

**30% INCOME CONTRIBUTION
MANUAL BUDGETING EXAMPLES****30% Income Contribution Budgeting Methodology is as follows:**

1. Complete ABEL budget using TA household's actual rent (or amount of approved ESA) and all countable TA household income, including the AIDS/HIV 1st person's SSI (including earned income disregards if appropriate). In addition, districts must use Shelter Type "20-Emergency Shelter Allowance" and input the full shelter expense (or approved ESA amount).
2. Compare the applicant's/recipient's TA deficit to the applicant's/recipient's ACTUAL shelter expense:
 - a. If the TA deficit is **greater than or equal to** the actual shelter cost, then the 30% income contribution budgeting methodology is not needed as the TA deficit is sufficient to pay actual shelter cost. Store the budget and process the TA case using the standard process.
 - b. If the TA deficit is **less than** actual shelter cost, the district must:
 - i. Identify each individual with AIDS/HIV who has income;
 - ii. Calculate 30% of the gross income for each individual with AIDS/HIV;
 - iii. Subtract the TA deficit **and** the 30% of each AIDS/HIV individual's gross income from the actual rent;
 - iv. The difference is issued as a restricted TA payment to the landlord using payment type "E5 - Enhanced Shelter Allowance". This payment is **NOT** input into the budget.

1) Single individual with SSI income/District opting into FMR for ESA:

John is a single individual, medically diagnosed with HIV. He lives alone in Monroe County and rents a one-bedroom apartment for \$700 a month, which includes heat/utilities. The amount of rent is below the district's FMR of \$741.00. John receives monthly Supplemental Security Income (SSI) of \$837.00 (\$750-SSI + \$87-SSP).

Step 1: Determine Standard of Need

Basic Allowance =	\$158.00
HEA =	14.10
SHEA =	11.00
Shelter Allowance =	<u>700.00</u>
Standard of Need =	\$883.10 rounded down to \$883.00

Step 2: Determine if 30% Income Contribution Budgeting Methodology Will Be Used

Standard of Need	\$883.00
SSI Income	- <u>837.00</u>
TA Deficit	= \$ 46.00 Issued to landlord as pay type "10" or "46"

TA Deficit is less than the monthly shelter expense. Go to Step 3.

Step 3: Determine Applicants/Recipients 30% Income Contribution Amount

Shelter Expense	\$700.00
TA Deficit	- <u>46.00</u>
	\$654.00
30% of AIDS/HIV Individuals Income	- <u>\$251.10</u> (30% of \$837) Amount A/R is required to pay towards shelter costs
Amount of Shelter Supplement	= \$402.90 Issued directly to landlord using payment type "E5"

NOTE: Since the actual monthly shelter cost of \$700 is less than the districts FMR of \$741 for a one-bedroom apartment, districts must calculate Standard of Need using \$700 shelter costs. Districts must not provide a shelter allowance GREATER than the actual rent, regardless of the amount of FMR.

2) Single individual with earned income (wages)/District opting into FMR for ESA:

Jane lives alone in Albany County and has been medically diagnosed with HIV. She rents a studio apartment for \$950 a month, which includes heat. Jane's rent is over the districts FMR of \$700. Jane works 15 hours a week at the local supermarket, making \$11.00/hr.

Step 1: Determine Standard of Need

Basic Allowance =	\$158.00
HEA =	14.10
SHEA =	11.00
Shelter Allowance =	<u>700.00</u> (FMR amount)
Standard of Need=	\$883.10 rounded down to \$883.00

Step 2: Determine if 30% Income Contribution Budgeting Methodology Will Be Used

Standard of Need	\$883.00
Monthly Countable Income	- <u>625.00</u> (\$11.00/hr x 15hrs x 4.3333 minus appropriate disregards)
TA Deficit	= \$258.00 Issued to landlord as pay type "10" or "46"

TA Deficit is less than the monthly shelter expense. Go to Step 3.

Step 3: Determine Applicants/Recipients 30% Income Contribution Amount

Shelter Expense	\$700.00 (FMR Amount)
TA Deficit	- <u>258.00</u>
	\$442.00

30% of AIDS/HIV Individuals Income	- <u>\$214.50</u> (30% of \$715)
---------------------------------------	----------------------------------

Amount of Shelter Supplement	= \$227.50 Issued directly to landlord using payment type "E5"
---	---

NOTE: Since the actual monthly shelter cost of \$950 is greater than the districts FMR of \$700 for a studio apartment, districts must calculate Standard of Need using \$700 shelter costs. Districts must document in the case record the use of the FMR AND the actual shelter costs for auditing purposes.

