ASTSWMO, Providing Pathways to Our Nation's Environmental Stewardship Since 1974

Ability to Pay
Policy Template and Forms

Final

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State Fund – Financial Responsibility Task Force
Tanks Subcommittee

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ASTSWMO is an organization supporting the environmental agencies of the States and Territories (States). ASTSWMO's mission is to enhance and promote effective State and Territorial programs and to affect relevant national policies for waste and materials management, environmentally sustainable practices, and environmental restoration.

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This document provides a general policy for ability to pay settlements in which an entity's financial ability to pay is a significant consideration. All or part may be adapted by different States into the regulatory framework of their unique programs. State UST programs will want to consult with their own experts in addressing ability to pay, but this document may provide ideas worth discussing. "State" as used herein is a generic placeholder.

What is an ability to pay settlement?

An ability to pay (ATP) settlement allows a business or an individual to settle the State's environmental liability claim for less than the full amount. It may be a legitimate option if a company or an individual (hereinafter referred to as a liable person) can't pay the full liability, or if in doing so, it creates a financial hardship. Although this settlement option may require a substantial payment, it reduces the payment to an amount that the liable person can afford. Specifically, this settlement option allows a company to continue as a viable business and allows individuals to pay for basic family expenses. Generally, an ATP settlement represents the most that can be collected within a reasonable period of time, typically within five years, without the incurrence of an undue financial hardship.

Why is this policy being implemented?

When the State is considering an ATP settlement, it must consider a number of competing interests. On the one hand, the State's mission includes the protection of public health and the environment as well as management of the State's natural resources. Due to this mission, the State has a responsibility to see that the liable person who created the environmental problem pays the costs needed to fix that problem. On the other hand, many individuals and businesses may have limited resources with which to satisfy the State's environmental claim. An ATP settlement balances these competing interests by requiring a payment that is significant but not so large that the payment is likely to cause a business to fail or result in a family losing their home or other necessary assets. These would be undue financial hardships.

The State also has a fiduciary duty to its citizens. Taxpayer money is to be used only after a demonstration by the liable party that the proposed payment is the most that can be paid without causing the business to fail. Inherent in this ATP calculation is the understanding that by reducing the amount required to settle its environmental debt, the business will continue. This will provide employment to the community. It also recognizes the interests of the shareholders of the business by allowing the shareholders to maintain their equity in the business. Early identification of an undue financial hardship will also preserve the

financial resources of the State, the liable person, and other potentially responsible parties (PRPs) for cleanup actions by reducing transaction costs.[1]

What type of environmental claims can be resolved by an ability to pay settlement?

When the financial information proves that the payment of a reduced amount will allow the business to continue or a family to pay for basic expenses, ATP settlements may resolve State penalty claims, some types of cost recovery claims, and limited contractual claims. Also the State may take over cleanup responsibility if the ATP settlement demonstrates a liable person does not have the ability to do so.

What type of environmental claims cannot be resolved by an ability to pay settlement?

An ATP settlement cannot compromise ongoing environmental costs that are required to prevent or reduce the release of regulated substances or other pollutants created by current business activities. Ongoing environmental expenses are similar to the costs needed to pay for supplies and labor. Also, ATP settlements cannot compromise minimal cost items, including providing access for inspections, responding to information requests, and implementing land use restrictions.[2]

Furthermore, ATP settlements are not appropriate if the liable person is under the jurisdiction of a bankruptcy proceeding or receivership. They are also inappropriate if the financial information indicates that the claims of the liable person's other creditors are likely to cause the business to fail.

What does the liable person need to provide?

Everyone's financial situation is unique. Due to this, the State may ask for additional information, but a request for an ability to pay settlement will generally require the liable person to submit the following:

- A description of the environmental liabilities that the State has indicated it is willing to resolve with an ATP settlement.

[1] Since an ability to pay analysis reviews how a liable person has spent money in prior years, this settlement option should help smaller businesses without creating an incentive for other companies to avoid their environmental responsibilities by attempting try to shift money away from the liable person to another related party, such as an affiliated company or corporate shareholder after the environmental liability accrued.

[2] In addition, an ATP settlement will not resolve potential claims that can be made by other State entities, the United States Environmental Protection Agency, local government entities, or other persons who are not a party to the ability to pay settlement.

- Complete copies of the State and federal income tax returns that were filed during the last five years.
- Internal financial statements (audited or un-audited[3]) such as income statements and balance sheet, cash flow information of the liable person for the last three to five years.[4]
- Other financial submissions that have been prepared during the last five years. This includes documents such as audited and un-audited financial statements, loan applications, and financial assurance documentation.
- Ownership information of the liable person and related parties[5] and a description of all related party transactions[6] for the last five years.[7] For purposes of this policy, this requires a disclosure of all income and expense transactions between the liable person and:
    - Corporate affiliates,
    - Persons or businesses that have the ability to control or make business decisions for the liable person,
    - Immediate family members of the liable person,
    - Officers, directors and managers of the liable person and related parties,
    - Salary information, specifically salary received from the liable person by officers, directors,
    - Owners, investors, and other equity holders of the liable person and related parties,

[3] In many situations, small businesses and individuals may not be able to afford to pay a Certified Public Accountant to have audited financial statements.

[4] If the business has closed or has not conducted business for the past year, the period of time will include the last three to five years that the business operated.

[5] As explained later, the ATP analysis will review the related party information to determine if the amount of each transaction falls within the definitions of ordinary and necessary defined later in this document.

[6] Common examples of related party transactions include: salaries paid to the owners of the business; management fees paid to a corporate affiliate; rents paid to a company owned by an officer or shareholder of the liable person; dividends and distributions paid to shareholders; loans provided by the liable person to shareholders of the liable person, employees (officers, directors, managers), or related parties; and bonuses or stock awards given to officers, directors, or managers.

[7] Most of the income and expenses of a business or individual are arm's length transactions which assume that the price paid for an item has been fairly negotiated. Related party transactions, by their nature, may not have a fairly negotiated price, and this is the reason why the related party information is needed for the ATP Analysis.

    - Other entities in which any one of the above persons have at least a ten percent ownership interest.
- A completed ability to pay form (see Appendix A and Appendix B).
- Other information that the liable person believes is important for purposes of providing proof that an undue financial hardship is likely to happen.

How does the ability to pay process work?

