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**RECORD KEEPING AND TAXES:  
A GUIDEBOOK FOR  
FAMILY AND GROUP FAMILY  
CHILD CARE PROVIDERS**

**SOUTH BROOKLYN LEGAL SERVICES  
CHILD CARE PROJECT  
January 2010**

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Towards justice and dignity for all – Por la Justicia y Dignidad de Todos



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## Introduction

The information and forms in this booklet can help you keep track of your child care business income and expenses in a way that will make sense to you and your tax preparer when the time comes to file your tax returns.

### Why Family Child Care Providers Should File Tax Returns

- **It is the law:** anyone who takes home net earnings of at least \$400 in a year from self-employment must file a tax return.
- **You are running a business:** it is in your interest to keep track of how much money you make and how much you spend on your business. Maybe you are making so much profit that it is time to expand, or maybe you're spending more money on your business than you planned. Either way, this is key information that any small businessperson should know.
- **The Earned Income Tax Credit, other credits and deductions:** since you are eligible for business expense deductions and may also be eligible for credits, your taxes are probably much less than you think. You may even get a refund.
- **Social Security:** if you don't pay into Social Security now, you cannot collect as much when you retire or if you become disabled.
- **You can get caught:** some of the people and agencies that pay you may also report your income to the IRS. If you have income but don't file, you can end up owing back taxes, penalties and interest.
- **Immigration:** tax returns provide proof of employment and good moral character, which you may need to adjust your immigration status or to sponsor a relative.
- **Homeownership:** tax returns also provide proof of income and employment, which you may need to qualify for a mortgage.

## What taxes do family child care providers have to pay?

### All workers pay these types of taxes:

- Employee's share of FICA tax (Social Security and Medicare tax)  
7.65% of net earnings
- Federal Income Tax
- State and City Income Taxes

### Self-employed people, such as family child care providers, also pay:

- Employer's share of FICA  
7.65% of net earnings

Although self-employed people must pay the entire FICA tax (15.3% total), they may deduct one-half (7.65%) on her tax return. FICA tax for self-employed people is also called self-employment tax.

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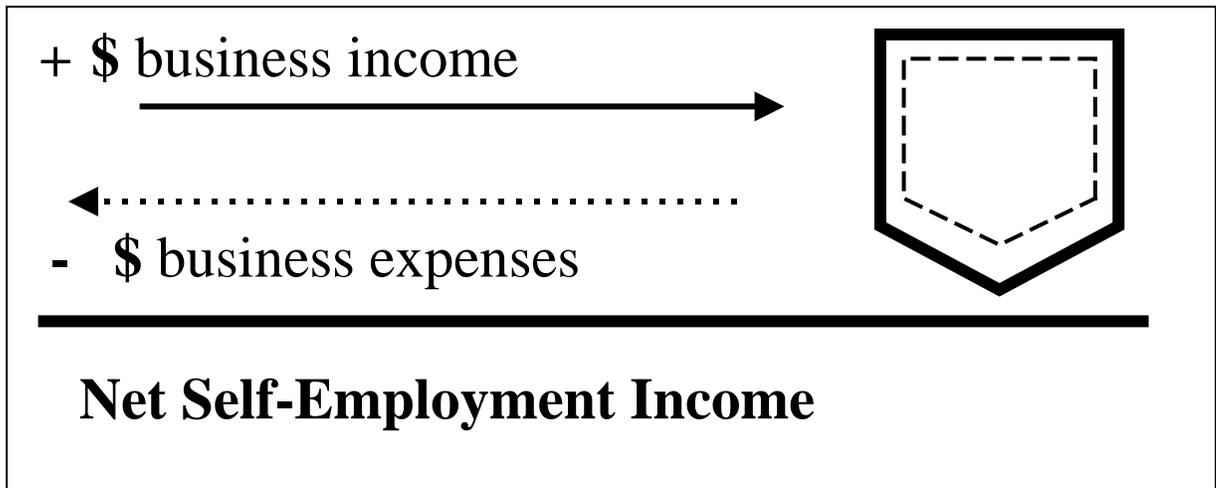
## Do family child care providers have to pay taxes on all of their income?

**No!** Providers only have to pay taxes on the amount of money they have left after paying the costs of running the business. The key is figuring out how much money is in your pocket at the end of the day.

**Business Income:** Money you bring in or earn through your business  
(money coming *to* you)

**Business Expenses:** Money you spend to cover the costs of running your  
business (money going *from* you to someone else)

**Tax Deductions:** Expenses you can subtract from your income on your  
tax return, so that you end up paying taxes on less of  
your money



When you are self-employed, the money you spend to run your business (“business expenses”) is **tax-deductible**. This means you only have to pay taxes on your net self-employment income, which is the net profit you have left after deducting (subtracting) the costs of running your business.

Self-employed people must use the long tax forms (IRS Form 1040 and New York State Form IT-201), and list business income and business expenses one-by-one on the IRS form called Schedule C.

# How to Figure Out Your Net Self-Employment Income

## Overview

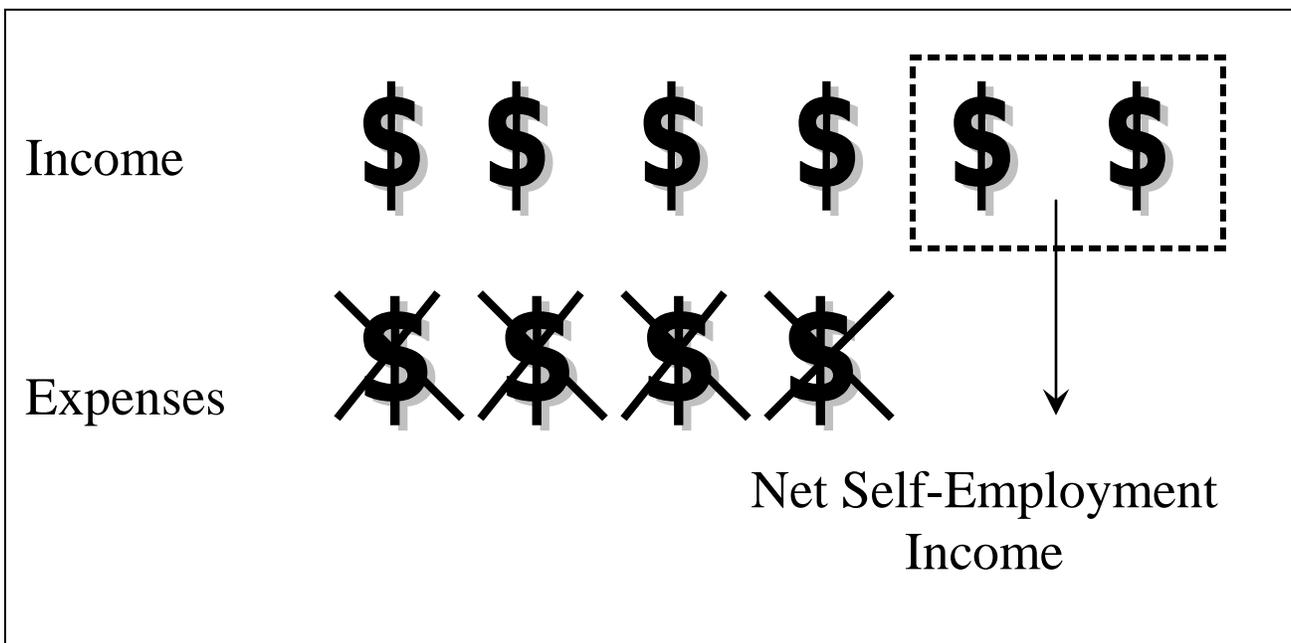
**Step 1: Calculate Your Business Income**

**Step 2: Calculate Your Business Expenses**

- Business-Only Expenses
- Food Expenses
- Shared Expenses (Calculate Your Time-Space Percentage)
- Depreciation Expenses

**Step 3: Deduct Your Business Expenses from Your Business Income**

Step 1 – Step 2 = Net Self-Employment Income



## Step 1: Calculate Your Business Income

### Sources of Business Income

Business income is every dollar your child care business gets from every source.

Most child care providers have five main income sources:

1. Direct payments from parents
2. HRA and ACS payments
3. Start-up and other grants
4. Child and Adult Care Food Program (CACFP) reimbursements

### Tracking Business Income

There are many different ways you can track your income from the above sources. Here are some points to keep in mind.

- **Keep receipts:** give private pay parents a receipt every time they pay you and keep a copy of each receipt for your records. Keep copies of ACS checks.
- **Have a system:** at the end of the year, it will be easier to prepare your taxes if you have all of your income information organized in one place.
- **Know your system:** at the end of the year, you have to be able to understand the records you have kept so you can explain your system to your tax preparer.

#### **Record Keeping Hint:**

One of the simplest ways to track your income is to keep a receipt book. **Every time you receive income, fill out a receipt**, whether the payment is from a private pay parent or another source, such as ACS or CACFP. That way you will have **all your income information organized in one place at the end of the year.**

## Reporting your income to the IRS and the New York State Department of Taxation and Finance

In general, you must report all income to the IRS and New York State on tax forms at the end of each year. Even before you start to fill out your tax forms, the IRS and New York State will know about some of your income because:

- **ACS** will give you a 1099 form, while other organizations may give you **1099 forms** for any amount they pay you. 1099s are tax forms that report to the IRS how much non-employee income you received from any source that paid you more than \$600 during the year.
- **Private pay parents** may ask for your Social Security Number (SSN) or Employer Identification Number (EIN), or ask you to fill out a [Form W-10](#) (available online) at the end of the year. This information allows parents to get a tax credit for part of what they paid to you to care for their child. If you refuse to give your SSN or EIN, or if you refuse to fill out a Form W-10, you can be fined by the IRS. Parents claiming the credit will provide your name, address, SSN or EIN and all or part of the amount they paid you to the IRS on their returns.

**PROTECT YOURSELF!** Parents may claim that they paid you more than they actually did because they can get a bigger credit if they report higher child care expenses. If they do this, the IRS might think you reported less income than you actually made.

To protect yourself, at the end of every year you should add up every payment you received from each parent. Give the parent an **Annual Payment Summary** letter that confirms the amount s/he paid you for the year and ask her/him to sign it. Keep a copy for your records.

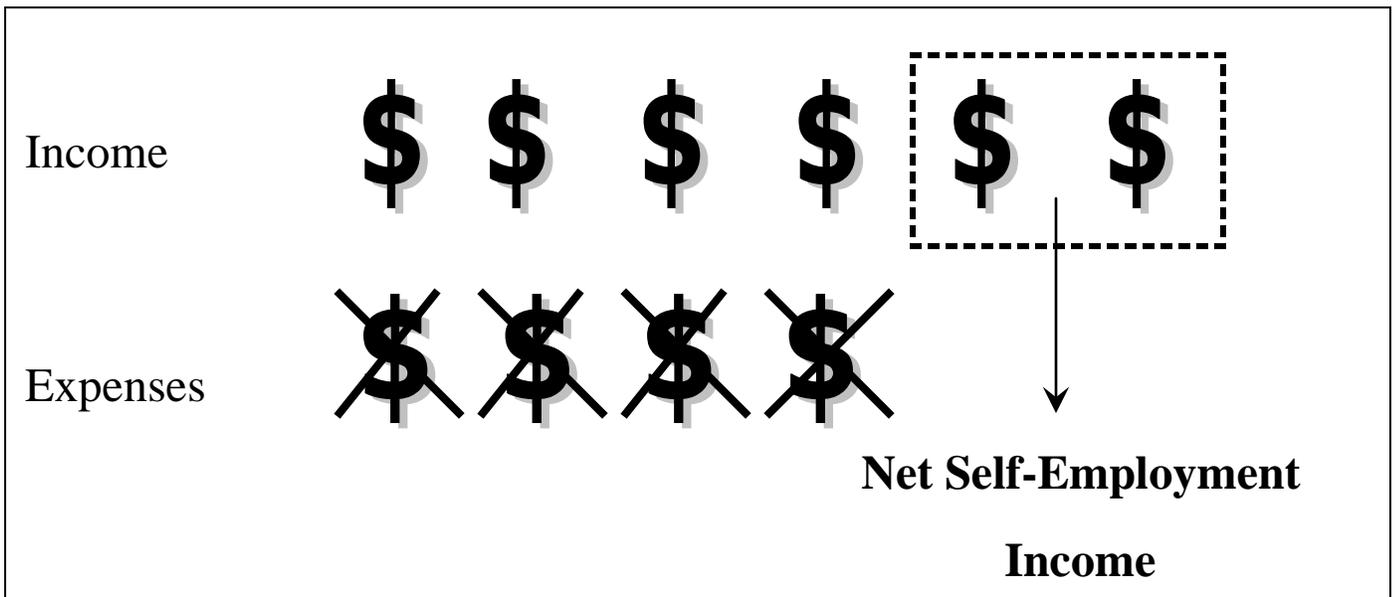
See Appendix A for a blank Annual Payment Summary letter you can use. You will also find child care payment logs to track the money each parent pays you throughout the year.

## Step 2: Calculate Your Business Expenses

You will have to spend a lot of the money you receive from parents, ACS and CACFP on your child care business. You will not be able to use this business income for your own needs since it will go right back into the business to cover the costs of providing care for the children.

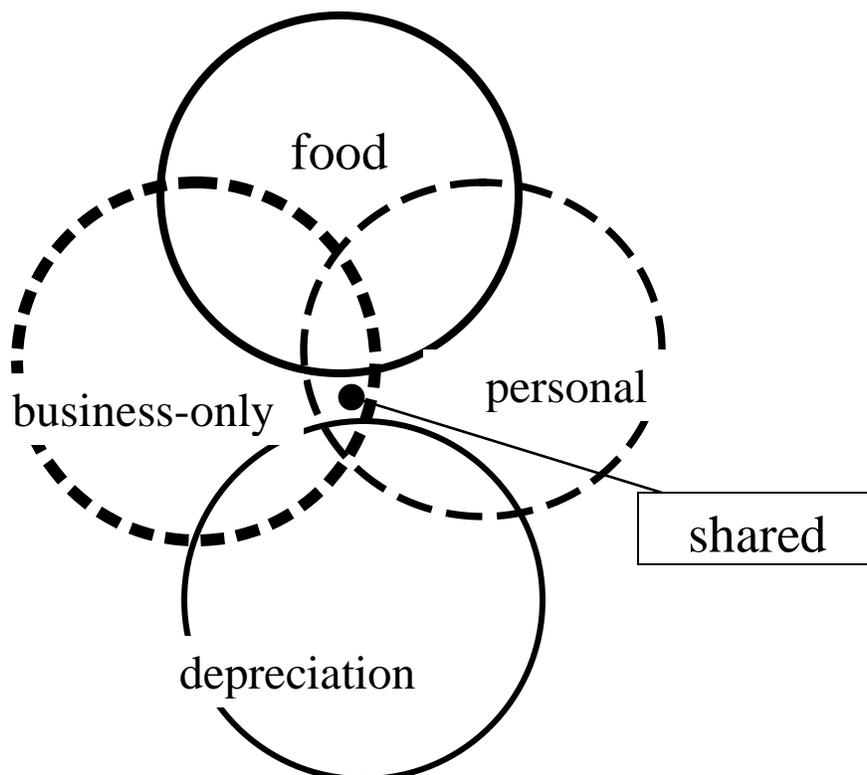
As a rule, you only have to pay taxes on your “net self-employment income” -- the amount that is left over after you pay for everything you need to run your business.

