

San Pasqual Band of Mission Indians
San Pasqual Housing & Community Development
Private Home Ownership Program Policies and Procedures Manual

Income Determination Policy

I. Purpose

- A. The purpose of this policy is to outline the income guidelines in determining income eligibility for the Private Home Ownership Program (PHOP) for the SPH&CD.

II. Income Determinations

- A. **Annual Income.** Annual income is the anticipated total gross income from all sources received by the owner(s)/lessee(s) (even if temporarily absent) including all net income derived from assets, for the 12-month period following the effective date of the initial determination or re-examination of income, exclusive of certain types of income as provided in subsection b. below.

1. Annual income includes, but is not limited to:

- a. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, per capita payments, committee stipends, tips and bonuses, and other compensation for personal services;
- b. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- c. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net

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income. An allowance for depreciation is permitted only as authorized in paragraph (a)(2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate;

- d. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (b)(12) of this section);
 - e. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (b)(3) of this section);
 - f. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;
 - g. All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (b)(7) of this section).
2. Annual income does not include the following:
- a. Income from employment of children (including foster children) under the age of 18 years;
 - b. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
 - c. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (a)(5) of this section);

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- d. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- e. Income of a live-in aide, as defined under 24 C.F.R Part 5, §5.403;
- f. The full amount of student financial assistance paid directly to the student or to the educational institution;
- g. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- h. Amounts received under training programs funded by HUD;
- i. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
- j. Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-pocket expenses incurred and which are made solely to allow participation in a specific program;
- k. Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program.
- l. Temporary, nonrecurring or sporadic income (including gifts);
- m. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- n. Adoption assistance payments in excess of \$480 per adopted child;

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- o. Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
- p. Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;
- q. Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
- r. Annualization of income. If it is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income), or SPH&CD believes that past income is the best available indicator of expected future income, SPH&CD may annualize the income anticipated for a shorter period, subject to a re-determination at the end of the shorter period.