The ATP analysis utilizes past and present financial information to evaluate the impact the payment of the full environmental claim will have on the liable person and those dependent on the income of the liable person. Due to the potential negative impacts, the ATP analysis requires enough information to support a determination as to whether the proposed settlement is likely to create an undue financial hardship over the next five years.
Additionally, other information, as determined appropriate by the State, will be requested and reviewed. This may include information relevant to current and future obligations of the liable person, the fair market value of assets, liabilities, and related party transactions. The State may also consider other sources of financial information provided by other potentially responsible persons or from disinterested third parties (*e.g.*, reports on companies/individuals from Dun and Bradstreet, CLEAR, Accurint, etc.; trade and industry reports on similar businesses; local courthouse records including tax assessment information; and if authorized by the liable person, tax information from the Internal Revenue Service). The financial information that is provided will be treated as confidential information as provided under the State's Freedom of Information Act.

A more detailed explanation of the ATP process follows; after verifying the financial information, the ATP analysis is generally done in two phases. The first phase, the Balance Sheet Phase, will look at what the liable person owns and what is owed. If the value of available cash combined with the fair market value of unnecessary assets (collectively, this is referred to as available assets) is greater than the environmental claim, then full payment is expected.

If the value of available assets is less than the environmental claim, then the second phase, the Income and Cash Flow Statement Phase, is conducted. This phase of the analysis subtracts necessary cash expenses from revenue earned over the next five years. The difference between the two amounts is referred to as available income. The dollar value of available income that will be earned in the next five years is added to the value of available assets to produce the ATP settlement amount.

This two-phase process also considers the ability to borrow, the ability to delay or defer capital expenditures, and the ability to obtain additional equity from investors over that same five year period.

Responsibilities of the liable person

For purposes of an ATP settlement, the liable person has the burden to demonstrate how the payment of its environmental liability, by itself, will create an undue financial hardship. This will require the submission of detailed financial information.[8] The liable person will also be required to certify that it has made a full and accurate disclosure of financial information. The certification can be in the form of a signed statement from the liable person. Any settlement which may include a consent decree or administrative order on consent that relies on financial information provided by the liable person will include a provision that the covenant-not-to-sue is null and void if the State later determines that the financial submission is false or, in any material respect, inaccurate.

Verification

The financial submission will be reviewed by the State or its agent for the purpose of determining its completeness and verifying that assets, liabilities, income and expenses have been identified and valued correctly. When necessary, additional information will be requested so that the State has a better understanding of the impact of large dollar and unusual business- related transactions and other financial transactions (*e.g*. unexpected personal expenses).[9]

Balance Sheet Phase

The Balance Sheet Phase examines the assets and liabilities of the liable person. It produces a dollar estimate that is the sum of: (1) excess cash; (2) funds available from the sale of assets that are not ordinary and necessary; (3) increased borrowing capacity; and (4) funds available from owners' equity. If the up-front payment that can be made by a liable person is adequate to pay the total amount sought by the State, the ATP claim should be rejected.

The Balance Sheet Phase will look at the value listed of all assets owned by the liable person as well as the liabilities. When appropriate, the value of the assets may be adjusted to reflect their current fair market value. Assets will usually be divided into two types: (1)

[8] Although the financial information will identify assets owned jointly by a non-liable spouse as well as assets and income that are available to pay for family expenses, assets and income of non-liable parties are considered only for the ability to pay ordinary and necessary expenses.

[9] Financial submissions are generally identified as confidential submissions. Due to this, they will be handled pursuant to the State's Freedom of Information Act.

necessary and ordinary assets and (2) unnecessary assets. In making a determination regarding whether an asset is necessary, the State relies on the information (both written and oral) provided by the liable person using the following general guidelines:

Business

This would include manufacturing equipment or other operating asset that is used to produce the primary product line(s) of the business. It would also include current assets, such as cash, account receivables, and inventory that are of a level consistent with other similar businesses.

For a business, an asset is unnecessary if the unencumbered fair market value of the asset is significant and if it is rarely used to create revenue for the liable person. For example, this would include vacant real property and equipment that is under used. Assets classified as other assets may include luxury vehicles and excess working capital. Other assets will be reviewed to determine their importance to the business. If the information indicates that any of these assets are not needed for the purpose of creating profit for the business or repayment of liabilities, they may be classified as unnecessary.

Individuals

For an individual, an asset is necessary if it provides for the basic needs of the liable person and/or those dependent on him/her. Generally, the primary residence, retirement accounts, personal car, and household possessions are classified as necessary. However, if the record indicates that the value of any of these assets is so substantial that they could be considered luxury items, a portion of the value could be identified as unnecessary.

The Balance Sheet Phase will estimate the value of assets that may not normally be included with most financial statements. This will include the ability to recover payments from a third party by filing an insurance claim, an indemnification claim, a cost recovery claim, or other type of contractual claim.

The Balance Sheet Phase will also review the amount of liabilities owed by the liable party. During this part of the analysis, the ability to borrow will be considered using lending standards commonly used by most financial institutions. If other persons are liable for the same debt, adjustments to the ability to borrow may be considered. The lien priority of the State environmental claim and the impact of debt owed to shareholders will be considered. Finally, if an examination of the financial information indicates that significant assets of the liable person were transferred for less than fair market value during a period of time after the environmental liability accrued, then additional adjustments may be made as part of the Balance Sheet Phase.

Income and Cash Flow Statement Phase

The Income and Cash Flow Statement Phase examines the revenues (income) and expenses of the liable person over time. This phase of the analysis attempts to predict future earning potential and to identify ordinary and necessary future expenses, based on a review of financial statements from prior years, budgets and projections (if provided), and likely future events. As previously stated, the goal of an ATP settlement is to allow a business to remain a going concern and to prevent an individual from suffering undue financial hardship.

Total sources of revenue should be examined to determine if they are stated correctly. If there are significant differences between the stated value and fair market value, adjustments may be made. A similar review of expenses will be made. Questionable revenue and expense items, if identified, will be discussed with the liable person and verified through third party sources.

All material cash expenses of the liable person will be reviewed to determine if the expenses are both ordinary and necessary. "Ordinary" means an expense that is common and accepted in the trade or business of the liable person or an expense that is used to pay for common family expenses such as food, clothing, and shelter. A "necessary" expense is defined as the minimum portion of the estimated expense that is indispensable. An example of a necessary expense is the basic mortgage payment or the minimum payment required for a credit card.

