

09 Self Employment Verification

REVISION 23
(01/01/13 - 03/31/13)

The participant must provide verification of self employment income and expenses.

To be eligible for the CA NA [self employment expense deduction](#) only one expense must be verified.

EXCEPTION

Self Employment income due to farming uses actual expenses and has special budgeting procedures. (See [Farming](#))

Follow the [verification process](#) when verifying income and expenses. This verification may include, but is not limited to, the following:

- Bookkeeping records
- Business ledgers listing income amounts received and expenses incurred
- Actual receipts
- Contracts for work
- Statements from patrons and companies
- Most recent income tax returns

NOTE The most recent income tax return is acceptable as verification of self employment income and expenses when the participant indicates it accurately reflects the participant's current income.

- Rent receipt or tax statements for business property
- Mortgage receipt
- Utility cost and cleaning cost bills
- Business location and equipment maintenance
- Personal records indicating personnel salaries or costs of outside labor, such as cancelled checks and payroll checks

NOTE For CA and NA, a [participant statement](#) may be used to verify self employment expenses.

Have the participant sign the Authority to Release (FA-059) form to contact any companies or businesses involved.

NOTE When [blood sales](#) are indicated, have the participant sign the Verification of Plasma Income (FA-062) form.

When [self employment expenses](#) are not verified using the verification process, determine eligibility without those deductions.

MA EXCEPTION

When the self employed participant did not file a tax return or keep business records of self employment expenses complete one of the following:

- Obtain hard copy verification of self employment expenses.
- Determine eligibility without self employment expense deductions.

(See [Annualizing Self Employment](#))