



CREATING A BUDGET, STEP BY STEP

2.09.17

SAMPLE PART B

(If in doubt, underestimate income and overestimate expenses)

Date budget created: 12/15/16
 Months budget covers: Jan 2017 – Dec 2017
 Name of provider/program: The Learning Place

1. INCOME

Tuition: Flat rate (if all children charged same rate): Enrollment (# of kids) x monthly rate
 (To figure monthly rate: weekly rate \$ x 4.3 = monthly rate \$)

If specialized age rates, use table below.

- A. (# of infants 1 x infant rate \$ 650 per month = 650)
- B. (# of tots 2 x tod rate \$ 625 per month = 1250)
- C. (# of 3-5s 2 x 3-5 rate \$ 575 per month = 1150)

Take (A+B+C = 3050) **OR** total from flat rate equation X and multiply by .75 (cushion for low enrollment, two weeks' notice, etc) = \$ 2287.50 (total monthly tuition) **[3050 x .75 = 2287.50]**

Take your total monthly tuition 2287.50 x 12 months = \$ 27,450 [B1] (Total annual tuition income)

Fees: Fee amount \$50 x # of children 5 = \$ 250 [B2] (**Fee income**)

CACFP: \$ (use rate from chart below; example \$2.09) per child per day x 5 number of days per week = \$ 10.45 (A)

Amount A from previous line (\$10.45) x 50 # of weeks x 5 # of children = \$ 2613 [B3] **CACFP income***

*(If you are a part-time provider or do not have regular attendance for meals, make sure to adjust this amount to reflect that.)

| Tier One | Tier Two |
|--|----------------------------|
| Breakfast: \$1.31 | Breakfast: \$0.48 |
| Lunch: \$2.46 | Lunch: \$1.49 |
| Snack: \$0.73 | Snack: \$0.20 |
| Dinner: \$2.46 | Dinner: \$1.49 |
| Daily Total: \$4.50 | Daily Total: \$2.17 |
| Daily total includes two meals and one snack | |

<https://www.fns.usda.gov/cacfp/reimbursement-rates>

Amounts represented in this table are for estimation purposes only.

Additional income: If you have any additional income not accounted for through tuition, fees, or CACFP, document that amount here:

| | |
|----------------------------------|-----------------------|
| Additional income from: late fee | Amount: 25 |
| Additional income from: | Amount: |
| Additional income from: | Amount: |
| ADD AMOUNTS & PUT TOTAL HERE → | TOTAL: 25 [B4] |

Total Tuition \$ 27450 + Fees \$ 250 + CACFP \$ 2613 + Additional Income \$ 25 = \$ 30,388 NET INCOME

[B1] [B2] [B3] [B4] [B5]

OR

Alternative calculation: If you were in the family child business last year, you can use your business income listed on your **1040, Schedule C Profit or Loss From Business, Line 7** as an estimate for income this year.

** Use this calculation only if your enrollment or economic situation has not significantly changed since last year.

1040 Schedule C Profit or Loss From Business, Line 7 (Gross Income): \$ X

2. EXPENSES

SHORT CUT: If you had a program open the year before, use your tax documents to gather ballpark figures for business expense amounts, especially your 1040 Schedule C Profit or Loss From Business Lines 8-27). To allow for inflation, multiple amounts by 4% (0.04)before entering them on the lines below.

A) Business Expenses

Salary (see note below) \$ _8400_[A1]
Children's supplies \$ _1000_[A6] (art materials, small gifts, diapers if the program supplies them, etc.)
Food \$ _3000_[A4]
Toys \$ _500_[A5]
Household supplies \$ _1200_[A7]
Retirement contrib. \$ _500_[A2]
Other: _____ \$ _____[A17] **(A) TOTAL: \$ _14,600__**

B) Professional Expenses

Professional Dev \$ _50_[A8]
Advertising \$ _25_[A9]
Mileage \$ _400_[A10] (# of miles x current 2013 federal rate= \$.565/mile)
Business Liability Ins \$ _600_[A11]
Office supplies \$ _200_[A12]
Other: _____ \$ _____[A18] **(B) TOTAL: \$ _1275__**

C) Priorities from Quality Improvement Plan or other identified priorities

1. _Outdoor toys_ \$ _250_[A13]
2. _Multicultural toys_ \$ _200_[A13]
(C) TOTAL: \$ _450__

D) Employer Expenses (enter employer expenses only if you have employees; skip to E if no employees)

Wages \$ _0_[T1]
Taxes \$ _0_[T2] (any withholding, payroll, Soc. Sec., fed. unemployment, state employment, etc.)
Workers' Comp \$ _0_[T3]
Insurance \$ _0_[T4]
Support \$ _0_[T5] (trainings, benefits, background checks, other needed costs to support employee)
(D) TOTAL: \$ _0__

E) Home Expenses (these are shared expenses for tax purposes; the amount budgeted may differ from the amount a provider can write off for tax purposes. Multiply actual expenses by Time-Space Percentage or 30% for ballpark estimate*)

Property tax \$ _1500_[A14]
Housing \$ _5000_[A18]
Utilities \$ _5540_[A3a + A3b + A3c+A4d]
Home repairs \$ _1250_[A15]
Homeowners Ins \$ _700_[A16]
Other: _____ \$ _____[A19] **(E) * TOTAL: \$ _13,990__ (see note)**

Note on salary: it is recommended best practice, *but not required by YoungStar*, that the provider pay self a set amount monthly. To figure the amount to put on this line, take monthly salary payment: _700_ X 12 months = \$ _8400 [A1]_ (take this number and fill in Salary line above.)

(A) _14,600_ + (B) _1275_ + (C) _450_ + (D) _0_ + (E) _13,990_ = TOTAL EXPENSES \$ _30,315 [B6]_

NET INCOME \$ _30,388 [B5]_ SUBTRACT TOTAL EXPENSES \$ _30,315 [B6]_ = NET PROFIT \$ _23 [B7]_

For a more thorough budget, identify and subtract from the NET PROFIT income taxes (state and Federal) as well as any payments due towards any loans. Be aware providers may be paying estimated quarterly taxes & those amounts can be used to estimate tax payments for budget.

- ✓ See Tom Copeland's *BUSINESS PLANNING GUIDE* for more in-depth guidance and explanations on budgeting.
- ✓ See Tom Copeland's *FAMILY CHILD CARE RECORDKEEPING GUIDE* for extensive lists of items and services that can be written off.