

**VERIFICATION OF INCOME & CHILD CARE DEDUCTION  
– TENANT SELECTION PLAN ADDENDUM**

**ACCEPTABLE METHODS OF VERIFICATION**

Age, relationship, U.S. citizenship, and Social Security numbers will generally be verified with documentation provided by the family. For citizenship, the family's certification will be accepted. (Or, for citizenship, documentation such as listed below will be required.) Verification of these items will include photocopies of the Social Security cards and other documents presented by the family, the INS SAVE approval code, and forms signed by the family.

Other information will be verified by the following five verification methods acceptable to HUD, in the order of preference indicated:

**1. Up-front Income Verifications (UIV)**

UIV is the verification of income through an independent source that systematically maintains income information in computerized form for a large number of individuals.

Current UIV resources include the following:

- a. Enterprise Income Verification (EIV)** – The EIV System is a web-based application, which provides PHAs with employment, wage, unemployment compensation and social security benefit information of tenants who participate in the Public Housing and various Section 8 programs under the jurisdiction of the Office of Public and Indian Housing (PIH). Information in EIV is derived from computer matching programs initiated by HUD with the Social Security Administration (SSA) and the U.S. Department of Health and Human Services (HHS), for all program participants with valid personal identifying information (name, date of birth (DOB), and social security number (SSN)) reported on the form HUD-50058. Use of the EIV system in its entirety is mandatory for all annual and interim re-examinations. The FMHA will monitor the following EIV reports on a monthly basis – (1) Deceased Tenants Report, (2) Identity Verification Report, and the (3) Immigration Report. In addition, it will monitor on a quarterly basis the following EIV reports – (1) Income Discrepancy Report, Multiple Subsidy Report, and the New Hires Report.
- b. State Wage Information Collection Agencies (SWICAs)**

- c. **State systems for the Temporary Assistance for Needy Families (TANF) program**
- d. **Internal Revenue Service (IRS) Letter 1722**
- e. **Private sector databases (e.g. The Work Number)**

The Fort Mill Housing Authority will use additional UIV resources as they become available. This will be done before, during and/or after examinations and/or re-examinations of household income as appropriate.

It is important to note that UIV data will only be used to verify a participant's eligibility for participation in a rental assistance program and to determine the level of assistance the participant is entitled to receive and only by properly trained persons whose duties require access to this information. Any other use, unless approved by the HUD Headquarters UIV Security System Administrator, is specifically prohibited and will not occur.

No adverse action can be taken against a participant until the Fort Mill Housing Authority has independently verified the UIV information and the participant has been granted an opportunity to contest any adverse findings through the established grievance procedure. The consequences of adverse findings may include the Fort Mill Housing Authority requiring the immediate payment of any over-subsidy, the entering into a repayment agreement, eviction, criminal prosecution, or any other appropriate remedy.

Furthermore, the information the Fort Mill Housing Authority derives from the UIV system will be protected to ensure that it is utilized solely for official purposes and not disclosed in any way that would violate the privacy of the affected individuals.

Once the data has served its purpose, after 3 years it shall be destroyed by either burning or shredding the data. All wage, unemployment, employment, and new hire information shall be destroyed no later than three years from the date it is received.

## **2. Third –Party Written Verifications**

This type of verification includes written documentation, with forms sent directly to and received directly from a source, not passed through the hands of the family. It may also be a report generated automatically by another government agency, i.e., Department of Welfare, Veterans Administration, etc.

Third-party written verifications may also be used to supplement Up-front Income Verifications.

The Fort Mill Housing Authority will allow two (2) weeks for the return of third party written verifications prior to continuing on to the next type of verification.

### **3. Third-Party Oral Verifications**

This type of verification includes direct contact with the source, in person or by telephone. When this method is used, staff members will be required to document in writing with whom they spoke, the date of the conversation and the facts obtained.

The Fort Mill Housing Authority will allow two (2) business days for the return of third party oral verifications prior to continuing on to the next type of verification.

### **4. Review of Documents**

When UIV, written and oral third party verifications are not available within the two (2) week and two (2) business days period allowed in paragraphs 2 and 3 above, the Housing Authority will use the information received by the family, provided that the documents provide complete information. Photocopies of the documents, excluding government checks, provided by the family will be maintained in the file. In cases in which documents are viewed and cannot be photocopied, staff reviewing the documents will complete a written statement as to the contents of the document(s).

### **5. Self-Certification and Self-Declaration**

When UIV, written and oral third party verifications are not available within the two (2) weeks and two (2) business days period allowed in paragraphs 2 and 3 above, and hand-carried verification cannot be obtained, the Housing Authority will accept a statement detailing information needed, signed by the head, spouse, co-head, or other adult family member.

Verification forms and reports received will be contained in the applicant/tenant file. Oral third party documentation will include the same information as if the documentation had been written, i.e. name, date of contact, amount received, etc.

When any verification method other than Up-Front Income Verification is utilized, the Fort Mill Housing Authority will document the reason for the choice of the verification methodology in the applicant/resident's file.

