

# MY START-UP FAMILY CHILD CARE BUDGET WORKSHEET

Based on 1-Year of Operation

Name: \_\_\_\_\_ Phone #: \_\_\_\_\_ Address: \_\_\_\_\_

## A. INCOME

Child care income can come from a number of sources, including: enrollment fees, fee payment from parents or their employers, Wisconsin Shares (subsidy for low-income families), grants, bonuses, the Food Program, or many other sources. All income related to the child care business should be reported on the IRS Form 1040 Schedule C.

### Part 1. Fees (Gross Sales/Receipts - Sch C Line 1)

Full-Time Weekly Rates: \$145 Part-Time Rates: \$85

#### 1 Annual Enrollment Fees

Fee is non-refundable and can be used to purchase toothbrushes, individual towels, art supplies, insurance etc.

\$ \_\_\_\_\_ (enrollment fee) x \_\_\_\_\_ (# of children) = \$ \_\_\_\_\_ \$

#### 2 Full-Time Child Fees (Paid by: parents, Wisconsin Shares, or pre-tax employer paid)

\$ \_\_\_\_\_ (weekly fee) x \_\_\_\_\_ (# of children) x \_\_\_\_\_ (# weeks open annually) = \$ \_\_\_\_\_ \$

#### 3 Part-Time Child Fees (Paid by: parents, Wisconsin Shares, or pre-tax employer paid)

\$ \_\_\_\_\_ (weekly fee) x \_\_\_\_\_ (# of children) x \_\_\_\_\_ (# weeks open annually) = \$ \_\_\_\_\_ \$

(Add Lines 1-3) **Total Fees Income**   **A1**

### Part 2. Food Program Income (Other Income - Sch C Line 6)

Food Program Tier II Rates (July 1, 2013 - June 30, 2014): Breakfast \$0.47 Lunch/Supper \$1.45 Snacks \$0.19

Food Program Reimbursement is based on Tier I and/or Tier II rates. Your Food Program will determine at which rate you will be reimbursed. If you are unsure of your income status, you can budget the estimated income using the Tier II rates. If you know that you are eligible for Tier I rates, use those figures to budget your income. Tier II providers may have a mixed reimbursement rate. DO NOT count Food Program reimbursement for your own children if you qualify for your children to receive Food Program reimbursement. This income is not taxable, do not count it and do not report it on your taxes. It is important to track reimbursement for your own children and deduct it from the total Food Program reimbursement. Join the Child Care Food Program!

#### FULL-TIME CHILDREN REIMBURSEMENT

##### 4 Breakfast Reimbursement

\_\_\_\_\_ (kids) x \_\_\_\_\_ (days) x \_\_\_\_\_ (weeks) x \$ \_\_\_\_\_ (Tier II rate) = \$ \_\_\_\_\_ \$

##### 5 Lunch and/or Supper Reimbursement

\_\_\_\_\_ (kids) x \_\_\_\_\_ (days) x \_\_\_\_\_ (weeks) x \$ \_\_\_\_\_ (Tier II rate) = \$ \_\_\_\_\_ \$

##### 6 A.M. and/or P.M. and/or Evening Snack Reimbursement

\_\_\_\_\_ (kids) x \_\_\_\_\_ (days) x \_\_\_\_\_ (weeks) x \$ \_\_\_\_\_ (Tier II rate) = \$ \_\_\_\_\_ \$

#### PART-TIME CHILDREN REIMBURSEMENT

##### 7 Breakfast Reimbursement

\_\_\_\_\_ (kids) x \_\_\_\_\_ (days) x \_\_\_\_\_ (weeks) x \$ \_\_\_\_\_ (Tier II rate) = \$ \_\_\_\_\_ \$

##### 8 Lunch and/or Supper Reimbursement

\_\_\_\_\_ (kids) x \_\_\_\_\_ (days) x \_\_\_\_\_ (weeks) x \$ \_\_\_\_\_ (Tier II rate) = \$ \_\_\_\_\_ \$

##### 9 A.M. and/or P.M. and/or Evening Snack Reimbursement

\_\_\_\_\_ (kids) x \_\_\_\_\_ (days) x \_\_\_\_\_ (weeks) x \$ \_\_\_\_\_ (Tier II rate) = \$ \_\_\_\_\_ \$

