

IDA Income Calculator Instructions

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About the Income Calculator

- The IDA Income Calculator is used for determining eligibility of all applicants to the Oregon IDA program.
- Download the most up-to-date version of the IDA Initiative Income Calculator from the [IDA Provider's Toolbox](#).
 - **Note:** The Calculator formulas are updated each program year, and other changes are made periodically. Be sure you are using the most current version.



Also, [click here](#) or on the image to view a short video training on the IDA income calculator

Income Calculator Process Overview

General notes about the calculator:

- Most cells in this workbook are not editable to prevent errors in the formulas. Cells highlighted in yellow are places for you (the user) to enter data. Cells highlighted in green will auto-populate based on information from the rest of the workbook. Please note that the tool will show the applicant as ineligible until all steps are complete.

Basic steps for filling out the calculator:

1. Start on the “Instructions & Eligibility Test” tab. For the first six questions, at minimum, fill out “Applicant Name,” “Applicant’s County,” and “Applicant’s Household Size” for testing purposes. This data is important in other areas of the calculator.
2. The second tab is the “Net Worth Calculator”, which will help to verify Net Worth Eligibility. All Assets and Liabilities fields from the application should also be entered into Outcome Tracker.
3. If the applicant has been certified to receive any of the listed public benefits in the past 12 months, and provides appropriate documentation for that benefit, then they income qualify. No further documentation is needed, and the income calculator is complete.
4. If the applicant has NOT been certified to receive any of the listed public benefits, then you must complete the "Consistent," "Inconsistent," "Seasonal," and "Self-Employment" Income tabs as applicable to calculate the applicant's total household income.
5. After all income from the household is recorded, return to the Instructions & Eligibility Test tab for the eligibility answer.

Note: The Income Calculator will do the math for you, based on the data you fill in. You do not need to do any separate calculations.

Saving completed Income Calculators

- You must save the calculator electronically (in excel format) for each applicant. Name it something that will connect it to the client in later review.
 - For accepted applicants, save for at least six years from closing of client record.
 - For applicants who are not accepted, save for at least 1 year from date of calculation.

Instructions & Eligibility Test

First fill out:

- **Applicant Name**
- **Applicant's County**- Select from the dropdown
- **Applicant's Household Size**- the total household size from the application
- **Your Name**- Staff person filling out the calculator
- **Organization**
- **Application Date**– The date the applicant completed their IDA Application

Step 1: To verify Net Worth Eligibility, complete the Net Worth Calculator Tab.

- All Assets and Liabilities fields from the application should also be entered into Outcome Tracker.

Step 2: Is the net worth of the applicant's household \$20,000 or less, excluding their home if owned, one vehicle, and up to \$120,000 of retirement savings?

- This answer will auto-calculate. If net worth is above the threshold, the calculation will indicate “no”, that they are not eligible due to their IDA net worth. If it is below \$20,000, then they qualify and you should move on to step 3.

Step 3: Has the applicant been certified to receive any of the following public benefits in the past 12 months? And has the applicant provided appropriate documentation for this benefit?

- If an applicant is certified to use one of the qualifying programs, select it from the pull down menu next to Program. Eligibility must have been certified within the last 12 months, and document must be on letterhead or some other official format, and must be retained in the client file.
- If the answer is “**Yes**” for “Documentation Provided?”
 - The applicant income qualifies.
 - You do not need any additional income documentation
 - Enter the qualifying program in Outcome Tracker on the intake tab
- If the answer is “**No**”- proceed to step 4

The list of Public Benefits that qualify are also listed on the Include v Exclude tab

Step 4: Complete the "Consistent," "Inconsistent," "Seasonal," and "Self-Employment" Income tabs as applicable to calculate the applicant's total household income.

Step 5: Is the gross income of the applicant's household at or below 200% of the federal poverty rate or 80% AMI? The household's income must be greater than 0 for this answer to calculate correctly. This field will autofill from information filled out on the income tabs.

Net Worth Calculator

Filling out the Net Worth Calculator tab will support you in determining whether the net worth of an applicant's household is under the IDA's limits. All amounts reported on the application must be entered into OT, which serves as the official calculation for IDA net worth eligibility. The IDA Net Worth Calculator tab mirrors the OT fields.

1. Assets & Liabilities

- Client will self-report Assets and Liabilities following the instructions found on the net worth calculator tab.
 - A PDF copy of the Net Worth Calculator is also available for download for client use.

2. Total Net Worth

- This provides a calculation of the full net worth (=total assets (-) total liabilities)

3. Retirement Assets that exceed \$120,000

- This calculates the amount of retirement asset that exceed the amount that statute allows to be excluded for a final IDA net worth eligibility calculation.

