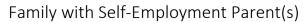


Child Care Subsidy Application Checklist





_	
For	Parents/Guardians - I/We:
	have an activity for both parents/guardians (Employment/Employment starting within 2 weeks, Self-Employment, School, or Job training)
	meet the self-employment definition and gross income threshold for self-employment meet the income limit for our family size
	do not have assets totaling \$1 million dollars
	have verifications available to upload with my online application or mail with my application
My/Our Child(ren):	
	is a U.S. Citizen or is a lawful permanent resident lives with us
	is under 13 or is 13 through 18 who is unable to care for self
	is in child care or will be starting child care within the next 30 days
	is in child care of will be starting child care within the flext 50 days
	In order for the Department to process your application to determine your family's eligibility, ALL applicable supporting documents must be submitted with your online application.*
	*Foster children or families experiencing homelessness, who do not have supporting documents available at application, may be allowed up to 2 months to provide required documents to the department.
For	Parents/Guardians:
	Copy of ID (Driver's License or other government issued ID)
	Income (One month of all applicable income - paystubs, award letter, etc.)
	Employment (Paystubs or employment letter), School Registration or Job Training Verification
	Guardianship documents (if applicable)
	Social Security Cards (optional)
For	Children:
	Birth certificate (government issued preferred)
	Citizenship/lawful permanent resident (if not born in the U.S.)
	Court decree or custodial documents (if applicable)
	Social Security Cards (optional)

For samples and more information on verifications, visit the Department's Child Care Program website at: www.humanservices.hawaii.gov/bessd/child-care-program/ or www.childcaresubsidy.dhs.hawaii.gov



Child Care Subsidy Application Checklist

Self-Employed Activity and Income



Self-Employment Threshold

You will need to meet a minimum monthly gross income to use your self-employment as your activity, as long as you meet the definition of self-employment.

Failure to meet this threshold will result in ineligibility.

Minimum eligible monthly self-employment income

20 hours per week x 4.3333 weeks x the state minimum wage = Minimum Net Income (at the time of eligibility)

2024 to 2025 Threshold: 20 hours x 4.3333 weeks x \$14.00 = \$1039.99

2026 to 2027 Threshold: 20 hours x 4.3333 weeks x \$16.00 = \$1386.56

For updated State wage information: https://labor.hawaii.gov/wsd/minimum-wage/

You will also need to meet the definition as a self-employed individual.

- Cannot be terminated from your job by another person
- Reports income to the IRS and State as self-employed
- Meets social security requirements as a self-employed person and pays employer's and employee's share of social security taxes
- Is not considered an employee of an agency or organization

If both applicant and co-applicant are self-employed, then both need to meet this definition and each need to meet the minimum gross income requirement.

Self-Employment business structures and verifications:

- Sole Proprietorship (Independent Contractors)
- Partnership (need to provide Partnership agreement, applicable tax return and tax schedules)
- Limited Liability Company (Single member or Partnership need to provide Articles of Organization, applicable tax return and tax schedules)

Self-Employed Income verifications to determine net income for income eligibility:

- DHS 1273C Report of Self-Employment Income
- General Excise Tax License
- General Excise Tax Form 45
- Income verifications: Bank statements, cash receipts, paid invoices, etc.
- Expense verifications: Bank statements, cancelled checks, paid invoices, receipts, etc.

State Of Hawaii DEPARTMENT OF HUMAN SERVICES REPORT OF SELF-EMPLOYMENT EARNINGS L CASE NAME: CASE NO.: ANSWER ALL QUESTIONS BELOW FOR (MM/YY): SIGN AND DATE THE FORM AND RETURN TO YOUR CASE WORKER BY: (SUIDMEN date midyy) . AT: WORKER: (IM Unit Address) SUBMIT APPROPRIATE VERIFICATION FOR ALL QUESTIONS MARKED WITH AN ASTERISK (*). SELF-EMPLOYED PERSON: NATURE OF BUSINESS: III. ANSWER THE FOLLOWING OURSTIONS BY PLACING AN "X" IN FOR AGENCY USE ONLY THE 'YES' OR 'NO' BLOCK AFTER THE OUESTION. BASED ON YOUR RESPONSES A DETERMINATION WILL BE MADE WHETHER YOU MEET THE THE CONDITIONS OF A SELF-EMPLOYED PERSON. 1. I SELL A SERVICE OR PRODUCT FOR A PROFIT I AM INDEPENDENTLY RESPONSIBLE FOR OBTAINING OR PROVIDING A SERVICE OR PRODUCT. I HAVE INDEPENDENT COSTS AND EXPENSES TO PROVIDE A SERVICE OR PRODUCT. 4. I INDEPENDENTLY DETERMINE THE MANNER. METHOD AND PROCESS OF THIS BUSINESS. WHICH AFFECTS ITS SUCCESS OR FAILURE. (*) 5. I PAID A GENERAL EXCISE LICENSE FEE. DATE: 6. I PAY EMPLOYER AND EMPLOYEE'S SHARE OF SOCIAL SECURITY TAXES AS A SELF-EMPLOYED PERSON. (ANSWER ONLY IF YOU HAVE EMPLOYEES) FEDERAL I.D. NO: (*) 7. I HAVE A VALID CURRENT STATE OF HAWAII G E LIC: W GENERAL EXCISE LICENSE. NOTE: THE BUSINESS IS NOT CONSIDERED SELE, EMBLOYMENT IF IT IS A CORPORATION. IF YOU ARE AN OWNER, I.E., STOCK OR SHAREHOLDER OF A CORPORATION, SUBMIT VERIFICATION OF THE TOTAL VALUE OF YOUR STOCKS OR SHARES AND YOUR MONTHLY DIVIDEND AMOUNT DHS 1273C (09/88) 1 OF 2

Monthly Expenses:

Please itemize allowable expenses and attach receipts for deductions.

