

Guide for receiving and reviewing Application for Rent Subsidy forms

Step	Details
Receive form	<ul style="list-style-type: none"> ■ Date stamp all application forms when they are received
Review form: Has the form been completed properly?	<ul style="list-style-type: none"> ■ All household members must be listed, including name, date of birth and relationship to primary tenant. ■ Current contact information must be listed. ■ Income sources and monthly income must be listed on the form for all adult tenants/occupants 19 and over (excludes full time students, aged 19-24). ■ Current value of assets must be listed. ■ Proof of income, assets, and (if applicable) full time student verification for all household members (19 and over), must be attached. ■ Full time students: <ul style="list-style-type: none"> • Aged 19-24, must provide proof of student status if they wish to be considered as dependents for rent calculation purposes. Full time student dependents are no longer required to declare income and assets. • Aged 25+, are considered their own family group and must declare all income and assets. ■ All adult tenants/occupants aged 19+ must sign and date the form. <p>*If any of the above information is missing, the form will need to be returned to the tenant(s) for completion.</p>
Review form: Has sufficient proof of income and asset been attached?	<ul style="list-style-type: none"> ■ If form was completed properly and proof of income and assets is sufficient, calculate income using the steps outlined in the Rent Calculation Guide. <p>*If proof of income or assets is not sufficient, return the form to the tenant(s) with a request for additional documentation.</p>
*Follow up with tenant for additional information, if required.	<ul style="list-style-type: none"> ■ Make a note in the tenant file of the date that the form was returned and detail what additional information is being requested. ■ Provide tenant with a deadline for returning form with additional information or supporting documents. <p>Important: It may be appropriate to call the tenant, make an appointment to meet with them, or write a letter advising them of what is required. Regardless of which option is selected, make detailed notes in the tenant file. If multiple requests have been made, it is good practice to put 2nd or 3rd requests in writing.</p>
Complete the rent calculation.	<ul style="list-style-type: none"> ■ Once form is properly completed and adequate supporting documents are received, complete the rent calculation using the steps outlined in the Rent Calculation Guide. ■ Notify the tenant of the new Tenant Rent Contribution. ■ Submit form to BC Housing and file copy with supporting documents in tenant file.

Tips for reviewing Bank Statements

A review of bank statements can reveal undeclared assets and/or income. Discovering this before completing a rent calculation can minimize the chance of overpayment of subsidy and corresponding audit arrears.

- Look for and question any unexplained deposits not relating to declared income sources.
- Are there transfers between other accounts? If so, have they provided proof of these accounts?
- Are the rent and other day-to-day living expenses coming out of this account? If not, is there another bank account that has not been declared?
- Do the names and addresses on the statement match the Application for Rent Subsidy? If not, why?

If there are regular, recurring deposits:

- Ask the tenants to explain the deposits, and to provide proof of their origin.
- If the deposits do not pertain to tax credits, or any other income exempt from inclusion in rent calculation, the deposits must be considered as income.
 - Note: Child support is now excluded as income.
- If the tenant explains the deposits as loan(s), there must be proof of the loan and, if possible, proof of repayment.
- If there are several reoccurring deposits all identified as loans/gifts, and no formal repayment agreement has been provided, the deposits are to be considered as support and included for the purposes of rent calculation.

General tips for reviewing Personal Income Tax Returns:

- Check to make sure that line 150 of the Notice of Assessment matches the total income listed on line 150 of the detailed tax return.
- Is income on the tax return significantly higher than what is being declared?
- Does address on tax return match subsidized address?
- Check to see if there are income sources on the tax return that have not been declared. (i.e. business income, capital gains and/or rental income).
- Income from investments, capital gains (T1 Schedule 3 or line 127), taxable dividends and interest income all indicate that the tenant has investment account(s) and or Guaranteed Income Certificates (GIC's) that should be declared as an asset.

Any discrepancies should be questioned before proceeding with calculating income and corresponding Tenant Rent Contributions.

Tips for reviewing Statement of Business or Professional Activities (T2125):

- Income will show on tenant's personal tax return. Ask for the detailed Income Tax Return, corresponding Notice of Assessment and Statement of Business Activities (T2125)
- Use BC Housing's, Business Income Calculation Worksheet to work through the calculation.
- When reviewing the T2125, check the following:
 - Is Business Address the same as the subsidized address?
 - What percentage of partnership does the tenant have?
 - Do expenses include Management Fees or Salaries? If yes, were any of these paid to any household member?
- Add the following expenses back to net income: line 9946
 - Rent and Utilities (if business address = subsidized address and tenant is unable to prove that expense is for another location): line 8910
 - Business Use of Home expenses: line 9945
 - Capital Cost Allowance (CCA): line 9936
 - Salaries/wages paid to other household members: lines 8871 & 9060 (if not declared by another household member)
- If there is a business loss, enter total income from self-employment as \$0.00. Business losses cannot be used to offset other income sources (ex: employment, pensions, etc.).