

Self-Employment Income Worksheet: This worksheet will help you calculate the amount to report if you farm, are self employed, or have income from other sources.

Persons who are engaged in farming or who operate other types of private businesses may experience variations in cash flow or monthly income throughout the year. These persons may use their income tax records from the preceding calendar year as a basis for applying for Tier 1 meals. The income to be reported is income derived from the business venture less operating costs incurred in the generation of that income. Deductions for personal expenses such as medical expenses and other non-business deductions are not allowed in reducing gross business income.

If you have additional income from other kinds of employment, this income must be treated as separate and apart from the income generated from your business venture. USDA **DOES NOT** recognize income the same way as IRS. USDA does not permit a loss from a business venture to off-set earnings from wages or salary. Though your business may have suffered a net operational loss, for purposes of this Application, it is not possible to have a negative income. The **least self-employed income possible is zero (no income)**. For example, if you operated a business at a net loss but held another job where you received wages, your income for purposes of applying for Tier 1 meals would be the income from your wages only. The loss from the business cannot be deducted from the amount of the income earned in the other job.

A prior year loss from farming or other private business operation cannot be used to reduce the current year net income for determining free and reduced price (Tier 1) eligibility. Wages paid to a spouse or other family or household member in the operation of a farm or private business must be shown as household income in Part 4 of this Application.

Income from private business operations is to be taken from your most recent U.S. Individual Income Tax Return – Form 1040 or 1040-SR including Schedule 1 (Additional Income and Adjustments to Income). Complete the identified lines from Form 1040 or Form 1040-SR and Schedule 1.

Capital gain or (loss): Form 1040 or 1040-SR, Line 6	\$ _____
Business income or (loss): Schedule 1 Part 1, Line 3	\$ _____
Other gains or (losses): Schedule 1 Part 1, Line 4	\$ _____
Rental real estate, royalties, partnerships, S corporations, trusts, etc.: Schedule 1 Part 1, Line 5	\$ _____
Farm income or (loss): Schedule 1 Part 1, Line 6	\$ _____
*Total =	\$ _____

*The least income possible is zero (a negative number cannot be reported).
*Enter amount in the “**All other Income**” column in Part 4 on the front of this Application.