

## What is a Digital Income source?

Any source of income that involves the use of programs or applications to conduct or manage the sale of goods, services, or other resources over the internet.

## Importance for Multifamily Housing

Many industry officials believe these sources of self-employment income (or even assets) will become increasingly common. These streams of income should be treated as self-employment (8823 Guide, Chapter 4).

Make sure the tenant application includes questions on digital income and app-based income sources.

## Online Sales & E-commerce



Income generated in this category is predominately based on sales apps or other platforms. Sales may include items (real or in-game), art, photography, and more.

This category also includes platforms that allow for generating income from completing surveys.

## App-based “Gig” Work

This category varies greatly. Many companies provide a platform for self-employment.

The most common “gigs” include ride hailing, deliveries, services, or labor. The number and types of apps related to “gigs” is ever growing.



## Social Media Influencer



A social media influencer is a social media user who has established credibility in a specific industry. An influencer receives income based on their reach to an audience.

### Best Practices for Verifying Digital Income

- **Best Compliance Practice:** Provide last year's tax return (Form 1040 or 1040 Schedules C, E, F)
  - Applicant should always complete a self-employment or income from business declaration
- **Better Compliance Practice:** Obtain payment history (available on internet websites) including receipts as a basis for expenses
- **Good Compliance Practice:** If best and better practices are not available, obtain an account financial statement of net income from self-employment

#### Compliance Tip

*If applicant/tenant is in business for less than one year, obtain a Profit and Loss statement and self-affidavit.*

### Digital Age Assets

There are several platforms that allow for investing in small increments.

Additionally, crowdfunding on apps can become an asset depending on how monies are used.

Cryptocurrency is another digital age asset source.



### Best Practices for Digital Age Assets

- What type of transactions will occur or the frequency of transactions will determine how the asset should be treated for verification.
- Apps or platforms focused on investing generally should be treated like any other investment with stocks or bonds.
  - Some apps also provide checking and savings account features as well.
- Internet-based fundraising or crowdfunding may need to be treated like a bank account. This is dependent on the volume and regularity of activity that occurs.