3) Family with earned income (wages) – no supplement issued/District opting into FMR for ESA:

Marjorie, who has been medically diagnosed with HIV, resides with her husband Jack and 5-year old son Alex. Marjorie works 20 hours a week at the bank making \$12.00 per hour. Jack has no income and is seeking employment. The household resides in a two-bedroom apartment in Rensselaer County and their monthly shelter cost is \$800, which includes heat/utilities. The districts FMR for a two-bedroom apartment is \$1,032.00.

Step 1: Determine Standard of Need

Basic Allowance =	\$336.00
HEA =	30.00
SHEA =	23.00
Shelter Allowance =	<u>800.00</u>
Standard of Need=	\$1,189.00

Step 2: Determine if 30% Income Contribution Budgeting Methodology Will Be Used

Standard of Need	\$1,189.00
Monthly Countable Income	- <u>456.00</u> (\$12.00/hr x 20hrs x 4.3333 minus appropriate disregards)
TA Deficit	= \$ 733.00 Issued to landlord as pay type "10" or "46"

TA Deficit is less than the monthly shelter expense. Go to Step 3.

Step 3: Determine Applicants/Recipients 30% Income Contribution Amount

Shelter Expense	\$800.00
TA Deficit	- <u>733.00</u>
	\$ 67.00
30% of AIDS/HIV Individuals Income	- <u>\$312.00</u> (30% of \$1,040.00)

Amount of Shelter Supplement = \$0-No supplement issued as the applicant/recipients 30% contribution (\$312.00) is greater than the difference owed for shelter (\$67.00). Therefore, an additional supplement is not required.

NOTE: Since the actual monthly shelter cost of \$800 is less than the districts FMR of \$1,032 for a two-bedroom apartment, districts must calculate Standard of Need using \$800 shelter costs. Districts must not provide a shelter allowance GREATER than the actual rent, regardless of the amount of FMR. Districts must document in the case record the use of the FMR AND the actual shelter costs for auditing purposes.

4) **Single individual with earned income (wages)-no supplement issued/District opting into 30% Income Contribution, but not opting into FMR:**

Cortez has been medically diagnosed with HIV. He is single and lives alone in an efficiency apartment in Schenectady County, which he pays \$750/month rent, with heat/utilities included. Cortez works 5 hours a week cleaning a local coffee shop and makes \$12.00 per hour.

Step 1: Determine Standard of Need

Basic Allowance =	\$158.00
HEA =	14.10
SHEA =	11.00
Shelter Allowance =	<u>480.00</u>
Standard of Need=	\$663.10 rounded down to \$663.00

Step 2: Determine if 30% Income Contribution Budgeting Methodology Will Be Used

Standard of Need	\$663.00
Monthly Countable Income	- <u>170.00</u> (\$60.00/wk x 4.333 minus appropriate disregards)
TA Deficit	= \$ 493.00 Issued to landlord as pay type "10" or "46"

The TA deficit is greater than the ESA. Therefore, no supplement is issued.

NOTE: Since the district has not opted into FMR for ESA, Cortez is only entitled to the \$480 ESA for a single individual. Therefore, the \$480 is budgeted as his actual monthly shelter cost. Districts must document in the case record the use of the ESA AND the actual shelter costs for auditing purposes.

5) Single individual with no earned or unearned income/District opting into FMR for ESA:

Jonas resides in Schoharie County and is a single individual living alone in a studio apartment. He has been medically diagnosed with AIDS/HIV and his monthly rent is \$625, which includes heat/utilities. The districts FMR for a studio apartment is \$700.00. Jonas does not have any income.

Step 1: Determine Standard of Need

Basic Allowance =	\$158.00
HEA =	14.10
SHEA =	11.00
Shelter Allowance =	<u>625.00</u>
Standard of Need =	\$808.10 rounded down to \$808.00

Step 2: Determine if 30% Income Contribution Budgeting Methodology Will Be Used

Standard of Need	\$808.00
Income/Wages	- <u>0.00</u>
TA Deficit	= \$808.00

Issued \$625.00 to landlord as pay type "10" or "46". Remaining amount (\$183.00) issued to client through their EBT card.

TA Deficit is greater than the ESA. Therefore, no supplement is issued.

NOTE: Since the actual monthly shelter cost of \$625 is less than the districts FMR of \$700 for a studio apartment, districts must calculate Standard of Need using \$625 shelter costs. Districts must not provide a shelter allowance GREATER than the actual rent, regardless of the amount of FMR.