

**2017 Income & Asset Requirements for Persons to be Eligible
for Assistance with Foundation Grants**

Please distribute to all staff involved in screening for eligibility and/or providing TAJF funded legal aid.

Each year, the Texas Access to Justice Foundation (TAJF) adopts criteria relating to income, assets, and liabilities defining the indigent persons eligible to benefit from TAJF grants. Household income-eligibility guidelines are based on the Department of Health and Human Services' (DHHS) most recent federal poverty guidelines. DHHS issues these guidelines each year in the [Federal Register](#). The recently released 2017 federal poverty Income Guidelines will be posted on our web site.

These guidelines establish maximum household income levels for individuals and families eligible for assistance from TAJF-funded legal aid programs whether funded by Interest on Lawyers Trust Accounts (IOLTA), Basic Civil Legal Services (BCLS), Crime Victim Civil Legal Services (CVCLS), Veterans, LASSA, LACH or other TAJF grant funds. The purpose of the criteria for income, asset, and liabilities is to determine whether an individual seeking legal assistance, funded in part or whole with TAJF funds, has insufficient income and assets to make private legal assistance unavailable and therefore is eligible under one of TAJF's grant programs.

Organizations receiving any TAJF grants must use such funds to provide free civil legal services to individual indigent persons or low-income client groups, associations, and nonprofit organizations eligible under these guidelines and the enacting [rules of the source of funds](#). Grantees must adopt and utilize this criteria relating to income, assets, and liabilities defining the indigent persons eligible to benefit from TAJF grants.

See **2017 Financial Income Guidelines** for client eligibility under specific grants.

Grantees must have written asset & liabilities criteria in place for defining indigent persons eligible for TAJF-funded free civil legal services. See section on [Assets Limitations](#) below.

DEFINITIONS

1. Family: Includes only those persons related by blood or by law as relatives to the applicants for whom the applicant has a legal responsibility to support.
2. Income: Includes wages & earnings, unemployment compensation, workers' compensation, Social Security, Supplemental Security Income, public assistance, veterans' payments, survivor benefits, pension or retirement income, interest, dividends, rents, royalties, income from estates, trusts, educational assistance, alimony, child support, assistance from outside the household, and other miscellaneous sources.
 - Noncash benefits (such as food stamps and housing subsidies) do not count towards income.

- Income considered before taxes
 - Income excludes capital gains or losses.
 - If a person lives with a family, add income of all family members. (Non-relatives, such as housemates, do not count unless they contribute regularly to help financially support the household.)
3. Liquid Assets: Assets that can readily and promptly convert to cash by the individual seeking assistance, prior to the time that the assistance is required. Only net liquid assets, after subtracting all expenses of conversion and taxes, are considered.
 4. Non-Liquid Assets: All assets other than liquid assets.
 5. Available Assets: Assets to which the individual seeking assistance has legal and actual access without having to obtain the consent or cooperation of another person over whom the individual does not have control and who does not, in fact, consent or cooperate

No Exceptions to Income Guidelines

Unlike Legal Services Corporation funds, there are no provisions to allow household incomes to exceed the TAJF maximum household income caps, using certain deductions or expenses that could reduce the household income to meet TAJF income guidelines.

Intake and Screening of Applicants

Grantees' screening and intake procedures must include instructions to solicit sufficient questions from the applicant to determine the total amount of household income, and grantees must be able to reasonably demonstrate that staff practice and follow procedures uniformly and consistently. A total amount of the applicant's household income must be recorded even if it is zero. Records of TAJF client eligibility must be retained and be available for inspection in a manner consistent with attorney client confidentiality.

To determine monthly income, divide annual income by 12. For weekly income, divide annual income by 52, or divide monthly income by 4.2. Your approach must be in writing and used consistently. Income received twice a month should be multiplied by 2 to establish monthly income. If the applicant is a seasonal employee, consideration can be based on previous year. Applicants shall be informed of their duty to report changes in their income should you accept their case.

If an applicant's total household income is derived solely from a government program for low-income individuals or families on a needs-based test, then the grantee may determine that the applicant is financially eligible based on those benefits however the grantee must record household size, household income, and the specific identity of the government program.

In representing a client group, association, or nonprofit organization, the grantee must comply with all of the other provisions of these rules and is subject to all of the prohibitions contained herein. A client group, association, or nonprofit organization is eligible if (1)it is primarily composed of individual indigent persons and does not have available resources to retain private

counsel or (2)its primary purpose is in furtherance of the interests of indigent persons and seeks legal assistance on a matter relating to such purpose and does not have available resources to retain private counsel.

Asset Limitations

Grantees must have an assets & liabilities policy that caps the amount of assets for eligibility determinations regarding TAJF-funded cases and clients. Grantees may select one of the below options or develop an alternative asset policy that is consistent with the intent to provide free civil legal services to indigent individuals. Staff and volunteers must adhere to the policy in determining eligibility for free civil legal services. The policy must be approved by the Board of Directors/Board of Trustees or governing body of the organization. If the legal program is a component of a larger non-legal aid institution, such as a religious organization, the chief executive officer may approve the policy. In the case of law school clinical program or bar association pro bono grantees, another designated authorized body or individual beyond the manger/director of the legal aid program must approve policy. The asset policy regarding TAJF eligibility must be in writing and available upon request.

OPTION 1

In general, an individual client may have up to \$10,000 in liquid assets (plus \$5,000 for each additional family member) and \$15,000 in non-liquid assets (plus \$5,000 for each additional family member). Exempted from the asset limit are the client's principal residence, first car, personal and household goods, tools, or equipment essential to employment, trusts restricted to educational or medical purposes, interest in IRA or Keogh plans, assets not counted by public assistance programs, and burial plots or trusts.

Where a client owns property, each asset must be identified (e.g., *savings account* or *vacation villa*), and its value must be entered into the client's financial eligibility field in their case-management system or paper application. The client's home, household goods, one car, or checking and/or savings account whose combined value is less than \$2,000 need not be listed. If the client has no countable assets, the grantee will report "*None*" in the appropriate area of the financial eligibility field.

OPTION 2

- 1) An individual seeking assistance may not have total family assets disregarding exclusions, if in excess of the following:
 - a) Liquid assets of \$2,500 or non-liquid assets of \$20,000.
 - b) \$5,000 in liquid assets or \$40,000 in non-liquid assets if a member of the applicant's family is elderly, handicapped, or institutionalized.

- 2) An individual seeking assistance may not have total family assets, disregarding exclusions, in excess of the following:

- a) Liquid assets in excess of double, or non-liquid assets in excess of four times the estimated cost of obtaining private legal assistance for the matter on which assistance is sought.
 - b) Liquid assets in excess of three times the estimated cost of obtaining private legal assistance for the matter on which assistance is sought, if a member of the applicant's family is elderly, handicapped, or institutionalized, in which case non-liquid assets may be disregarded.
- 3) Exclusion: The following items are to be excluded from consideration in determining whether an individual seeking assistance has assets in excess of those permitted:
- a) The principal residence of an individual seeking assistance, or of any member of the applicant's family.
 - b) The reasonable equity value in work-related equipment which is essential to the employment or self-employment of an applicant or members of an applicant's family.
 - c) Any assets which are exempted from execution by Texas or Federal Law.