

## DETERMINING HOURLY WAGE (Using Tax Forms / FCCH OWNER)

How to calculate hourly wage as a Family Child Home Owner/Operator using Tax forms.

1. Determine your hourly wage using these tax forms -  
IRS 1040 Individual Tax and 1040C Profit and Loss Statement
2. Determine the number of hours worked in a year.

Calculate the number of hours the business is open each day. Add in the number of hours per day spend on additional business activities. Total hours worked each day times the number of days worked in the year.

3. Divide your annual income by the number of hours worked in a year

### Example

If your adjusted gross income is \$27,000 (any individual income including any profit or loss of the business).

If your site is open from 7 am until 6 pm you are open 11 hours per day. If you spend 1 hour per day on additional activities (ex. Cleaning, shopping, preparing lesson plans, attending training for your site while children are not in attendance) you are working a total of 12 hours per day.

If your site is open Monday – Friday and you take 2 weeks of vacation you are operating for 5 days a week for 50 weeks, you are open 250 days a year. Your hourly wage is \$9.00 per hour.

### Calculation

$\$27,000 / 3,000$  (12 hours per day x 250 days a year) = \$9.00 per hour

## Calculating Hourly Wage with Tax Documents

When applying for the CSC STAR Award as an owner of a family child care home or Large FCCH that does **not** receive a salary from the business you are required to calculate your hourly wage for eligibility. To accurately calculate hourly wage, you must include copies of the most recent year's filed IRS tax documents 1040 and 1040 Schedule C with your application.

NAME: \_\_\_\_\_ PROVIDER ID: \_\_\_\_\_ TAX YEAR: \_\_\_\_\_

### INCOME

(using IRS 1040 showing entry from 1040 Schedule C)

<b>Total Income</b> (Adjusted Gross Income – Line 11)	\$
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### CALCULATE HOURS WORKED

<b>Time Open</b>	
<b>Time Closed</b>	
<b>Total Hours open</b>	
<b>+ Additional hours per day</b>	
<b>Total Hours per day</b>	

<b># of days open per week</b>	
<b># of weeks open per year</b>	
<b>Total number of days per year</b>	
<b>(total hours x total days)</b>	
<b>Total Hours for year</b>	

### CALCULATE HOURLY WAGE

<b>Total Income</b>	\$
<b>Total Hours for Year</b> (total income divided by total hours)	
<b>Hourly Wage</b>	\$

I \_\_\_\_\_ attest that this is an accurate calculation of income, expenses and hours worked as the owner/operator of \_\_\_\_\_.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name)

\_\_\_\_\_  
(Date)