(Add Lines 4-9) **Total Food Program Reimbursement Income**   **A2**

### Part 3. Other Income (Other Income - Sch C Line 6)

#### 10 Other (eg Gifts or Bonus Payments for Child care)

Item #1: = \$

Item #2: = \$

(Line 10) **Total Other Income**   **A3**

(A1+A2+A3) **TOTAL INCOME** \$0 **A4**

## B. DIRECT EXPENSES MY START-UP FAMILY CHILD CARE BUDGET WORKSHEET

Direct Expenses are expenses you have because of your child care business. They are directly related to your child care business. These expenses are ONLY expenses that can be deducted on the Schedule C. Any large purchases (equipment, appliances, furniture, home improvements, land improvements, etc...) should be depreciated and DO NOT get expensed on the Schedule C.

### Part 1. Provider Start-up Expenses (Other Expenses - Sch C Line 27)

11 Start-up and Training Expenses (e.g. books, workbooks, classes, start-up fees, etc...)	\$
12 Health Examination Fee for Cost Not Covered by Insurance (e.g. city health department)	\$
13 Wage for Substitute Caregiver (e.g. qualified CCPRR substitute caregiver)	\$
14 Certification and/or Licensing Fees (including criminal background check)	\$
15 Regulation Requirements (e.g. Fire Extinguisher, Outlets Plugs, Smoke Detectors, etc...)	\$

(Add Lines 11-15) **Total Provider Start-up Direct Expenses**   **B1**

### Part 2. Direct Food Expenses - Based on Cost per Meal/Snack (Other Expenses - Sch C Line 27)

Food expenses may be determined by actual food costs for meals and snacks served or by the current Standard Meal Allowance Rates. To estimate food costs, use the current Standard Meal Allowance rate. NOTE: Meals for the provider and the provider's own children are NOT a business deduction. If you are reimbursed for your own children, that reimbursement is not taxable income and should not be included in the food expenses. Note: Providers often serve extra snacks or meals that will not be reimbursed by the Food Program. Food expenses can be deducted up to 3 meals and 3 snacks per child daily according to the IRS. There must be at least 1 1/2 hours between meals and snacks. The Food Program will reimburse up to 2 meals and 1 snack or 2 snacks and 1 meal per child daily. The formula to estimate the meal/snack expenses:

# kids x days of weekly attendance x weeks open for business each year x \$ Standard Meal Allowance Rate = estimated food expense

**2013-2014 Standard Meal Allowance Rates: Breakfast \$1.28 Lunch/Supper \$2.40 Snacks \$0.71**

#### FULL-TIME CHILDREN FOOD EXPENSES

16 Breakfast Cost _____ (kids) x _____ (days) x _____ (weeks) x \$ _____ x _____ (# of breakfasts/child) = \$ _____	\$
17 Lunch and/or Supper Cost _____ (kids) x _____ (days) x _____ (weeks) x \$ _____ x _____ (# of meals/child) = \$ _____	\$
18 A.M. and/or P.M. and/or Evening Snack Cost _____ (kids) x _____ (days) x _____ (weeks) x \$ _____ x _____ (# of snacks/child) = \$ _____	\$

#### PART-TIME CHILDREN FOOD EXPENSES

19 Breakfast Cost _____ (kids) x _____ (days) x _____ (weeks) x \$ _____ x _____ (# of breakfasts/child) = \$ _____	\$
20 Lunch and/or Supper Cost _____ (kids) x _____ (days) x _____ (weeks) x \$ _____ x _____ (# of meals/child) = \$ _____	\$
21 A.M. and/or P.M. and/or Evening Snack Cost _____ (kids) x _____ (days) x _____ (weeks) x \$ _____ x _____ (# of snacks/child) = \$ _____	\$

Lines (16-21) **Total Direct Food Expenses**   **B2**

### Part 3. Direct Program Expenses (Part II Expenses - Sch C)

22 Advertising/Marketing (e.g. Business Cards, Newspaper Ads, Flyers, Website Fees, etc...) (Sch C Line 8)	\$
23 Contract Labor (e.g. Substitutes, other independent contractors, etc...) (Sch C Line 11)	\$
24 Business Liability Insurance (Sch C Line 15)	\$
25 Interest Expense (Sch C Line 16) Interest on Items Used 100% for Business \$ _____ (amount of interest) x 100% = \$ _____ Interest on Items Personal and Business \$ _____ (amount of interest) x _____ (% as determined) = \$ _____ (Enter as a decimal)	\$
26 Professional Services Fees (e.g. Attorney, Accountant, Consultant, etc...) (Sch C Line 17) (Avg = \$150 for taxes)	\$
27 Office Expenses (e.g. printer paper, printer ink, ledger books, pens, staples, file folders, stamps, etc...) (Sch C Line 18) Items Used 100% for Business \$ _____ (amount of office supp) x 100% = \$ _____ Items Used for Personal and Business \$ _____ (amount of office supp) x _____ (% as determined) = \$ _____ (Make a list of the items above you will use each month, add any missing items to the list and add a cost to each item. Total the item's costs & take the cost times 12 months to get a yearly estimate.)	\$

