

CALCULATING HOURLY WAGE (SALARY)

How to calculate hourly wage as a Family Child Home Owner/Operator when you are paid a regular salary by your business.

1. Determine your annual salary.
Multiple regular salary payments by the number of weeks or months in the year depending on payment schedule.
2. Determine the number of hours worked in a year.

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

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

Example

If your regular salary payment is \$4,000 per month. Then multiple \$4,000 by 12. Your annual income is \$48,000.

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. (250 days x 12 hours per day) You are working 3,000 hours per year.

Your hourly wage is \$16.00 per hour.

Calculation

\$48,000 divided by 3,000 Hours (12 hours per day x 250 days a year) = Your Hourly wage is \$16.00.

Applicants must upload the completed Calculating Hourly Wage (Salary) form and verification of regular salary payment to the CSC STAR Award application.

Include one of the following items:

1. Most recent paycheck stub (showing deductions and year to date totals)
2. Schedule C (Form 1040) (Line 26)
3. Most recent bank statement showing deposits/transfers

SCHEDULE C (Form 1040) Profit or Loss From Business
OMB No. 1545-0047
2024
Department of the Treasury Internal Revenue Service
Go to www.irs.gov/schedulec for instructions and the latest information.

Part I Income

1	Gross receipts or sales. See instructions for line 1 and check the box if this income was reported to you on Form W-2 and the "Statutory employee" box on that form was checked	1
2	Returns and allowances	2
3	Subtract line 2 from line 1	3
4	Cost of goods sold (from line 42)	4
5	Gross profit. Subtract line 4 from line 3	5
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6
7	Gross income. Add lines 5 and 6	7

Part II Expenses. Enter expenses for business use of your home only on line 30.

8	Advertising	16	Office expense (see instructions)
9	Car and truck expenses (see instructions)	17	Pension and profit-sharing plans
10	Commissions and fees	18	Rent or lease (see instructions)
11	Contract labor (see instructions)	19	Repairs and maintenance
12	Depreciation	20	Supplies (not included in Part III)
13	Dispositions and section 179 expense (deductions included in Part III) (see instructions)	21	Taxes and licenses
14	Employee benefit programs (other than on line 16)	22	Travel and meals
15	Insurance (other than health)	23	Debt (see instructions)
16	Interest (see instructions)	24	Wages (see employment credits)
17	Malpractice (paid to clients, etc.)	25	Other (see instructions)
18	Other	26	Net profit or loss. Subtract line 30 from line 7
19	Legal and professional services	27	
20	Total expenses before expenses for business use of home. Add lines 8 through 19	28	
21	Expenses for business use of your home. Do not report these expenses elsewhere. Attach Form 8829 unless using the simplified method. See instructions.	29	
22	Simplified method filers only: Enter the total square footage of (a) your home and (b) the part of your home used for business. Use the Simplified Method Worksheet in the instructions to figure the amount to enter on line 30	30	
23	Net profit or loss. Subtract line 30 from line 26	31	

31 If a profit, enter on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. If you checked the box on line 1, see instructions. Estates and trusts, enter on Form 1041, line 3.

32 If you have a loss, check the box that describes your investment in this activity. See instructions.

33 If you checked 32a, enter the loss on both Schedule 1 (Form 1040), line 3, and on Schedule SE, line 2. If you checked 32b on line 1, see the line 31 instructions. Estates and trusts, enter on Form 1041, line 3.

34 If you checked 32b, you must attach Form 8198. Your loss may be limited.

35a ☐ All investment is at risk.
35b ☐ Some investment is not at risk.

Calculating Hourly Wage (Salary)

When applying for the CSC STAR Award as an owner of a family child care home that is paid a regular salary amount from the business you are required to calculate your hourly wage for eligibility. To accurately calculate hourly wage, please use the form below **and** attach your most recent paycheck stub, Schedule C (Form 1040) or other verification of payment.

NAME: _____ PROVIDER ID: _____

CALCULATE HOURS WORKED (use hours children are in care)

Time Open	
Time Closed	
Add additional hours used for business	
Total Hours per day	

# of days open per week	
# of weeks open per year	
Total number of Days per year	
(total hours x total days) Total Hours for year	

CALCULATE HOURLY WAGE

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

ELC ONLY
ELC STAFF: _____
DATE: _____

I _____ attest that this is an accurate calculation of my hourly wage income, worked as the owner/operator of _____.

(Signature)

(Printed Name)

(Date)

Upload completed form and supporting documents to CSC STAR Award Application.