

Farming and Private Business Application

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 the free and reduced price 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 free or reduced price 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 eligibility. Wages paid to a spouse or other family member in the operation of a farm or private business must be shown as household income in Part 2 of the application.

The least income possible is zero (no income).

Income from private business operations is to be taken from your most recent U.S. Individual Income Tax Return - Form 1040. Use the lines from the 1040 that are identified.

Line 12 - Business income or (loss)	\$	
Line 13 - Capital gain or (loss)	\$	
Line 14 - Other gains or (losses)	\$	
Line 17 - Rental real estate, royalties, partnerships, S corporations, trusts, etc.	\$	
Line 18 - Farm income or (loss)	\$	
Total	\$	
	Total +12* =	

*Enter amount in the "All Other Income Last Month" column in Part 2 on the front of the Iowa Eligibility Application. The least income possible is zero (no income).

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Privacy Act Statement. This explains how we will use the information you give us. The National School Lunch Act requires the information on this application. You do not have to give the information, but if you do not, we cannot approve your children for free or reduced price meals. The last four digits of the Social Security Number of the adult household member who signs the application is required unless you list Food Stamp (Assistance) for FDPIR or TANF case numbers for all children you are applying for, Or if you are applying for a foster child. You must state on your application, if you do not have a Social Security Number. We will use your information to see if your children are eligible for free or reduced price meals, to run the program, and to enforce the rules of the program. We may share your eligibility information with education, health and nutrition programs to help them evaluate, fund or determine benefits for their programs, auditors for program reviews, and law enforcement officials to help them look into misuse of program rules. This includes officials connected with Title I assessment, the National Assessment of Educational Progress and Carl Perkins Vocational Education as authorized by the National School Lunch Act. Disclosure procedures for hawk-i/Medicaid are on the back of the Free and Reduced Price Meal Application and in the How to Apply for Free and Reduced Benefits brochure.