



# 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 Gross Income  
(at the time of eligibility)

Example for 2023 = 20 hours x 4.3333 weeks x \$12.00 = \$1039.99

State minimum wage is \$12.00 as of 10/2022.

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 (tax return with tax schedules)
- 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.

Please include explanations on verification documents on what the expenses are for or on bank statements, please indicate what line items are income as some deposits may not be income (rather refunds/reimbursements).

**REPORT OF SELF-EMPLOYMENT EARNINGS**

I. CASE NAME: \_\_\_\_\_ CASE NO.: \_\_\_\_\_  
ANSWER ALL QUESTIONS BELOW FOR (MM/YY): \_\_\_\_\_, SIGN AND DATE THE FORM AND RETURN  
TO YOUR CASE WORKER BY: \_\_\_\_\_, AT: \_\_\_\_\_  
(suspense date: m/d/yy)

WORKER: \_\_\_\_\_  
PHONE: \_\_\_\_\_ (EM Unit Address)

**SUBMIT APPROPRIATE VERIFICATION FOR ALL QUESTIONS MARKED WITH AN ASTERISK (\*).**

II. SELF-EMPLOYED PERSON: \_\_\_\_\_ NAME OF \_\_\_\_\_  
NATURE OF BUSINESS: \_\_\_\_\_ PRINCIPAL PLACE OF BUSINESS: \_\_\_\_\_

III. ANSWER THE FOLLOWING QUESTIONS BY PLACING AN "X" IN  
THE 'YES' OR 'NO' BLOCK AFTER THE QUESTION. BASED ON YOUR  
RESPONSES A DETERMINATION WILL BE MADE WHETHER YOU MEET THE  
CONDITIONS OF A SELF-EMPLOYED PERSON.

	YES	NO
1. I SELL A SERVICE OR PRODUCT FOR A PROFIT	<input type="checkbox"/>	<input type="checkbox"/>
2. I AM INDEPENDENTLY RESPONSIBLE FOR OBTAINING OR PROVIDING A SERVICE OR PRODUCT.	<input type="checkbox"/>	<input type="checkbox"/>
3. I HAVE INDEPENDENT COSTS AND EXPENSES TO PROVIDE A SERVICE OR PRODUCT.	<input type="checkbox"/>	<input type="checkbox"/>
4. I INDEPENDENTLY DETERMINE THE MANNER, METHOD AND PROCESS OF THIS BUSINESS, WHICH AFFECTS ITS SUCCESS OR FAILURE.	<input type="checkbox"/>	<input type="checkbox"/>
(*) 5. I PAID A GENERAL EXCISE LICENSE FEE.	<input type="checkbox"/>	<input type="checkbox"/>
(*) 6. I PAY EMPLOYER AND EMPLOYEE'S SHARE OF SOCIAL SECURITY TAXES AS A SELF-EMPLOYED PERSON. (ANSWER ONLY IF YOU HAVE EMPLOYEES)	<input type="checkbox"/>	<input type="checkbox"/>
(*) 7. I HAVE A VALID CURRENT STATE OF HAWAII GENERAL EXCISE LICENSE.	<input type="checkbox"/>	<input type="checkbox"/>

**FOR AGENCY USE ONLY**  
(HOW VERIFIED)

DATE: \_\_\_\_\_

FEDERAL ID. NO.: \_\_\_\_\_

GE LIC. W. \_\_\_\_\_

NOTE: THE BUSINESS IS NOT CONSIDERED SELF-EMPLOYMENT  
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.

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)

**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 to and from work, purchase of capital equipment, payment on loans, and personal expenses such as meals.

(\*) IV. GROSS SELF-EMPLOYMENT INCOME ..... \$ \_\_\_\_\_

**BUSINESS EXPENSES:**  
NOTE: DO NOT LIST PERSONAL EXPENSES AND TAXES (I.E., SELF-EMPLOYMENT, SOCIAL SECURITY, FEDERAL, STATE) THAT YOU PAY. HOWEVER, IF YOU HAVE EMPLOYEES, LIST THE SALARY, TYPES AND AMOUNTS OF TAXES THAT YOU PAY ON THEIR BEHALF IN THIS SECTION. (YOU CANNOT BE AN EMPLOYEE OF YOUR OWN BUSINESS).