## **TYPES OF VERIFICATION**

The chart below outlines the factors that may be verified and gives common examples of the verification that will be sought. To obtain written third party verification, the Fort Mill Housing Authority will send a request form to the source along with a release form signed by the applicant/participant via first class mail or by facsimile.

<b>Level</b>	<b>Verification Technique</b>	<b>Ranking</b>
<b>6</b>	<b>Upfront Income Verification (UIV)</b> using HUD's Enterprise Income Verification (EIV) system (not available for income verifications of applicants)	<b>Highest</b> (Mandatory)
<b>5</b>	<b>Upfront Income Verification (UIV)</b> using non-HUD system	<b>Highest</b> (Optional)
<b>4</b>	<b>Written Third-Party Verification</b>	<b>High</b> (Mandatory to supplement EIV-reported income sources and when EIV has no data; Mandatory for non-EIV reported income sources; Mandatory when participant disputes EIV-reported employment and income information <b>and</b> is unable to provide acceptable documentation to support dispute)
<b>3</b>	<b>Written Third-Party Verification Form</b>	<b>Medium-Low</b> (Mandatory if written third-party verification documents are not available or rejected by the PHA; and when the applicant or participant is unable to provide acceptable documentation)
<b>2</b>	<b>Oral Third-Party Verification</b>	<b>Low</b> (Mandatory if written third-party verification is not available)
<b>1</b>	<b>Tenant Declaration</b>	<b>Low</b> (Use as a last resort when unable to obtain any type of third-party verification)

Child care costs	Letter from care provider & other as outlined	Bills and Canceled Checks
Disability assistance expenses	Letters from suppliers, care givers, etc.	Bills and records of payment
Medical expenses	Letters from providers, prescription record from pharmacy, medical professional's letter stating assistance or a companion animal is needed	Bills, receipts, records of payment, dates of trips, mileage log, receipts for fares and tolls
Medicare Prescription Drug Coverage		A card issued by the private prescription drug plan with the words Medicare Rx on it.

<b>Value of and Income from Assets</b>		
Savings, checking accounts	Letter from institution	Passbook, most current statements, for 6 months
CDs, bonds, etc	Letter from institution	Tax return, information brochure from institution, the CD, the bond
Stocks	Letter from broker or holding company	Stock or most current statement, price in newspaper or through Internet
Real property	Letter from tax office, assessment, etc.	Property tax statement (for current value), assessment, records or income and expenses, tax return
Personal property held as an investment	Assessment, bluebook, etc	Receipt for purchase, other evidence of worth
Cash value of whole life insurance policies	Letter from insurance company	Current statement
Assets disposed of for less than fair market value	N/A	Original receipt and receipt at disposition, other evidence of worth

<b>Income</b>		
Earned income	Letter from employer	Multiple pay stubs
Self-employed	N/A	Tax return from prior year, books of accounts
Regular gifts and contributions	Letter from source, letter from organization receiving gift (i.e., if grandmother pays day care provider, the day care provider could so state)	Bank deposits, other similar evidence
Alimony/child support	Court order, letter from source, letter from Human Services	Record of deposits, divorce decree
Social Security Administration		Letter from Social Security no more than 60 calendar days old as verified by HUD computer systems.
Periodic payments (i.e., welfare, pensions, workers' comp, unemployment)	Letter or electronic reports from the source	Award letter, letter announcing change in amount of future payments
Training program participation	Letter from program provider indicating <ul style="list-style-type: none"> <li>- whether enrolled</li> <li>- whether training is HUD-funded</li> <li>- whether State or local program</li> <li>- whether it is employment training</li> <li>- whether payments are for out-of-pocket expenses incurred in order to participate in a program</li> </ul>	N/A

## **CHILD CARE VERIFICATIONS**

The Housing Authority of Fort Mill is seeking to eliminate problems with applicants and/or participants enrolled in the Housing Authority programs, due to falsifying information regarding child-care deductions. The Housing Authority will require additional information from individuals requesting a child-care allowance in order to prevent possible cases of fraud.

The current policy states that all childcare costs must be 3<sup>rd</sup> party verified from the care provider. The next type of verification is oral, then a review of documents received. The last type is self-certification.

The current policy will continue with only licensed day care providers. The Program Directors will make the determination as to who is a licensed day care, under the North Carolina/South Carolina State guidelines for Licensed Day Cares.

Applicants or Participants that use a private child-care provider will be required to provide the following additional information before any deductions will be allowed:

- Applicants/Participants must provide the name and address of the child-care provider;
- Six (6) months of canceled checks or copies of completed money orders showing payment to the individual (not licensed through the Department of Social Services);
- If the above information cannot be provided as outlined, then the allowance for child-care will not be allowed.
- For Participants entering into the work force and seeks child-care from an individual provider then an allowance will be given at that time; however weekly documentation must be provided monthly as outlined above to retain the allowance. Documentation will be required to be provided to the Housing Authority for the initial six months.
- If the information is not provided or cannot be provided on a monthly basis as stipulated above, then the participant will lose the child-care allowance. A thirty, (30) day notice will be provided of the increase in rent.

All child-care cost must continue to be reasonable and customary for the Fort Mill area. This deduction is only given in order to allow an adult in the family to be gainfully employed and cannot be greater than the amount earned.

