency in the CSBG service area is an eligibility requirement of the eligible entity and/or state CSBG statutes and/or regulations, an eligible entity may require documentation that applicants for CSBG services/benefits live in the eligible entity's CSBG service area. However, if state CSBG statutes and/or regulations do not require otherwise, an eligible entity may decide to serve individuals who live outside the service area (such as individuals who work in the service area). Following is one example of possible residency documentation an eligible entity might require:

Example:

Applicants provide documentation of their current residential address. Examples of acceptable documentation include: copy of utility bill; lease or rental agreement; receipt from landlord of rent received; copy of mortgage statement; written statement from landlord affirming residency; or a letter from homeless shelter. Applicants who live with someone else and do not receive mail at that address may provide a signed, notarized letter from that person and documentation of that person's current residential address. Self-certification is permitted in the case of applicants who are homeless and have no current residential address.

3. Are certain categories of people ineligible for CSBG services (e.g., staff and board members, non-citizens, substance abusers, convicted felons)?

Other than people who do not meet the CSBG income eligibility requirements, no one is categorically ineligible for CSBG services.

Staff, Board Members and Members of their Families: There is no prohibition against an eligible entity providing CSBG-funded services/benefits to members of its tripartite board, its staff or members of their families who apply for those services/benefits, provided that: (1) the applicant meets all applicable eligibility criteria for the services/benefits; (2) the applicant does not receive preferential treatment in receiving the services/benefits due to his or her connection with the eligible entity; and (3) the services/benefits are provided on terms similar to those provided to individuals who are not so connected to the entity. Neither the applicant nor a member of his/her family should make the determination of whether the applicant is eligible for the CSBG-funded services/benefits.

Non-Citizens: OCS Information Memorandum 30 (September 30, 1998) states that non-citizens should not be banned from CSBG programs based solely on their alien status unless the exclusion is authorized by another statute.

Substance Abusers: There is no prohibition on the use of CSBG funds to provide services/benefits to substance abusers. A number of eligible entities use CSBG funds to provide substance abuse treatment or to provide additional services to clients in their substance abuse treatment programs.

Convicted Felons: Convicted felons are eligible for CSBG services. Indeed, a number of eligible entities use CSBG funds to provide prisoner re-entry services.

4. May CSBG funds be used to provide general information on services/benefits available in the community to low-income people and referrals to other providers of those services/benefits without an intake and eligibility screening process?

The CSBG Act requires states to include in their CSBG state plans, "information provided by eligible entities in the State, containing ... a description of how linkages will be developed to fill identified gaps in ... services, through the provision of information, referrals....." Sec. 676(b)(3)(B), 42 U.S.C. § 9908(b)(3)(B). Thus, it is clear that CSBG funds may be used to provide information and referrals, assuming the services

are targeted to those who are CSBG-eligible. The very purpose of information and referral services is to connect people quickly and effectively to community, health and disaster services. Requiring individuals seeking general information and referrals to complete a detailed eligibility application would likely result in their turning elsewhere, thus defeating the purpose of providing information and referral services.

5. May CSBG funds be used for initial general intake and eligibility screening for eligible entity services or benefits, even if some people screened are determined to be ineligible for CSBG services or benefits?

An eligible entity may use CSBG funds for initial intake and eligibility screening for general CAA services. If an applicant is determined not to meet the CSBG eligibility requirements, but is eligible for other services/benefits provided by the eligible entity or by other organizations or entities that have less restrictive eligibility requirements (such as higher income), CSBG funds may be spent on staff time and related expenses for the intake staff to inform the applicant about the availability of those services/benefits and to refer the applicant to a staff person whose time is paid out of the funding sources for those services/benefits for more information about and intake for those services/benefits.

6. What non-discrimination requirements apply to the CSBG eligibility determination process?

As noted below under the “Relevant Laws” section, eligible entities must conduct CSBG eligibility determinations in a manner that does not discriminate against applicants on the basis of race, color, national origin, age or disability. In addition, eligible entities that are religious organizations are prohibited from discriminating against applicants on the basis of religion.

For more information on rights and responsibilities under federal civil rights laws, visit the page of the HHS Office for Civil Rights website on “Understanding Civil Rights” at <http://www.hhs.gov/ocr/civilrights/understanding/index.html>.

7. May an eligible entity deny CSBG services/benefits to an applicant if the applicant is receiving similar services/benefits from another source?

CAPLAW does not recommend denying CSBG services/benefits to applicants because they may be receiving similar services/benefits from another organization. Instead, we encourage eligible entities to gather information that will permit them to coordinate services/benefits with those provided by other entities. If an eligible entity determines that the client has less need for services/benefits than other clients due to receiving similar services elsewhere, the eligible entity could use this factor in determining the priority of that client. In addition, an eligible entity may take steps (including denying CSBG-funded services or benefits) to ensure that clients are not receiving duplicated CSBG-funded services or benefits from the eligible entity (for example, receiving the same services or benefits at multiple sites).