Generally, non-cash expenses such as depreciation can be deferred for a limited period of time without incurring an undue financial hardship. Due to this, unless the liable person can demonstrate why the purchase of new equipment is needed, non-cash expenses will not fall within the definition of ordinary and necessary. Also, although officers and shareholders of a business are entitled to reasonable compensation, since the ATP settlement will allow the shareholders of a business to retain their investment, the ATP analysis will consider the ability of the liable person to reduce payments made to all related parties.

After the examination of prior revenues and expenses, any increased future needs identified by the liable person should be considered. Increased future needs are ordinary and necessary expenses that will be incurred by the liable person that have not been incurred in the past or that were incurred previously but are expected to be significantly greater than in the past. When estimating increased future needs, the liable person must explain the reason why payment of these expenses cannot be deferred for a limited period of time. Examples of increased future needs are:

Businesses: Estimated environmental expenditures that are to be incurred in the next five years. However, in limited and appropriate cases, the ATP settlement may require additional payments if the estimated environmental expenditures are not made.

Individuals: A significant change in income and expenses caused by the liable person's decision to retire[10] or a significant increase in expenses that will be incurred within the next five years.

The difference between the projected revenues and ordinary and necessary expenses (including any increased future need and debt servicing on any additional borrowing determined appropriate in the Balance Sheet Phase of the analysis) during the next five years is defined as available income.

The State should normally require the liable person to direct five years of available income toward a payment of the proposed settlement amount. However, the number of years of available income may be changed when circumstances warrant. Examples of such circumstances include the following:

- The revenue and expense projections for the liable person are too erratic to allow for any certainty in the future cash projections. In such a situation, the settlement may need to require payment of a percentage of future earnings for more than five years.
- A business is in the process of a major capital restructuring that will result in a temporary deferral of profits. In such a case, the analysis may need to include a greater number of years of available income or consider the use of an alternative method to estimate the value of the restructuring.
- An individual has a very valuable asset that produces only minimal income. In such a case, the analysis may need to include a greater number of years of available income or consider the net sales value of the asset in the calculation of a settlement amount.

The fact pattern associated with each liable person's financial position may require deviation from the estimate. This deviation may be in the form of a reduction or increase in the number of years of future income that is considered. It may also include consideration of the net sale value of an income-producing asset instead of limiting the

[10] If retirement is the reason for the change in income and expenses, the ATP analysis will also consider the timing of the retirement decision. For example, prior financial statements should be capable of establishing a pattern of setting aside funds needed for retirement.

review to income provided by the asset. The explanation for the change in the estimate should be part of the documentation requirements for approval on an ATP settlement.

If the State determines that an ATP settlement should include payments over time, an interest factor should be applied to all payments except the up-front payment. Interest factors and late payment fees will be dependent upon the statutory or regulatory requirements of the particular program assessing the liable person's ATP. In addition, the State should determine whether settlement payments made over time can be secured by personal guarantees from owners of the liable person (particularly if it is known that an owner has significant personal assets) and/or by encumbering previously unencumbered assets (*i.e.*, assets that have no outstanding liens or pledges against them) by way of a judgment lien or mortgage payable to the State.

Use of computer models for penalty claims of less than $10,000

The United States Environmental Protection Agency (USEPA) has developed several computer based financial models that are often used to evaluate inability to pay claims.[11] One model is known as ABEL, and it is used to evaluate a corporation's or partnership's ability to afford compliance costs, cleanup costs, or civil penalties. Another model is known as INDIPAY, and it is used to evaluate an individual's ability to afford compliance costs, cleanup costs, or civil penalties.

Generally, computer models use only a limited portion of a person's financial condition when evaluating a person's ability to pay. Due to this, the conclusions reached by the computer models are not as reliable as the complete ATP analysis described herein. However, in the interest of efficiently using the limited resources of the State and the liable person, the State may decide to rely on the USEPA computer models described above, INDIPAY (for individual wage earners) and ABEL (for business entities), to determine the ability to pay for environmental claims less than $10,000. In making this evaluation using the models, the State will rely on the financial information as submitted.

If the liable person is an individual whose family income is primarily from wage earnings, social security, and pension sources (and not from other sources such as self-employed, interest, or dividend income), the amount of payment required is the lessor of the amount established as "Ability to Pay Test A" or "Ability to Pay Test B" under the INDIPAY model, provided the result does not contain other qualifiers in the INDIPAY analysis that question the reliability of the result.

[11] These computer models are located at http://www2.epa.gov/enforcement/penalty-and-financial-models

For corporations and other limited liability entities, the amount of payment needed to resolve an environmental claim under $10,000 will be the value established by the ABEL model using the 70% probability threshold.

In order to qualify for this expedited process, the State will run the appropriate computer model and may verify the accuracy of questionable information prior to approving the reduction in the environmental claim. If the State determines not to use a computer model for any specific environmental claim under $10,000, it will explain its reason to the liable person.

At the discretion of the State for cases with expenditures of $10,000 or less, where the liable person does not qualify as unable to pay based on financial analysis, the State may approve a request that cost recovery not be pursued.

Sharing the review

Once an appropriate ATP amount is determined, the conclusions of the ATP analysis will be shared with the liable person via a written report. After the ATP amount has been determined by the State, the liable person may respond to the analysis and may submit additional financial information. If the information submitted by the liable person is new and significant, it may result in changing the ATP amount. If it does not, negotiations may proceed provided the liable person agrees to the ATP amount.[12]

Documentation of the decision

The State should document the ATP decision in an internal memorandum that will be used to obtain the necessary approvals. Because an ATP settlement is predicated on, among other considerations, a liable person's financial ability to pay, it has the potential to affect the settlement amount to be paid by other liable persons. Therefore, it is important for the State to document the basis for the ATP settlement, including identifying and maintaining copies of all documents relied upon in conducting the ATP analysis as well as preparing a narrative explanation that describes the analysis. The internal memorandum and the documents which are described in the internal memorandum will be held confidential consistent with the State's Freedom of Information Act.

[12] Generally, although the financial information is treated as confidential information under the State's Freedom of Information Act, the State retains the ability to use this information in any enforcement proceeding if a settlement is not reached with the liable person.

Deviation from this policy

Each person's financial condition is unique. Accordingly, if the specifics of the financial position of a liable person are not applicable to the assumptions contained in this guidance, an ATP settlement may be reached on other grounds, but it should be clearly documented and elevated to the appropriate management official for approval.