**Net Self-Employment Income**  
is what's left of your income after  
you have paid all of your business  
expenses.



In order to claim business expenses as tax deductions you have to report to the IRS exactly how much you spend on different areas of your business. There are four major categories of child care business expenses. They are:

1. **Business-Only Expenses** – called *Direct Expenses* by the IRS  
(100% used for the business)
2. **Food**
3. **Shared Expenses** – called *Indirect Expenses* by the IRS  
(Part is used for the business and part is used by you and your family)
4. **Depreciation Expense**  
(Money you spend on items that last longer than one year, like furniture)



See Appendix A of this guidebook for sample forms you can use to record and track your day care business expenses.

## Business-Only Expenses

Business-only (*direct*) expenses are costs that are **for your child care business only** and **not** at all for you and your family. Any money you spend just for your business is **100% tax-deductible**. If you will use all of an item you bought during the year you bought it, you can deduct the entire cost of the item in the year you paid for it.

If you buy something that is meant to last a long time (such as a piece of furniture or a computer) you must “depreciate” it, meaning that you must deduct part of the cost in the year of purchase and the rest over the next several tax years. We will discuss this in more detail later; for now it is important to remember that receipts for purchases meant to last more than a year should be kept separately from receipts for items that will be used within the year.

To claim business-only expenses, you must save your receipts in a record-keeping system that makes sense to you. It will be easier to get ready for tax time if you keep your receipts using the same categories the IRS uses. Here are some categories to start with:

- **Advertising**
- **Insurance**
- **Training and Professional Development**
- **Office Supplies**
- **Legal or Professional Services (including tax preparation)**
- **Toys and Educational Materials**
- **Child Care Equipment**
- **Subcontractors and Independent Contractors (like your substitute)**

**Remember:** Add up the business-only expense receipts *for each category* at the end of the year.

### **Filing Tip**

The only expenses that are 100% tax-deductible are those that you use 100% for your business. Expenses that are shared between your business and personal life are only partly deductible. We will discuss these in more detail later.

## Start-up Costs

If you spend money on your business before your business is open, you can deduct up to \$5,000 of these start-up expenses the first year you are in business. You must claim the deduction for your start-up costs beginning with the first year you are in business or you can never claim it.

If your start-up costs are *more* than \$5,000, you can deduct a portion of the remaining start-up expenses over each of the next 15 years. This is called “amortization.” First, figure out your total start-up costs. Next, subtract \$5,000 to be claimed in the first year of business. Then, divide the remaining amount by fifteen. The result is the amount you can deduct as a business expense in each of the next fifteen years you are in business.

For example, if you started running your child care business in July 2005, and spent a total of \$8,000 on start-up costs, you could claim the first deduction of \$5,000 (the maximum start-up costs deduction allowed) on your 2005 tax return. The remaining \$3,000 of expenses is then divided by 15: \$200. You may deduct \$200 of these start-up costs on your 2006, 2007, . . . 2020 returns so long as your business is still open.

There are many expenses that might fit into this category, such as:

- repairs you make to your home in order to pass inspections
- classes
- licensing fees
- equipment
- toys
- supplies

**Keep your receipts for these start-up costs in a separate folder labeled “Start-up Costs.”**

## **Food Expenses**

Food will be one of the biggest expenses of your child care business. On your tax return, you can deduct the cost of food you serve to the children in your care, but not food used by you and your family. To figure out your food deductions, you must keep records of how much you spent on the children's meals throughout the year. There are many ways to track your food costs. We will discuss three of them:

- **Method 1: Shop separately for your business and your family.**
- **Method 2: Use the CACFP standard rates.**
- **Method 3: Use an estimate of the average cost per serving.**

### ***METHOD 1: Shop separately for your business and your family***

Keep your receipts in two separate file folders, one labeled "food-family," the other labeled "food-business." You will also need to keep the food for your business separate from the food for your family. You can do this by marking off different cabinets and shelves for family food and business food, or labeling all your business food with a colored permanent marker, like blue for business. This is probably the most accurate way to keep track of business food expenses. It works well for some providers, but others find it is not possible or practical to keep their business food separate from their family's food.

### ***METHOD 2: Use the CACFP standard rates***

The IRS will let you use the CACFP reimbursement rates for meals instead of the *actual* cost of the meals you serve. You can use these rates even if you don't participate in CACFP. If you use this method, you do not need to keep your receipts, but you will still need to keep certain records.

IRS rules require you to use the CACFP rates that were in effect at the beginning of the tax year. This means that for tax purposes, you must use the January 1 CACFP rates for the whole year, even though the reimbursement rates change in July.

To find out which reimbursement rates are in effect at the beginning of the tax year, call the CACFP toll-free hotline at 1-800-942-3858.

**The CACFP rates to use for 2009 taxes are:**

- Breakfast: \$1.17
- Snack: \$0.65
- Lunch/dinner: \$2.18

**Step 1: Calculate How Many Meals You Served During the Year**

For each meal you provided, you need to keep track of:

- how many children ate that meal,
- how many times you served that meal during each week, and
- how many weeks you provided care that year.

Put these numbers into the table below to get the total number of each meal you served this year.

You can count up to 3 snacks per day.

Care is provided \_\_\_\_\_ weeks per year.

**Example:**

You have **5** children in your program who come Monday through Friday (**5** days a week) and you care for them all year except 2 weeks in the summer ( $52 - 2 = \mathbf{50}$  weeks).

Breakfast: 5 children x 5 breakfasts per week x 50 weeks = 1250 breakfasts/year

**Breakfast:** \_\_\_ children x \_\_\_ meals per week x \_\_\_ weeks = \_\_\_ breakfasts/year

**AM Snack:** \_\_\_ children x \_\_\_ meals per week x \_\_\_ weeks = \_\_\_ AM snacks/year

**Lunch:** \_\_\_ children x \_\_\_ meals per week x \_\_\_ weeks = \_\_\_ lunches/year

**PM Snack:** \_\_\_ children x \_\_\_ meals per week x \_\_\_ weeks = \_\_\_ PM snacks/year

**Dinner:** \_\_\_ children x \_\_\_ meals per week x \_\_\_ weeks = \_\_\_ dinners/year

## Step 2: Calculate Yearly Cost

To calculate your total yearly food cost (how much you spent on food for the business over the course of the year), put the total number of each meal served (breakfast, lunch, etc.) you calculated in Step 1 into the table below. Multiply the CACFP rate for that meal by the total number of meals served. Then add together the total cost of each meal for the year (the last column).

<b>Example:</b> Breakfast	\$1.17	X	1250	=	\$1,462.50
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Meal	CACFP Rate	X	# of Meals Per Year	=	Total Meal Cost Per Year
Breakfast	\$1.17	X		=	\$
AM Snack	\$0.65	X		=	\$
Lunch	\$2.18	X		=	\$
PM Snack	\$0.65	X		=	\$
Dinner	\$2.18	X		=	\$

**TOTAL = \$ \_\_\_\_\_**

**If you participate in CACFP**, you can count every business meal you served during the year, even if it was not reimbursed by CACFP. You can calculate this by completing the math above or by asking your CACFP sponsor how many meals you claimed, and then adding any that you know you served but were not allowed to claim (like extra snacks or rejected meals).

**If you are reimbursed by CACFP for your own children's meals:**

- Do not count that reimbursement as business income.
- Do not deduct the cost of meals served to your own children.

### **METHOD 3: Average cost per serving**

Most providers find that they really spend more on food than the CACFP rates, so it may be well worth your time to figure out how much your actual meals cost. The IRS will accept an estimate of how much you spend on food for the children as long as you have a good explanation for the amount you claim.

There are many ways to estimate your food expenses. The next several pages will take you through one way, the **Average Cost Per Serving Method**. With this method, you figure out the average cost of the meals you serve and use those average numbers to calculate your yearly child care food expenses.

**A Serving** is the amount of one meal (breakfast, lunch, snack, dinner) that one child eats.

**Save all of your food receipts!** Even though you will be claiming a tax deduction only for food served to the children (and not food used by you or your family), you should still **save all of your food receipts, including those for your family, in case you are audited**. Since you are estimating your food expenses, the receipts don't have to match your estimates exactly, but they should be close.

#### **How to calculate your food expenses using the Average Cost Per Serving Method:**

Step 1: Calculate Cost of Servings

Step 2: Calculate How Many Meals You Served

Step 3: Calculate Yearly Cost

What follows are step-by-step instructions and examples. Blank worksheets can be found in Appendix B of this guidebook.

## Step 1: Calculate Cost of Servings

Pick four sample menus for breakfast, lunch, dinner and snack, one from each of the four seasons (because you probably serve different foods during different seasons).

**Note:** You can schedule up to three snacks per day.

### Follow these steps to calculate the cost of each of your seasonal meals:

1. List all of the ingredients for that meal (including drinks).

For each ingredient you listed:

2. Write down the size of the container or package you bought.

3. Write down (record) the cost of the container.

*Tip: You can estimate (e.g., round up or down) the cost of the container. To learn how to estimate, see Appendix D.*

4. Figure out and record how much of that ingredient you will use to prepare the meal.

*You can express the amount as a decimal. For example,  $\frac{1}{2}$  cup of strawberries is expressed as 0.5.*

5. Calculate the cost for the amount of the ingredient you used.

*Multiply the price you paid for the whole container (Step 3) by the amount of the ingredient you used (Step 4).*

6. Calculate the cost of the entire meal.

*For all the ingredients used, add up the costs you figured out in Step 5.*

7. Record how many children ate the meal.

8. Find out the cost per serving (i.e., cost of the meal for one child).

*Divide the cost of the meal (Step 6) by the number of children you served (Step 7).*

Meal: BREAKFAST      *EXAMPLE*      Season: SUMMER      *EXAMPLE*

Ingredient (step 1)	Container Size (step 2)	Cost of Ingredient – Whole Container (step 3)	Amount Used (step 4)	Cost of the Ingredient You Used (step 5 = step 3 x step 4)
<i>One food or beverage</i>	<i>How much is in the container</i>	<i>The price of the container Estimate (round up or down) the price. Examples: \$3.69 ≈ \$3.70 \$2.32 ≈ \$2.30</i>	<i>Amount of that ingredient you used to prepare the meal. Amount expressed in decimal form (e.g., 0.5).</i>	<i>The cost of the container multiplied by the amount of the ingredient you used</i>
Juice	½ gallon of orange juice (8 cups in a ½ gallon)	\$3.70 for a carton	1/2 of the juice carton, or <b>0.5</b>	<b>\$3.70 x 0.5 = \$1.85</b>
Milk	½ gallon of milk (8 cups in a ½ gallon)	\$2.50 for jug or carton	½ of the milk carton, or <b>0.5</b>	<b>\$2.50 x 0.5 = \$1.25</b>
Strawberries	16 oz. package of strawberries, (16 oz. = 2 cups)	\$5.00 for 16 oz. package	1/2 of 16 oz. package strawberries, or <b>0.5</b>	<b>\$5.00 x 0.5 = \$2.50</b>
Cereal	14 oz. box of Cheerios	\$5.00 for a box	½ of cereal box, or <b>0.5</b>	<b>\$5.00 x 0.5 = \$2.50</b>
Total Cost of Meal You Prepared (step 6):				<b>\$8.10</b>
Total Number of Children You Served (step 7):				<b>5</b>
$\frac{\text{Total Cost of Meal You Prepared}}{\text{Total Number of Children You Served}} = \frac{\text{Step 6}}{\text{Step 7}} = \text{Cost Per Serving (Step 8):}$				<b>\$1.62</b>

**Meal: LUNCH/DINNER    *EXAMPLE*    Season: SPRING    *EXAMPLE***

<b>Ingredient (step 1)</b>	<b>Container Size (step 2)</b>	<b>Cost of Ingredient – Whole Container (step 3)</b>	<b>Amount Used (step 4)</b>	<b>Cost of the Ingredient You Used (step 5 = step 3 x step 4)</b>
<i>One food or beverage</i>	<i>How much is in the container</i>	<i>The price of the container Estimate (round up or down) the cost. Examples: \$3.69 ≈ \$3.70 \$2.32 ≈ \$2.30</i>	<i>Amount of that ingredient you used to prepare the meal Amount expressed in decimal form (e.g., 0.5).</i>	<i>The cost of the container multiplied by the amount of the ingredient you used</i>
Chicken	3 pound package of chicken breasts (16 oz in 1 pound, 3 lbs = 48 oz)	\$12.10 for a package	2 pounds of a 3 lb. package ≈ 2/3, or <b>0.667</b>	\$12.10 x 0.667 = <b>\$8.07</b>
Taco Sauce	10 oz jar of taco sauce (8 oz in 1 cup, 1 ¼ cups = 10 oz)	\$3.00 for a jar	1 cup out of the 10 oz. jar ≈ 4/5, or <b>0.8</b>	\$3.20 x 0.8 = <b>\$2.56</b>
Avocado	1 avocado	\$2.00 for an avocado	½ of 1 avocado, or <b>0.5</b>	\$2.00 x 0.5 = <b>\$1.00</b>
Cheddar Cheese	16 oz in a package of shredded cheddar cheese (8 oz in 1 cup, 2 cups = 16 oz)	\$5.40 for a package	1 ½ cups from the package ≈ ¾, or <b>0.75</b>	\$5.40 x 0.75 = <b>\$4.05</b>
Lettuce	10 oz in a bag of lettuce (8 oz in 1 cup, 1 ¼ cups = 10 oz)	\$2.00 for a bag	5 oz. from 10 oz. bag lettuce ≈ ½, or <b>0.5</b>	\$2.00 x 0.5 = <b>\$1.00</b>
Soft Tortillas	10 tortillas in a package	\$2.90 for a package	6 tortillas from the package ≈ 6/10, or <b>0.6</b>	\$2.90 x 0.6 = <b>\$1.74</b>
Salsa	16 oz. in a jar of salsa (32 tablespoons)	\$3.20 for a jar	10 Tbsp. from the 16 oz. jar ≈ 1/3, or <b>0.33</b>	\$3.20 x 0.33 = <b>\$1.06</b>
<b>Total Cost of Meal You Prepared (step 6):</b>				<b>\$19.48</b>
<b>Total Number of Children You Served (step 7):</b>				<b>5</b>
<b><math>\frac{\text{Total Cost of Meal You Prepared}}{\text{Total Number of Children You Served}} = \frac{\text{Step 6}}{\text{Step 7}} =</math></b>				<b>Cost Per Serving (Step 8):</b>
				<b>\$3.90</b>