(\*) GENERAL EXCISE LICENSE FEE ..... \$ \_\_\_\_\_

(\*) GENERAL EXCISE TAX ..... \$ \_\_\_\_\_  
(\_\_\_\_\_% of gross income)

(\*) OTHER (LIST BUSINESS EXPENSES):  
\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
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\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_

LESS TOTAL EXPENSES ..... \$ \_\_\_\_\_

NET EARNED INCOME ..... \$ \_\_\_\_\_

**FOR AGENCY USE ONLY**  
(HOW VERIFIED)

Expenses Verified By: \_\_\_\_\_

\_\_\_\_\_  
(SIGNATURE of Self-Employed Person) (DATE)

# Verifications

DAVID Y. IGE GOVERNOR  
 JOSH GREEN M.D. LT. GOVERNOR  
 ISAAC W. CHOY DIRECTOR OF TAXATION  
 DEPUTY DIRECTOR  
 STATE OF HAWAII  
 DEPARTMENT OF TAXATION

Date: \_\_\_\_\_  
 Letter ID: \_\_\_\_\_  
 Hawaii Tax ID: \_\_\_\_\_

Re: License Letter

Dear Taxpayer:

This letter contains your General Excise Tax License for Hawaii Tax ID Number \_\_\_\_\_. Please display this license conspicuously at the place of business.

If you require further information, please contact us at the address and phone number listed below. Reference the letter ID found at the top of the page in your correspondence or phone calls to expedite the process.

Sincerely,

Department of Taxation  
 Taxpayer Services Branch  
 PO Box 259  
 Honolulu, HI 96809-0259  
 Phone: (808) 587-4242  
 Neighbor Islands: \_\_\_\_\_ U.S.  
 Toll Free: 1 (800) 222-3444

BUSINESS START DATE: 01/01/21

STATE OF HAWAII  
 DEPARTMENT OF TAXATION  
 LICENSE ISSUED FOR THE PRIVILEGE OF ENGAGING IN BUSINESS AND OTHER ACTIVITIES UPON THE CONDITION THAT THE LICENSEE SHALL PAY THE TAXES ACCRUING TO THE STATE OF HAWAII UNDER THE PROVISIONS OF CHAPTER 215, HRS, AS AMENDED. LICENSEE'S ACTIVITIES ARE LISTED ON THE APPLICATION ON FILE WITH THE DIRECTOR OF TAXATION.

**GENERAL EXCISE TAX LICENSE**

THIS LICENSE IS NOT TRANSFERABLE. TO BE DISPLAYED CONSPICUOUSLY AT THE PLACE OF BUSINESS FOR WHICH ISSUED.

HAWAII TAX ID NUMBER: GE-1  
 Missy Aloha  
 dba The Flower Shop

For Informational Purposes ONLY

Confirmation #: \_\_\_\_\_ Status: Submitted

STATE OF HAWAII - DEPARTMENT OF TAXATION  
**G-45 Tax Return**

Name: Missy Aloha  
 Filing Period: \_\_\_\_\_  
 Filing Frequency: Monthly  
 Web Name: \_\_\_\_\_  
 Tax ID Return Type: GE-01 G-45  
 Amended/Submitted: \_\_\_\_\_

**Part I - General Excise And Use Taxes @ 1% (.005)**

Business Activities	Column A Values, Gross Proceeds, Or Gross Income	Column B Exemptions/Deductions (Attached Schedule G)	Column C Taxable Income (Column A Minus Column B)
Wholesaling	0.00	0.00	0.00
Manufacturing	0.00	0.00	0.00
Producing	0.00	0.00	0.00
Wholesale Services	0.00	0.00	0.00
Landed Value of Imports of Preale Business	0.00	0.00	0.00
Activities of Disabled persons (Part I, Column C (Taxable Income))	0.00	0.00	0.00

