

**APPENDIX S**  
**CALCULATION OF BENEFIT**  
**TO LOW AND MODERATE-INCOME PERSONS AND**  
**RACE AND ETHNICITY CATEGORIES**

Communities with a local CDBG economic development project must use the following format for job applicants, new hires, and current employees for jobs created or retained to document the family income. **\*\*Contact the CDBG-ED staff for a copy of the latest HUD Income Limits for each county in the State. This publication changes every year.** New income figures are available each spring from the Department of Housing and Urban Development. The new income figures will be sent to current grantees as soon as they are available. The figures for income levels for the county in which the project will be located should be placed under the appropriate spaces on the form for each family size.

The income level stated for the form can be based on either the previous 12 months before the date the form is signed or on the income reported on the most recent income tax form submitted to the Internal Revenue Service. The method used should be consistent. It is often difficult for an individual to determine accurately the income for the previous 12 months, which would necessitate using the reported income tax statement for the most recent tax year.

Race and ethnicity categories should be collected at the same time that income surveys are given. A sample form is part of this exhibit for collection of that data.

**NOTE:** The form included here is the acceptable format. Other variations of the form may not meet HUD guidelines, and the Department must review other variations before they are used. The form used must have the warning that income may be verified and penalties could be imposed for false statements. Information obtained from the applicant should be sufficient to complete **Exhibit 8-F**, within the CDBG Grant Administration Manual. Copies are available from the Department.

## Income Certification for Job Creation and/or Retention

The following information is necessary for purposes of documenting that you qualify as a low and moderate-income (LMI) person under our community's Community Development Block Grant – Economic Development (CDBG-ED) project. The CDBG-ED Program is a federal program intended to assist "low and moderate-income families." Your response will be kept confidential and will not be available to the general public.

Included in the federal definition of "annual income" are all payments from all sources received by the family head (even if temporarily absent) and each additional member of the family who is not a minor. Income includes:

1. The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses;
2. The net income from operation of a business or profession or from rental or real or personal property (this includes gross receipts, minus operating expenses, received from the operation of an unincorporated farm or ranch);
3. Interest and dividends;
4. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts;
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
6. Public assistance;
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling; and
8. All regular pay, special pay and allowances of a member of the armed forces (whether or not living in the dwelling) who is head of the family or spouse.
9. Indicate whether or not your employment status prior to being hired for this current position was "unemployed prior to hire", or "employed elsewhere prior to hire" (**for new hires**); **or** "currently hired in this position" if you're not a new employee.

## CDBG INCOME LIMITS BY SIZE OF HOUSEHOLD

Please circle the income amount by family size that your household income DOES NOT EXCEED

### Household Size

County	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Extremely Low (EL)								
Low Income (L)								
Moderate Income (M)								
My Income Exceeds The Amounts Above (NL)								

I certify that, after reviewing the definition of "annual income" above, the total gross income of all members of my family for year **2012** (*or the previous 12 months from the date the form is filled out*) is as **circled** above. I further certify that the above statement is true, accurate, and complete to the best of my knowledge and belief. I agree to provide income verification if requested by local officials.

### Please check one of the following:

#### (FOR NEW HIRES)

\_\_\_\_\_ Unemployed prior to hire

\_\_\_\_\_ Employed elsewhere prior to hire

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Applicant's Printed Name

#### (OR)

\_\_\_\_\_ Currently employed at this business

\_\_\_\_\_  
Address

\_\_\_\_\_  
Date

**NOTE:** Section 1001 of Title 18 of the United States Code and Criminal Procedure shall apply to the foregoing certification. Title 18 provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned not more than five years or both.

## **SAMPLE** CDBG INCOME LIMITS BY SIZE OF HOUSEHOLD

Please circle the income amount by family size that your household income DOES NOT EXCEED

### Household Size

County XX	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Extremely Low	9750	11150	12550	13900	15050	16150	17250	18350
Low Income	16250	18550	20900	23200	25050	26900	28750	30600
Moderate Income	26000	29700	33400	37100	40100	43050	46050	49000
My Income Exceeds The Amounts Above								

*(Note to Person Preparing Form: Insert the appropriate income limits above for each size of household.)*

I certify that, after reviewing the definition of "annual income" above, the total gross income of all members of my family for year **2013** *(or the previous 12 months from the date the form is filled out)* is as **circled** above. I further certify that the above statement is true, accurate, and complete to the best of my knowledge and belief. I agree to provide income verification if requested by local officials.

### **Please check one of the following:**

#### **(FOR NEW HIRES)**

\_\_\_\_\_ Unemployed prior to hire

\_\_\_\_\_ Employed elsewhere prior to hire

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Applicant's Printed Name

#### **(OR)**

\_\_\_\_\_ Currently employed at this business

\_\_\_\_\_  
Address

\_\_\_\_\_  
Date

**NOTE:** Section 1001 of Title 18 of the United States Code and Criminal Procedure shall apply to the foregoing certification. Title 18 provides, among other things, that whoever knowingly and willfully makes or uses a document or writing containing any false, fictitious, or fraudulent statement or entry, in any matter within the jurisdiction of any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned not more than five years or both.

