

Defining Family Income for Title X Charges, Billing, and Collections



Title X Program Requirements: Charges, Billing, and Collections

The [Title X Program Requirements](#) state that a grantee is responsible for implementing policies and procedures for charging, billing, and collecting funds for the services provided by the project. Additionally, Title X requires that “A schedule of discounts, based on ability to pay, is required for individuals with family incomes between 101% and 250% of the FPL.” Title X grantees must specify the process they follow for verifying client income. Grantees may elect to have a uniform policy for income verification across all subrecipients. Alternatively, they may elect to leave income verification policies up to individual subrecipient agencies as long as the grantee ensures that Title X regulations are followed. The process should be specified in an agency’s policies and procedures. To assign the appropriate discount, a grantee must accurately assess a client’s family size and family income.

A grantee or subrecipient is required to take reasonable measures to verify client income, without burdening clients from low-income families. Recipients who have lawful access to other valid means of income verification because of the client’s participation in another program may use those data rather than reverify income or rely solely on the client’s self-report. Keep in mind that if a client’s income cannot be verified after reasonable attempts to do so, charges are to be based on the client’s self-reported income. Family is defined as a social unit composed of one person, or two or more persons living together, as a household. As a reminder, “Clients must not be denied project services or be subjected to any variation in quality of services because of inability to pay.”

Defining Family Income

There is no standard definition of income to determine eligibility for all federally-funded programs. The [Census Bureau definition](#) uses a set of income thresholds that vary by family size and composition to determine who is in poverty. A simplified version of these, referred to as the Federal Poverty Guidelines, are issued by the Department of Health and Human Services and are updated annually. The grantee and subrecipients must update their SFDS dollar thresholds annually based on this data.

There is no standard definition of income to determine eligibility for all federally-funded programs. When considering IRS Form 1040 guidance regarding what constitutes income, the following inclusions and exclusions are recommended to calculate family income for Title X visits:

INCLUSIONS*

- » Wages, salaries, tips, bonuses, other payments for personal services, etc.
- » Taxable interest
- » Dividends
- » Taxable refunds, credits, or offsets of state and local income taxes. There are some exceptions—refer to Form 1040 instructions
- » Alimony (or separate maintenance payments) received
- » Business income (or loss)
- » Capital gain (or loss)
- » Other gains (or losses) such as assets used in a trade or business that were exchanged or sold
- » Taxable amount of individual retirement account (IRA) distributions, including simplified employee pension and a savings incentive match plan for employees IRAs
- » Taxable amount of pension and annuity payments
- » Rental real estate, royalties, partnerships, S corporations, trusts, etc.
- » Farm income (or loss)

- » Unemployment compensation and workers’ compensation payments
- » Taxable amount of Social Security benefits
- » Other income (includes prizes and awards; gambling, lottery or raffle winnings; jury duty fees; Alaska Permanent fund dividends; reimbursements for amounts deducted in previous years; income from the rental of property if not in the business of renting such property; and income from an activity not engaged in for profit)

EXCLUSIONS

- » Child support¹
- » Money or property that was inherited, willed, or given as a gift
- » Life insurance proceeds received as a result of someone’s death
- » Foster care payments
- » Non-cash benefits (such as public housing, Medicaid, and nutrition assistance)

*List adapted from [IRS Form 1040](#) income.

1 Title X agencies that also receive Section 330 funding should review their policies to determine whether or not to count child support for Title X visits.