Appendix A

Collection Information for Business

Collection Information Statement for Business

Note: Complete all entry spaces with the current data available or "N/A" (not applicable). Failure to complete all entry spaces may result in rejection of your request or significant delay in account resolution. **Include attachments if additional space is needed to respond completely to any question.**

Section 1: Business Information

1a Business Name

2 Employer Identification No. (EIN)

1b Business Address (Street, City, State, Zip code)

3a Type of entity (Check appropriate box below)
☐ Partnership ☐ Corporation ☐ Other_____
☐ Limited Liability Company (LLC) classified as a corporation
☐ Other LLC - Include number of members _____
3b Date incorporated/Established _____ Mmddyyyy
3c State where incorporated/established_____

1c Business Phone

4 Number of Employees _____

1d Type of Business

5 Monthly Gross Payroll _____

1e Business Website (Web Address)

6 Frequency of Tax Deposits _____

Section 2: Business Personnel and Contracts

PARTNERS, OFFICERS, LLC MEMBERS, MAJOR SHAREHOLDERS, ETC.

7a Full Name Title Home Address City State Zip Responsible for Depositing Payroll Taxes ☐ Yes ☐ No	Social Security Number Home Telephone Work/Cell Phone Ownership Percentage & Shares or Interest Annual Salary/Draw
7b Full Name Title Home Address City State Zip Responsible for Depositing Payroll Taxes ☐ Yes ☐ No	Social Security Number Home Telephone Work/Cell Phone Ownership Percentage & Shares or Interest Annual Salary/Draw
7c Full Name Title Home Address City State Zip Responsible for Depositing Payroll Taxes ☐ Yes ☐ No	Social Security Number Home Telephone Work/Cell Phone Ownership Percentage & Shares or Interest Annual Salary/Draw
7d Full Name Title Home Address City State Zip Responsible for Depositing Payroll Taxes ☐ Yes ☐ No	Social Security Number Home Telephone Work/Cell Phone Ownership Percentage & Shares or Interest Annual Salary/Draw

Section 3: Other Financial Information (Attach copies of all applicable documents)

8a Are you currently, or within the last five years have you been, a party in a law suit? If there are multiple law suits, please include an attachment that responds to items 8b through 8h for each additional law suit. (if yes, answer the following)

8b ☐ Plaintiff ☐ Defendant	**8c** Location of filing	**8d** Represented by	**8e** Docket/Case No.
8f Amount of Suit $	**8g** Possible Completion Date (mmddyyyy)	**8h** Subject of Suit	

9 Has the business ever filed bankruptcy? (if yes, answer the following) ☐ **Yes** ☐ **No**

Date Filed (mmddyyyy)	Date Dismissed (mmddyyyy)	Date Discharged (mmddyyyy)	Petition No.	District of Filing

Location of Bankruptcy Court (Street, City, State, Zip code)

10 Does this business have other business affiliations (e.g., subsidiary or parent companies)? (if yes, answer the following) ☐ **Yes** ☐ **No**

Related Business Name and Address (Street, City, State, Zip code)	Related Business EIN:

11 Do any related parties (e.g., officers, partners, employees) have outstanding amounts owed to the business? (If yes, answer the following) ☐ **Yes** ☐ **No**

Name and Address (Street, City, State, ZIP code)	Date of Loan	Current Balance As of _____ mmddyyyy $	Payment Date	Payment Amount $

12 Have any assets been transferred, in the last five years, from this business for less than full value? (if yes, answer the following) ☐ **Yes** ☐ **No**

List Asset	Value at Time of Transfer $	Date Transferred (mmddyyyy)	To Whom or Where Transferred

13 Any increase/decrease in income anticipated? (if yes, answer the following) ☐ **Yes** ☐ **No**

Explain (Use attachment if needed)	How much will it increase/decrease $	When will it increase/decrease

14a Have you been notified by the Internal Revenue Service of an audit or of a potential change to a tax filing during the last five years? ☐ **Yes** ☐ **No**

14b If the answer is yes, please identify the tax year(s) and the reason why the Internal Revenue Service sent the notice.

15a Have you filed amended income tax returns for any of the last five years? ☐ **Yes** ☐ **No**

15b If the answer is yes, please provide a copy of each amended income tax return.

Section 4: Business Asset and Liability Information

16a CASH ON HAND Include cash that is not in the bank **Total Cash on Hand**	$

16b Is there a safe on the business premises? ☐ **Yes** ☐ **No**	Contents

BUSINESS BANK ACCOUNTS Include online and mobile accounts (e.g., PayPal), money market accounts, savings accounts, checking accounts and stored value cards (e.g., payroll cards, government benefits cards, etc.)
List safe deposit boxes including location, box number and value of contents. Attach list of contents.

Type of Account S=Savings, C=Checking, & O=Other	Full Name and Address (Street, City, State, Zip code) of Bank, Saving & Loan, Credit Union or Financial Institution	Account Number	Account Balance As of _____ mmddyyyy
17a			$
17b			$
17c			$
17d Total Cash in Banks (add lines 17a through 17c and amounts from any attachments)			$

Accounts/Notes Receivable Include e-payment, accounts receivable and factoring companies, and any bartering or online auction accounts. (List all contracts separately including contracts awarded, but not started). **Include Federal, state and local government grants and contracts.**

Name & Address (Street, City, State, Zip code)	Status (e.g., age, factored, other)	Date Due (mmddyyyy)	Invoice Number or Government Grant or Contract Number	**Amount Due**
18a Phone				$

Name & Address (Street, City, State, Zip code)	Status (e.g., age, factored, other)	Date Due (mmddyyyy)	Invoice Number or Government Grant or Contract Number	**Amount Due**
18b Phone				$
18c Phone				$
18d Phone				$
18e Phone				$
18f Outstanding Balance (Add lines 18a through 18e and amounts from any attachments)				$

Investments List all investment assets below. Include stocks, bonds, mutual funds, stock options, certificates of deposit and commodities (e.g., gold, silver, copper, etc.)

Type of Investment or Financial Interest S=Stock, B=Bond, R=Retirement Account, O=Other type of investment	Name of Company & Address (Street, City, State, Zip Code)	Used as collateral on loan	Current Value	Loan Balance	**Equity** Value Minus Loan
19a	phone	☐ Yes ☐ No	$	$	$
19b	Phone	☐ Yes ☐ No	$	$	$
19c Total Investments (Add lines 19a, 19b and amounts from any attachments)					$

Available Credit Include all lines of credit and credit cards.