4. Oregon IDA Household Net Worth

- This auto calculates the same way OT will calculate net worth, excluding assets and liabilities of primary home, vehicle 1, and up to the limit of retirement savings.
- Applicant will qualify if this field is below \$20,000

Income Calculations

To be eligible for an IDA, the gross income of the applicant's household must be at or below 200% of the federal poverty rate or 80% AMI. The IDA Income Calculator is updated annually to keep current with current state and federal income guidelines.

If an applicant is over income, but is able to qualify after the new limits are updated, it is important that they re-qualify with an application date and income verification that happens after the annual income numbers were updated.

The IDA Income calculation should consider the household's recent income based on the application date. Documentation of income earned after the application date can be considered, but should not be considered past one month after the application date. The below charts give guidance on which sources might be recorded on which tabs.

<u>Most likely recorded as Consistent Income</u> Traditional Wages, including overtime pay Alimony Armed Forces Income Housing Allowance (e.g. Clergy) Retirement Distributions SSDI (exclude amounts that are received as lump sum distributions or amounts to make up for previous missed or underpayments) SSI Trust Income (if regularly received) Unemployment Benefits Union Strike Benefits Worker's Comp	<u>Possibly Consistent, possibly Inconsistent</u> Child Support Rental Income Cash (w/o paycheck)	<u>Most likely recorded as Seasonal Income</u> Taxable interest Per capita (exclude the first \$2,000) Work Study (exclude all amounts over \$480/yr) Adoption Assistance Payments (exclude all amounts over \$480/yr) Dividend Income Seasonal Farm Work Students ages 18-24 that are dependents in a household: (exclude all amounts over \$480/yr)
	<u>Most likely recorded under Inconsistent tab</u> Income that is inconsistent in pay schedule or hours worked Day Labor	
	<u>Self-employment Income</u> Net profit from a Small Business owned by a household member Net profit earned from self-employment Net profit from gig work (Rideshare driving, food delivery, etc)	

Consistent Income Tab

Enter the Number of consistent income sources in the applicant's household

Fill in for Each Source of Consistent Income

1. Name of Adult Household Member receiving the income:

- If one adult has more than one source of consistent income, use multiple fields.

2. Source of Income

- Enter the source of income, with enough detail to connect it to the documentation provided. For example, you might list the employer and say "Job at McDonalds" or if there's not an employer, simply list what type of income it is, like "Child Support"

3. Gross Pay Amount

- Fill in at least 4 consecutive weeks of gross income using the YELLOW fields.
 - Enter GROSS income, including overtime but excluding bonuses.

4. Frequency Received

- Select the correct frequency of the pay period from the pull-down list.
- Under frequency received, fill in the Pay period date range for each Gross pay period amount to demonstrate frequency and confirm that there are no gaps in pay.

Documentation

Collect documentation for all income sources.

Documentation can be stored:

- electronically
- in the paper file

Documentation could include copies of paystubs or checks; or a letter, phone conversation, or email from the employer. For marginal income (small amounts of income that do not substantially impact IDA eligibility), indicating that a verbal or written statement was given by the applicant is sufficient.

Use the pay period date range to determine whether the pay is weekly, bi-weekly, 2x/month, or monthly. For example, if the pay period is bi-weekly, the date range will be every 2 weeks, on the same days of the week. If it is 2x/month, the pay period will start and end on the same day of the month every month.

The spreadsheet will auto-fill the **GREEN Pay Period Amount, Frequency Annually, and Annual Income** fields.

Optional: Use the notes field for information that explains particular details about an individual's income.

Self-Employment Income Tab

Income earned from self-employment or a small business owned by a household member

1. Enter the Number of household self-employment income sources

2. Source of Income

- You could put “self-employed” or write the name of the business.

3. What type of documentation is included in the file?

- Preferred documentation is a profit and loss statement generated by the applicant. If that's not available, the previous year's Schedule C or 1099 are acceptable.

4. Net profit from self-employment/small business

- Amounts should correspond with documentation provided, and should cover at least 2 months.

5. How many whole months do the last 4 payments include?

- Amount must be greater than 0.
- This number is used to calculate the average monthly income from this source.
- If the Net profit listed was for a full year, then enter “12”.

⇐ For example, if one payment was received in January, two in June, and one in July, put “7” in the field. If all were received in January, enter “1”

6. Average monthly income from this source

- This will auto-calculate by dividing the sum of gross pay listed by the number of months to calculate the average monthly income from this source.
- The income calculator will only carry over income (numbers greater than \$0). Total losses from self-employment or small business income are treated as zero income.

Optional: Use the notes field for information that explains particular details about an individual's income.