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<b>28 Rent/Lease</b> (e.g. videos, karaoke machine, carpet cleaning machine, lawn mower, etc...) (Sch C Line 20 a or b)				
Items Used 100% for Business	\$ _____ (amount of rent)	x 100%	=	\$ _____
Items Used for Personal and Business	\$ _____ (amount of rent)	x _____ (% as determined)	=	\$ _____
(Make a list of the items above, add missing items to the list, add a cost to each item, then total the items and take it times 12 months)				
				\$ _____

\*Renting educational DVDs

<b>29 Supplies</b> (e.g. paint, crayons, beads, curriculum, balls, books, toilet paper, facial tissue, cleaning supplies, etc...) (Sch C Line 22)				
Items Used 100% for Business	\$ _____ (amount of supplies)	x 100%	=	\$ _____
Items Used for Personal and Business	\$ _____ (amount of supplies)	x _____ (% as determined)	=	\$ _____
(Make a list of the items above, add missing items to the list, add a cost of each item, then total the items and take it times 12 months)				
				\$ _____

<b>30 Travel, Meals, and Entertainment</b> (overnight business travel - i.e. conferences) (Sch C Line 24 a and b)				
a) Travel (airplane, railroad, bus, hotel)	\$ _____ (amount of travel costs)			
b) Meals & Entertainment	\$ _____ (amount of meals and entertainment costs)	\$ _____		

<b>31 Vehicle Costs</b> (this budget is based on using the standard mileage rate) (Sch C Line 9)				
Mileage	_____ (miles driven)	x \$ 0.55 (mileage rate)	=	\$ _____ (deduction)
Loan Interest	\$ _____ (interest)	x [ _____ (business miles) / _____ (total miles)]	=	\$ _____
(Make a list of your weekly trips and the miles for each trip. Add up the miles for the week and take them times 4.3 weeks in a month to get your monthly average miles driven. You CAN NOT use 100% of miles driven to grocery store, Wal-Mart, etc., so for an average you can take half of your total mileages driven to these places. Then take your monthly miles times 12 for the total miles in a year. Multiply this by the IRS Standard Mileage Rate for your estimated mileage deduction.				

<b>32 Other Expenses</b> (e.g. any other expenses you wish to separate out) (Sch C Line 27)				
Category _____	\$ _____ (Cost)	x _____ (% as determined)	=	\$ _____
Category _____	\$ 0 (Cost)	x _____ (% as determined)	=	\$ _____

(Add Lines 22-32) **Total Office/Program Direct Expenses**   **B3**

**(B1+B2+B3) TOTAL DIRECT EXPENSES** #DIV/0! **B4**

### C. INDIRECT EXPENSES

#### Part 1: Use of the Home (Form 8829)

The indirect expenses for your child care business are the expenses you have even if you aren't providing child care, but that you can deduct a portion of due to your tax benefits as a child care provider. Your Time-Space % should be used to determine these costs.

<b>33 Mortgage Interest</b> (Form 8829 Line 10b)				
\$ _____ (home loan interest paid for the year)	x _____ (Time-Space)	=	\$ _____	

<b>34 Real Estate Taxes</b> (Form 8829 Line 11b)				
\$ _____ (total yearly taxes on home)	x _____ (Time-Space)	=	\$ _____	

<b>35 Homeowners or Renters Insurance</b> (Form 8829 Line 17b)				
\$ _____ (total yearly home insurance costs)	x _____ (Time-Space)	=	\$ _____	

<b>36 Rent</b> (Form 8829 Line 18b)				
\$ _____ (total amount paid for rent)	x _____ (Time-Space)	=	\$ _____	