Full Name & Address (Street, City, State, Zip code)	Credit Limit	Amount Owed As of _____ mmddyyyy	**Available Credit** As of _____ mmddyyyy
20a Account No.	$	$	$
20b Account No.	$	$	$
20c Total Credit Available (Add lines 20a, 20b, and amounts from any attachments)			$

REAL PROPERTY Include all real property the business owns/leases/rents.

	Purchase Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	**Equity** FMV Minus Loan
21a Property Description		$	$	$		**$**
Location (Street, City, State, Zip code) and County	Lender/Lessor/Landlord Name, Address (Street, City, State, Zip code) and Phone Phone					
21b Property Description		$	$	$		**$**
Location (Street, City, State, Zip code) and County	Lender/Lessor/Landlord Name, Address (Street, City, State, Zip code) and Phone Phone					

	Purchase Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	**Equity** FMV Minus Loan
21c Property Description		$	$	$		**$**
Location (Street, City, State, Zip code) and County		Lender/Lessor/Landlord Name, Address (Street, City, State, Zip code) and Phone Phone				
21d Property Description		$	$	$		**$**
Location (Street, City, State, Zip code) and County		Lender/Lessor/Landlord Name, Address (Street, City, State, Zip code) and Phone Phone				
21e Total Equity (Add lines 21a through 21d and amounts from any attachments						$

VEHICLES, LEASES AND PURCHASED Include boats, RVs, motorcycles, all terrain and off-road vehicles, trailers, mobile homes, etc.

		Purchase Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	**Equity** FMV Minus Loan
22a Year	Make/Model		$	$	$		**$**
Mileage	License/Tag Number	Lender/Lessor/Landlord Name, Address (Street, City, State, Zip code) and Phone Phone					
22b Year	Make/Model		$	$	$		**$**
Mileage	License/Tag Number	Lender/Lessor/Landlord Name, Address (Street, City, State, Zip code) and Phone Phone					
22c Year	Make/Model		$	$	$		**$**
Mileage	License/Tag Number	Lender/Lessor/Landlord Name, Address (Street, City, State, Zip code) and Phone Phone					
22d Year	Make/Model		$	$	$		**$**
Mileage	License/Tag Number	Lender/Lessor/Landlord Name, Address (Street, City, State, Zip code) and Phone Phone					
22e Total Equity (Add lines 22a through 22d and amounts from any attachments)							$

BUSINESS EQUIPMENT AND INTANGIBLE ASSETS Include all machinery, equipment, merchandise inventory, and other assets in 23a through 23d. List intangible assets in 23e through 23g (licenses, patents, logos, domain names, trademarks, copyrights, software, mining claims, goodwill and trade secrets)

	Purchase/ Lease Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	**Equity** FMV Minus Loan
23a Asset Description		$	$	$		**$**

	Purchase/ Lease Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	**Equity** FMV Minus Loan
Location (Street, City, State, Zip code) and County		Lender/Lessor/Landlord Name, Address (Street, City, State, Zip code) and Phone Phone				
23b Asset Description		$	$	$		**$**
Location (Street, City, State, Zip code) and County		Lender/Lessor/Landlord Name, Address (Street, City, State, Zip code) and Phone Phone				
23c Asset Description		$	$	$		**$**
Location (Street, City, State, Zip code) and County		Lender/Lessor/Landlord Name, Address (Street, City, State, Zip code) and Phone Phone				
23d Asset Description		$	$	$		**$**
Location (Street, City, State, Zip code) and County		Lender/Lessor/Landlord Name, Address (Street, City, State, Zip code) and Phone Phone				
23e Intangible Asset Description						$
23f Intangible Asset Description						$
23g Intangible Asset Description						$
23h Total Equity (Add lines 23a through 23g and amounts from any attachments)						$

BUSINESS LIABILITIES Include notes and judgements not listed previously on this form.

Business Liabilities	Secured/Unsecured	Date Pledged (mmddyyyy)	Balance Owed	Date of Final Payment (mmddyyyy)	Payment Amount
24a Description	☐ Secured ☐ Unsecured		$		$
Name Street Address City/State/Zip code			Phone		
24b Description	☐ Secured ☐ Unsecured		$		$
Name Street Address City/State/Zip code			Phone		
24c Total Payments (Add lines 24a and 24b and amounts from any attachments					$

Section 5: Monthly Income/Expenses Statement for Business

Accounting Method Used: Cash Accrual

Use the prior 3, 6, 9, or 12 month period to determine your typical business income and expenses.

Income and Expenses during the period beginning (mmddyyyy) | To (mmddyyyy)

Provide a breakdown of your average monthly income and expenses, based on the period of time used above.

Total Monthly Business income		**Total Monthly Business Expenses** (Use attachments as needed)	
Source	Gross Monthly	Expense Items	Actual Monthly
25 Gross receipts	$	**36** Materials Purchased[1]	$
26 Gross Rental Income	$	**37** Inventory Purchased[2]	$
27 Interest	$	**38** Gross Wages & Salaries	$
28 Dividends	$	**39** Rent	$
29 Cash Receipts not included in lines 25-28	$	**40** Supplies[3]	$
Other Income (Specify below)		**41** Utilities /Telephone[4]	$
30	$	**42** Vehicle Gasoline/Oil	$
31	$	**43** Repairs & Maintenance	$
32	$	**44** Insurance	$
33	$	**45** Current Taxes[5]	$
34	$	**46** Other Expenses (Specify)	$
35 Total Income (Add lines 25 through 34)	$ 0.00	**47** Other Expenses, including installment payments (specify)	$
		48 Total Expenses (Add lines 36 through 47)	$0.00
		49 Net Business Income (Line 35 minus 48)	$

1 **Materials Purchased:** Materials are items directly related to the production of a product or service.

2 **Inventory Purchased:** Goods bought for resale.

3 **Supplies:** Supplies are items used in the business that are consumed or used up within one year. This could be the cost of books, office supplies, professional equipment, etc.

4 **Utilities/Telephone:** Utilities include gas, electric, water, oil, other fuels, trash collection, telephone, cell phone and business internet.

5 **Current Taxes:** Real Estate, excise, franchise, occupational personal property, sales and employer's portion of employment taxes.

Certification: Under penalties of perjury, I declare that to the best of my knowledge and belief this statement of assets, liabilities, and other information is true, correct, and complete.

Signature	**Title**	**Date**

After we review the completed Form, you may be asked to provide verification for the assets, encumbrances, income and expenses reported. Documentation may include previously filed income tax returns, pay statements, self-employment records, bank and investment statements, loan statements, bills or statements for recurring expenses, etc.