Meal: SNACK *EXAMPLE* Season: FALL *EXAMPLE*

Ingredient (step 1)	Container Size (step 2)	Cost of Ingredient – Whole Container (step 3)	Amount Used (step 4)	Cost of the Ingredient You Used (step 5 = step 3 x step 4)
<i>One food or beverage</i>	<i>How much is in the container</i>	<i>The price of the container Estimate (round up or down) the cost. Examples: \$3.69 ≈ \$3.70 \$2.32 ≈ \$2.30</i>	<i>Amount of that ingredient you used to prepare the meal Amount expressed in decimal form (e.g., 0.5).</i>	<i>The cost of the container multiplied by the amount of the ingredient you used</i>
Celery	1 bag of celery (about 15 stalks per bag)	\$2.00 for a bag	½ of the bag, or <b>0.5</b>	$2.00 \times 0.5 = \mathbf{\$1.00}$
Peanut Butter	18 oz. jar of peanut butter (36 tablespoons)	\$3.30 for a jar	12 Tbsp. out of the 18 oz. jar ≈ 1/3, or <b>0.33</b>	$3.30 \times 0.33 = \mathbf{\$1.09}$
Raisins	24 oz. canister of raisins (8 ounces in a cup, 24 oz = 3 cups)	\$4.00 for a canister	2 cups of a 24 oz. canister ≈ 2/3, or <b>0.667</b>	$4.00 \times 0.667 = \mathbf{\$2.67}$
Juice	64 oz. bottle of cranberry-raspberry juice (8 ounces in a cup, 64 oz = 8 cups)	\$3.70 for a bottle	2 2/3 cups of 64 oz. juice bottle ≈ 1/3, or <b>0.33</b>	$3.70 \times 0.33 = \mathbf{\$1.22}$

Total Cost of Meal You Prepared (step 6): **\$5.98**

Total Number of Children You Served (step 7): **5**

$\frac{\text{Total Cost of Meal You Prepared}}{\text{Total Number of Children You Served}} = \frac{\text{Step 6}}{\text{Step 7}} = \text{Cost Per Serving (step 8):}$  **\$1.20**

## Step 1: Calculate Cost of Servings (continued)

Now that you have calculated how much you spend on each season's sample meals, you must find the **average** cost of each meal you serve.

**Average cost of a meal** is the amount you *usually* spend on a meal. If you spend a lot on Monday's lunch and a little on Tuesday's lunch, then the average cost of lunch falls somewhere in the middle. To figure out your average lunch cost, add up what you spend on one lunch in each of the four seasons and divide the result by four.

In the table below list the **total cost per meal for one child** for each of your sample seasonal meals (Fall breakfast, Winter lunch, Spring snack, Fall snack, etc). Then add up the four breakfasts, four lunches, etc. To find the average cost of each type of meal you serve, divide the total cost of that meal by four.

	Breakfast	Lunch	Snack	Dinner
<b>Fall</b>	+ _____	+ _____	+ _____	+ _____
<b>Winter</b>	+ _____	+ _____	+ _____	+ _____
<b>Spring</b>	+ _____	+ _____	+ _____	+ _____
<b>Summer</b>	+ _____	+ _____	+ _____	+ _____
<b>Total Cost</b>	= _____ (total breakfasts)	_____ (total lunches)	_____ (total snacks)	_____ (total dinners)

Equation to find average cost	Fill in your numbers:
$\frac{\text{total breakfast costs}}{4} = \text{average breakfast cost}$	_____ = _____ 4
$\frac{\text{total lunch costs}}{4} = \text{average lunch cost}$	_____ = _____ 4
$\frac{\text{total snack costs}}{4} = \text{average snack cost}$	_____ = _____ 4
$\frac{\text{total dinner costs}}{4} = \text{average dinner cost}$	_____ = _____ 4

## Step 2: Calculate How Many Meals You Served During the Year

For each meal you provided, you need to keep track of:

- how many children ate that meal,
- how many times you served that meal during each week, and
- how many weeks you provided care that year.

Put these numbers into the table below to get the total number of each meal you served this year.

Care is provided \_\_\_\_\_ weeks per year.

### Example:

You have **5** children in your program who come Monday through Friday (**5** days a week) and you care for them all year except 2 weeks in the summer ( $52 - 2 = \mathbf{50}$  weeks).

**Breakfast:** 5 children x 5 breakfasts per week x 50 weeks = 1250  
breakfasts/year

**Breakfast:** \_\_\_ children x \_\_\_ meals per week x \_\_\_ weeks = \_\_\_ meals/year

**AM Snack:** \_\_\_ children x \_\_\_ meals per week x \_\_\_ weeks = \_\_\_ AM snacks/year

**Lunch:** \_\_\_ children x \_\_\_ meals per week x \_\_\_ weeks = \_\_\_ lunches/year

**PM Snack:** \_\_\_ children x \_\_\_ meals per week x \_\_\_ weeks = \_\_\_ PM snacks/year

**Dinner:** \_\_\_ children x \_\_\_ meals per week x \_\_\_ weeks = \_\_\_ dinners/year

**If you participate in CACFP**, you can count every business meal you served during the year, even if it was not reimbursed by CACFP. You can calculate this by completing the math above or by asking your CACFP sponsor how many meals you claimed, and then adding any that you know you served but were not allowed to claim (like extra snacks or rejected meals).

### Step 3: Calculate Yearly Cost

To calculate your total average yearly food cost (how much you spent on food for the business over the course of the year), add together how much you spent on breakfasts, lunches, snacks, and dinners. For each type of meal (breakfast, lunch, etc.), multiply the average serving cost by the number of total meals served. Use the table below to put in the average costs you calculated in Step 1 and the total number of meals served that you calculated in Step 2 to get your total average serving cost per year.

Meal	Average Cost	X	# of Meals Per Year	=	Total Average Serving Cost Per Year
Breakfast	\$	X		=	\$
AM Snack	\$	X		=	\$
Lunch	\$	X		=	\$
PM Snack	\$	X		=	\$
Dinner	\$	X		=	\$

**TOTAL**    \$ \_\_\_\_\_

With your receipts and worksheets to back you up, you can use these meal costs on your taxes instead of the CACFP reimbursement rates.

## Shared Expenses

Shared (*indirect*) expenses are amounts you pay for things that you use both for your child care business and personally. These costs are shared between the business and your family. You can deduct the part of these expenses that goes toward running your business. The personal part of a shared expense is usually not deductible.

You will probably be surprised by the number of shared expenses you have. The children in your care or their parents probably use, touch, sit on, or stand on the vast majority of what you have in your home. If the children sit on your sofa, it is partly used for business. Parts of your light and gas bills are also business expenses since you use lights, appliances and the stove in providing care for the children.

To claim these shared expenses, you should keep your receipts according to the categories the IRS uses. Here are some categories to start with:

- **Rent or Mortgage Interest**
- **Utilities (such as electricity and gas)**
- **Household Items (cleaning supplies, kitchen supplies, etc.)**
- **Home Repairs**
- **Homeowner's Insurance**

**Remember:** Add up the shared expense receipts *for each category* at the end of the year.

### **Record Keeping Tip**

Because you will be deducting only a part of these expenses, you should keep your receipts for shared expenses separate from your business-only receipts.

### **Special tax rules about your telephone:**

The bill for the main phone line in your home is not deductible at all. If you get a second phone line, special services (such as call waiting, answering service, etc.) or a cell phone for your business, you may deduct these costs as shared or business-only expenses.

## Shared Expenses: The Time-Space Percentage

Remember that you can only deduct the part of these shared expenses that is related to your business. You cannot deduct the part that covers what you and your family use.

**Example:** Your electric bill is a shared expense. It is a business expense when the children are in your home during the day and the lights, refrigerator, CD player, etc., are on. However, you and your family also use the lights and appliances during the evenings and weekends when the children are not around and no business is being conducted in your home.

How can you figure out exactly how much of the electric bill was used by you and your family and how much was used for the child care business?

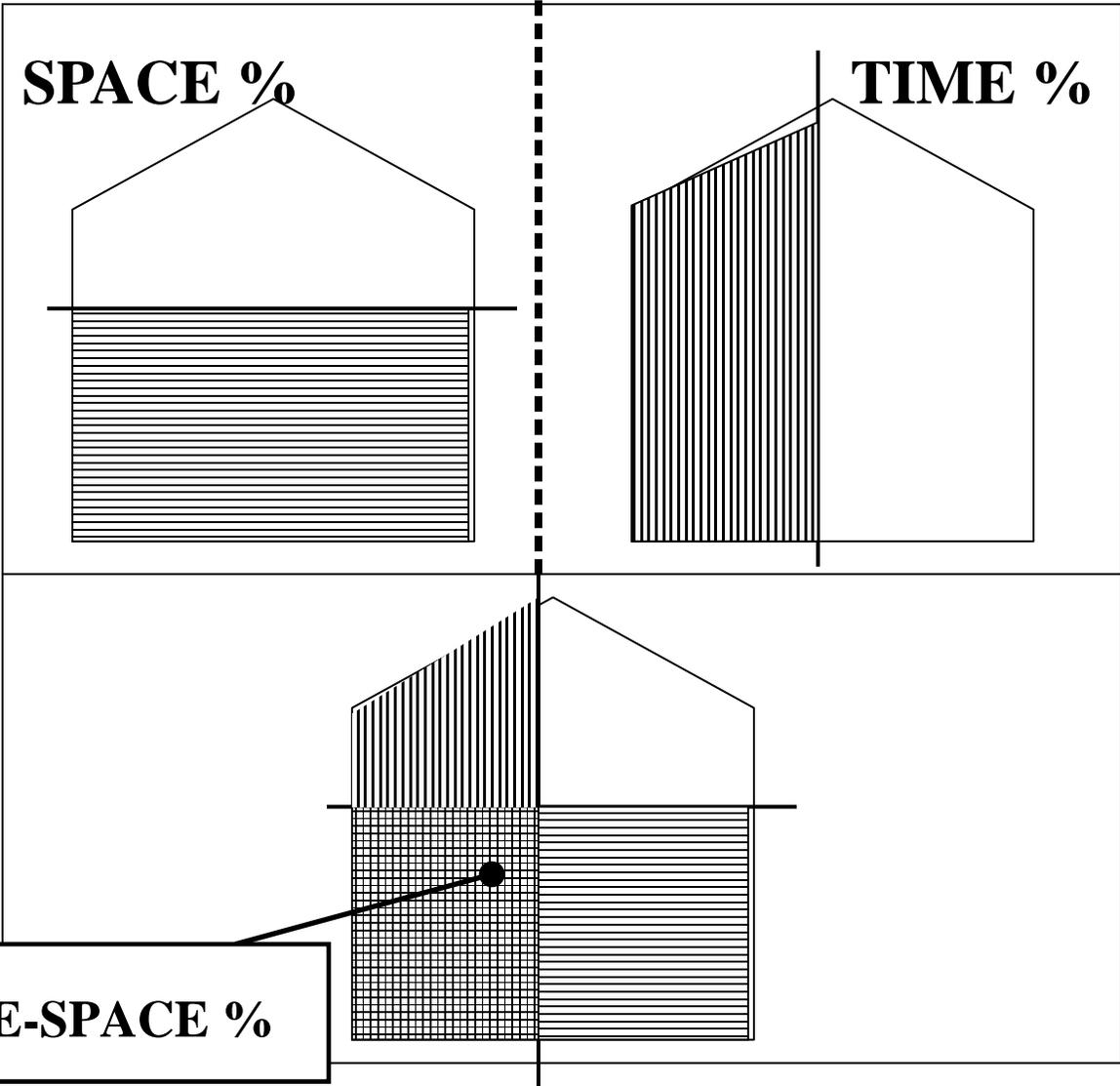


In the next few pages, we will calculate a number that shows what portion of a shared expense was regularly used for your business. In order to decide how much of your home is **regularly used** for business purposes, we will look at the total amount of physical space in your home that is used for your business alongside the amount of time each day that these spaces are used for child care.

This number is called the **Time-Space Percentage** (*or Business Percentage*) and may be the most important tax-related number you will have.

The following pages will help you and your tax preparer calculate your time-space percentage. You can use the time-space percentage to calculate deductions for any shared expenses.

If a particular shared expense is actually used more often for your business than for your family, you can use the **actual percentage** rather than the time-space percentage. If you do this, you should keep very good records to show how you came up with your numbers.



# Calculating Your Time-Space Percentage

## Overview

### Step 1: Calculate Your Space Percentage

*Figure out:*

- the total space (square footage) of all of the rooms in your home
- the total business space (square footage) of all of the rooms in your home regularly used for business

### Step 2: Calculate Your Time Percentage

*Figure out:*

- the average number of hours you spend providing care in your home each week
- the average number of hours you spend at home working on your business when children are not there each week
- the number of weeks you spent providing child care in your home during the year

### Step 3: Calculate Your Time-Space Percentage

- Multiply your space percentage by your time percentage

### Step 4: Calculate how much of your shared expenses you can deduct

- At tax time, multiply your shared expenses by your time-space percentage. This is the amount of each shared expense you can deduct as a business expense.