ALLOWABLE EXPENSES

Cost of goods purchased
Business rent & utilities
Business taxes (excludes State & Federal)
Employee's Wages

Farm Self-Employment Expenses

Cost of farming supplies
(feed, fertilizer, seed, other farming supplies)
Farmhand/employer's wages
Farm rent/mortgage
Farm repairs/maintenance
Farm taxes (excludes State & Federal)

NOT ALLOWED:

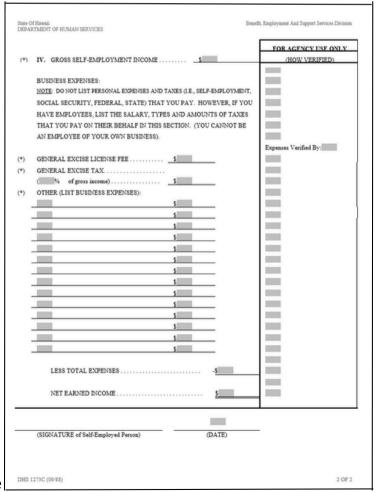
Depreciation, entertainment, transportation, purchase of capital equipment, payment on loans, and personal expenses such as meals

DHS 1273C Report of Self-Employment Earnings

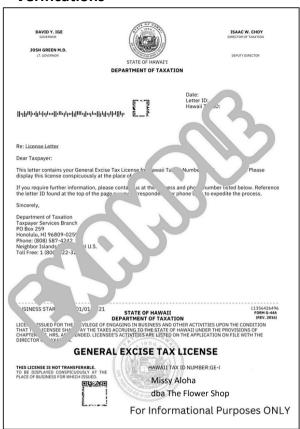
Use this form to help us determine if you qualify as a self-employed person.

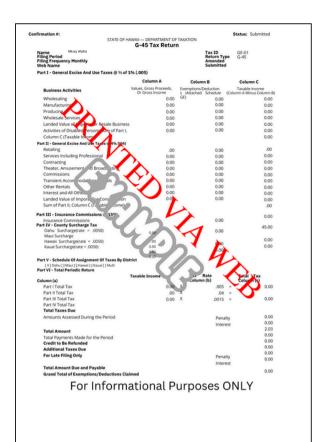
You will need to provide documents to verify the following:

General Excise (GE) License Number
GE Taxes paid (GE Form 45)
Monthly Income received in the month
Monthly Expenses paid in the month (receipts need to be provided to apply deductions)



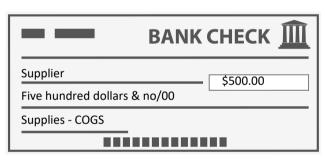
Verifications





General Excise
Tax License

State
Department of
Taxation G-45
Tax Return





Business
Expenses
Cancelled checks
Bank statements
showing expenses
paid by check or
electronic
transfers,
cash receipts,
sales receipts







Business Income
Bank/Merchant statements showing
income paid by check or credit/debit
cards,
cash receipts, sales receipts

Cash Based Accounting - Income is counted when received and expenses are counted when it's paid or cleared by your bank.

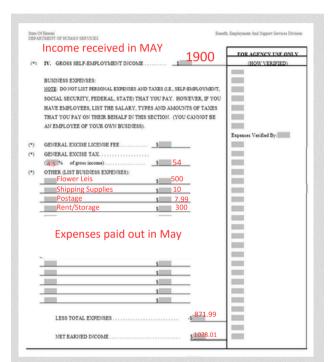
If business income is steady, submit at least 1 month's worth of income and expenses.

If business income is irregular, you may submit up to 6 months of income and expenses that will be averaged for your monthly income used for eligibility.

Sample of Monthly Income and Expenses

You apply for Child Care Subsidy on June 5, please submit income <u>received</u> and expenses <u>paid</u> in the month of May.

Detailed & itemized

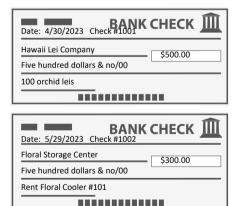






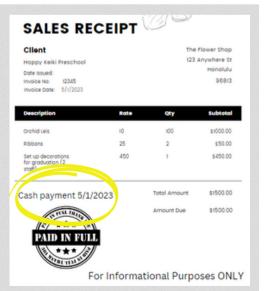
receipts are required.





Note - when paying by check, it will only be counted for the month when it has cleared by the bank. It is not based on the check date.

Check #1001 was written on 4/30 but cleared by the bank on 5/15 so it's counted as an expense in May.



Income is counted when it is received.

If you invoice clients but offer payment terms, income is counted when received and is not counted when you bill.

Example - You invoice a client in January and they finally pay for that invoice in May, the income will count for the month it was received, so for May.