VyRal

A LeakReceipts Field Guide

LeakReceipts for Cleaning & Janitorial

The Field Guide: where the money leaks, how to prove it, and how to close it

For: Cleaning / Janitorial Business Owners

by VyRal Dynasty

LeakReceipts for Cleaning & Janitorial The Field Guide: where the money leaks, how to prove it, and how to close it

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How every number in this book is labeled.

- **VERIFIED** means the figure comes from a named, dated source, and the source is printed next to it.
- **CALCULATED** means it is arithmetic on verified numbers or on your own numbers, and the math is shown.
- **ESTIMATE** means a reasoned range, and it is always called one.
- **STRUCTURAL** marks a standing rule of the trade (a law, a contract term, how the paperwork works), not a market figure.
- **STILL BEING MEASURED** means VyRal has not verified a figure yet, so no number is printed.

If a number is not labeled, it is a blank for you to fill from your own paper.

What this book is not. This is education, not legal, tax, accounting or financial advice. Where a fix says a professional decides, a professional decides. Nothing here says that any company, customer or person did anything wrong. The fixes show you how to check your own paper and ask in writing.

About how this book was made. This book was assembled with AI from VyRal's sourced research on this trade and checked against those sources. AI can make mistakes. Before you act on a figure, check it against the source printed beside it. Rules and rates change, and every figure carries its date for that reason.

Before you share any document with anyone, Vera included, black out account numbers, Social Security numbers and anything else you would not hand a stranger.

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The short answer for your trade

The owners making real money in this trade aren't necessarily working harder — they're in the higher-margin segment, residential recurring work, rather than thin-margin commercial janitorial.

Your leak map

Every leak this book covers, biggest first. The size grade is VyRal's research grade for how much money a leak tends to move in this trade. It is a grade, not a dollar figure. Your own paper sets the dollars.

#	Leak	Size grade	Evidence	Fixes
1	Crew classification — three different tests, and California's janitorial registration	Major	VERIFIED	1
2	Janitorial Worker Pay Benchmark	Significant	VERIFIED	1
3	The residential cleaner who works one house may be that household's employee	Not graded	VERIFIED	1
4	Self-employment tax set-aside	Major	STRUCTURAL	1
5	Self-Employment Tax — an owner with a crew pays on two different sides	Significant	STRUCTURAL	1
6	Pride Economy — Equipment & Supplies	Small but common	STRUCTURAL	1
7	Cleaning Business Owner Margin Reality — Industry Average vs. Small-Operator Gap	Major	STILL BEING MEASURED	1
8	Owner income	Major	STILL BEING MEASURED	1
9	Segment margin variance — the real mechanism	Major	STILL BEING MEASURED	1
10	Workloading — The Real Margin Lever	Major	STILL BEING MEASURED	1
11	Franchise fee as a real, ongoing cost	Significant	STILL BEING MEASURED	1
12	Fully-Loaded Labor Cost Gap	Significant	STILL BEING MEASURED	1

#	Leak	Size grade	Evidence	Fixes
13	Labor Cost Ceiling — Percent of Revenue	Significant	STILL BEING MEASURED	1
14	Real market rate reference — residential	Moderate	STILL BEING MEASURED	1

Then there are 2 more leaks to check, each with its own fixes, in the chapter called More leaks to check.

What people in your trade say hurts

Before we built a single fix, we went and read what people in this trade say out loud: forums, trade press, regulators' complaint files and court records. These are the pains that kept coming up, the ones with the most sources first. If one of them is yours, you're not imagining it.

I can't keep cleaners, so I pay to hire and train again and again

Cleaners leave often. Every replacement means ads, interviews, training hours and slower work while the new person learns the building, and none of that is in the contract price.

Found in 3 public sources; newest dated 2026-01-15. VERIFIED count from VyRal's public research log; the sources are listed at the back.

As a cleaning franchisee I pay fees and deductions, even for my own workers' comp

Some cleaning franchise systems sell a 'business' that works like a job. The franchisor controls the accounts, inspects and fines, takes fees out of each payment, and bars cleaning outside the system.

Found in 2 public sources; newest dated 2026-04-17. VERIFIED count from VyRal's public research log; the sources are listed at the back.

Jobs bid without measured hours or a written scope, so overruns get eaten or disputed

Without a walkthrough, a written scope and my own past hours per job, I bid by guess. When the job runs long I either eat the hours or bill them and get a fight from a customer who never saw an estimate.

Found in 2 public sources; newest dated 2026-01-17. VERIFIED count from VyRal's public research log; the sources are listed at the back.