Inconsistent Income Tab

Inconsistent income is income that is inconsistent in pay schedule or hours worked

- 1. Enter the Number of household inconsistent income sources**
- 2. Source of Income**
 - Simple description of the source. Examples would be babysitting, day labor
- 3. How often is the income received?**
 - Examples: once a month, seasonally, occasionally
- 4. What type of documentation is included in the file?**
 - For marginal income (small amounts of income that do not substantially impact IDA eligibility), indicate that a verbal or written statement was given by the applicant for the amount being recorded
- 5. Enter the gross pay from this source for the last four payments received:**
 - The last four payments should cover at a minimum 4 weeks of recent income
- 6. List the gross amounts for the most recent 4 payments received.**
 - Amounts should correspond with documentation provided, or should be based off self-reported marginal income
- 7. How many whole months do the last 4 payments include?**
 - Amount must be greater than 0
 - This number is used to calculate the average monthly income from this source
- 8. Average monthly income from this source**
 - This will auto-calculate by dividing the sum of gross pay listed by the number of months to calculate the average monthly income from this source

⇐ For example, if one payment was received in January, two in June, and one in July, put "7" in the field. If all were received in January, enter "1"

Optional: Use the notes field for information that explains particular details about an individual's income.

Seasonal Income Tab

Seasonal income is income that is NOT year-round or income received as a lump sum once a year

- 1. Enter the Number of household inconsistent income sources**
- 2. Source of Income**
 - Simple description of the source. Examples would be babysitting, day labor.
- 3. What type of documentation is included in the file?**
 - For marginal income (small amounts of income that do not substantially impact IDA eligibility), indicate that a verbal or written statement was given by the applicant for the amount being recorded.
- 4. Total annual seasonal income**
 - All seasonal income should be listed as an annual lump sum.

- If you are unable to determine an annual lump sum amount, seasonal income may also be recorded as inconsistent income in order to calculate a monthly average.

Optional: Use the notes field for information that explains particular details about an individual's income.

Calculation Totals

The following fields are at the bottom of the Instructions and Eligibility Test tab and auto-fill from the information you enter into the income tabs.

1. Annual Household Income (auto-calculates)

- This totals all of the household's income.

⇐ This amount goes in OT

- On the Intake Form, use the "Total Household Income" field

2. State income limit for applicant's household size and county (auto-calculates)

- This is the income limit for this applicant based on county and household size.
- If this field is showing \$0, you have not yet selected the county and household size at the top of this tab

3. Next Steps

- If the applicant's household income falls at or below the income limit, the box will be green and say "This applicant qualifies to use OR_IDA funds! Please include all documentation in the client's file."
- If the applicant's household falls above the income limit, the box will be red and say "This applicant does not currently qualify. Based on your program's policies, this applicant may be encouraged to reapply if their income situation changes."

Include v. Exclude Tab

- This is a list of types of income that should be included and excluded, with specific considerations listed.
- Qualifying Benefits are also listed on this tab.

⇐ This is an important resource when an applicant or household member has income sources outside of regular paychecks.

Income Calculation FAQs

1. What if someone doesn't regularly get overtime, does it still have to be considered?

- a. Yes, overtime pay is considered part of consistent income. Someone can provide *more* than 4 weeks of pay to demonstrate income over a longer period of time, as long as it is recent and consecutive (no gaps).

2. What if there is a gap in pay from a consistent income source?

- a. If someone is receiving consistent income, there should be no missing paystubs. If there is a gap in pay due to no income received during a period of time, but the person is still employed and receiving consistent income, a phone call or letter from the employer should be provided stating that during that period of time, the employee did not receive any income.

3. What if someone ended one job and started another, how do I record that?

- a. If someone was employed in two distinct jobs during the last month, both should be included as sources of income, and together they should demonstrate how much income they received over the span of the last weeks. When this is being documented as 2 distinct sources of income over a 1 month period of time, then any period of time when someone was **not** working at that job would be recorded as "\$0" to complete the full 4 weeks.

4. What if someone was receiving unemployment but just started a new job?

- a. There are two options for how to calculate this person's income.
 - i. **First option:** it could show only the new income, if you are able to verify salary (or pay rate and hours per week) with a letter, phone conversation, or email from an employer.
 - ii. **Second option:** it could be based on both sources of income (unemployment income and new income) from the most recent 4 weeks. In this scenario, the income calculator would show four full weeks for both the new income and unemployment income. When documenting it this way, the period of time when someone was **not** receiving that particular income source would be recorded as "\$0" to provide a monthly average for the full 4 weeks.

5. What if someone gets paid in cash? How do I document that?

- a. Documentation could include a letter, phone conversation, or email from the employer. If the person is self-employed, a profit and loss statement generated by the applicant is acceptable. For marginal income (small amounts of income that do not substantially impact IDA eligibility), a verbal or written statement given by the applicant is sufficient.

6. If someone is self-employed, and their business is showing a loss, can that reduce a household's total income?

- a. No. Losses from a small business are treated as zero income, and the income calculator will only carry over numbers greater than \$0.