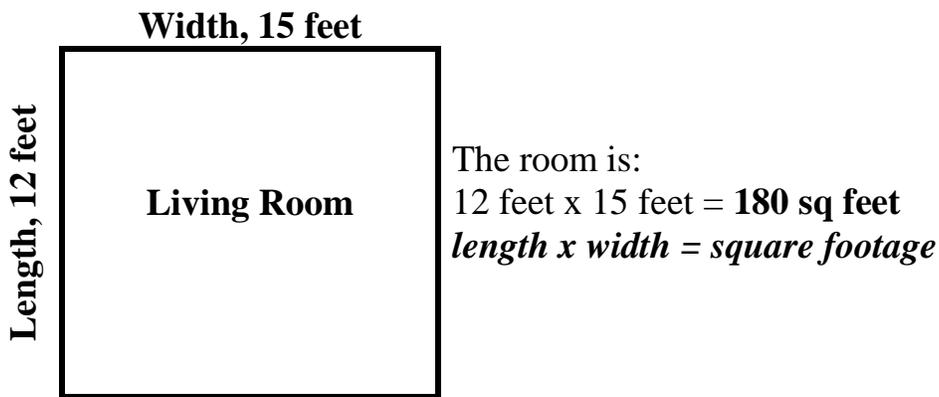
## Step 1: Calculate Your Space Percentage

Your “space percentage” is a number that shows how much of your home you regularly use for your business.

### Measure your entire home.

The first step in figuring out your space percentage is to measure every room in your home. Write down the square footage of each room in the “Size” column in the table on the next page. (Note: you can only use **indoor** space, not a garden, yard, stoop, etc.) Then add up all the numbers in this column and write the result on the “total space” line.

### To find the square footage of a room:



### Decide which parts of your home are regularly used for your business.

Go around your home and decide which rooms you regularly use *in any way* related to your business. If you regularly use a room for a purpose related to child care, it is used for business, even if the children are never in that room. For example, if you use the hallway to store your stroller at night, the hallway is used for business. If you sit at the desk in your bedroom to do child care paperwork, the bedroom is used partly for business.

For every room you regularly use in some way for your child care business, check off “regularly used for business” in the table on the next page. For each room that you checked off, write the size (length x width) in the last column, “If yes, business space.” Then add up all the numbers in this column and write the result on the “total business space” line.

## Space Percentage Worksheet

Room	Length	x	Width	= Size	Regularly used for business?	If yes, business space:
Living Room	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Dining Room	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Kitchen	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Bathroom	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Hallways	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Master Bedroom	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Child's Bedroom	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Child's Bedroom	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Basement	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Porch	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
_____	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
_____	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
_____	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
_____	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
_____	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.

Other Rooms

*add up all the square footage in each column*

<b>TOTAL SPACE:</b>	_____ sq. ft.	<b>TOTAL BUSINESS SPACE:</b>	_____ sq. ft.
	(A)		(B)



## Step 2: Calculate Your Time Percentage

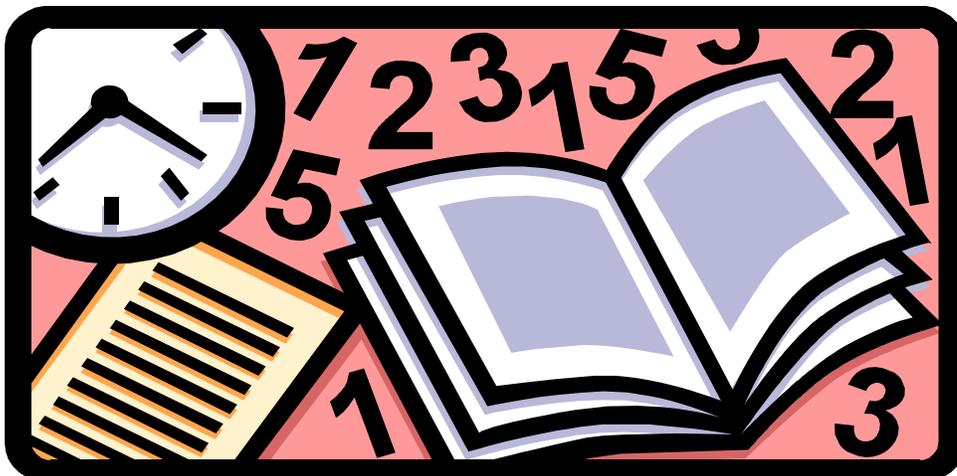
Now we will figure out how much time you regularly spend running and planning your child care business. Pick six or more weeks at different times throughout the year and keep track of how many hours you provide care for children in your home and how many hours you spend preparing for the children to be in your home. Your care hours in the summer may be a little different from during the school year, so choose sample weeks at different times of year. Record your time under these two categories:

- **child care hours** (when children are in your home and you are providing care) and
- **non-care business hours** (when you are working at home on your child care business and children are not in your home).

The first part of your time, your “child care hours,” will be used later to figure out how much time you spend, on average, each week providing child care.

The second part of your time, “non-care business hours,” will be used to figure out how much time you spend, on average, at home each week planning and preparing for your child care business while children are not in your home.

You can use the worksheets on the next few pages, your calendar, your planner, or whatever method of time-keeping works best for you.



**Part 1: Child Care Hours: Total time children were in your home**

**Hours of Operation**                      **Hours**  
 Example: 8:15 AM – 6:00 PM    9.75

**Week #1:**  
   /   /    through    /   /   

**Mon.** \_\_\_\_\_

**Tues.** \_\_\_\_\_

**Wed.** \_\_\_\_\_

**Thur.** \_\_\_\_\_

**Fri.** \_\_\_\_\_

**Sat.** \_\_\_\_\_

**Sun.** \_\_\_\_\_

**Total Hours, Week 1**                      \_\_\_\_\_

**Hours of Operation**                      **Hours**

**Week #4:**  
   /   /    through    /   /   

**Mon.** \_\_\_\_\_

**Tues.** \_\_\_\_\_

**Wed.** \_\_\_\_\_

**Thur.** \_\_\_\_\_

**Fri.** \_\_\_\_\_

**Sat.** \_\_\_\_\_

**Sun.** \_\_\_\_\_

**Total Hours, Week 4**                      \_\_\_\_\_

**Week #2:**  
   /   /    through    /   /   

**Mon.** \_\_\_\_\_

**Tues.** \_\_\_\_\_

**Wed.** \_\_\_\_\_

**Thur.** \_\_\_\_\_

**Fri.** \_\_\_\_\_

**Sat.** \_\_\_\_\_

**Sun.** \_\_\_\_\_

**Total Hours, Week 2**                      \_\_\_\_\_

**Week #5:**  
   /   /    through    /   /   

**Mon.** \_\_\_\_\_

**Tues.** \_\_\_\_\_

**Wed.** \_\_\_\_\_

**Thur.** \_\_\_\_\_

**Fri.** \_\_\_\_\_

**Sat.** \_\_\_\_\_

**Sun.** \_\_\_\_\_

**Total Hours, Week 5**                      \_\_\_\_\_

**Week #3:**  
   /   /    through    /   /   

**Mon.** \_\_\_\_\_

**Tues.** \_\_\_\_\_

**Wed.** \_\_\_\_\_

**Thur.** \_\_\_\_\_

**Fri.** \_\_\_\_\_

**Sat.** \_\_\_\_\_

**Sun.** \_\_\_\_\_

**Total Hours, Week 3**                      \_\_\_\_\_

**Week #6:**  
   /   /    through    /   /   

**Mon.** \_\_\_\_\_

**Tues.** \_\_\_\_\_

**Wed.** \_\_\_\_\_

**Thur.** \_\_\_\_\_

**Fri.** \_\_\_\_\_

**Sat.** \_\_\_\_\_

**Sun.** \_\_\_\_\_

**Total Hours, Week 6**                      \_\_\_\_\_

## Calculating Your “Average Weekly Child Care Hours”

Now that you have recorded how many hours you care for children in your home over several weeks, we will calculate how many hours you *regularly* care for children in your home. By averaging out the six weeks that you have documented your time for, we can figure out how many hours, on average, you use your home for child care.



$$\text{Average Weekly Child Care Hours} = \frac{\text{wk 1} + \text{wk 2} + \text{wk 3} + \text{wk 4} + \text{wk 5} + \text{wk 6}}{6 \text{ weeks}}$$

Fill in your numbers below:

$$\text{Average Weekly Child Care Hours} = \frac{\quad + \quad + \quad + \quad + \quad +}{6}$$

$$\text{Average Weekly Child Care Hours} = \underline{\hspace{2cm}}$$

**Part 2: Non-Care Business Hours:** Hours children were not present in the home but you were working on the business (for example, cooking, cleaning, planning lessons, completing paperwork, calling parents, record-keeping, reading child care materials, etc.). During the same six weeks when you were recording how many hours you spent providing child care, you will also record how much time you spent on child care preparations when children were NOT in your home, but you were at home and doing child care work.

<u>Date</u>	<u>Activity</u>	<u>Hours</u>
(Example)	<u>Business Cooking</u>	<u>1</u>
	<u>Lesson Planning</u>	<u>1.5</u>

**Week #1**  
 / / through / /

**Week #2**  
 / / through / /

<u>Date</u>	<u>Activity</u>	<u>Hours</u>
<b>Mon.</b>	_____	_____
	_____	_____
	_____	_____
<b>Tues.</b>	_____	_____
	_____	_____
	_____	_____
<b>Wed.</b>	_____	_____
	_____	_____
	_____	_____
<b>Thur.</b>	_____	_____
	_____	_____
	_____	_____
<b>Fri.</b>	_____	_____
	_____	_____
	_____	_____
<b>Sat.</b>	_____	_____
	_____	_____
	_____	_____
<b>Sun.</b>	_____	_____
	_____	_____
	_____	_____

<u>Date</u>	<u>Activity</u>	<u>Hours</u>
<b>Mon.</b>	_____	_____
	_____	_____
	_____	_____
<b>Tues.</b>	_____	_____
	_____	_____
	_____	_____
<b>Wed.</b>	_____	_____
	_____	_____
	_____	_____
<b>Thur.</b>	_____	_____
	_____	_____
	_____	_____
<b>Fri.</b>	_____	_____
	_____	_____
	_____	_____
<b>Sat.</b>	_____	_____
	_____	_____
	_____	_____
<b>Sun.</b>	_____	_____
	_____	_____
	_____	_____

**Total Hours, Week 1**

**Total Hours, Week 2**

Week #3			Week #4		
/ /	through / /		/ /	through / /	
<u>Date</u>	<u>Activity</u>	<u>Hours</u>	<u>Date</u>	<u>Activity</u>	<u>Hours</u>
<b>Mon.</b>	_____	_____	<b>Mon.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Tues.</b>	_____	_____	<b>Tues.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Wed.</b>	_____	_____	<b>Wed.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Thur.</b>	_____	_____	<b>Thur.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Fri.</b>	_____	_____	<b>Fri.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Sat.</b>	_____	_____	<b>Sat.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Sun.</b>	_____	_____	<b>Sun.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Total Hours, Week 3</b>		_____	<b>Total Hours, Week 4</b>		_____

**Week #5**  
 / / through  / /

**Week #6**  
 / / through  / /

<u>Date</u>	<u>Activity</u>	<u>Hours</u>
<b>Mon.</b>	_____	_____
	_____	_____
	_____	_____
<b>Tues.</b>	_____	_____
	_____	_____
	_____	_____
<b>Wed.</b>	_____	_____
	_____	_____
	_____	_____
<b>Thur.</b>	_____	_____
	_____	_____
	_____	_____
<b>Fri.</b>	_____	_____
	_____	_____
	_____	_____
<b>Sat.</b>	_____	_____
	_____	_____
	_____	_____
<b>Sun.</b>	_____	_____
	_____	_____
	_____	_____

<u>Date</u>	<u>Activity</u>	<u>Hours</u>
<b>Mon.</b>	_____	_____
	_____	_____
	_____	_____
<b>Tues.</b>	_____	_____
	_____	_____
	_____	_____
<b>Wed.</b>	_____	_____
	_____	_____
	_____	_____
<b>Thur.</b>	_____	_____
	_____	_____
	_____	_____
<b>Fri.</b>	_____	_____
	_____	_____
	_____	_____
<b>Sat.</b>	_____	_____
	_____	_____
	_____	_____
<b>Sun.</b>	_____	_____
	_____	_____
	_____	_____

**Total Hours, Week 5** \_\_\_\_\_

**Total Hours, Week 6** \_\_\_\_\_

## Calculating Your “Average Weekly Non-Care Business Hours”

Now that you have recorded how many hours you work on your child care business in your home when children are not present over several weeks, we will calculate how many hours you *regularly* spend at home doing non-care work. By averaging out the six weeks that you have documented your time for, we can figure out how many hours, on average, you use your home for child care planning and preparations.



**Average Weekly Non-Care Business Hours =**

$$\frac{\text{wk 1} + \text{wk 2} + \text{wk 3} + \text{wk 4} + \text{wk 5} + \text{wk 6}}{6 \text{ weeks}}$$

**Fill in your numbers below:**

**Average Weekly Non-Care Business Hours =**

$$\frac{\quad + \quad + \quad + \quad + \quad +}{6}$$

**Average Weekly Non-Care Business Hours = \_\_\_\_\_**

## Time Percentage

Now that you have recorded your time and know how much total time you devote each week to preparing for and providing child care, you can calculate what portion of the week your home is used for your business. This number will become your **time percentage**.

**Average weekly business hours:**

$$\begin{array}{r} \text{average weekly child care hours} \\ + \text{ average weekly non-care business hours} \\ = \text{ average weekly business hours} \end{array}$$

**Average weekly business hours:**

$$\begin{array}{r} \text{_____} \\ + \text{ _____} \\ = \text{ _____} \end{array}$$

## Yearly Business Hours

To calculate your **yearly** business hours, multiply your total average weekly business hours by the number of weeks you work in a year. For example, if you take two weeks off for vacation time, you will work **50 weeks** (52 weeks – 2 weeks) in a year.



**Total YEARLY business hours =**  
**total average weekly business hours x weeks worked in a year**

**Total YEARLY business hours =**  
**\_\_\_\_\_ total average weekly hours x \_\_\_\_\_ weeks**

**Total YEARLY business hours = \_\_\_\_\_**

Now that you have figured out how many hours you spend on business each year, you must figure out what portion of your total time is spent on business each year. To get this number (your time percentage), divide your total yearly business hours by the total number of hours in a year.

