

## Quick Reference Sheet: Income Source Verification for GSRP Enrollment

For complete information on determining income eligibility, see the *Eligibility Section* of the *GSRP Implementation Manual*:

[https://www.michigan.gov/documents/mde/FY17\\_GSRP\\_Eligibility\\_SectionADA\\_535163\\_7.pdf](https://www.michigan.gov/documents/mde/FY17_GSRP_Eligibility_SectionADA_535163_7.pdf)

Income for each family must be verified before determining that a child is eligible to participate in the program.

The Michigan Department of Education (MDE) strongly encourages use of the *Income Verification Sample Form*, found in the resources for the *Eligibility Section* of the *GSRP Implementation Manual* to aid in the review of income documents.

[https://www.michigan.gov/documents/mde/Income\\_Verification\\_Sample\\_411614\\_7.pdf](https://www.michigan.gov/documents/mde/Income_Verification_Sample_411614_7.pdf)

Grantees should provide annual training to employees responsible for determining and verifying income eligibility. All staff must have clear understanding of effective practices to protect personally identifying information.

### Verifying Income

Income means total cash receipts before taxes from all sources,

Income includes:

- money wages or salary before deductions;
- net income from self-employment;
- regular payments from Social Security or railroad retirement;
- payments from unemployment compensation;
- strike benefits from union funds;
- workers' compensation;
- veteran's benefits (with the exceptions noted below);
- public assistance (including Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Emergency Assistance money payments, and non-Federally funded General Assistance or General Relief money payments);
- training stipends;
- alimony;
- child support;
- military family allotments;
- other regular support from an absent family member or someone not living in the household;
- private pensions;
- government employee pensions (including military retirement pay);
- regular insurance or annuity payments;
- scholarships, fellowships and grant funds received for room/board/living expenses and/or not used for qualified educational expenses;

- dividends, interest, net rental income, net royalties, and periodic receipts from estates or trusts;
- net gambling or lottery winnings.

### **Categorical Eligibility**

A child from a family that is **receiving public assistance**, a child in **foster care**, or a child who is **experiencing homelessness** is eligible for Head Start. If a child in any of these situations has been referred to Head Start, and is eligible but not enrolled, the family may apply for GSRP and is considered to be in the lowest quintile.

Additionally, a child with an **individualized education program (IEP) recommending placement in an inclusive preschool setting** who is income eligible for Head Start must be referred to the local Head Start agency. However, if the child is not eligible for and/or enrolled in Head Start, the family may apply for GSRP and the family's income must be considered to be in the lowest quintile, 0 – 50% FPL for enrollment prioritization. However actual income must be collected at the time of enrollment and reported in MSDS in the corresponding quintile.

When prioritizing a child with an IEP that does not include a recommendation for placement in an inclusive preschool setting, the family's actual FPL should be used.

### **Exclusions**

Student loans are excluded as income. This is true whether student loans are federally insured or commercially issued.

Student grants or scholarships used to pay for tuition and fees required for enrollment or attendance at the educational institution where the student is enrolled, or for fees, books, supplies, and equipment required for courses at the educational institution are also excluded as income.

### **Military Benefits**

If a parent is a member of the U.S. Armed Forces, certain pay can be excluded from family gross cash income. Please be aware that an adjusted family income may make the family income-eligible for Head Start, and in that case, must be referred to Head Start.

For additional information about Military Benefits, visit the IRS Armed Forces' Tax Guide:

[https://www.irs.gov/publications/p3#en\\_US\\_2017\\_publink1000176155](https://www.irs.gov/publications/p3#en_US_2017_publink1000176155)

(Scroll down to view Table 1 and Table 2.)

The following are NOT included as gross cash income for members of the U.S. Armed Forces:

- Combat Pay - Compensation for active service while in a combat zone.
- Living Allowances – Basic Allowance for Housing (BAH) even if BAH is used to pay mortgage interest and taxes; Basic Allowance for Subsistence (BAS); housing and cost of living allowances abroad; Overseas Housing Allowance (OHA).
- Moving Allowances – moving household and personal items; storage; moving trailers or mobile homes; temporary lodging; dislocation; military base realignment, and closure benefit.
- Travel Allowances – annual roundtrip for dependent students; leave between consecutive overseas tours; reassignment in a dependent restricted status; transportation during ship overhaul and inactivation, per diem.
- Family Allowances – specified educational expenses for dependents; emergencies; evacuation to a place of safety; separation.
- Death Allowances - burial services; death gratuity payments to eligible survivors; travel of dependents to burial site.
- In-kind Benefits – dependent-care assistance; legal assistance; medical/dental care; commissary/exchange discounts; space-available travel on government carriers.
- Other payments – defense counsel services; certain disability pension payments, including payments received for injuries incurred as a direct result of a terrorist or military action; disability severance payments; group-term life insurance; professional education; ROTC educational and subsistence allowances; State bonus pay for service in a combat zone; uniform allowances; survivor and retirement protection plan premiums.

**Other Resources**

For more information on determining Homelessness, including video training modules:

<https://eclkc.ohs.acf.hhs.gov/family-support-well-being/article/supporting-children-families-experiencing-homelessness>