

Income & Asset Verification Summary Chart

Chart is a learning tool and is not all-inclusive. Read Chapter 5, Income & Asset Certification, in Tax Credit Compliance Procedures Manual and read ALL form instructions.

Appendix M – Income & Asset Verification Summary Chart

Type of Income	Required Verification Documentation	Source/Resources	Notes	Commission Forms
EMPLOYMENT	<ul style="list-style-type: none"> ▪ Completed Commission form (occasionally both the Employment Verification and Clarification by Telephone forms may need to be used, see Notes) ▪ Or, print-out from The Work Number or similar company 	<p>Employer /</p> <p>Many employers are outsourcing employment verification and may require you to dial a 900 number and pay a fee to get this information.</p> <p>The Work Number is now the employment verification source for over 1000 employers. Low-income housing providers should be able to get the verification for free or for a reduced rate. Call 1-800-996-7566 or visit http://www.theworknumber.com/</p>	<ul style="list-style-type: none"> ▪ Resident must sign Commission form. ▪ Fax or mail to employer. ▪ ALL blanks must be filled in by employer. ▪ Include self-addressed envelope if mailing. <p><i>For Telephone Verification:</i></p> <ul style="list-style-type: none"> ▪ Complete all blanks, put N/A by questions an employer refuses to answer. ▪ Complete ONLY the parts that will clarify verification already submitted. 	<p style="text-align: center;">Employment Verification</p> <p style="text-align: center;">Income Verification/Clarification by Telephone (Note: this form can also be used to complete verification information for other sources of income/assets)</p>
SELF-EMPLOYMENT	<ul style="list-style-type: none"> ▪ Signed copy of most recent tax return (1040) with schedules. ▪ Completed Commission form with a <i>Profit and Loss Statement</i> (for new business only) 	<p>Resident / IRS</p>		<p style="text-align: center;">Self-Employment Verification (use for NEW business only)</p>
SOCIAL SECURITY OR SUPPLEMENTAL SECURITY INCOME	<ul style="list-style-type: none"> ▪ Award Letter ▪ Or, recently dated Benefit Statement ▪ Or, completed Commission form 	<p>Social Security Administration /</p> <p>Call regional office to have statements mailed to the resident: 1-800-772-1213 Mail Commission form to the local Social Security Office: http://www.ssa.gov/ Local Office Finder: http://s3abaca.ssa.gov/pro/foi/foi-home.html Cost of Living Allowance Increases: http://www.ssa.gov/cola/ For deceased individuals, try the Social Security Death Index http://www.ancestry.com/search/rectype/vital/ssdi/main.htm</p>	<p>SSA/SSI award letters for the new year are typically received by the recipient in November or December of the previous year.</p>	
CHILD SUPPORT ALIMONY	<ul style="list-style-type: none"> ▪ Print-out from DSHS/Office of Support Enforcement ▪ Or, letter from parent paying support (must be notarized) ▪ Or, completed Commission form (must be notarized) ▪ Separation Agreement/Divorce Decree ▪ Letter from former spouse paying support (must be notarized) 	<p>Department of Social and Health Services Division of Child Support</p> <p>Attorney / Court / Parent</p>	<p>The Commission form must be used when there is no formal court-ordered child support arrangement and the resident cannot provide any other documentation</p> <p>Affidavit MUST be notarized</p>	<p style="text-align: center;">Child Support Affidavit</p>

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PUBLIC ASSISTANCE	<ul style="list-style-type: none"> Print-out from DSHS Or, completed Commission form 	Department of Social and Health Services caseworker / http://www.dshs.wa.gov/	<i>Do not verify or count:</i> <ul style="list-style-type: none"> Food stamps HUD housing assistance Plymouth Housing Shelter Plus Care 	Public Assistance Verification
UNEMPLOYMENT, LABOR & INDUSTRIES, DISABILITY BENEFITS	<ul style="list-style-type: none"> Benefit statement from appropriate office showing payment dates and amount. Or, completed Commission form 	Employment Security Department / ATTN: Records Disclosure PO Box 9046, Olympia, WA 98507-9046 Phone (360) 586-2132 Fax (360) 586-2133 Labor and Industries / http://www.lni.wa.gov/	Benefit should be annualized <u>unless</u> there is also regular seasonal employment or resident intends to go back to verifiable employment within next 12 months .	Unemployment Benefits Verification Request
MILITARY	<ul style="list-style-type: none"> A copy of the service member's <i>Leave and Earnings Statement</i> (known as an "L.E.S."), from the current location, with the applicable annual clothing allowance added Or, completed Commission form 	Military / http://www.dfas.mil/militarymembers.html Service members can get their LES using a computer and their PIN#	<i>Do not verify or count:</i> <ul style="list-style-type: none"> Re-enlistment bonus Imminent Danger (Hazardous Duty) pay 	Military Pay Verification Request
PENSION, RETIREMENT FUND, INSURANCE POLICY, DEATH BENEFITS, VETERAN'S BENEFITS	<ul style="list-style-type: none"> Annual benefits statement Or, completed Commission form 	Benefit provider or financial institution / Veterans Benefits Administration / http://www.benefits.va.gov/benefits/		Pension Verification Request
ON-GOING MONETARY GIFTS	<ul style="list-style-type: none"> Notarized statement signed by the person/entity providing the assistance, stating the purpose, dates, and value of the monetary gifts Or, completed Commission form (must be notarized) 	The gift provider or resident	<ul style="list-style-type: none"> Must count gifts regardless of source Must count <u>all</u> gifts Affidavit MUST be notarized. 	Gift Affidavit
NO INCOME	<ul style="list-style-type: none"> Completed Commission form 	Appropriate adult household member	Use Commission form when an adult household member will receive no earned OR unearned income during the next 12 months.	Zero Income Certification
Do Not Include As Income:	<ul style="list-style-type: none"> Temporary, nonrecurring or sporadic income Lump sum additions (one-time lottery, inheritances) - value them as assets Employment income from Minors, unless they will turn 18 within 12 months of certification See Appendix N in Tax Credit Manual for a complete list of items that are and ARE NOT included as income. 			

