

Does your Family Qualify for Tier 1 Rates?

Step 1: Review the Provider income application instructions and gather the required income documentation together. Add together the following:

- **Current** gross wages of any household members for one month
- Net child care income from the Schedule C from your most recent tax filing (Divide by 12 to get monthly amount)
- Net income from Schedule C for any other self-employment or farming (Divide by 12 to get monthly amount)
- Any other monthly income such as child support or disability payments

Step 2: Compare the monthly total from Step 1 to the monthly amount listed for your household size in the chart on Page 2 of the Provider Income Application.

- If the household income is above the amount listed your family does not qualify.
- If the total for your household **is less than or equal to** the amount listed in the chart
 - Complete, sign and date the Provider Income Application
 - Submit the completed income application with the required documentation to Providers Choice.

Mail to: Providers Choice Inc, PO Box 390813, Minneapolis, MN 55439 **OR**
Scan and **e-mail** all documents to provider@providerschoice.com.

What if my current day care income is less than my child care income for the last year?

If your current day care income is less than the net income documented on the **Schedule C** for the most recent tax year, you can complete a **Monthly Net Child Care Profit/Loss Ledger**.

This form provides a current picture of your business income, subtracting business expenses from gross receipts for the previous month. This is the documentation needed.

- **Total Income** includes Parent Fees, Food Program Payments and any Miscellaneous Fees (activity or Field Trip Fees)
- **Total Expenses**
 - **General Expenses** include food, supplies, toys, child care insurance, business mileage, helper payments, educational classes, advertising, office expenses, legal, tax preparation expenses.
 - **Business use of Home expenses** includes mortgage interest, utilities, real estate taxes (*You can deduct a percentage of these monthly costs based on the percentage of use calculation.*)

Complete the Net Profit/Loss Ledger to determine current net income for your child care. Use the Total Net Income amount instead of the income from the Schedule C in the calculation above in **Step 1**. Compare total household income to the Chart on Page 2 of the Income Application Form, to determine if your family qualifies. **Complete Step 2 above.**

Note: If qualifying using the Monthly Net Child Care Profit/Loss Statement be sure to include copies of all receipts documenting business income and expenses for the previous month for verification purposes.