

**Little Traverse Bay Bands of Odawa Indians  
Housing Department**

**INCOME VERIFICATION PROCESS & SCREENING PROCEDURES**

**PURPOSE OF THIS PROCEDURE:**

To insure that the LTBB Housing Department calculates annual income in a fair and consistent manner that also complies with any grant requirements that the LTBB Housing Department is responsible for.

**INCOME:**

The LTBB Housing Department defines income, as it pertains to calculating income eligibility for LTBB Housing Grants, as adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes. This includes, but is not limited to the following:

1. Wages
2. Tips
3. Overtime
4. Social Security Benefits (only the taxable amount)
5. Unemployment
6. Commissions
7. Annual Dispersements from Native American Tribes to its members
8. Net income from the operation of a business
9. Pensions
10. Retirement account disbursements
11. Public Assistance – monetary value of assistance

Annual Adjusted Gross Income does not include the following:

1. Income from employment of children (including foster children) under the age of 18 years.
2. Child support.
3. Foster Child Payments
4. Scholarships
5. The non-taxable portion of Social Security Benefits or state assistance

### **Calculating Annual & Monthly Income:**

When calculating and estimating income for LTBB Housing Grants, the LTBB Housing Department will use the following guidelines:

1. A minimum of 4 weeks of check stubs will be used.
2. Hourly rates will be multiplied by 40 hours to acquire a weekly gross amount. This amount will be multiplied by 52 to acquire an annual gross amount. If the applicant can document that less weekly hours are worked or less weeks per year are worked then we will calculate the amounts accordingly.
3. If tips are reported on the check stubs provided we will total the amount of tips on all checks provided, then divide that amount by the number of checks used to acquire it. This average weekly amount will be multiplied by 52 weeks to acquire an annual gross amount. If the applicant is employed less than 52 weeks and we can document this with the employer then we will calculate accordingly.
4. For applications that require a specific dollar amount of monthly income in order for their rent to be deemed “affordable” by the LTBB Housing Department, child support received may be counted. In order for the child support payments to be counted, third party verification from the applicable governing body must be acquired. Only actual amounts received over the last 12 months will be used to adjust the applicant’s monthly gross income. Any child support that is currently being received by the applicant that is for a child that is 17 years of age or older will not be counted in the adjustment to the applicants monthly gross income.
5. If overtime amounts are reported on the check stubs provided we will total the amount of overtime on all checks provided, then divide that amount by the number of checks used to acquire it. This average weekly amount will be multiplied by 52 weeks to acquire an annual gross amount. If the applicant is employed less than 52 weeks and we can document this with the employer then we will calculate accordingly.
6. Applicants reporting self employment income must submit the previous year’s tax documents as verification of income, along with a current monthly statement of the business revenue and expenses. If the business was started in the same calendar year as their application, then the applicant must submit an expense and revenue statement for the business, starting from the date the business was first operated.
7. Applicants reporting Social Security Income must provide the annual determination for this to be verified. Only the taxable portion is counted into the determination for annual income and income eligibility.
8. Any income received monthly will be multiplied by 12 to acquire an annual gross amount.
9. Unemployment will be calculated by multiplying the weekly benefit by 52 weeks, regardless of the amount of benefit weeks left on their current claim.

10. Any person listed on the application that is reporting zero income must complete a LTBB Housing Zero Income Verification form.
11. LTBB Housing staff will complete the Housing Department's Standard Income Calculation form for every member of the home that has reportable income (see attached copy of this form).

### **Calculating Rent for LTBB Housing Rental Units**

When determining gross income, which will be used to determine the tenants monthly rent, the following procedures will apply.

1. Tenants reporting self-employment income must provide the previous years tax documents showing the business income.
2. Any tenant asking for an adjustment to their monthly rent based on a temporary medical condition must provide 3<sup>rd</sup> party verification of their inability to earn income or work. In this case, the amount of weeks that a tenant is deemed unable to work or earn income will be deducted from the previous year's annual gross income, and the rent will be recalculated using the new amount. This new amount will be in effect until the tenant's normal annual recertification date or until they provide further documentation that their inability to earn income will continue to be impeded.
3. If a tenant receives regular assistance for their routine monthly expense, then that amount will be considered income and their annual income will be calculated accordingly.
4. In instances where federal law governs LTBB Housing Projects, that law will dictate what forms of income are calculated to determine monthly rents.
5. When calculating rent for a LTBB Rental Unit, generally ALL forms of income are included in the calculation of the homes annual gross income. This includes, but is not limited to, Social Security Income, Disability Income, Workmans Compensation Income, Unemployment Benefits, Child support actually received, etc.

**NOTE:** The Little Traverse Bay Bands of Odawa Indians Housing Department is bound by Federal Law and Little Traverse Bay Bands of Odawa Indians Tribal Law, Statutes, Policies and Procedures. The Housing Department staff is not authorized to make any exceptions to Federal Law, Little Traverse Bay Bands of Odawa Indians Tribal Law, Statutes, Policies or internal procedures.