Appendix B

Collection Information Statement for Wage Earners and Self Employed Individuals

Collection Information Statement for Wage Earners and Self-Employed Individuals

Wage Earners -Complete Sections 1, 2, 3, 4, and 5 including the signature line on page 4. Answer all questions or write N/A if the question is not applicable.
Self-Employed Individuals -Complete Sections 1, 3, 4, 5, 6 and 7 including the signature line on page 4. Answer all questions or write N/A if the question is not applicable.
Include attachments if additional space is needed to respond completely to any question.

Social Security Number SSN	Employee Identification Number EIN

Section 1: Personal Information

1a Full Name of Applicant and Spouse (if applicable)	**1f** Home Phone	**1g** Cell Phone
1b Address (Street, City, Zip code)	**1h** Business Phone	**1i** Business Cell Phone
	2 Name, Age, and Relationship of dependent(s)	
1c Marital Status: ☐ Married ☐ Unmarried (Single, Divorced, Widowed)		

	Social Security No. (SSN)	Date of Birth
1d Applicant		
1e Spouse		

Section 2: Employment Information for Wage Earners

If you (or your spouse) have self-employment income instead of or in addition to wage income, complete Business Information in Section 6 and 7.

Taxpayer		Spouse	
3a Applicant Employer Name		**4a** Spouse's Employer Name	
3b Address (Street, City, State, and Zip code)		**4b** Address (Street, City, State, and Zip code)	
3c Work Phone	**3d** Does employer allow contact at work ☐ yes ☐ no	**4c** Work Phone	**4d** Does employer allow contact at work ☐ yes ☐ no
3e How long with this employer (years) (Months)	**3f** Occupation	**4e** How long with this employer (years) (Months)	**4f** Occupation

Section 3: Other Financial Information (attach copies of applicable documentation)

5a Are you currently, or within the last five years have you been, a party in a law suit? If there are multiple law suits, please include an attachment that responds to items 5b through 5h for each additional law suit. (if yes, answer the following) ☐ **Yes** ☐ **No**

5b ☐ Plaintiff ☐ Defendant	**5c** Location of filing	**5d** Represented by	**5e** Docket/Case No.
5f Amount of Suit $	**5g** Possible Completion Date (mmddyyyy)	**5h** Subject of Suit	

6 Have you ever filed bankruptcy? (if yes, answer the following) ☐ **Yes** ☐ **No**

Date Filed (mmddyyyy)	Date Dismissed (mmddyyyy)	Date Discharged (mmddyyyy)	Petition No.	District of Filing

Location of Bankruptcy Court (Street, City, State, Zip code)

7a Are you the beneficiary of a trust, estate, or life insurance policy? (if yes, answer the following) ☐ **Yes** ☐ **No**

Place where recorded:	EIN	
Name of the trust, estate, or policy	Anticipated Amount	When will the amount be received

7b Are you a trustee, fiduciary, or a contributor of a trust? ☐ **Yes** ☐ **No**

Name of the trust:	EIN	

8 In the past 5 years, have you transferred any assets for less than their full value? (if yes, answer the following) ☐ **Yes** ☐ **No**

List Asset(s)	Value at Time of Transfer	Date Transferred (mmddyyyy)	To Whom or Where was it Transferred

9a Have you been notified by the Internal Revenue Service of an audit or of a potential change to a tax filing during the past five years? ☐ Yes ☐ No

9b If the answer is yes, please identify the tax year(s) and the reason why the Internal Revenue Service sent the notice.

10a Have you filed amended income tax return for any of the last five years? ☐ Yes ☐ No

10b If the answer is yes, please provide a copy of each amended income tax return.

11 In the past five years have you received any assets, including cash, by way of inheritance? (if yes, please identify the name of the decedent and the location where the estate was processed) ☐ Yes ☐ No

Name **Location**

Section 4: Personal Asset Information for All Individuals

12 CASH ON HAND Include cash that is not in a bank **Total Cash on Hand** $

PERSONAL BANK ACCOUNTS Include all checking, online, and mobile (e.g., PayPal) accounts, money market accounts, savings accounts, and stored value cards (e.g., payroll cards, government benefit cards, etc.).

	Type of Account S=Savings, C=Checking, & O=Other	Owner of the Account A=Applicant, S=Spouse, J=Owned jointly by applicant and spouse, O=Other, please identify owners of this account	Full Name & Address (Street, City , State, and Zip) of Bank, Savings & Loan, Credit Union, or Financial Institution	Account Number	**Account Balance** As of _____ mmddyyyy
13a					$
13b					$
13c					$
13d Total Cash (Add lines 13a through 13c, and amounts from any attachments)					$

INVESTMENTS Include stocks, bonds, mutual funds, stock options, certificates of deposit, and retirement assets such as IRAs, Keogh, and 401(k) plans. Include all corporations, partnerships, limited liability companies, or other business entities in which you are an officer director, owner, member, or otherwise have a financial interest.

	Type of Investment or Financial Interest S=Stock, B=Bond, R=Retirement Account, O=Other type of investment	Full Name & Address (Street, City, State, Zip Code) of Company	Owner of the Account A=Applicant, S=Spouse, J=Owned jointly by applicant and spouse, O=Other, please identify owners of this account	Current Value	**Loan Balance** (if applicable) As of _____ mmddyyyy	**Equity** Value minus Loan
14a		Phone		$	$	$
14b		Phone		$	$	$
14c		Phone		$	$	$
14d Total Equity (Add lines 14a through 14c and amounts from any attachments)						$

AVAILABLE CREDIT Include all lines of credit and bank issued credit cards. Full Name & Address (Street, City, State, Zip Code) of Credit Institution	Credit Limit	Amount Owed As of _____ mmddyyyy	**Available Credit** As of _____ mmddyyyy
15a Acct. No.	$	$	$
15b Acct. No.	$	$	$
15c Total Available Credit (Add lines 15a, 15b and amounts from any attachments)			$

16a LIFE INSURANCE Do you own or have any interest in any life insurance policies with cash value? (Term Life insurance does not have a cash value)

☐ Yes ☐ No If Yes, complete blocks 16b through 16f for each policy.