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Type of ASSET	Required Verification Documentation	Source/Resources	Notes	Commission Forms
<i>Household Claims LESS Than \$5,000 In Assets</i>	<ul style="list-style-type: none"> ▪ Completed Commission form ▪ <i>If total household assets exceed \$5,000, you MUST verify the income received from the assets using third-party verification</i> ▪ <i>Or, obtain the most recent complete and signed tax return.</i> 	ALL household members	<p>A definition of what is counted as an asset is part of the certification and should be given to a household with less than \$5,000 in assets.</p> <p>Self-certifications are not acceptable when a household's assets exceed \$5,000.</p>	<u>Under \$5,000 Asset Certification or Sworn Statement of Net Family Assets</u>
<p style="text-align: center;">CHECKING ACCOUNTS</p> <p style="text-align: center;">SAVINGS ACCOUNTS</p>	<ul style="list-style-type: none"> ▪ Completed Commission form showing average balance for last six months (CHECKING account) ▪ Or, most recent six months' worth of bank statements ▪ Monthly bank statement showing current balance (SAVINGS account) ▪ Or, completed Commission form showing current balance 	Household member / Financial institution		<u>Deposit Verification Request</u>
STOCKS , BONDS, T-BILLS, MONEY MARKET FUNDS, CDS, 401(K)S, IRAS, ANNUITIES	<ul style="list-style-type: none"> ▪ Account statements, Certificates of Deposit, verification forms, letters or documents from a financial institution or broker's quarterly statements showing value of stocks or bonds or quotes from a stockbroker ▪ Documentation should show what net amount family or household would receive if they liquidated the funds ▪ Documents should show rates of return where applicable 	Broker / Financial institutions	<p>Count the current net CASH VALUE of the asset (i.e., the value of the funds after deducting whatever penalties are incurred when converting the funds to cash)</p>	<u>Annuity or Stock Verification Request</u>
<p style="text-align: center;">TRUSTS - REVOCABLE</p> <p style="text-align: center;">TRUSTS - NON-REVOCABLE</p>	<ul style="list-style-type: none"> ▪ Copy of the Trust Agreement 	<p>Resident</p> <p><i>Revocable Trust -</i> Household member(s) has access to this asset at any time.</p> <p><i>Non-Revocable or Irrevocable Trust -</i> Trusts which are not controlled by and cannot be accessed by any member of the household</p>	<ul style="list-style-type: none"> ▪ Count actual gross income distributed from trust to the resident ▪ Count all income generated (unless reinvested) <p>If there is no income distributed from the trust, then do not count any income from the trust (e.g., income from the trust that is reinvested into the trust.)</p>	

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RENTAL PROPERTY INCOME	<ul style="list-style-type: none"> ▪ Copy of the resident's most current <i>signed</i> tax return (IRS Form 1040 and Schedule E.) ▪ If the resident has just started to rent the property and no tax return has been filed, obtain a copy of the resident's tenant rental agreement to determine the rental income. ▪ Obtain a copy of the latest mortgage payments on the property. The income in this case would be the difference between the rental payment received from their tenant minus the interest on mortgage payment, taxes, insurance & reasonable maintenance costs. 	Resident / IRS	Add back to net income any depreciation taken (See Schedule E of tax return).	
REAL ESTATE	<ul style="list-style-type: none"> ▪ Copy of resident's <i>signed</i> tax return with <i>all</i> schedules ▪ If real estate is currently listed for sale, obtain a copy of the listing agreement. If the sale is pending, obtain a copy of the RESPA statement which will reflect the net proceeds. If the transaction has closed recently, request a HUD -1 Settlement Statement. 	Resident / IRS / Real Estate Tax Assessment Form or Card from the appropriate tax assessor.	Private contract interest only If real estate was sold on contract. You will need to obtain a copy of the contract and determine whether there is an underlying mortgage and if so, the interest rate. This information will determine which method you will use for figuring income.	
PERSONAL PROPERTY COUNTED AS AN INVESTMENT	<ul style="list-style-type: none"> ▪ Documented appraisal ▪ Or, applicant/resident certification 	Resident / Appraiser	<ul style="list-style-type: none"> ▪ Count things like: antique cars, stamp or coin collections, fine jewel collection, boat, etc. ▪ Do not count things used everyday, such as furniture, clothes, TV, in-use car, etc. ▪ Count collection's CASH VALUE. 	
ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE	<ul style="list-style-type: none"> ▪ Self-certification of resident, person who purchased or received asset ▪ Appraisal 	Resident	<ul style="list-style-type: none"> ▪ Determine CASH VALUE at time of disposal (i.e., what's left over after you subtract the disposal amount from the actual fair market value of the asset). ▪ Count cash value as an asset for two years after disposal. 	