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**Federal Standards for Definition of Low and Moderate-Income Status**  
*(Income eligibility standards from the U.S. Housing Act of 1937)*

Section 889.103. Determination of income for eligibility.

For purposes of determining whether a family is a lower-income family, income shall be determined in accordance with Section 889.104, except that where a family has net family assets in excess of \$5,000, income shall include the actual amount of income, if any, derived from all of the net family assets or 10 percent of the value of all such assets, whichever is greater. For purposes of this section, net family assets means value of equity in real property, savings, stocks, bonds, and other forms of capital investment. The value of necessary items such as furniture and automobiles shall be excluded.

Section 889.104. Computation of annual income.

- (a) Except as provided in paragraph (b) of this section, all payments from all sources received by the family head (even if temporarily absent) and each additional member of the family household who is not a minor shall be included in the annual income of a family. Income shall include, but not be limited to:
- (1) The gross amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses;
  - (2) The net income from operation of a business or profession or from rental or real or personal property (for this purpose, expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine the net income from a business);
  - (3) Interest and dividends;
  - (4) The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts;
  - (5) Payments in lieu of earnings, such as unemployment and disability compensation, workmen's compensation and severance pay (see paragraph (8) (b) (3) of this section).
  - (6) Public Assistance. If the public assistance payment includes an amount specifically designated for shelter and utilities which is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance income to be included as income shall consist of:
    - (i) The amount of the allowance or grant exclusive of the amount specifically designated for shelter and utilities, plus
    - (ii) The maximum amount which the public assistance agency could in fact allow for the family for shelter and utilities.
  - (7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling:
  - (8) All regular pay, special pay and allowances of a member of the armed forces

(whether or not living in the dwelling) who is head of the family or spouse (see paragraph (8) (b) (5) of this section).

(b) The following items shall not be considered as income:

- (1) casual, sporadic or irregular gifts;
- (2) amounts which are specifically for or in reimbursement of the cost of medical expenses;
- (3) lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and workmen's compensation), capital gains and settlement for personal or property losses;
- (4) Amounts of educational scholarships paid directly to the student or to the educational institution, and amounts paid by the government to a veteran for use in meeting the costs of tuition, fees, books and equipment. Any amounts of such scholarships, or payments to veterans, not used for the above purposes of which are available for subsistence are to be included in income;
- (5) The special pay to a serviceman head of a family away from home and exposed to hostile fire;
- (6) Relocation payments made pursuant to Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- (7) foster child care payments;
- (8) the value of coupon allotments for the purchase of food pursuant to the Food Stamp Act of 1964 which is in excess of the amount actually charged the eligible household;
- (9) payments received pursuant to participation in the following volunteer programs under the ACTION Agency;
  - (i) National Volunteer Antipoverty Programs which include VISTA, Service Learning Programs and Special Volunteer Programs.
  - (ii) National Older American Volunteer Programs for persons aged 60 and over which include Retired Senior Volunteer Programs, Foster Grandparent Program, Older American Community Services Program, and National Volunteer Program to Assist Small Business Experience, Service Corps of Retired Executive (SCORE) and Active Corps of Executives (ACE).

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**INDIVIDUAL DIRECT BENEFIT ETHNICITY AND  
RACIAL CATEGORY RECORDING FORM**  
**(To be Completed by Newly Hired Persons, or by Persons Holding a  
Current Job for Job Retention Projects)**

**(Name of local development organization)** is required by federal regulations governing the Community Development Block Grant –Economic Development Program to request the following information in order for the Montana Department of Commerce to monitor **(Name of local government)**'s compliance with federal equal opportunity and fair housing laws.

Federal law provides that an agency may not discriminate on the basis of this information, or on the basis of whether you choose to furnish the information. However, if you choose not to furnish it, this agency is required to note race, gender and/or handicap status on the basis of visual observation and/or surname.

If you do **not** wish to provide the requested information, please check the following box, and the information will be determined by your employer.

☐ **I do not wish to furnish this information.**

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**Please select from each of the following categories:**

**Ethnicity:** (select one of the following)

- ☐ Hispanic or Latino  
☐ Not Hispanic or Latino

**Race:** (select the one that best describes your category)

- ☐ White  
☐ Black or African American  
☐ Asian  
☐ American Indian or Alaskan Native  
☐ Native Hawaiian or Other Pacific Islander  
☐ American Indian or Alaskan Native *and* White  
☐ Asian *and* White  
☐ Black or African American *and* White  
☐ American Indian or Alaskan Native *and* Black or African American

**Other Needed Information:** (select all that apply)

- ☐ Female  
☐ Male  
☐ Handicapped  
☐ Female Head of Household

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If applicable, when the person declines to furnish the information:

On the basis of sight or surname, the above information has been noted by:

Name: \_\_\_\_\_ Initialed: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_