Tariffs raised my supplies, equipment and paper costs inside fixed-price contracts

Mops, gloves, microfiber, vacuums and dispensers went up with tariffs, and the new tariff on Canadian pulp reaches paper towels and tissue. If I supply paper and liners inside a flat monthly price, every increase is mine.

Found in 2 public sources; newest dated 2026-09-07. VERIFIED count from VyRal's public research log; the sources are listed at the back.

Get your paper together

Every fix in this book starts with paper, not memory. Memory rounds in the other side's favor. Paper doesn't.

Pull the last 90 days. Put it all in one folder, paper or phone, and label each piece with its date. Black out account numbers and Social Security numbers before you share anything with anyone.

The paper that proves each leak:

- Your contracts, invoices, statements, pay records and the messages around them.

The records this trade runs on: Service agreements, Invoices, Payment records, Card processor statements, Supply receipts, Crew time records, Insurance and bond certificates

My folder checklist

Last 90 days of statements or pay records _____

Every contract or agreement I work under _____

Every invoice, ticket or settlement for the same 90 days _____

The messages that changed a price, a scope or a date _____

Leak 1: Crew classification — three different tests, and California's janitorial registration

Size grade: Major · Evidence: VERIFIED

What it is. Whether crew are classified as 1099 contractors or W-2 employees — and, in California, whether the business is registered as a janitorial employer at all.

Why it leaks. An owner treating crew as contractors for simplicity may be carrying retroactive exposure under three tests at once without knowing they are separate tests — and in California may be operating without a required registration entirely. A boundary issue, not an income leak.

The number to hold it against. Under federal wage law no single factor decides contractor status; a 1099 alone doesn't make a worker a contractor. California janitorial employers must register yearly with the Labor Commissioner; unregistered: $100 a day, up to $10,000. Source: DOL WHD Fact Sheet 13; Cal. Labor Code §§1420-1434.

VERIFIED · Primary — government or regulator

> **Ask yourself:** How is your crew classified — 1099 or W-2 — who sets their schedule and route, and if you work in California, are you registered with the Labor Commissioner as a janitorial employer?

1. Crew classification under three separate tests - and California janitorial registration

Fix approved · leak evidence: Verified

Fix 1 — Do it yourself (free).

1. For each crew member paid on a 1099, write down: who sets the schedule and route, who supplies equipment, whether they work for others, how long they've worked for you, and whether the work is your core business.
2. Know there's no single test: the IRS, the U.S. Department of Labor, and your state each use their own. A 1099 or a signed contractor agreement doesn't settle it.
3. If you operate in California, check that you're registered as a janitorial employer with the Labor Commissioner. Registration is renewed every year by the date of your original registration, and harassment-prevention training is required every two years.

4. Take your answers to an employment attorney or tax professional. They decide whether to change how the crew is paid.
5. If you franchise, your operating manual is part of the picture - read what it says about control.

Fix 2 — The words to send, under your own name. Fill in the brackets, keep a copy, and send it from your own email or by mail. Nobody sends it for you.

> A) question list for your attorney or tax professional:
> I run [BUSINESS NAME] in [STATE] with [NUMBER] crew paid on 1099. Attached is a one-page summary for each: schedule, route, equipment, other clients, length of work. Can you tell me: 1) how they look under the IRS test, the federal labor test and our state's test, 2) what my exposure is if they're employees, and 3) what to change and by when?
>
> B) california registration check (to the Labor Commissioner's janitorial unit):
> Hello, I'm [YOUR NAME] of [BUSINESS NAME]. Could you confirm whether we are currently registered as a janitorial employer, our renewal date, and what we need to renew? Thank you.

Fix 3 — Done for you. LeakReceipts · Compliance Calendar

WE DO: build the one-page control summary for each crew member, put your California registration renewal and training dates on the calendar, and prepare the packet for your attorney. YOU DO: register or renew, meet the attorney, and decide any change.

Keep it closed. Decide each new hire's status with your advisor before the first shift. In California, calendar the registration renewal date a month early.

What this fix can't decide for you. Classification outcome is for an attorney, IRS or DOL - never us.

My receipt for this leak			
Owed by my paper	Paid or billed	Gap (CALCULATED: owed − paid)	Fix 2 sent · answer

FREE FIRST CHAPTER

That's Leak 1 of 14.

The full Field Guide for Cleaning & Janitorial walks through every leak on the map you just read: why it happens, the paper that proves it, and three fixes for each one — one you do yourself for free, the words to send under your own name, and what LeakReceipts can do for you while the decision stays yours.

Get the full guide:
leakreceipts.com/ebooks/cleaning-and-janitorial

Run it on your own numbers:
leakreceipts.com

WE WALK BY FAITH NOT BY SIGHT — 2 Corinthians 5:7