Total hours per year = 365 days/year x 24 hours/day = **8,760 hours/year**

**Time Percentage =** 
$$\frac{\text{Total Yearly Business Hours}}{8,760}$$

**Time Percentage =** 
$$\frac{\text{_____}}{8,760} \times 100 = \text{_____}\%$$

**Time Percentage = \_\_\_\_\_ %**

### Step 3: Calculate Your Time-Space Percentage

The final step in calculating your time-space percentage is **combining** how much of your time is spent running your child care business with how much of your home's space is used to run your child care business. By multiplying your **space percentage** by your **time percentage** you will end up with your **time-space percentage**.



**Time-Space Percentage = Space Percentage x Time Percentage**

**Time-Space Percentage =** \_\_\_\_\_ x \_\_\_\_\_  
(space %) (time %)

**Time-Space Percentage =** \_\_\_\_\_ %

**Now that you have your time-space percentage, how do you use it?**

Example: If your time-space percentage is 30%, and your electric bill for the whole year is \$1200:

$$30\% \times \$1200 = \$360$$

You can deduct \$360 in business electric expenses from your income before you calculate the amount of income tax you have to pay.

## Exclusive Use: Space That You **ONLY** Use for Child Care

If you use a room or rooms in your home **exclusively** for child care, you can increase your time-space percentage and your deductions with a few additional steps.

**Exclusive use** means that you use the room **100% of the time for business** and have absolutely no personal use of the room, even on evenings and weekends.

After you measure your home, go through each room and decide whether you use it *only* for your child care business, *regularly* for business, or never for business. If you use a room only for child care, check off “exclusively used for business” in the table on the next page, and write the square footage of that room in the last column, “If yes, excl. space.” If you use a room regularly for business, but also for your family, check off “regularly used for business” and write the size in the next column, “If yes, business space.” Be sure to check off *at most* one box for each room in your home. When you are finished, add up the numbers in each column and write in your total space, total business-use space, and total exclusive-use space on the bottom line.

## Space Percentage Worksheet for Homes with Exclusive-Use Rooms

	Length	x Width	=Size	Regularly used for business?	If yes, business space:	Exclusively used for business?	If yes, excl. space:	
Living Rm	_____	x _____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	
Dining Rm	_____	x _____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	
Kitchen	_____	x _____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	
Bathroom	_____	x _____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	
Hallways	_____	x _____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	
Master Brm	_____	x _____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	
Child's Brm	_____	x _____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	
Child's Brm	_____	x _____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	
Basement	_____	x _____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	
Porch	_____	x _____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	
Play Rm	_____	x _____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	
<b>Other Rooms</b>	Stairs	_____	x _____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	_____	_____	x _____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	_____	_____	x _____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	_____	_____	x _____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.

*add up all the square footage in each column*

	<b>TOTAL BUSINESS SPACE:</b>	<b>TOTAL EXCL. SPACE:</b>	
<b>TOTAL SPACE:</b>	_____ sq. ft. <b>(A)</b>	_____ sq. ft. <b>(B)</b>	_____ sq. ft. <b>(C)</b>

Now that you have measured your home and know how much total space, business-use space, and exclusive-use space there is, you can calculate what portion of your home is used for your business. The proportion of regularly-used space will become your **business-use space percentage**. The exclusively-used space will become your **exclusive-use space percentage**.

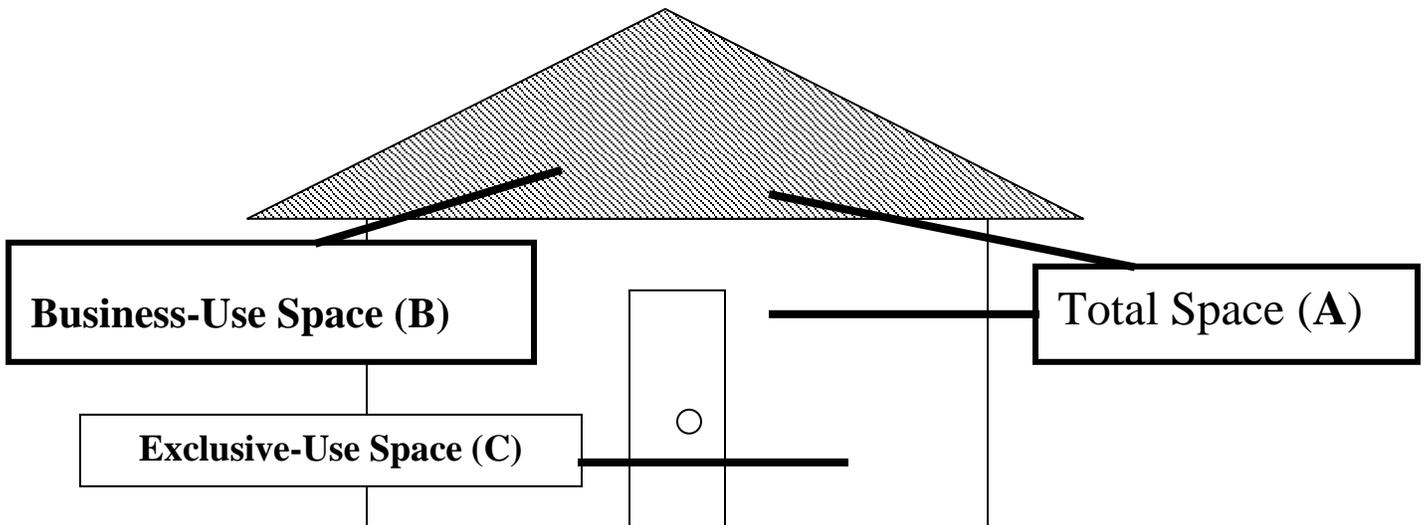


$$\text{Business-Use Space Percentage} = \frac{\text{Business-Use Space}}{\text{Total Space}} = \frac{(B)}{(A)}$$

$$\text{Business-Use Space Percentage} = \frac{(B)}{(A)} = \underline{\hspace{2cm}} \%$$

$$\text{Exclusive-Use Space Percentage} = \frac{\text{Exclusive-Use Space}}{\text{Total Space}} = \frac{(C)}{(A)}$$

$$\text{Exclusive-Use Space Percentage} = \frac{(C)}{(A)} = \underline{\hspace{2cm}} \%$$



To calculate your **TOTAL time-space percentage**, first calculate your business-use time-space percentage by multiplying your *business-use space percentage* by your *time percentage*. Then add this number to your exclusive-use space percentage.

**Time-Space Percentage including exclusive-use space**

$$\begin{aligned}
 &= (\text{Business-Use Space Percentage} \times \text{Time Percentage}) \\
 &\quad + \\
 &\quad \text{Exclusive-Use Space Percentage} \\
 &= \frac{\text{business-use space \%}}{\text{business-use space \%}} \times \frac{\text{time \%}}{\text{time \%}} \% \\
 &\quad + \\
 &\quad \frac{\text{excl.-use space \%}}{\text{excl.-use space \%}} \% \\
 &= \frac{\text{bus.-use time-space \%}}{\text{bus.-use time-space \%}} \% + \frac{\text{excl.-use space \%}}{\text{excl.-use space \%}} \%
 \end{aligned}$$

**Total Time-Space Percentage = \_\_\_\_\_ %**

Figuring out your exclusive-use space percentage will increase your total time-space percentage and your deductions.

Example: if your time percentage is 30%, 80% of your space is used regularly for your child care business, and 20% of your home is used exclusively for child care, what is your time-space percentage including exclusive-use space?

$$\begin{aligned}
 &= \text{Business-Use Time-Space \%} + \text{Exclusive-Use Space \%} \\
 &= (80\% \times 30\%) + 20\% \\
 &= 24\% + 20\% \\
 &= 44\%
 \end{aligned}$$

If there were no exclusive-use rooms in the same home, the Time-Space Percentage would be *at most* 30%.

## Automobiles

You can deduct the cost of using your car for your business. There are two ways to track your business use of your car in order to claim it as a shared expense. The first way is to calculate the **actual expense** of using your car for your business. Unless you use your car only for the business, this can be very difficult. The second way to track your business-use of your car is called the **standard mileage rate method**.

**Standard mileage rate:** For 2009, you can deduct 55.5 cents for each mile you drove for your business. (This number changes from year to year – the current number will be listed on the instructions to your federal tax forms, such as the [Form 1040 instructions](#) available at [www.irs.gov](http://www.irs.gov).) You can also deduct the cost of tolls and parking when on business trips. Keep receipts for tolls and parking costs.

### Step 1:

Keep track of the number of miles you drive for your business. These are called **business miles**. To claim your business miles you must write down the date of the trip, where you went (the destination) and how many miles you drove (the mileage). You can record these numbers in a Business Miles Log, like the table below.

<b>Date of Trip</b> (when)	<b>Destination</b> (where)	<b>Mileage</b> (how far)

**Note:** You can only count the trips that are mostly for business. Most of the activities or items bought must be for your business in order to count those miles as *business miles*. For example, you can count a trip to the grocery store if you are there to buy food for your business, even if you buy a few things for your family while you are there. You

cannot count a trip to the bookstore if you are there to get books for the family and you buy a couple of books for your business.

**Step 2:** Add up all the business miles you have driven during the year.

**Step 3:** Multiply the total number of **business miles** by 55.5 cents.

**Step 4:** Add any parking fees and tolls to the amount from step 3. The total is the amount of your vehicle expenses you can deduct.

**Example:**

During the year, you drove 100 miles for your business and paid \$20 in tolls.

100 x 55.5 cents = \$55.50

\$55.50 + \$20 (tolls) = \$75.50

Your vehicle deduction = \$75.50

## Depreciation

Depreciation is one of the more complicated tax rules child care providers will have to deal with. Unless you are really comfortable working on your taxes, you should consult an accountant or tax preparer for help. You need to know the basics of depreciation, but if you are not comfortable going further, you can leave the rest to your preparer.

If you purchase an item that is meant to last longer than one year (such as a piece of furniture, a carriage, or a computer) you cannot deduct the full business expense in the year you bought it. Instead you have to deduct part of the expense every year over the “expected life” of the item (the number of years that it is expected to last).

The IRS will set the number of years for an item’s expected life. For most items, the expected life will be seven years except for computer equipment, which is depreciated over five years.

A rule of thumb that some accountants use is that you can deduct anything you bought for under \$100 in the year you bought it, even if it is meant to last. If you bought something for more than \$100 but it did not last for more than a year, you can also deduct the whole expense in the year you bought it. If you bought a depreciable item *before* the year that you started providing care and later start using it for your business, you might still be able to deduct part of it during the period of that item’s expected life.

Depreciable business expenses can be either “business-only expenses” (such as a double stroller) or “shared expenses” (such as a new sofa). If the depreciable item is a shared expense, it must be deducted based on your time-space percentage, which makes this part of your taxes really complex.

Keep a separate folder in your filing system for items that will have to be depreciated. They can be business-only expenses or shared expenses. As long as the item is expected to last more than a year, you should save the receipt in a separate folder labeled “Depreciation Expenses.”

## **Special Tax Rules for Homeowners**

If you own your own home, you should depreciate it, and any improvements you make to it, over 39 years.

**Yearly deductions:** Deduct the business portion of the amount that your home depreciates each year. To calculate the business portion of the depreciation amount, multiply the depreciation amount by your time-space percentage.

**Mortgage Interest and Property Tax:** Homeowners usually deduct mortgage interest and property tax on Schedule A of Form 1040. If you use your home for business, however, you must deduct the business portion of your mortgage interest and property tax on Form 8829. To calculate the business portion of your mortgage interest and property tax, apply your time-space percentage to the total mortgage interest and property tax for the year. The remainder of your mortgage interest and property tax should be included as a deduction on Schedule A of Form 1040.

## Estimated Taxes

Most people who are not self-employed have their taxes withheld from every paycheck. While self-employed people do not have to pay taxes that often, you can't wait until the end of the year to pay your taxes. Instead, you are required to pay a quarter of what you think you will owe for that year every three months (and/or through additional withholding from a second job or your spouse's income, if you are married).

In general, you must make estimated tax payments if you expect to owe at least \$1,000 on your tax return, *unless* you expect the total amount of taxes you have withheld from your income plus any credits you are entitled to will be more than either:

- 90% of the taxes you will owe this year

OR

- The total amount of taxes you paid last year.

If you do not pay enough taxes through estimated payments and/or withholding, the IRS can charge you penalties and interest.

Due Dates for Estimated Taxes	
<b>For the Time Period:</b>	<b>Taxes Due By:</b>
Jan. 1 – March 31	April 15
April 1 – May 31	June 15
June 1 – Aug. 31	Sept. 15
Sept. 1 – Dec. 31	Jan. 15

To make estimated tax payments to the IRS, use Form 1040-ES. For New York State and City estimated taxes, use Form IT-2105.

## Metropolitan Commuter Transportation Mobility Tax

As a self-employed individual running your business in New York City, you may have to pay the Metropolitan Commuter Transportation Mobility Tax (MCTMT, or mobility tax) to New York State. You pay .34% (.0034) of your net self-employment income for the year towards the mobility tax. For year 2009 only, 83% (.83) of your net self-employment income is subject to the mobility tax.

Once your net self-employment income exceeds \$10,000 for the year, you begin paying the mobility tax. Beginning in 2010, you will estimate and pay the amount of mobility tax you expect to owe (e.g., estimated mobility tax) for each calendar quarter.

For year 2009 the due dates for the mobility tax are as follows:

Due Dates for MCTMT during 2009 only	
<b>For the Time Period:</b>	<b>Taxes Due By:</b>
Jan. 1, 2009 – Sept. 30, 2009	Nov. 2, 2009
Oct. 1, 2009 – Dec. 31, 2009	Feb 1, 2010

For 2010 and beyond:

Due Dates for MCTMT (EXCEPT for 2009)	
<b>For the Time Period:</b>	<b>Taxes Due By:</b>
Jan. 1 – March 31	April 30
April 1 – June 30	July 31
July 1 – Sept. 30	Oct. 31
Oct. 1 – Dec. 31	Jan. 31

To make your tax payments to the New York State Department of Taxation and Finance (NYS DTF), use Form MTA-5 (mobility tax payment voucher).

By April 30, you must file your mobility tax return, Form MTA-6, and include payment for any remaining mobility tax you owe for the previous calendar year.

If you do not pay the mobility tax that you owe, the New York State Department of Taxation and Finance (NYS DTF) can charge you penalties and interest.

