

Policy Clarification

Regarding Self-Employment and Cash-Paid Employment

It is the parent/guardian's responsibility to inform the School Readiness (SR) Programs of the self-employment of any parent/guardian in the family. The parent/guardian must submit verification of self-employment, including all supporting verification of self-employment income, as required at the time of initial application and at each subsequent redetermination.

Self-Employment Requirements

If you are paid in cash or check and your employer does not take out your taxes, or if you are operating your own business, then you are considered to be self-employed. Due to clarification you now need to submit the following verification at each redetermination:

- Copy of most current/recent Federal Income Tax Return

(Request for Transcript of Tax Return can be mailed to you upon request or it can be printed online directly from the IRS website so you can receive an official copy of your most recent income tax return)

OR

If you are newly self-employed within the current tax year and do not yet have an income tax return then you need to submit:

- Parent/Guardian Self-Employment Verification form **AND** Self-Employment Statement.

Along with documentation to support the statement such as:

- Accounting ledgers
- Bank deposit slips
- Receipts
- Invoices
- Account statements
- Canceled checks
- Credit card sales slips

Business expenses: Generally, you may claim any business expense that is allowed by the Internal Revenue Service (IRS), with the exception a deduction for depreciation.

Example of business expenses are:

- Materials/chemicals/supplies use to produce goods or services
- Space rent and business utilities
- Maintenance of business property
- Payroll or wages
- Business phone
- Vehicle expense for business purpose with documentation
- Legal, accounting or other professional fees

Certain statuses may require additional documentation.

Verification of Self-Employment Form

Parent/Guardian Information					
Last name:		First name:		Middle name:	
Street address:		City:		State:	ZIP code:
Last four numbers of SSN:		Home phone:		Alternate phone:	

Information about Self-Employed Family Member <i>(if different from above)</i>					
Last name:		First name:		Middle name:	
Street address:		City:		State:	ZIP code:
Last four numbers of SSN:		Home phone:		Alternate phone:	

Business Information					
Business name:			Business start date:		
Street address:		City:		State:	ZIP code:
Type of business:			Business phone number:		
Corporate status of business (please check one of the following): <input type="checkbox"/> Sole proprietorship <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Corporation			Employer Identification Number (EIN):		

Required Business Documentation

Please attach the following:

- Copy of most current/recent Federal Income Tax Return

IF YOU ARE UNABLE TO PROVIDE A FEDERAL INCOME TAX RETURN, PLEASE ATTACH:

- Parent/Guardian Self-Employment Verification Form

AND

CHECK AND ATTACH TWO OF THE FOLLOWING:

- | | |
|---|--|
| <input type="checkbox"/> Accounting ledgers | <input type="checkbox"/> Account statements |
| <input type="checkbox"/> Bank deposit slips | <input type="checkbox"/> Canceled checks |
| <input type="checkbox"/> Receipts | <input type="checkbox"/> Credit card sales slips |
| <input type="checkbox"/> Invoices | |

The information written on this form is true and accurate to the best of my knowledge. I am aware that if I have given false information intentionally, I may be subject to prosecution for fraud.

Parent/Guardian Signature

Date:

Self-Employment Work Hours and Income

Parent/Guardian Name: _____

The customer who signs the receipts or invoices must be available by phone to verify the information if needed.