<b>37 Repairs &amp; Maintenance</b> (e.g. paint, wallpaper, replace faucets or door knobs, repair furniture, etc...) (Form 8829 Line 19 a & b)				
100% Business (due to child in care)	\$ _____ (costs due to business)	x 100%	=	\$ _____
Shared Expense	\$ _____ (shared costs)	x _____ (Time-Space)	=	\$ _____

<b>38 Utilities</b> (Form 8829 Line 20b)				
Heating	\$ _____ (total yearly costs)	x _____ (Time-Space)	=	\$ _____
Electricity	\$ _____ (total yearly costs)	x _____ (Time-Space)	=	\$ _____
Water	\$ _____ (total yearly costs)	x _____ (Time-Space)	=	\$ _____
Cable/Internet	\$ _____ (total yearly costs)	x _____ (Time-Space)	=	\$ _____

(Add Lines 33-38) **Total Use of the Home Expenses**   **C1**

#### Part 2: Depreciation for Home, Equipment, and/or Furnishings

NOTE: Depreciation laws change often; find a tax expert to determine the best depreciation method for your tax return. These depreciation figure are for BUDGET PURPOSES ONLY AND DO NOT HAVE TO BE EXACT! See a tax professional before you claim any depreciation!

<b>39 Required Home Depreciation</b> (Form 8829 Part III)				
Homeowners are required, by law, to depreciate the value of their home. Do NOT include the land value. Check your real estate tax statement to determine the land and structure values. (If your home was valued at \$125,000 and the land at \$50,000 = \$175,000 total value, you use the \$125,000 in the depreciation formula.) Homes for child care purposes are depreciated over 39 years.				
\$ _____ (total home value)	x _____ (Time-Space)	=	\$ _____ / 39 (years)	= \$ _____ (amount deducted/year)
				\$ _____

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### 40 Depreciation of Home Furnishings & Equipment

When you purchase furniture, equipment, appliances, or anything that will last more than 1 year - you will need to deduct it differently. You have the option of depreciating the item fully or electing to deduct all in 1 year. Both ways of claiming these expenses is figured on Form 4562. When you are starting a child care business, you also have the option of putting all items you currently own (furniture, equipment, computers, etc...) on a depreciation schedule and taking a portion of those items as a deduction each year. There are many other variable in depreciation and it is suggested you speak with a tax professional experienced in child care and depreciation laws to determine the best route for you.

**Furniture 5-year Depreciation** (e.g. couch, table and chairs, cribs, desk, etc...)

\$ \_\_\_\_\_ value of furniture x 100% (in exclusive-use room) = \$ \_\_\_\_\_ / 5 years = \$ \_\_\_\_\_ (amount deducted/year)

\$ \_\_\_\_\_ value of furniture x \_\_\_\_\_ (Time-Space) = \$ \_\_\_\_\_ / 5 years = \$ \_\_\_\_\_ (amount deducted/year)

**Appliances 5-year Depreciation** (e.g. stove, refrigerator, washing machine, etc...)

\$ \_\_\_\_\_ value of appliances x 100% (in exclusive-use room) = \$ \_\_\_\_\_ / 5 years = \$ \_\_\_\_\_ (amount deducted/year)

\$ \_\_\_\_\_ value of appliances x \_\_\_\_\_ (Time-Space) = \$ \_\_\_\_\_ / 5 years = \$ \_\_\_\_\_ (amount deducted/year)

**Equipment 7-year Depreciation** (e.g. lawn mower, drills, vacuum, etc...)

\$ \_\_\_\_\_ value of equipment x \_\_\_\_\_ (Time-Space) = \$ \_\_\_\_\_ / 7 years = \$ \_\_\_\_\_ (amount deducted/year)

\$ \_\_\_\_\_

### 41 Depreciation of Land Improvements & Home Improvements

**Land Improvements 15-year Depreciation** (e.g. planting shrubs, rock beds, new driveway, fences, etc...) - Do not include your labor.

\$ \_\_\_\_\_ cost (no labor) x \_\_\_\_\_ (Time-Space) = \$ \_\_\_\_\_ / 15 years = \$ \_\_\_\_\_ (amount deducted/year)

**Home Improvements 39-year Depreciation** (e.g. new roof, replace doors/windows, remodeling, etc...) - Do not include your labor.