**Part II - General Excise And Use Taxes @ 1% (.005)**

Retailing	0.00	0.00	0.00
Services Including Professional	0.00	0.00	0.00
Contracting	0.00	0.00	0.00
Theater, Amusement and Broadcast	0.00	0.00	0.00
Commissions	0.00	0.00	0.00
Transient Accommodations	0.00	0.00	0.00
Other Rentals	0.00	0.00	0.00
Interest and All Other	0.00	0.00	0.00
Landed Value of Imports (Column C (Taxable Income))	0.00	0.00	0.00
Sum of Part II, Column C (Taxable Income)			0.00

**Part III - Insurance Commissions @ 15%**

Insurance Commissions	0.00	0.00	0.00
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**Part IV - County Surcharge Tax**

Oahu Surcharge (rate = .0050)	0.00	0.00	45.00
Maua Surcharge	0.00	0.00	0.00
Hawaii Surcharge (rate = .0050)	0.00	0.00	0.00
Kauai Surcharge (rate = .0050)	0.00	0.00	0.00
Sum of Part IV, Column C (Taxable Income)			0.00

**Part V - Schedule of Assignment of Taxes by District**

[X] Oahu [ ] Maui [ ] Hawaii [ ] Kauai [ ] Multi

**Part VI - Total Periodic Return**

Column (a)	Column (b)	Rate	Column (c)	Tax Column (1)	
Part I Total Tax	0.00	X	.005	=	0.00
Part II Total Tax	.00	X	.04	=	0.00
Part III Total Tax	0.00	X	.0015	=	0.00
Part IV Total Tax				=	0.00
<b>Total Taxes Due</b>					0.00

Amounts Assessed During the Period: Penalty 0.00, Interest 2.03

**Total Amount**  
 Total Payments Made for the Period: 0.00  
**Credit to Be Refunded**  
 Additional Taxes Due: 0.00  
**For Late Filing Only**: Penalty 0.00, Interest 0.00

**Total Amount Due and Payable**: 0.00  
**Grand Total of Exemptions/Deductions Claimed**: 0.00

For Informational Purposes ONLY

General Excise  
 Tax License  
 State  
 Department of  
 Taxation G-45  
 Tax Return

**BANK CHECK**

Supplier: \_\_\_\_\_ \$500.00

Five hundred dollars & no/00

Supplies - COGS



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

Hawaii's Favorite Bank  
 Customer Service Information: www.hawaiifavoritebank.com, 1-800-222-3444, info@hawaiifavoritebank.com, P.O. Box 1000, Kapa'ae, HI 96707

The Flower Shop  
 123 Anywhere Street  
 Honolulu, HI 96813

Your Business Checking #0012345  
 Dates: August 1 - August 31, 2025

**Account Summary**

Beginning Balance on:	\$ 150.00
Deposits:	\$4000.00
Withdrawals and other credits:	\$3600.00
Service Fees:	\$ 125.00
Ending Balance:	\$ 425.00

Checks & other credits:

8/1 Check 1001 \$500.00	
8/5 Electronic: Floral Supply Distributor \$500.00	
8/12 Check 1002 \$200.00	
8/15 Withdrawal \$100.00	
8/00 Hawaiian Telecom \$25	
8/20 AT&T \$25	
8/30 Check 1003 \$1100	
8/31 Hawaiian Electric \$250	

Deposits and other debits:

Cash deposit: \$2400		
8/5 Check \$100	8/7 Check \$250	8/8 Debit Card \$25
8/15 Credit Card \$100	8/16 Check \$250	8/19 Check \$300
8/20 Debit Card \$250	8/21 Check \$25	8/30 Check \$300

Expenses in green  
 Income in yellow

For Informational Purposes ONLY

**SALES RECEIPT**

Client: Daphne Suga  
 Date Issued: \_\_\_\_\_  
 Invoice No: 12345  
 Invoice Date: \_\_\_\_\_

The Flower Shop  
 123 Anywhere St  
 Honolulu  
 96813

Description	Rate	Qty	Subtotal
Dozen Roses	\$25	1	\$25.00
Foliage - Bunch	\$5	1	\$5.00
Vase	\$5	1	\$5.00
Card	\$2.50	1	2.50
<b>Total Amount</b>			\$37.50
<b>Tax</b>			\$ 1.20
<b>Amount Due</b>			\$38.70

PAID IN FULL

Thank You

For Informational Purposes ONLY

**Cash RECEIPT**

Add notes to receipts on what the expense is for

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 received and expenses paid in the month of May.

