

Provider Name _____ Provider Number: _____ Date: _____

Monthly Net Child Care Profit/Loss Statement Ledger

This statement may be used to document your current net day care income if your tax forms (1040 and Schedule C) from the previous year do not accurately represent your day care's current net income situation. A signed Provider 1040 Exempt Letter must accompany this form. Itemized receipts are a requirement as supporting documentation for all dollar amounts listed below. Photocopies of receipts are acceptable and must be included with this ledger. One-time expenses, such as licensing costs may be deducted from annual income only (or prorated on an annual basis.) Self-Employed means business expenses subtracted from gross receipts. Expenses include cost of goods (including groceries) purchased, supplies, utilities, child care insurance, etc. A net loss is reported as zero income (0).

Income (from previous month)

Parent Fees (include payments made by county) \$ _____
(Attach Parent Payment Verification Document forms for all parents as verification for dollar amount listed above.)
 Child and Adult Care Food Program Payments \$ _____
 Miscellaneous Income (field trip fees, etc.) \$ _____

Total Income \$ _____

General Expenses (from previous month)

(Itemized receipts required)

Food \$ _____
 Supplies (paper towels, soap, art & craft supplies, etc.) \$ _____
 Toys (for business use) \$ _____
 Child Care Insurance (divide annual premium by 12 months) \$ _____
 Car Mileage (for business use) \$ _____
 Outside Labor (payments to helpers) \$ _____
 Educational Classes (for business use) \$ _____
 Advertising Costs \$ _____
 Miscellaneous Office Expenses (bank fees, record keeping supplies, etc.) \$ _____
 Legal/Tax Preparation Expenses/Bookkeeping Help \$ _____

Expenses for Business Use (BU) of Your Home (monthly)

(See reverse side of page to compute business use percentage (BU%))

	\$ <u>Monthly</u>	x	<u>BU %</u>	=	\$ <u>Expense</u>
Interest on Mortgage (if buying)	\$ _____	x	_____ %	=	\$ _____
Rent (if renting)	\$ _____	x	_____ %	=	\$ _____
Electric	\$ _____	x	_____ %	=	\$ _____
Gas/Oil	\$ _____	x	_____ %	=	\$ _____
Water/Sewer	\$ _____	x	_____ %	=	\$ _____
Garbage	\$ _____	x	_____ %	=	\$ _____
Home Repairs	\$ _____	x	_____ %	=	\$ _____
Property Taxes	\$ _____	x	_____ %	=	\$ _____
Homeowner's Insurance	\$ _____	x	_____ %	=	\$ _____
Depreciation on Home	\$ _____	x	_____ %	=	\$ _____
Depreciation on Equip/Furnishings	\$ _____	x	_____ %	=	\$ _____
Other	\$ _____	x	_____ %	=	\$ _____

Total Expenses (General Expenses plus Business Use Expenses) \$ _____

Monthly Net Income (Total Income minus Total Expenses) \$ _____

How to compute Business Use Percentage (BU%)

Space = Number (or square footage) of rooms used for day care divided by number (or square footage) of rooms in your home.

Example: (If you use 6 rooms for day care divided by 8 total rooms in your home = **75%**.)

Time = Number of hours per week your home is used for day care divided by the total number of hours in a week.

Example: (If you use your home 10 hours per day for 5 days for day care = 50 hours per week).

There are (24 hours x 7 days) = 168 total hours in a week.

Divide 50 by 168 = **30%**

Business Use Percentage (BU%) = Space x Time

$$\text{BU\%} = 75\% \times 30\% = 23\%$$

Parent Payment Verification Document

Dear Parent/Guardian: Please complete the information below and return to your provider. Thank you.

Providers Choice, Inc.

Dear Providers Choice Food Program:

I understand my child is receiving benefits of the Child and Adult Care Food Program.

I verify that _____ has received \$ _____
(print provider's name)

of income from me, for child care for the _____ through _____ of _____
date date month

for children _____
print children's name(s)

Print Parent Name

Parent Signature

Date

****Provider, please write in your PCI provider number below before returning. Thanks.**

Provider number _____

Provider 1040 Exempt Letter

Dear Provider:

Please complete this form and return to PCI. Thank you.

Dear Providers Choice Food Program:

I understand the IRS 1040 Tax Form and Schedule C, Business Profit and Loss Form is the preferred income documentation for the Child and Adult Care Food Program.

My 1040 and Schedule C tax forms from last year do not accurately reflect my current income because

I understand that after this year, I will be submitting my IRS 1040 Tax Form and Schedule C, Business Profit and Loss Form as my income documentation.

Sincerely,

Print Provider Name

Provider Number

Provider's Signature

Date

Common reasons not to use last year's 1040 Tax Form are:

- "I was not doing child care last year."
- "My child care income has changed since last year."
- "My household income has changed from last year because . . ."