## List of Tax Forms

### Federal tax forms you will need:

- Form 1040, *U.S. Individual Income Tax Return*
- Form 1040, Schedule C, *Profit or Loss from Business*
- Form 1040, Schedule SE, *Self-Employment Tax*
- Form 8829, *Expenses for Business Use of Your Home*
- Form 4562, *Depreciation and Amortization*

### Federal forms you might need:

- Schedule EIC, *Earned Income Credit*
- Form 8812, *Additional Child Tax Credit*
- Form 2441, *Child and Dependent Care Expenses*

Federal tax forms and instructions are online at [www.irs.gov](http://www.irs.gov)

### State tax form you will need:

- Form IT-201, *Resident Income Tax Return*

### State forms you might need:

- Form IT-214, *Claim for Real Property Tax Credit for Homeowners and Renters*
- Form IT-215, *Claim for Earned Income Credit*
- Form IT-216, *Claim for Child and Dependent Care Credit*
- Form MTA-5, *Estimated Metropolitan Commuter Transportation Mobility Tax Payment Voucher*
- Form MTA-6, *Metropolitan Commuter Transportation Mobility Tax Return*

State tax forms and instructions are online at [www.nystax.gov](http://www.nystax.gov)

### Further information:

- IRS Publication 587, *Business Use of Your Home*. You can find this publication at <http://www.irs.gov/pub/irs-pdf/p587.pdf>. If your tax preparer is unfamiliar with rules that apply to home-based day care providers, refer him or her to this publication.

## **APPENDIX A:**

# **END-OF-YEAR SUMMARY WORKSHEETS**

You can use the next several worksheets to keep track of:

- The payments you receive for providing child care, and
- Your child care business expenses
  - Business-Only (Direct) Expenses
  - Food Expenses
  - Shared (Indirect) Expenses
  - Depreciation Expenses
- End-of-year income and expense totals

**ANNUAL PAYMENT SUMMARY**

Provider Tax ID: \_\_\_\_\_

This is to confirm that \_\_\_\_\_  
(parent's name)

paid a total of \$ \_\_\_\_\_ to \_\_\_\_\_  
(program)

during \_\_\_\_\_ for the care of  
(year)

\_\_\_\_\_  
(children's names)

Sincerely,

\_\_\_\_\_

\_\_\_\_\_  
(Date)













**( \_\_\_\_\_ ) END OF YEAR EXPENSES SUMMARY**

Write down the TOTAL COST from the total box on the bottom of each Business-Only or Shared Expense End of Year Summary sheet you completed next to the expense Category you listed on the summary sheet.

<u>Business-Only Expenses</u>		<u>Shared Expenses</u>		<u>Food Expenses</u>		<u>Depreciation Expenses</u>	
<u>Category</u>	<u>Total Cost</u>	<u>Category</u>	<u>Total Cost</u>	<u>Meal</u>	<u>Total Cost</u>	<u>Item</u>	<u>Total Cost</u>
<u>Advertising</u>	\$ _____	<u>Home repairs and maintenance</u>	\$ _____	<u>Breakfasts</u>	\$ _____	_____	\$ _____
<u>Liability insurance</u>	\$ _____	<u>Rent payments</u>	\$ _____	<u>Lunches</u>	\$ _____	_____	\$ _____
<u>Legal and professional services</u>	\$ _____	<u>Utilities</u>	\$ _____	<u>Snacks</u>	\$ _____	_____	\$ _____
<u>Office expense</u>	\$ _____	<u>Homeowner's insurance</u>	\$ _____	<u>Dinners</u>	\$ _____	_____	\$ _____
<u>Supplies</u>	\$ _____	<u>Mortgage interest</u>	\$ _____	_____	\$ _____	_____	\$ _____
<u>Training and professional development</u>	\$ _____	<u>Real estate taxes</u>	\$ _____	_____	\$ _____	_____	\$ _____
<u>Special events</u>	\$ _____	<u>Car expenses</u>	\$ _____	_____	\$ _____	_____	\$ _____
<u>Toys and educational materials</u>	\$ _____	_____	\$ _____	_____	\$ _____	_____	\$ _____
<u>Child care equipment</u>	\$ _____	_____	\$ _____	_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____	_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____	_____	\$ _____	_____	\$ _____
<b><u>TOTAL</u></b>	<b>\$ _____</b>	<b><u>TOTAL</u></b>	<b>\$ _____</b>	<b><u>TOTAL</u></b>	<b>\$ _____</b>	<b><u>TOTAL</u></b>	<b>\$ _____</b>

## Summary

### \_\_\_\_\_ (year) Family Day Care Income & Expense

Bring this sheet with you to your tax preparer.

<b>Part I. INCOME INFORMATION</b>	
HRA payments	\$
ACS payments	\$
Payments from parents	\$
CACFP reimbursements	\$
EIP, Professional Retention Grants & Start-up Grants	\$
Other child care income	\$
Other income (please specify)	\$
<b>Total annual income in year _____</b>	<b>\$</b>

\*Be sure to provide any 1099s, W-2s or other documentation of income.

<b>EXPENSE INFORMATION</b>	
<b>Business-only expenses (Direct Expenses)</b>	
Food expenses	\$
Advertising	\$
Liability insurance	\$
Legal and professional services	\$
Office expenses	\$
Supplies	\$
Training and Professional development	\$
Special events	\$
Toys and educational materials	\$
Child care equipment	\$
Other business-only expenses (please describe)	\$
_____	\$ _____
_____	\$ _____
_____	\$ _____
Business-only depreciable expenses	\$
<b>Total business-only expenses:</b>	<b>\$</b>

**Shared expenses (Indirect Expenses)**

**Calculate your time-space percentage (business percentage):**

**Space percentage:** (area used regularly for day care divided by total area of home):

(Area used regularly for day care): \_\_\_\_\_ = \_\_\_\_\_ (space %)  
 (Total area of home):

**Time percentage:** (hours worked in the home during the year divided by the number of hours in a year)

(total hours worked in the home during the year) \_\_\_\_\_ = \_\_\_\_\_ (time %)  
 (total numbers of hours in a year) **8,760**

**Time-space percentage:** (time percentage multiplied by space percentage)

(time %) \_\_\_\_\_ x (space %) \_\_\_\_\_ = (time-space %) \_\_\_\_\_

	Total expense	Time-space percentage	Business portion
Rent	\$ x	% =	\$
Utilities	\$ x	% =	\$
Home maintenance and repairs	\$ x	% =	\$
Renters' insurance	\$ x	% =	\$
Other shared expenses (please describe)	\$ x	% =	\$
_____	\$ x	% =	\$
_____	\$ x	% =	\$
Indirect depreciation expenses	\$ x	% =	\$
<b>Total business portion of indirect (shared) expenses</b>			<b>\$</b>

<b>Total business-only expenses:</b>	<b>\$</b>
<b>Total business portion of indirect (shared) expenses</b>	<b>\$</b>
<b>TOTAL EXPENSES</b>	<b>\$</b>

Health insurance premiums paid	\$
--------------------------------	----

These schedules represent the income and expenses of the business. The income and expenses are based on the books and records of the business.

**APPENDIX B:**

**FOOD EXPENSE WORKSHEETS**

APPENDIX B—Average Cost Per Serving Method Worksheets

Meal: \_\_\_\_\_

Season: \_\_\_\_\_

<b>Ingredient (step 1)</b>	<b>Container Size (step 2)</b>	<b>Cost of Ingredient – Whole Container (step 3)</b>	<b>Amount Used (step 4)</b>	<b>Cost of the Ingredient You Used (step 5 = step 3 x step 4)</b>
<i>One food or beverage</i>	<i>How much is in the container</i>	<i>The price of the container Estimate (round up or down) the price. Examples: \$3.69 ≈ \$3.70 \$2.32 ≈ \$2.30</i>	<i>Amount of that ingredient you used to prepare the meal. Amount expressed in decimal form (e.g. 0.5).</i>	<i>The cost of the container multiplied by the amount of the ingredient you used</i>

Total Cost of Meal You Prepared (step 6):

Total Number of Children You Served (step 7):

$$\frac{\text{Total Cost of Meal You Prepared}}{\text{Total Number of Children You Served}} = \frac{\text{Step 6}}{\text{Step 7}} = \text{Cost Per Serving (Step 8):}$$

APPENDIX B—Average Cost Per Serving Method Worksheets

In the table below list the **total cost per meal for one child** for each of your sample seasonal meals (Fall breakfast, Winter lunch, Spring snack, Fall snack, etc). Then add up the four breakfasts, four lunches, etc. To find the average cost of each type of meal you serve, divide the total cost of that meal by four.

	<b>Breakfast</b>	<b>Lunch</b>	<b>Snack</b>	<b>Dinner</b>
<b>Fall</b>	+ _____	+ _____	+ _____	+ _____
<b>Winter</b>	+ _____	+ _____	+ _____	+ _____
<b>Spring</b>	+ _____	+ _____	+ _____	+ _____
<b>Summer</b>	+ _____	+ _____	+ _____	+ _____
<b>Total Cost</b>	= _____ (total breakfasts)	_____ (total lunches)	_____ (total snacks)	_____ (total dinners)

<b>Equation to find average cost</b>	<b>Fill in your numbers:</b>
$\frac{\text{total breakfast costs}}{4} = \text{average breakfast cost}$	_____ = _____ 4
$\frac{\text{total lunch costs}}{4} = \text{average lunch cost}$	_____ = _____ 4
$\frac{\text{total snack costs}}{4} = \text{average snack cost}$	_____ = _____ 4
$\frac{\text{total dinner costs}}{4} = \text{average dinner cost}$	_____ = _____ 4

## Step 2: Calculate How Many Meals You Served During the Year

For each meal you provided, you need to keep track of:

- how many children ate that meal,
- how many times you served that meal during each week, and
- how many weeks you provided care that year.

Put these numbers into the table below to get the total number of each meal you served this year.

Care is provided \_\_\_\_\_ weeks per year.

### Example:

You have **5** children in your program who come Monday through Friday (**5** days a week) and you care for them all year except 2 weeks in the summer ( $52 - 2 = \mathbf{50}$  weeks).

**Breakfast:** 5 children x 5 breakfasts per week x 50 weeks = 1250  
breakfasts/year

**Breakfast:** \_\_\_ children x \_\_\_ meals per week x \_\_\_ weeks = \_\_\_ meals/year

**AM Snack:** \_\_\_ children x \_\_\_ meals per week x \_\_\_ weeks = \_\_\_ AM snacks/year

**Lunch:** \_\_\_ children x \_\_\_ meals per week x \_\_\_ weeks = \_\_\_ lunches/year

**PM Snack:** \_\_\_ children x \_\_\_ meals per week x \_\_\_ weeks = \_\_\_ PM snacks/year

**Dinner:** \_\_\_ children x \_\_\_ meals per week x \_\_\_ weeks = \_\_\_ dinners/year

**If you participate in CACFP**, you can count every business meal you served during the year, even if it was not reimbursed by CACFP. You can calculate this by completing the math above or by asking your CACFP sponsor how many meals you claimed, and then adding any that you know you served but were not allowed to claim (like extra snacks or rejected meals).

### Step 3: Calculate Yearly Cost

To calculate your total average yearly food cost (how much you spent on food for the business over the course of the year), add together how much you spent on breakfasts, lunches, snacks, and dinners. For each type of meal (breakfast, lunch, etc.), multiply the average serving cost by the number of total meals served. Use the table below to put in the average costs you calculated in Step 1 and the total number of meals served that you calculated in Step 2 to get your total average serving cost per year.

Meal	Average Cost	X	# of Meals Per Year	=	Total Average Serving Cost Per Year
Breakfast	\$	X		=	\$
AM Snack	\$	X		=	\$
Lunch	\$	X		=	\$
PM Snack	\$	X		=	\$
Dinner	\$	X		=	\$

**TOTAL**    \$ \_\_\_\_\_

With your receipts and worksheets to back you up, you can use these meal costs on your taxes instead of the CACFP reimbursement rates.

APPENDIX B—Average Cost Per Serving Method Worksheets

APPENDIX

Family Day Care Provider Meal and Snack Log

Name of Provider \_\_\_\_\_ TIN/SSN \_\_\_\_\_

Week of \_\_\_\_\_

Child's Name	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Totals	
	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Number of breakfasts served: _____  Number of lunches served: _____  Number of dinners served: _____  Number of snacks served: _____
	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Number of breakfasts served: _____  Number of lunches served: _____  Number of dinners served: _____  Number of snacks served: _____	
	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Number of breakfasts served: _____  Number of lunches served: _____  Number of dinners served: _____  Number of snacks served: _____	
	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Snack <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Number of breakfasts served: _____  Number of lunches served: _____  Number of dinners served: _____  Number of snacks served: _____	

APPENDIX B—Average Cost Per Serving Method Worksheets

Week of \_\_\_\_\_ (page \_\_\_\_)

Child's Name	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Totals	
	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Number of breakfasts served: _____  Number of lunches served: _____  Number of dinners served: _____  Number of snacks served: _____
	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Number of breakfasts served: _____  Number of lunches served: _____  Number of dinners served: _____  Number of snacks served: _____	
	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Number of breakfasts served: _____  Number of lunches served: _____  Number of dinners served: _____  Number of snacks served: _____	
	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Hours of attendance: _____  Bkfst <input type="checkbox"/> Snack <input type="checkbox"/> Lunch <input type="checkbox"/> Dinner <input type="checkbox"/> Snack <input type="checkbox"/>	Number of breakfasts served: _____  Number of lunches served: _____  Number of dinners served: _____  Number of snacks served: _____	

**Weekly Totals: Breakfast \_\_\_\_\_ Lunch \_\_\_\_\_ Dinner \_\_\_\_\_ Snacks \_\_\_\_\_**

APPENDIX B—Average Cost Per Serving Method Worksheets

**Family Day Care Provider Meal and Snack Log**  
Name of Provider \_\_\_\_\_ TIN/SSN \_\_\_\_\_  
Taxable Year Ending \_\_\_\_\_

Total number of breakfasts served during the year \_\_\_\_\_ x breakfast rate of \$ \_\_\_\_\_ = \$ \_\_\_\_\_ (annual breakfast cost)

Total number of lunches served during the year \_\_\_\_\_ x lunch rate of \$ \_\_\_\_\_ = \$ \_\_\_\_\_ (annual lunch cost)

Total number of dinners served during the year \_\_\_\_\_ x dinner rate of \$ \_\_\_\_\_ = \$ \_\_\_\_\_ (annual dinner cost)

Total number of snacks served during the year \_\_\_\_\_ x snack rate of \$ \_\_\_\_\_ = \$ \_\_\_\_\_ (annual snack cost)

## **APPENDIX C:**

# **TIME-SPACE PERCENTAGE WORKSHEETS**

**Space Percentage Worksheet**

	<b>Room</b>	<b>Length</b>	<b>x</b>	<b>Width</b>	<b>= Size</b>	<b>Regularly used for business?</b>	<b>If yes, business space:</b>
	Living Room	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	Dining Room	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	Kitchen	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	Bathroom	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	Hallways	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	Master Bedroom	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	Child's Bedroom	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	Child's Bedroom	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	Basement	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	Porch	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
<b>Other Rooms</b>	_____	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	_____	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	_____	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	_____	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	_____	_____	x	_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
<i>add up all the square footage in each column</i>							
	<b>TOTAL SPACE:</b>				_____ sq. ft.	<b>TOTAL BUSINESS SPACE:</b>	_____ sq. ft.
					(A)		(B)

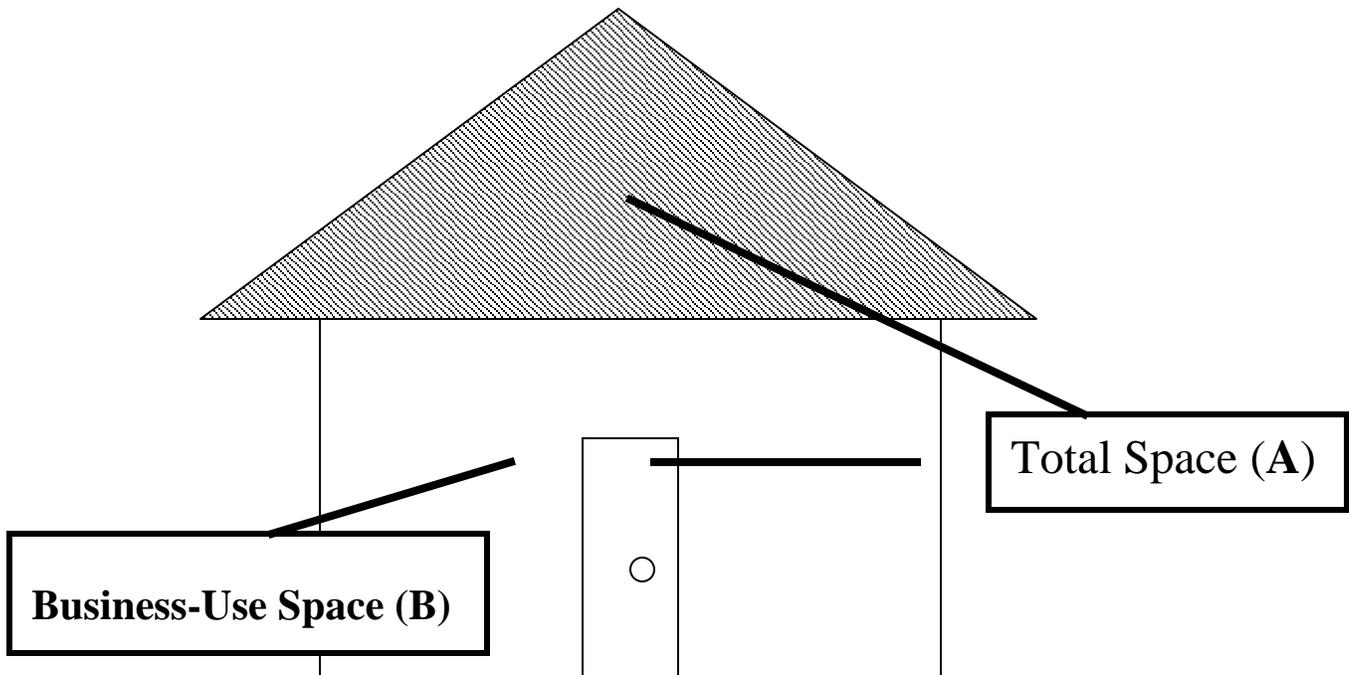
APPENDIX C—Time-Space Percentage Worksheets

Now that you have measured your home and know how much total space there is as well as how much business use space, you can calculate what portion of your home is used for your business. This number will become your **space percentage**.



$$\text{Space Percentage} = \frac{\text{Business Use Space}}{\text{Total Space}} = \frac{(B)}{(A)}$$

$$\text{Space Percentage} = \frac{(B)}{(A)} = \underline{\hspace{2cm}} \%$$



APPENDIX C—Time-Space Percentage Worksheets

Part 1: Child Care Hours: Total time children were in your home

**Hours of Operation**                      **Hours**  
 Example: 8:15 AM – 6:00 PM   9.75  
**Week #1:**  
  /  /   through   /  /    
**Mon.** \_\_\_\_\_  
**Tues.** \_\_\_\_\_  
**Wed.** \_\_\_\_\_  
**Thur.** \_\_\_\_\_  
**Fri.** \_\_\_\_\_  
**Sat.** \_\_\_\_\_  
**Sun.** \_\_\_\_\_  
**Total Hours, Week 1** \_\_\_\_\_

**Hours of Operation**                      **Hours**  
**Week #4:**  
  /  /   through   /  /    
**Mon.** \_\_\_\_\_  
**Tues.** \_\_\_\_\_  
**Wed.** \_\_\_\_\_  
**Thur.** \_\_\_\_\_  
**Fri.** \_\_\_\_\_  
**Sat.** \_\_\_\_\_  
**Sun.** \_\_\_\_\_  
**Total Hours, Week 4** \_\_\_\_\_

**Week #2:**  
  /  /   through   /  /    
**Mon.** \_\_\_\_\_  
**Tues.** \_\_\_\_\_  
**Wed.** \_\_\_\_\_  
**Thur.** \_\_\_\_\_  
**Fri.** \_\_\_\_\_  
**Sat.** \_\_\_\_\_  
**Sun.** \_\_\_\_\_  
**Total Hours, Week 2** \_\_\_\_\_

**Week #5:**  
  /  /   through   /  /    
**Mon.** \_\_\_\_\_  
**Tues.** \_\_\_\_\_  
**Wed.** \_\_\_\_\_  
**Thur.** \_\_\_\_\_  
**Fri.** \_\_\_\_\_  
**Sat.** \_\_\_\_\_  
**Sun.** \_\_\_\_\_  
**Total Hours, Week 5** \_\_\_\_\_

**Week #3:**  
  /  /   through   /  /    
**Mon.** \_\_\_\_\_  
**Tues.** \_\_\_\_\_  
**Wed.** \_\_\_\_\_  
**Thur.** \_\_\_\_\_  
**Fri.** \_\_\_\_\_  
**Sat.** \_\_\_\_\_  
**Sun.** \_\_\_\_\_  
**Total Hours, Week 3** \_\_\_\_\_

**Week #6:**  
  /  /   through   /  /    
**Mon.** \_\_\_\_\_  
**Tues.** \_\_\_\_\_  
**Wed.** \_\_\_\_\_  
**Thur.** \_\_\_\_\_  
**Fri.** \_\_\_\_\_  
**Sat.** \_\_\_\_\_  
**Sun.** \_\_\_\_\_  
**Total Hours, Week 6** \_\_\_\_\_

## Calculating Your “Average Weekly Child Care Hours”

Now that you have recorded how many hours you care for children in your home over several weeks, we will calculate how many hours you *regularly* care for children in your home. By averaging out the six weeks that you have documented your time for, we can figure out how many hours, on average, you use your home for child care.



$$\text{Average Weekly Child Care Hours} = \frac{\text{wk 1} + \text{wk 2} + \text{wk 3} + \text{wk 4} + \text{wk 5} + \text{wk 6}}{6 \text{ weeks}}$$

Fill in your numbers below:

$$\text{Average Weekly Child Care Hours} = \frac{\quad + \quad + \quad + \quad + \quad +}{6}$$

$$\text{Average Weekly Child Care Hours} = \underline{\hspace{2cm}}$$

APPENDIX C—Time-Space Percentage Worksheets

**Part 2: Non-Care Business Hours:** Hours children were not present in the home but you were working on the business (for example, cooking, cleaning, planning lessons, completing paperwork, calling parents, record-keeping, reading child care materials, etc.). During the same six weeks when you were recording how many hours you spent providing child care, you will also record how much time you spent on child care preparations when children were NOT in your home, but you were at home and doing child care work.

<u>Date</u>	<u>Activity</u>	<u>Hours</u>
(Example)	<u>Business Cooking</u>	<u>1</u>
	<u>Lesson Planning</u>	<u>1.5</u>

<b>Week #1</b>			<b>Week #2</b>		
<u>/ /</u>	through <u>/ /</u>		<u>/ /</u>	through <u>/ /</u>	
<u>Date</u>	<u>Activity</u>	<u>Hours</u>	<u>Date</u>	<u>Activity</u>	<u>Hours</u>
<b>Mon.</b>	_____	_____	<b>Mon.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Tues.</b>	_____	_____	<b>Tues.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Wed.</b>	_____	_____	<b>Wed.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Thur.</b>	_____	_____	<b>Thur.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Fri.</b>	_____	_____	<b>Fri.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Sat.</b>	_____	_____	<b>Sat.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Sun.</b>	_____	_____	<b>Sun.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Total Hours, Week 1</b>		_____	<b>Total Hours, Week 2</b>		_____

APPENDIX C—Time-Space Percentage Worksheets

Week #3			Week #4		
/ / through / /			/ / through / /		
<u>Date</u>	<u>Activity</u>	<u>Hours</u>	<u>Date</u>	<u>Activity</u>	<u>Hours</u>
<b>Mon.</b>	_____	_____	<b>Mon.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Tues.</b>	_____	_____	<b>Tues.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Wed.</b>	_____	_____	<b>Wed.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Thur.</b>	_____	_____	<b>Thur.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Fri.</b>	_____	_____	<b>Fri.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Sat.</b>	_____	_____	<b>Sat.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Sun.</b>	_____	_____	<b>Sun.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Total Hours, Week 3</b>	_____		<b>Total Hours, Week 4</b>	_____	

APPENDIX C—Time-Space Percentage Worksheets

Week #5			Week #6		
/ /	through / /	Hours	/ /	through / /	Hours
<u>Date</u>	<u>Activity</u>	<u>Hours</u>	<u>Date</u>	<u>Activity</u>	<u>Hours</u>
<b>Mon.</b>	_____	_____	<b>Mon.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Tues.</b>	_____	_____	<b>Tues.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Wed.</b>	_____	_____	<b>Wed.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Thur.</b>	_____	_____	<b>Thur.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Fri.</b>	_____	_____	<b>Fri.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Sat.</b>	_____	_____	<b>Sat.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Sun.</b>	_____	_____	<b>Sun.</b>	_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
	_____	_____		_____	_____
<b>Total Hours, Week 5</b>		_____	<b>Total Hours, Week 6</b>		_____

## Calculating Your “Average Weekly Non-Care Business Hours”

Now that you have recorded how many hours you work on your child care business in your home when children are not present over several weeks, we will calculate how many hours you *regularly* spend at home doing non-care work. By averaging out the six weeks that you have documented your time for, we can figure out how many hours, on average, you use your home for child care planning and preparations.



**Average Weekly Non-Care Business Hours =**

$$\frac{\text{wk 1} + \text{wk 2} + \text{wk 3} + \text{wk 4} + \text{wk 5} + \text{wk 6}}{6 \text{ weeks}}$$

**Fill in your numbers below:**

**Average Weekly Non-Care Business Hours =**

$$\frac{\quad + \quad + \quad + \quad + \quad +}{6}$$

**Average Weekly Non-Care Business Hours = \_\_\_\_\_**

## Time Percentage

Now that you have recorded your time and know how much total time you devote each week to preparing for and providing child care, you can calculate what portion of the week your home is used for your business. This number will become your **time percentage**.

**Average weekly business hours:**

$$\begin{array}{r} \text{average weekly child care hours} \\ + \text{ average weekly non-care business hours} \\ = \text{ average weekly business hours} \end{array}$$

**Average weekly business hours:**

$$\begin{array}{r} \text{_____} \\ + \text{ _____} \\ = \text{ _____} \end{array}$$

## Yearly Business Hours

To calculate your **yearly** business hours, multiply your total average weekly business hours by the number of weeks you work in a year. For example, if you take two weeks off for vacation time, you will work **50 weeks** (52 weeks – 2 weeks) in a year.



$$\text{Total YEARLY business hours} = \text{total average weekly business hours} \times \text{weeks worked in a year}$$

$$\text{Total YEARLY business hours} = \text{_____ total average weekly hours} \times \text{_____ weeks}$$

$$\text{Total YEARLY business hours} = \text{_____}$$

APPENDIX C—Time-Space Percentage Worksheets

Now that you have figured out how many hours you spend on business each year, you must figure out what portion of your total time is spent on business each year. To get this number (your time percentage), divide your total yearly business hours by the total number of hours in a year.

Total hours per year = 365 days/year x 24 hours/day = **8,760 hours/year**

**Time Percentage =** 
$$\frac{\text{Total Yearly Business Hours}}{8,760}$$

**Time Percentage =** 
$$\frac{\hspace{10em}}{8,760}$$

**Time Percentage =** \_\_\_\_\_ %



**Space Percentage Worksheet for Homes with Exclusive-Use Rooms**

Room	Length	x Width	=Size	Regularly used for business?	If yes, business space:	Exclusively used for business?	If yes, excl. space:
Living Rm	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Dining Rm	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Kitchen	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Bathroom	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Hallways	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Master Brm	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Child's Brm	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Child's Brm	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Basement	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Porch	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Play Rm	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
Stairs	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.
	_____	x_____	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.	<input type="checkbox"/>	_____ sq. ft.

*add up all the square footage in each column*

<b>TOTAL SPACE:</b>	_____ sq. ft.	<b>TOTAL BUSINESS SPACE:</b>	_____ sq. ft.	<b>TOTAL EXCL. SPACE:</b>	_____ sq. ft.
	(A)		(B)		(C)

APPENDIX C—Time-Space Percentage Worksheets

Now that you have measured your home and know how much total space, business-use space, and exclusive-use space there is, you can calculate what portion of your home is used for your business. The proportion of regularly-used space will become your **business-use space percentage**. The exclusively-used space will become your **exclusive-use space percentage**.

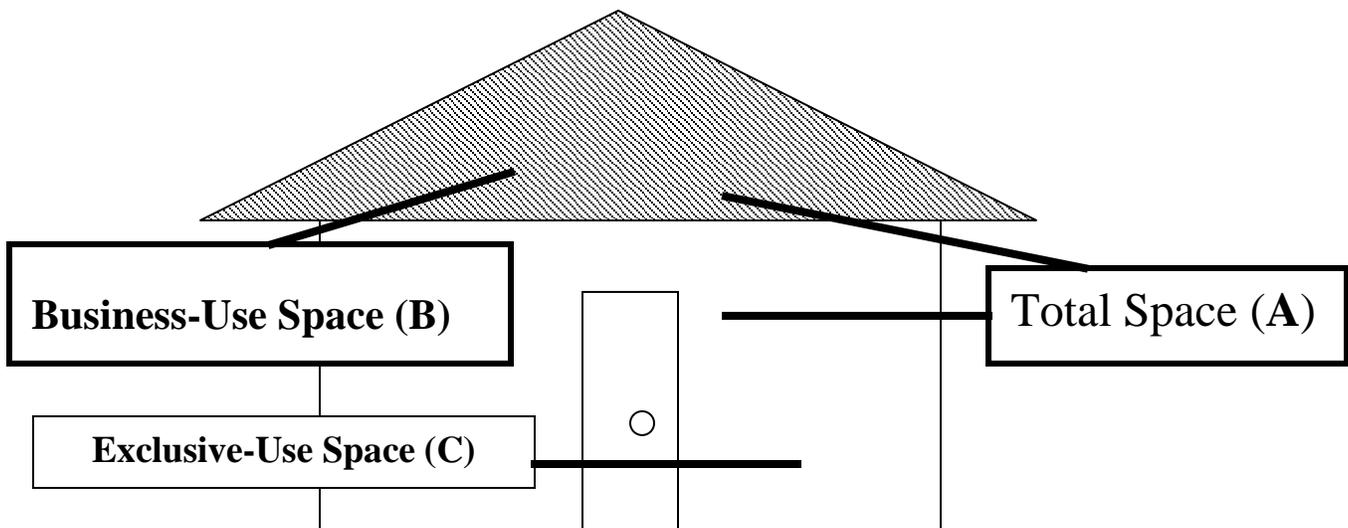


$$\text{Business-Use Space Percentage} = \frac{\text{Business-Use Space}}{\text{Total Space}} = \frac{(B)}{(A)}$$

$$\text{Business-Use Space Percentage} = \frac{(B)}{(A)} = \frac{\quad}{\quad} \%$$

$$\text{Exclusive-Use Space Percentage} = \frac{\text{Exclusive-Use Space}}{\text{Total Space}} = \frac{(C)}{(A)}$$

$$\text{Exclusive-Use Space Percentage} = \frac{(C)}{(A)} = \frac{\quad}{\quad} \%$$



To calculate your **TOTAL time-space percentage**, first calculate your business-use time-space percentage by multiplying your *business-use space percentage* by your *time percentage*. Then add this number to your exclusive-use space percentage.

**Time-Space Percentage including exclusive-use space**

$$\begin{aligned}
 &= (\text{Business-Use Space Percentage} \times \text{Time Percentage}) \\
 &\quad + \\
 &\quad \text{Exclusive-Use Space Percentage} \\
 &= \frac{\text{business-use space \%}}{\text{(business-use space \%)}} \times \frac{\text{time \%}}{\text{(time \%)}} \% \\
 &\quad + \\
 &\quad \frac{\text{excl.-use space \%}}{\text{(excl.-use space \%)}} \% \\
 &= \frac{\text{bus.-use time-space \%}}{\text{(bus.-use time-space \%)}} \% + \frac{\text{excl.-use space \%}}{\text{(excl.-use space \%)}} \%
 \end{aligned}$$

**Total Time-Space Percentage = \_\_\_\_\_ %**

Figuring out your exclusive-use space percentage will increase your total time-space percentage and your deductions.

Example: if your time percentage is 30%, 80% of your space is used regularly for your child care business, and 20% of your home is used exclusively for child care, what is your time-space percentage including exclusive-use space?

$$\begin{aligned}
 &= \text{Business-Use Time-Space \%} + \text{Exclusive-Use Space \%} \\
 &= (80\% \times 30\%) + 20\% \\
 &= 24\% + 20\% \\
 &= 44\%
 \end{aligned}$$

If there were no exclusive-use rooms in the same home, the Time-Space Percentage would be *at most* 30%.

## **APPENDIX D:**

# **CALCULATION AND MEASUREMENT TOOLS**

## TABLE OF FRACTIONS, DECIMALS, AND PERCENTAGES OF EQUAL VALUE

Below is a table with common fractions, decimals, and the percentages that share the same value.

For instance,  $1/10$  is equal to 0.1. Both the fraction  $1/10$  and the decimal 0.1 are equal to the percentage 10%.

**Read the table from left to right**, and find the value of a fraction as a decimal, or a percentage.

<b>Fraction</b>	<b>Decimal*</b>	<b>Percentage</b>
<b><math>1/10</math></b>	<b>0.1</b>	<b>10%</b>
<b><math>1/4</math></b>	<b>0.25</b>	<b>25%</b>
<b><math>1/3</math></b>	<b>0.333...</b>	<b>33.33%</b>
<b><math>1/2</math>, or <math>5/10</math></b>	<b>0.5</b>	<b>50%</b>
<b><math>2/3</math></b>	<b>0.666...</b>	<b>66.66%, or round up to 66.67%</b>
<b><math>3/4</math></b>	<b>0.75</b>	<b>75%</b>
<b>1</b>	<b>1.0</b>	<b>100%</b>

\* A decimal can be seen or entered into a calculator. If you want to know what a decimal value is as a percentage, using your calculator:

Step 1. Enter the decimal value in your calculator.

**Example:** 0.25

Step 2. Multiply the decimal value by 100. **Example:**  $0.25 \times 100$

Step 3. Press the “=” button on your calculator, you get the number 25, which means 0.25 is equal to 25%.

## **ROUND UP OR ROUND DOWN:**

### **How to estimate the price of items**

To **estimate** the price, or cost, of an item means to either:

Round **up** to the nearest dollar, - OR - Round **down** to the nearest dollar

When do you round **up**? You can round up to the nearest whole dollar when the number to **the right** of the decimal point is **5 or greater than 5**.

Example for rounding **up**: You buy a carton of orange juice for \$3.89.  
The number to the right of the decimal point is 8.  
Since the number 8 is greater than 5, you can **round up** the price to \$4.00.  
\$3.89 is about \$4.00.

When do you round **down**? You can round down to the nearest whole dollar when the number to **the right** of the decimal point is **less than 5**.

Example for rounding **down**: You buy a pound of apples for \$1.12.  
The number to the right of the decimal point is 1.  
Since the number 1 is less than 5, you can **round down** the price to \$1.00.  
\$1.12 is about \$1.00.

Food Measurements Conversion TablesContainer Size in **Ounces** (oz.)

# of <u>ounces</u> in container	# of <b>cups</b> in container	# of <b>tablespoons</b> in container
½ oz.	.0625 cup	1 tablespoon
1 oz.	.125 cup	2 tablespoons
4 oz.	½ cup	8 tablespoons
5 oz.	.625 cup	10 tablespoons
6 oz.	¾ cup	12 tablespoons
7 oz.	.875 cup	14 tablespoons
<b>8 oz.</b>	<b>1 cup</b>	<b>16 tablespoons</b>
10 oz.	1 ¼ cups	20 tablespoons
12 oz.	1 ½ cups	24 tablespoons
15 oz.	1.875 cups	30 tablespoons
16 oz.	2 cups	32 tablespoons
24 oz.	3 cups	48 tablespoons
32 oz.	4 cups	64 tablespoons

Container Size in **Gallons**

# of <u>gallons</u> in container	# of <b>cups</b> in container	# of <b>ounces</b> in container	# of <b>tablespoons</b> in container
½ gallon	8 cups	64 ounces	128 tablespoons
<b>1 gallon</b>	<b>16 cups</b>	<b>128 ounces</b>	<b>256 tablespoons</b>

APPENDIX D—Calculation and Measurement Tools

Container Size in **Pounds** (lbs.)

# of <u>pounds</u> in container	# of <b>cups</b> in container	# of <b>ounces</b> in container	# of <b>tablespoons</b> in container
¼ lb.	½ cup	4 ounces	8 tablespoons
½ lb.	1 cup	8 ounces	16 tablespoons
<b>1 lb.</b>	<b>2 cups</b>	<b>16 ounces</b>	<b>32 tablespoons</b>
1 ½ lb.	3 cups	24 ounces	48 tablespoons
2 lb.	4 cups	32 ounces	64 tablespoons
2 ½ lb.	5 cups	40 ounces	80 tablespoons
3 lb.	6 cups	48 ounces	96 tablespoons
3 ½ lb.	7 cups	56 ounces	112 tablespoons
4 lb.	8 cups	64 ounces	128 tablespoons
5 lb.	10 cups	80 ounces	160 tablespoons

Container Size in **Pints** (pts)

# of <u>pints</u> in container	# of <b>cups</b> in container	# of <b>ounces</b> in container	# of <b>tablespoons</b> in container
½ pint	1 cup	8 ounces	16 tablespoons
<b>1 pint</b>	<b>2 cups</b>	<b>16 ounces</b>	<b>32 tablespoons</b>
2 pints	4 cups	32 ounces	64 tablespoons

## What is an Average?

An average is the **usual or ordinary amount of something**, like the usual amount of time it takes to walk to the park, or the usual amount of food your cat eats each day.

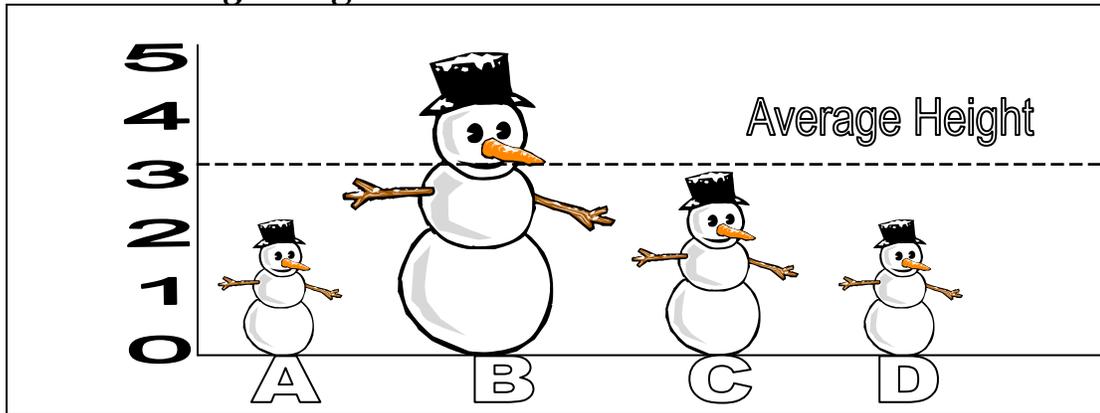
An average can also be the amount in between extreme examples. This amount in between extremes is often the usual amount of something. For example, after eating a huge buffet lunch, one eats a small dinner, half a plate of food, but on Thanksgiving, one eats a very large dinner, one and a half plates of food. Normally, someone eats a dinner in between that small half plate of food and the large one and a half plates of food, like one decent size plate of food. One plate of food would be the average.

In mathematical terms, an average is the value obtained by dividing the sum of a set of items by the number of items in the set. In the dinner example, the calculation to get the average number of plates of food would be:

$$\frac{\frac{1}{2} \text{ plate} + 1 \frac{1}{2} \text{ plates}}{2 \text{ dinners}} = \frac{2 \text{ plates}}{2 \text{ dinners}} = \frac{1 \text{ plate}}{1 \text{ dinner}}$$

Examples of averages on the next page

What is the *average height* of the snowmen?



Snowman A is 2 feet tall.

Snowman B is 5 feet tall.

Snowman C is 3 feet tall.

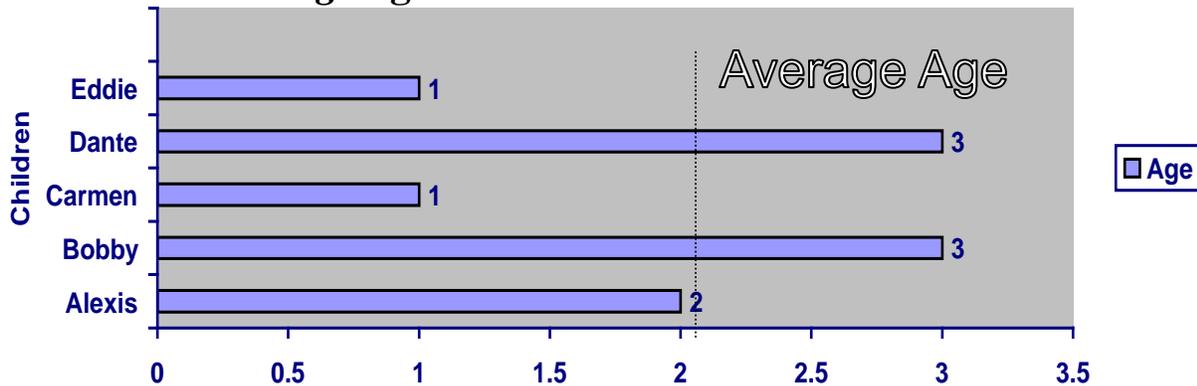
Snowman D is 2 feet tall.

$$\frac{SNA + SNB + SNC + SND}{4 \text{ Snowmen}} = \text{Average Height}$$

$$\frac{2 \text{ ft} + 5 \text{ ft} + 3 \text{ ft} + 2 \text{ ft}}{4 \text{ Snowmen}} = \text{Average Height}$$

$$\frac{12 \text{ ft}}{4 \text{ Snowmen}} = \text{Average} = \underline{\underline{3 \text{ feet}}}$$

What is the *average age* of the children in Ms. S's care?



Alexis is 2 years old.

Bobby is 3 years old.

Carmen is 1 year old.

Dante is 3 years old.

Eddie is 1 year old.

$$\frac{\text{Age in years } A + B + C + D + E}{5 \text{ children}} = \text{Average Age}$$

$$\frac{2 \text{ yrs} + 3 \text{ yrs} + 1 \text{ yr} + 3 \text{ yrs} + 1 \text{ yr}}{5 \text{ children}} = \text{Average Age}$$

$$\frac{10 \text{ years}}{5 \text{ children}} = \text{Average} = \underline{\underline{2 \text{ years}}}$$