<p>WEEK ONE: Dates: _____ through _____</p> <p>Monday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Tuesday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Wednesday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Thursday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Friday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Saturday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Sunday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>TOTAL NUMBER OF HOURS, WEEK ONE: _____</p> <p>TOTAL INCOME EARNED, WEEK ONE: _____</p> <p>TOTAL NUMBER OF CUSTOMERS SERVED: _____</p> <p>Name and phone number of customers served this week must be on receipts or invoices</p>	<p>WEEK TWO: Dates: _____ through _____</p> <p>Monday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Tuesday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Wednesday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Thursday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Friday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Saturday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Sunday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>TOTAL NUMBER OF HOURS, WEEK TWO: _____</p> <p>TOTAL INCOME EARNED, WEEK TWO: _____</p> <p>TOTAL NUMBER OF CUSTOMERS SERVED: _____</p> <p>Name and phone number of customers served this week must be on receipts or invoices</p>
<p>WEEK THREE: Dates: _____ through _____</p> <p>Monday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Tuesday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Wednesday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Thursday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Friday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Saturday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Sunday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>TOTAL NUMBER OF HOURS, WEEK THREE: _____</p> <p>TOTAL INCOME EARNED, WEEK THREE: _____</p> <p>TOTAL NUMBER OF CUSTOMERS SERVED: _____</p> <p>Name and phone number of customers served this week must be on receipts or invoices</p>	<p>WEEK FOUR: Dates: _____ through _____</p> <p>Monday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Tuesday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Wednesday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Thursday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Friday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Saturday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>Sunday from _____ AM/PM to _____ AM/PM \$ _____</p> <p>TOTAL NUMBER OF HOURS, WEEK FOUR: _____</p> <p>TOTAL INCOME EARNED, WEEK FOUR: _____</p> <p>TOTAL NUMBER OF CUSTOMERS SERVED: _____</p> <p>Name and phone number of customers served this week must be on receipts or invoices</p>

The information written on this form is true and accurate to the best of my knowledge. I am aware that if I have given false information intentionally, I may be subject to prosecution for fraud.

Parent/Guardian Signature _____ Date: _____

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Self-Employment Work Hours and Income

Parent/Guardian Name: _____

The customer who signs the receipts or invoices must be available by phone to verify the information if needed.

Expenses

List your business expenses for the most recent four week period. Generally, you may claim any business expense that is allowed by the Internal Revenue Service (IRS), with the exception that we don't allow a deduction for depreciation.

Date	Paid to	Expense type	Check No.	Amount paid
Monthly total:				\$

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Parent/Guardian Signature

Date:

Instructions to Complete the Statement of Self-Employment

Totals on this worksheet must meet the following criteria:

- A minimum of four weeks of documentation within the most recent four-week period.
- All three totals must be for the same time period
- Must meet IRS guidelines

Calculating gross income:

Gross receipts are the income you receive from your business. You should retain supporting documents which show the amounts and sources of your gross receipts.

Add all gross receipts for total gross income:

\$ _____

Examples of documents that show gross receipts include:

- Canceled checks
- Bank deposit slips
- Receipt books
- Invoiced
- Credit card charge slips
- Forms 1099-MISC

Calculating expenses:

Note: Expenses may only be deducted from income with supporting documentation.

Business expenses are the costs you incur to carry on your business. Your supporting documents should show the amounts paid for those business expenses.

Add all expenses for total expenses:

\$ _____

Examples of documents for expenses include:

- Receipts
- Account statements
- Credit card slips
- Invoices
- Canceled checks

Calculating total profit or loss:

Total profit or loss is equal to gross receipts minus business expenses.

Subtract total expenses from total gross income for total profit or loss:

\$ _____

NOTE: If this document is completed and submitted to the School Readiness Program along with acceptable supporting documentation, your self-employment income will be verified. Please discuss verification requirements for self-employment with your Family Services Specialist.

Statement of Self-Employment Income

Date: _____

Self-employment income covers the dates:

from _____ (month/date/year) to _____ (month/date/year)

Number of weeks self-employment income covers: _____

Parent/Guardian Identification

Last name:		First name:		Middle name:	
Street address:		City:		State:	ZIP code:
Last four numbers of SSN:		Home phone:		Date of birth:	Age:

Business Information

Business name:	
Business phone number:	Business address:

Totals

Total amount of gross receipts:

Gross receipts are the income you receive from your business. You should retain supporting documents which show the amounts and sources of your gross receipts.

\$ _____

Total amount of business expenses:

Business expenses are the costs you incur to carry on your business. Your supporting documents should show the amounts paid for those business expenses.

\$ _____

Total amount of income:

Income is equal to gross receipts minus business expenses.

\$ _____

The information written on this form is true and accurate to the best of my knowledge. I am aware that if I have given false information intentionally, I may be subject to prosecution for fraud.

Parent/Guardian Signature

Date:
