

State of Montana Department of Public Health and Human Services Early Childhood and Family Support Division http://www.bestbeginnings.mt.gov



BEST BEGINNINGS CHILD CARE SCHOLARSHIP

ATTACHMENT F SELF-EMPLOYMENT INCOME VERIFICATION

Determining if your self-employment business meets the scholarship requirements.

- 1. Your self-employment business must have legal recognition. This is proven through one of the following:
 - IRS filed tax return (required if your self-employment business was created in the past calendar year.)
 - Business license from city or county (if less than 1 year old and using Self Employment Verification Form)
- 2. Income from a self-employment business must meet the current Federal Minimum Wage test. Net income is divided by the federal minimum wage to determine if the parent meets the monthly activity requirement.

What documents will I need?

The following list of documents are used to verify <u>earned</u> income. It is the responsibility of the applicant/participant to provide verification of all income used to determine eligibility.

- Self-employment Income Verification form
- Bookkeeping records
- Receipts for ALL allowable expenses
- Pertinent lease agreements [building, vehicle, chair (cosmetology), etc.]
- Contracts [construction, etc.]
- Bank Statements [personal & business] and cancelled checks
- Tax Returns: A complete tax return showing proof of filing and include copies of IRS forms 1040 and Schedule C must be submitted. If using tax returns, no additional documentation is required.

Allowable and non-allowable expenses.

You must have business records to verify the information given on this form.

Allowed business expenses are subtracted from the gross receipts to determine taxable gross income. Allowable expenses must directly relate to the production of income. Receipts must be attached to be counted.

Not Allowed business expenses include those derived from capital investments:

- Depreciation
- Amortization
- Non-sufficient Fund charges
- Credit Care late fees
- Business start-up costs
- Payments on principal portion of loan payments
- Personal transportation
- All expenses for which receipts are not provided.

Reporting self-employment income?

There are two ways to show your self-employment income:

- Submit a tax return if your self-employment business is over a year old and you have filed a tax return.
- Use Section 2 of the Self Employment Verification Form to enter income and expenses if your selfemployment business is less than 1 year old. Supporting documentation will be required.

STATE ZIP COUNTY PHONE # PHONE #	PPLI	CANT LAST NAME				APPLICANT FIRST NAME			MIDDLE INITIAL	
STATE ZIP COUNTY PHONE #	BUSIN	IESS NAME				FEIN OR SSN	When was	this busin	ess started?	
STATE ZIP COUNTY PHONE #	BUSIN	NESS ADDRESS					Did vou file	e a busines	s tax return fo	
STATE ZIP COUNTY PHONE #							-			
SUSINESS OWNER NAME(S) (if not owned solely by yourself) 1. 2. BUSINESS INCOME 2. 3. 3. 3. 3. 3. 3. 3.	CITY			STATE Z		COUNTY				
2. 2. 2. 2. 2. 3.	ГҮРЕ	OF BUSINESS (explain)								
2. 2. 2. 2. 2. 3.										
1. **SUSINESS INCOME** You may use this section to verify your self-employment income if: 1. **You did not file a business income tax return last year; or 2. **You filed a business tax return last year AND expect a significant change in your business earnings this year.** 7. **Income** What is this? Documentation Required** Amount (Round towhole number)* B. **Period covered** Tell us how long it took you to earn this money** To: 2. **Business Expense** What is this? Documentation Required** Amount** Amount** Amount** Amount** Amount** Amount** Amount** Amount** Andount** Andoun		` , `	ot owned	d solely by						
To may use this section to verify your self-employment income if: 1. You did not file a business income tax return last year, or 2. You filed a business tax return last year AND expect a significant change in your business earnings this year. 7. Income What is this? Documentation Required Amount (Round twhole number) a. Gross Income earned Enter your gross business income before deductions b. Period covered Tell us how long it took you to earn this money From: To: 7. To: 2. Business Expense What is this? Documentation Required Amount You have three expense options: Actual Expenses, 35% of your gross income for expenses, or no expenses. Please indicate your choice below. If you choose 35% or no expenses, you do not need to complete the expenses section. Actual Expense 35% of gross income for expenses I have no expenses Either the standard mileage deduction if you use your car or truck for business purposes. b. Insurance List the amount you pay for business insurance on your business. c. Supplies Enter the cost of supplies and materials used to operate your business. d. Licenses Enter the cost of any licenses you purchased for your trade or business. e. Other Other business expenses Subtract the total expenses from your gross income. Vease initial the boxes and sign and date the signature line. Leastify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file for income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.		•			۷.					
1. You did not file a business income tax return last year; or 2. You filed a business tax return last year AND expect a significant change in your business earnings this year. 7. Income What is this? Documentation Required Benter your gross business income before deductions Benter your gross income before deductions Benter your gross business income before deductions Benter your gross purposes Benter the expenses, 35% of your gross income for expenses, or no expenses, or no expenses, or no expenses, or no expenses section. Benter your gross income for expenses, you do not need to complete the expenses section. Benter your gross income for expenses, you do not need to complete the expenses section. Benter the actual Expenses Benter the actual Expenses income on your gross income. Benter the cost of supplies and materials used to operate your business. Benter the cost of supplies and materials used to operate your business. Benter the cost of any licenses you purchased for your trade or business expenses Benter the cost of any licenses you purchased for your trade or business expenses Benter the cost of any licenses you purchased for your trade or business expenses Benter the cost of any licenses you purchased for your trade or business expenses. Benter the cost of any licenses from your gross income. Benter the cost of any licenses from your gross income. Benter the co	BU	ISINESS INCOME			1					
2. You filed a business tax return last year AND expect a significant change in your business earnings this year. 7. Income What is this? Documentation Required a. Gross Income earned Enter your gross business income before deductions b. Period covered Tell us how long it took you to earn this money To: To: 2. Business Expense What is this? Documentation Required Amount You have three expense options: Actual Expenses, 35% of your gross income for expenses, or no expenses. Please indicate your choice below. If you choose 35% or no expenses, you do not need to complete the expenses section. Actual Expenses 35% of gross income for expenses, you do not need to complete the expenses section. Actual Expenses 35% of gross income for expenses. I have no expenses List the standard mileage deduction if you use your car or truck for business purposes. b. Insurance List the amount you pay for business insurance on your business. c. Supplies Enter the cost of supplies and materials used to operate your business. d. Licenses Enter the cost of any licenses you purchased for your trade or business. e. Other Other business expenses Subtract the total expenses from your gross income. Dease initial the boxes and sign and date the signature line. I certify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file fo income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.										
Amount (Round to whole number) a. Gross Income earned Enter your gross business income before deductions b. Period covered Tell us how long it took you to earn this money From: To: 2. Business Expense What is this? Documentation Required Amount You have three expense options: Actual Expenses, 35% of your gross income for expenses, or no expenses. Please indicate your choice below. If you choose 35% or no expenses, you do not need to complete the expenses section. Actual Expenses 35% of gross income for expenses I have no expenses List the standard mileage deduction if you use your car or truck for business purposes. List the amount you pay for business insurance on your business. C. Supplies Enter the cost of supplies and materials used to operate your business. Enter the cost of any licenses you purchased for your trade or business expenses f. Net Business Expense Subtract the total expenses from your gross income. Lease initial the boxes and sign and date the signature line. I certify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file for income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.	1.				•		·		41.	
a. Gross Income earned Enter your gross business income before deductions b. Period covered Tell us how long it took you to earn this money Tro: To: To: C. Business Expense What is this? Documentation Required Amount You have three expense options: Actual Expenses, 35% of your gross income for expenses, or no expenses. Please indicate your choice below. If you choose 35% or no expenses, you do not need to complete the expenses section. Actual Expenses 35% of gross income for expenses I have no expenses section. I have no expenses List the standard mileage deduction if you use your car or truck for business purposes. List the amount you pay for business insurance on your business. C. Supplies Enter the cost of supplies and materials used to operate your business. Enter the cost of any licenses you purchased for your trade or business. Enter the cost of any licenses you purchased for your trade or business expenses f. Net Business Expense Subtract the total expenses from your gross income. Idease initial the boxes and sign and date the signature line. I certify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file for income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.	2.	You filed a business tax re	turn last	year ANI) expect a	significant change	n your busines			
Definition Def	1. Ir	ncome	Wh	at is this	s? Docur	mentation Require	d		•	
Business Expense What is this? Documentation Required Amount Ou have three expense options: Actual Expenses, 35% of your gross income for expenses, or no expenses. Please adicate your choice below. If you choose 35% or no expenses, you do not need to complete the expenses section. Actual Expenses	a.	Gross Income earned	Ent	er your g	ross busir	ness income before	deductions		·	
Business Expense What is this? Documentation Required Amount	b.	Period covered	Tell	l us how	long it too	k you to earn this m	noney			
Tou have three expense options: Actual Expenses, 35% of your gross income for expenses, or no expenses. Please ndicate your choice below. If you choose 35% or no expenses, you do not need to complete the expenses section. □ Actual Expenses □ 35% of gross income for expenses □ I have no expenses a. Vehicle Expense □ List the standard mileage deduction if you use your car or truck for business purposes. b. Insurance □ List the amount you pay for business insurance on your business. c. Supplies □ Enter the cost of supplies and materials used to operate your business. d. Licenses □ Enter the cost of any licenses you purchased for your trade or business. e. Other □ Other business expenses f. Net Business Expense □ Subtract the total expenses from your gross income. I certify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file for income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.) D	in	\ A / l=		-2 D	tation Damiin	٠ا			
Actual Expenses										
□ Actual Expenses □ 35% of gross income for expenses □ I have no expenses a. Vehicle Expense List the standard mileage deduction if you use your car or truck for business purposes. b. Insurance List the amount you pay for business insurance on your business. c. Supplies Enter the cost of supplies and materials used to operate your business. d. Licenses Enter the cost of any licenses you purchased for your trade or business. e. Other Other business expenses f. Net Business Expense Subtract the total expenses from your gross income. Jease initial the boxes and sign and date the signature line. I certify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file for income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.										
b. Insurance List the amount you pay for business insurance on your business. c. Supplies Enter the cost of supplies and materials used to operate your business. d. Licenses Enter the cost of any licenses you purchased for your trade or business. e. Other Other business expenses f. Net Business Expense Subtract the total expenses from your gross income. Lease initial the boxes and sign and date the signature line. Lease initial the boxes are seported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. Lectify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file for income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.		•	35% of g	ross inco	me for ex	penses 🗆 I	have no exper			
b. Insurance List the amount you pay for business insurance on your business. c. Supplies Enter the cost of supplies and materials used to operate your business. d. Licenses Enter the cost of any licenses you purchased for your trade or business. e. Other Other business expenses f. Net Business Expense Subtract the total expenses from your gross income. Lease initial the boxes and sign and date the signature line. Leertify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file for income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.	a.	Vehicle Expense					use your car			
c. Supplies Enter the cost of supplies and materials used to operate your business. d. Licenses Enter the cost of any licenses you purchased for your trade or business. e. Other Other business expenses f. Net Business Expense Subtract the total expenses from your gross income. Vease initial the boxes and sign and date the signature line. I certify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file for income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.	b.	Insurance				· ·	ance on			
operate your business. d. Licenses Enter the cost of any licenses you purchased for your trade or business. e. Other Other business expenses f. Net Business Expense Subtract the total expenses from your gross income. Jease initial the boxes and sign and date the signature line. I certify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file for income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.										
d. Licenses Enter the cost of any licenses you purchased for your trade or business. e. Other Other business expenses Subtract the total expenses from your gross income. Lease initial the boxes and sign and date the signature line. I certify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file for income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.	C.	Supplies				ies and materials us	sed to			
trade or business. e. Other Other business expenses f. Net Business Expense Subtract the total expenses from your gross income. See initial the boxes and sign and date the signature line. I certify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file for income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.	<u>d.</u>	Licenses				censes vou purchas	ed for vour			
f. Net Business Expense Subtract the total expenses from your gross income. Lease initial the boxes and sign and date the signature line. I certify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file for income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.			trade	e or busir	ness.		,			
Please initial the boxes and sign and date the signature line. I certify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file for income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.	e.	Other	Othe	er busines	ss expens	es				
I certify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file for income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.	f.	Net Business Expense	Subt	ract the	total expe	nses from your gros	ss income.			
I certify that I have listed all income and expenses above. I also certify that I have receipts or some type of verification on file for income and expenses reported on this form, and I will keep them on file for at least one year from the date reported. You must business records to verify the information given on this form. I declare and affirm under the penalties of perjury that the information has been examined by me, and to the best of my knowled belief is true and correct.	lease	e initial the boxes and si	gn and	date the	e signatu	ure line.				
belief is true and correct.		I certify that I have listed all inco income and expenses reported	ome and e on this fo	expenses a rm, and I w	bove. I also vill keep the	certify that I have rece				
Durings tays and records are only good for a 10 month aligibility period. Now documentation is required at a result of datasets			enalties o	f perjury th	nat the infor	mation has been exam	ined by me, and	to the best o	f my knowledge	
Business taxes and records are only good for a 12-month eligibility period. New documentation is required at annual re-determine										

Date

Page 2 of 2

Business Owner Signature