16b Name and Address of Insurance Company(ies)			
16c Policy Number(s)			
16d Owner of Policy			
16e Current Cash Value	$	$	$
16f Outstanding Loan Balance	$	$	$
16g Total Available Cash (Subtract amounts on line 16f from line 16e and include amounts from any attachments)			$

REAL PROPERTY Include all real property owned or being purchased

	Purchase Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	**Equity** FMV Minus Loan
17a Property Description		$	$	$		$
Location (Street, City, State, Zip Code) and County			Lender/Contract Holder Name, Address (Street, City, State, Zip code), and Phone Phone			
17b Property Description		$	$	$		$
Location (Street, City, State, Zip Code) and County			Lender/Contract Holder Name, Address (Street, City, State, Zip code), and Phone Phone			
17c Total Equity (Add lines 17a, 17b and amounts from any attachments						$

PERSONAL VEHICLES LEASED AND PURCHASED Include boats, RVs, motorcycles, all-terrain and off-road vehicles, trailers, etc.

Description(Year, Mileage, Make/Model, Tag Number, Vehicle Identification Number		Purchase/ Lease Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	**Equity** FMV Minus Loan
18a Year	Make/Model		$	$	$		$
Mileage	License/Tag Number	Lender/Lessor Name, Address (Street, City, State, Zip code), and Phone Phone					
Vehicle Identification Number							
18b Year	Make/Model		$	$	$		$
Mileage	License/Tag Number	Lender/Lessor Name, Address (Street, City, State, Zip code), and Phone Phone					
Vehicle Identification Number							
18c Total Equity (Add lines 18a, 18b and amounts from any attachments)							$

PERSONAL ASSETS Include all furniture, personal effects, artwork, jewelry, collections (coins, guns, etc.), antiques or other assts. Include intangible assets such as licensed, domain names, patents, copyrights, mining claims, etc.

	Purchase/ Lease Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	**Equity** FMV Minus Loan
19a Property Description		$	$	$		$
Location (Street, City, State, Zip Code) and County		Lender/Lessor Name, Address (Street, City, State, Zip code), and Phone Phone				
19b Property Description		$	$	$		$
Location (Street, City, State, Zip Code) and County		Lender/Lessor Name, Address (Street, City, State, Zip code), and Phone Phone				
19c Total Equity (Add lines 19a, 19b and amounts from any attachments)						$

If you are self-employed, sections 6 and 7 must be completed before continuing.

Section 5: Monthly Income and Expenses

Monthly Income/Expense Statement

Total Income		Total Living Expenses	
Source	Gross Monthly	Expense Items[6]	Actual Monthly
20 Wages (Applicant)[1]	$	**35** Food, Clothing and Misc.[7]	
21 Wages (Spouse)[1]	$	**36** Housing and Utilities[8]	
22 Interest - Dividends	$	**37** Vehicle Ownership Costs[9]	
23 Net Business Income[2]	$	**38** Vehicle Operating Costs[10]	
24 Net Rental Income[3]	$	**39** Public Transportation[11]	
25 Distributions (K-1, IRA)	$	**40** Health Insurance	
26 Pension (Applicant)	$	**41** Out of Pocket Health Care Costs[12]	
27 Pension (Spouse)	$	**42** Court Ordered Payments	
28 Social Security (Applicant)	$	**43** Child/Dependent Care	
29 Social Security (Spouse)	$	**44** Life Insurance	
30 Child Support	$	**45** Current year taxes (Income/FICA)[13]	
31 Alimony	$	**46** Secure Debts (Attach list)	
Other Income (Specify below) [5]		**47** Delinquent State or Local Taxes	
32	$	**48** Other Expenses (Attach list)	
33	$	**49** Total Living Expenses (add lines 35-48)	
34 Total Income (add lines 20-33)	$	**50** Net difference (Line 34 minus 49)	

1 **Wages, salaries, pensions, and social security:** Enter gross monthly wages and/or salaries. Do not deduct tax withholding or allotment taken out of pay, such as insurance payments, credit union deductions, car payments, etc. To calculate the gross monthly wages and/or salaries:
If paid weekly – multiply weekly gross wages by 4.3. Example: $425.89 x 4.3 = $1,831.33
If paid biweekly (every 2 weeks) –multiply biweekly gross wages by 2.17. Example: $972.45 x 2.17 = $2,110.22
If paid semimonthly (twice each month) – multiply semimonthly gross wages by 2. Example: $856.23 x 2 = $1,712.46

2 **Net Income from Business:** Enter monthly net business income. This is the amount earned after ordinary and necessary monthly business expenses are paid. **This figure is the amount from page 6, line 89.** If the net business income is a loss enter "0". Do not enter a negative number. If this amount is more or less than previous years, attach an explanation.

3 **Net Rental Income:** Enter monthly net rental income. This is the amount earned after ordinary and necessary monthly business expenses are paid. Do not include deductions for depreciation or depletion. If the net rental income is a loss, enter "0." Do not enter a negative number.

4 **Distributions:** Enter the total distributions from partnerships and subchapter S corporations reported on Scheduled K-1, and from limited liability companies reported on Form 1040, Schedule C, D or E. Enter total distributions from IRAs if not included under pension income.

5 **Other Income:** Include agriculture subsidies, unemployment compensation, gambling income, oil credits, rent subsidies, etc.

6 **Expenses not generally allowed:** Tuition for private schools, public or private college expenses, charitable contributions, voluntary retirement contribution or payments on unsecured debts are generally not allowed. However, the expenses may be allowed if proven that they are necessary for the health and welfare of the individual or family or the production of income.

7 **Food, Clothing and Miscellaneous:** Total of food, clothing, housekeeping supplies, and personal care products for one month. The miscellaneous allowance is for expenses incurred that are not included in any other allowable living expense items. Examples are credit card payments, bank fees and charges, reading material, and school supplies.

8 **Housing and Utilities:** For principal residence: Total of rent/mortgage payment. Add the average monthly expenses for the following: property taxes, homeowner's or renter's insurance, maintenance, dues, fees, and utilities. Utilities include gas, electricity, water, fuel, oil, other fuels, trash collection, telephone, cell phone, cable television and internet services.

9 **Vehicle Ownership Costs:** Total of monthly lease or purchase/loan payments.

10 **Vehicle Operating Costs:** Total of maintenance, repairs, insurance, fuel, registrations, licenses, inspections, parking, and tolls for one month.

11 **Public Transportation:** Total of monthly fares for mass transit (e.g., bus, train, ferry, taxi, etc.)

12 **Out of Pocket Health Care Costs:** Monthly total of medical services, prescription drugs and medical supplies (e.g., eyeglasses, hearing aids, etc.)