An eligible entity could include questions on its intake form about whether applicants for services/benefits have recently received or are currently receiving services/benefits that are similar to those for which they are applying from the eligible entity and, if so, what organization(s) or entity(ies) provided those services. These questions would be asked of all applicants for services/benefits. Answers provided by applicants could then be used to determine whether there are specific organizations with which the eligible entity should coordinate in providing services/benefits and whether additional releases are needed from applicants or clients to enable the eligible entity to contact those organizations to coordinate the provision of services/benefits to those particular applicants or clients.

Relevant Laws

Section 673(2) of the CSBG Act, 42 U.S.C. § 9902(2)

Section 673(2) of the CSBG Act, 42 U.S.C. § 9902(2) provides that:

The term 'poverty line' means the official poverty line defined by the Office of Management and Budget based on the most recent data available from the Bureau of the Census. The Secretary shall revise annually (or at any shorter interval the Secretary determines to be feasible and desirable) the poverty line, which shall be used as a criterion of eligibility in the community services block grant program established under this subtitle. The required revision shall be accomplished by multiplying the official poverty line by the percentage change in the Consumer Price Index for All Urban Consumers during the annual or other interval immediately preceding the time at which the revision is made. Whenever a State determines that it serves the objectives of the block grant program established under this subtitle, the State may revise the poverty line to not to exceed 125 percent of the official poverty line otherwise applicable under this paragraph.

Section 672 of the CSBG Act, 42 U.S.C. § 9901

CSBG funds distributed to eligible entities by states are to be used for the purposes of the CSBG Act specified in section 672 of the CSBG Act, 42 U.S.C. § 9901, which are:

1. *to provide assistance to States and local communities, working through a network of community action agencies and other neighborhood-based organizations, for the reduction of poverty, the revitalization of low-income communities, and the empowerment of low-income families and individuals in rural and urban areas to become fully self-sufficient ...; and*
2. *to accomplish the goals described in paragraph (1) through—*
 - A. *the strengthening of community capabilities for planning and coordinating the use of a broad range of Federal, State, local, and other assistance (including private resources) related to the elimination of poverty, so that this assistance can be used in a manner responsive to local needs and conditions;*
 - B. *the organization of a range of services related to the needs of low-income families and individuals, so that these services may have a measurable and potentially major impact on the causes of poverty in the community and may help the families and individuals to achieve self-sufficiency;*
 - C. *the greater use of innovative and effective community-based approaches to attacking the causes and effects of poverty and of community breakdown;*
 - D. *the maximum participation of residents of the low-income communities and members of the groups served by programs assisted through the block grants made under this subtitle to empower such residents and members to respond to the unique problems and needs within their communities; and*
 - E. *the broadening of the resource base of programs directed to the elimination of poverty so as to secure a more active role in the provision of services for—*
 - i. *private, religious, charitable, and neighborhood-based organizations; and*
 - ii. *individual citizens, and business, labor, and professional groups, who are able to influence the quantity and quality of opportunities and services for the poor.*

Section 676(b)(3)(B) of the CSBG Act, 42 U.S.C. § 9908(b)(3)(B)

Section 676(b)(3)(B) of the CSBG Act, 42 U.S.C. § 9908(b)(3)(B), requires CSBG state plans to include, among other things:

information provided by eligible entities in the State, containing ... a description of how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management, and followup consultations.

Section 678F(c)(1) of the CSBG Act, 42 U.S.C. § 9918(c)(1)

Section 678F(c)(1) of the CSBG Act, 42 U.S.C. § 9918(c)(1), also specifies that:

No person shall, on the basis of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this subtitle. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified individual with a disability as provided in section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), or title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12131 et seq.) shall also apply to any such program or activity.

Title VI of the Civil Rights Act of 1964, 42 U.S.C § 2000d

In addition, in their provision of CSBG services/benefits, eligible entities are subject to Title VI of the Civil Rights Act of 1964, 42 U.S.C § 2000d, which specifies that:

No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

45 C.F.R. § 1050.3(e)

HHS regulations regarding Charitable Choice under the CSBG Act Programs, 45 C.F.R. § 1050.3(e), specify that:

A religious organization that receives funds under an applicable program, shall not, in providing program services or benefits, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or a religious belief.

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This publication is part of the National T/TA Strategy for Promoting Exemplary Practices and Risk Mitigation for the Community Services Block Grant (CSBG) program and is presented free of charge to CSBG grantees. It was created by Community Action Program Legal Services, Inc. (CAPLAW) in the performance of the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Community Services Cooperative Agreement – Grant Award Number 90ET0433. Any opinion, findings, and conclusions, or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the U.S. Department of Health and Human Services, Administration for Children and Families.

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