\$ \_\_\_\_\_ cost (no labor) x \_\_\_\_\_ (Time-Space) = \$ \_\_\_\_\_ / 39 years = \$ \_\_\_\_\_ (amount deducted/year)

\$ \_\_\_\_\_

(Add Lines 39-41) **Total Depreciation for Home, Equipment, and/or Furnishings**   **C2**

**(C1+C2) TOTAL INDIRECT EXPENSES** \$0 **C3**

<b>TOTAL INCOME (A4)</b>	
<b>(-) DIRECT EXPENSES (B4)</b>	
<b>(-) INDIRECT EXPENSES (C3)</b>	
<b>ESTIMATED PROFIT/LOSS</b>	<b>#DIV/0!</b>

## MY ESTIMATED ONE-YEAR PROFIT & LOSS STATEMENT

PROVIDER: \_\_\_\_\_

Date: \_\_\_\_\_

### A. INCOME:

A1. Fees \$ \_\_\_\_\_  
 A2. Food Program Income \$ \_\_\_\_\_  
 A3. Other Income \$ \_\_\_\_\_

**TOTAL INCOME**  

### B. DIRECT EXPENSES:

B1. Provider Start-up Expenses \$ \_\_\_\_\_  
 B2. Food Expenses \$ \_\_\_\_\_  
 B3. Program Expenses \$ \_\_\_\_\_

**TOTAL DIRECT EXPENSES**  

**ESTIMATED PROFIT & LOSS BEFORE INDIRECT EXPENSES & TAXES**  

### C. INDIRECT EXPENSES:

C1. Use of the Home \$ \_\_\_\_\_  
 C2. Depreciation for Home, Equipment, and/or Furnishing \$ \_\_\_\_\_

**TOTAL INDIRECT EXPENSES**  

NOT on Food Program	Tier II Provider	Tier I Provider
FEE INCOME _____	FEE INCOME _____	FEE INCOME _____
FOOD PROGRAM _____	FOOD PROGRAM _____	FOOD PROGRAM _____
OTHER _____	OTHER _____	OTHER _____
-DIRECT EXPENSES _____	DIRECT EXPENSES _____	DIRECT EXPENSES _____
-INDIRECT EXPENSES _____	INDIRECT EXPENSES _____	INDIRECT EXPENSES _____
<b>Balance</b> _____	<b>Balance</b> _____	<b>Balance</b> _____
Estimated 17% Tax Paid _____	Estimated 17% Tax Paid _____	Estimated 17% Tax Paid _____
<b>PROFIT OR LOSS</b>	<b>PROFIT OR LOSS</b>	<b>PROFIT OR LOSS</b>

### **TIER 1 PROVIDER INCOME RATES**

#### **FULL-TIME CHILDREN REIMBURSEMENT**

##### **4 Breakfast Reimbursement**

\_\_\_\_\_ (kids) x \_\_\_\_\_ (days) x \_\_\_\_\_ (weeks) x \$ \_\_\_\_\_ (Tier I rate) = \$ \_\_\_\_\_ \$

##### **5 Lunch and/or Supper Reimbursement**

\_\_\_\_\_ (kids) x \_\_\_\_\_ (days) x \_\_\_\_\_ (weeks) x \$ \_\_\_\_\_ (Tier I rate) = \$ \_\_\_\_\_ \$

##### **6 A.M. and/or P.M. and/or Evening Snack Reimbursement**

\_\_\_\_\_ (kids) x \_\_\_\_\_ (days) x \_\_\_\_\_ (weeks) x \$ \_\_\_\_\_ (Tier I rate) = \$ \_\_\_\_\_ \$

#### **PART-TIME CHILDREN REIMBURSEMENT**

##### **7 Breakfast Reimbursement**

\_\_\_\_\_ (kids) x \_\_\_\_\_ (days) x \_\_\_\_\_ (weeks) x \$ \_\_\_\_\_ (Tier I rate) = \$ \_\_\_\_\_ \$

##### **8 Lunch and/or Supper Reimbursement**

\_\_\_\_\_ (kids) x \_\_\_\_\_ (days) x \_\_\_\_\_ (weeks) x \$ \_\_\_\_\_ (Tier I rate) = \$ \_\_\_\_\_ \$

##### **9 A.M. and/or P.M. and/or Evening Snack Reimbursement**

\_\_\_\_\_ (kids) x \_\_\_\_\_ (days) x \_\_\_\_\_ (weeks) x \$ \_\_\_\_\_ (Tier I rate) = \$ \_\_\_\_\_ \$

(Add Lines 4-9) **Total Food Program Reimbursement Income**