13 **Current Year Taxed:** Include State and Federal taxes withheld from salary or wages, or paid as estimated taxes.

Certification: Under penalties of perjury, I declare that to the best of my knowledge and belief this statement of assets, liabilities, and other information is true, correct, and complete.

Applicant's signature	**Spouse's signature**	**Date**

After review of the completed Form, you may be asked to provide verification for the assets, encumbrances, income and expenses reported. Documentation may include previously filed income tax returns, pay statements, self-employment records, bank and investment statements, loan statements, bills or statements for recurring expenses, etc.

Sections 6 and 7 must be completed only if you are SELF-EMPLOYED

Section 6: Business Information

51 Is the business a sole proprietorship (filing Schedule C)? **Yes**, Continue with Sections 6 & 7. **No**, Complete Form Collection Information Statement for Business. All other business entities, including limited liability companies, partnerships or corporations, must complete Form Collection Information Statement for Business.

52 Business Name & Address (if different than 1b)

53 Employer Identification Number	**54** Type of Business	**55** Is the business a Federal Contractor Yes No
56 Business Website (web address)	**57** Total Number of Employees	**58** Average Gross Monthly Payroll
59 Frequency of Tax Deposits	**60** Does the business engage in e-commerce (*internet sales*)? If yes, complete *lines* 61a and 61b Yes No	

PAYMENT PROCESSOR (*e.g., PayPal, Authorize.net, Google Checkout, etc.)* Name & Address (Street, City, Zip code)	Payment Processor Account Number
61a	
61b	

CREDIT CARDS ACCEPTED BY THE BUSINESS

Credit Card	Merchant Account Number	Issuing Bank Name & Address (Street, City, State, Zip Code)
62a		
62b		
62c		

63 BUSINESS CASH ON HAND Include cash that is not in a bank	**Total Cash on Hand**	$

BUSINESS BANK ACCOUNTS Include checking accounts, online and mobile (e.g., PayPal) accounts, money market accounts, savings accounts, and stored value cards (e.g., payroll cards, government benefits cards, etc.). Report Personal Accounts in Section 4.

Type of Account	Full name & Address (Street, City, State, Zip code) of Bank, Savings & Loan, Credit Union or Financial Institution	Account Number	**Account Balance** As of _____ mmddyyyy
64a			$
64b			$
64c Total Cash in Banks (Add lines 64a, 64b and amounts from any attachments			$

ACCOUNTS/NOTES RECIEVABLE Include e-payment accounts receivable and factoring companies, and any bartering or online auction accounts. (List all contracts separately, including contracts awarded, but not started.) **Include Federal, State and local government grants and contracts.**

Accounts/Notes Receivable & Address(Street, City, State, Zip code)	Status (e.g., age, factored, other)	Date Due (mmddyyyy)	Invoice Number or Government Grant or Contract Number	**Amount Due**
65a				$
65b				$
65c				$
65d				$
65e				$
65f Total Outstanding Balance (Add lines 65a through 65e and amount from any attachments)				$

BUSINESS ASSETS Include all tools, books, machinery, equipment, inventory or other assets used in trade or business. Include a list and show the value of all intangible assets such as licenses, patents, domain names, copyrights, trademarks, mining claims, etc.

	Purchase/ Lease Date (mmddyyyy)	Current Fair Market Value (FMV)	Current Loan Balance	Amount of Monthly Payment	Date of Final Payment (mmddyyyy)	**Equity** FMV Minus Loan
66a Property Description.		$	$	$		$
Location (Street, City, State, Zip Code) and Country			Lender/Lessor Name, Address (Street, City, State, Zip code), and Phone Phone			
66b Property Description.		$	$	$		$
Location (Street, City, State, Zip Code) and Country			Lender/Lessor Name, Address (Street, City, State, Zip code), and Phone Phone			
66c Total Equity (Add lines 66a, 66b and amounts from any attachments)						$

Section 7 should be completed only if you are SELF-EMPLOYED

Section 7: Sole Proprietorship Information (lines 67 through 87 should reconcile with business Profit and Loss Statement)

Accounting Method Used: Cash Accrual

Use the prior 3, 6, 9, or 12 month period to determine your typical business income and expenses.

Income and Expenses during the period beginning (mmddyyyy)	To (mmddyyyy)

Provide a breakdown of your average monthly income and expenses, based on the period of time used above.

Total Monthly Business income		**Total Monthly Business Expenses** (Use attachments as needed)	
Source	Gross Monthly	Expense Items	Actual Monthly
67 Gross receipts	$	**77** Materials Purchased[1]	$
68 Gross Rental Income	$	**78** Inventory Purchased[2]	$
69 Interest	$	**79** Gross Wages & Salaries	$
70 Dividends	$	**80** Rent	$
71 Cash Receipts not included in lines 67-70	$	**81** Supplies[3]	$
Other Income (Specify below)		**82** Utilities /Telephone[4]	$
72	$	**83** Vehicle Gasoline/Oil	$
73	$	**84** Repairs & Maintenance	$
74	$	**85** Insurance	$
75	$	**86** Current Taxes[5]	$
76 Total Income (Add lines 67 through 75)	$	**87** Other Expenses, including installment payments (specify)	$
		88 Total Expenses (Add lines 77 through 87)	$
		89 Net Business Income (Line 76 minus 88)[6]	$

Enter the monthly net income amount from line 89 on line 23, section 5. If line 89 is a loss, enter "0" on line 23, section 5.
Self Employed taxpayers must return to page 4 to sign the certification.

1 **Materials Purchased:** Materials are items directly related to the production of a product or service.

2 **Inventory Purchased:** Goods bought for resale.

3 **Supplies:** Supplies are items used in the business that are consumed or used up within one year. This could be the cost of books, office supplies, professional equipment, etc.

4 **Utilities/Telephone:** Utilities include gas, electric, water, oil, other fuels, trash collection, telephone, cell phone and business internet.

5 **Current Taxes:** Real Estate, excise, franchise, occupational personal property, sales and employer's portion of employment taxes.

6 **Net Business Income:** Net profit from Form 1040, Schedule C may be used if duplicated deductions are eliminated (e.g., expenses for business use of home already included in housing and utility expenses on page 4). Deductions for depreciation and depletion on Schedule C are not cash expenses and must be added back to the net income figure. In addition, interest cannot be deducted if it is already included in any other installment payments allowed.