Detailed & itemized receipts are required. Add notes and explanations please.

State Of Hawaii DEPARTMENT OF HUMAN SERVICES  
Benefit, Employment And Support Services Division

### Income received in MAY

(\*) IV. GROSS SELF-EMPLOYMENT INCOME ..... \$ **1900**

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BUSINESS EXPENSES:  
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(\*) GENERAL EXCISE LICENSE FEE ..... \$ \_\_\_\_\_  
 (\*) GENERAL EXCISE TAX (4.5% of gross income) ..... \$ **54**  
 (\*) OTHER (LIST BUSINESS EXPENSES):

Flower Leis	\$ 500
Shipping Supplies	\$ 10
Postage	\$ 7.99
Rent/Storage	\$ 300

Expenses Verified By: \_\_\_\_\_

### Expenses paid out in May

LESS TOTAL EXPENSES	\$ <b>871.99</b>
NET EARNED INCOME	\$ <b>1028.01</b>

Hawaii's Favorite Bank  
Customer Service Information  
www.hawaiifavoritebank.com  
14200 151 0214  
Email: info@hawaiifavoritebank.com  
P.O. Box 1000  
Kapolei, HI 90707

The Flower Shop  
123 Anywhere St  
Honolulu, HI 96813

**Your Business Checking #0012345**  
Dates: May 1 - May 30, 2023

### Account Summary

Beginning Balance on:	\$ 150.00
Deposits:	\$1900.00
Withdrawals and other credits:	\$951.00
Service Fees:	\$ 0.00
Ending Balance:	\$ 1099

Checks & other credits:

5/15 Check 1001	\$500.00
5/16 Electronic: USPS	\$7.99
5/18 Electronic: Walmart	\$10.00
5/21 Withdrawal	\$50
5/29 Check 1002	\$300.00
5/30 Walgreens	\$29.01

Cash deposit: \$1500  
5/5 Check \$400

All transactions are for the month of May  
\*add explanations or highlight income and expenses

For Informational Purposes

Cash  
**RECEIPT**  
5/16/2023

USPS - Honolulu

Postage - First Class  
Package \$7.99

Paid - Debit  
XXXXX.XXXXX.XXXXX.XXX

Cash  
**RECEIPT**  
5/18/2023

Walmart

Shipping Box \$9.59  
Tax \$0.41

Total \$10.00

Paid - Debit  
XXXXX.XXXXX.XXXXX.XXX

**BANK CHECK**

Date: 4/30/2023 Check #1001

Hawaii Lei Company \$500.00

Five hundred dollars & no/00

100 orchid leis

**BANK CHECK**

Date: 5/29/2023 Check #1002

Floral Storage Center \$300.00

Five hundred dollars & no/00

Rent Floral Cooler #101

### SALES RECEIPT

**Client** Happy Keiki Preschool  
Date issued: 5/1/2023  
Invoice No: 12345  
Invoice Date: 5/1/2023

The Flower Shop  
123 Anywhere St  
Honolulu 96813

Description	Rate	Qty	Subtotal
Orchid Leis	10	100	\$1000.00
Ribbons	25	2	\$50.00
Set up decorations for graduation (2 staff)	450	1	\$450.00
Total Amount			\$1500.00
Amount Due			\$1500.00

Cash payment 5/1/2023

**PAID IN FULL**

For Informational Purposes ONLY

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.

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.

Add notes/explanations, highlight income/expenses on all verification documents