

How Much Do You Want to Earn? A Worksheet to Calculate a Weekly Rate for Parents

Use these worksheets to calculate a weekly rate for your services. The first worksheet is for new providers. The second worksheet is for providers who have been in business for at least one full tax year.

A Worksheet for New Providers to Calculate a Weekly Rate for Parents

Use this worksheet if you have been in business for less than one full tax year.

- 1 Enter the hourly rate goal (salary) you want to earn (\$8.00 per hour, \$10.50 per hour, and so on). (1) _____
- 2 Enter the number of hours you will work in a year (include the hours when children are present along with working hours when children are not present, such as during cleaning, food preparation, and record keeping. (2) _____
- 3 Multiply line 1 by line 2. This calculates your annual net earnings (salary) goal. (3) _____
- 4 Divide line 3 by 0.63 (63%). This calculates the gross annual income you will need to earn to meet your annual net earnings goal. (4) _____
- 5 Subtract line 3 from line 4. This calculates your estimated annual business expenses. (5) _____
- 6 Enter the number of children you want in your care. (6) _____
- 7 Divide line 4 by line 6. This calculates the annual income per child. (7) _____
- 8 Enter the number of weeks you want to work each year (52 weeks is an entire year). (8) _____
- 9 Divide line 7 by line 8. This calculates the weekly fee you must charge parents to reach your hourly rate goal (line 1). (9) _____

How Much Do You Want to Earn? A Worksheet to Calculate a Weekly Rate for Parents

A Worksheet for Experienced Providers to Calculate a Weekly Rate for Parents

Use this worksheet if you have been in business for at least one full tax year.

- 1 Enter the hourly rate goal (salary) you want to earn
(\$8.00 per hour, \$10.50 per hour, and so on). (1) _____
- 2 Enter the number of hours you work in a year (include
the hours when children are present along with working
hours when children are not present, such as during
cleaning, food preparation, and record keeping). (Use the
amount on line 4 from your IRS **Form 8829**.) (2) _____
- 3 Multiply line 1 by line 2. This calculates your annual
net earnings (salary) goal. (3) _____
- 4 Enter your annual business expenses. (Use the amount
on line 28 of your IRS **Schedule C**.) (4) _____
- 5 Add line 3 to line 4. This calculates the gross annual
income you will need to earn to meet your annual
net earnings goal. (5) _____
- 6 Enter the number of children you want in your care. (6) _____
- 7 Divide line 4 by line 6. This calculates the annual income
per child. (7) _____
- 8 Enter the number of weeks you want to work each year
(52 weeks is an entire year). (8) _____
- 9 Divide line 7 by line 8. This calculates the weekly fee you
must charge parents to reach your hourly rate goal (line 1). (9) _____

Parent Call Tracking Form

Date of call _____
Name of parent(s) _____
Address _____
Phone # home _____ work _____ mobile _____
E-mail _____
Name of child _____ Birth date _____
_____ Birth date _____
_____ Birth date _____
Desired start date _____ Rate quoted _____
Any special interests or needs of the child _____

How did you hear about my program?

- Flyer: where did you pick it up? _____
 Sign on my lawn
 Classified ad: name of newspaper _____
 Child care resource and referral agency referral
 Referral from an individual: name _____
 Other: identify _____

Parent concerns/notes: _____

Date interview scheduled _____

If parent declined interview, why? _____

If I turned parent down, why? _____

Parent Interview Checklist

Date of interview _____

Name of parent(s) _____

Address _____

Phone # home _____ work _____ mobile _____

E-mail _____

Name of child _____ Birth date _____
 _____ Birth date _____
 _____ Birth date _____

Desired start date _____ Rate quoted _____

Parent references:

Name _____ Relationship _____ Phone # _____

Name _____ Relationship _____ Phone # _____

Name _____ Relationship _____ Phone # _____

How does the parent show an interest in the child's behavior during the interview?

Does the parent show a willingness to be flexible and adapt to my rules?
 Yes ___ No ___ Any problems _____

Signs that the child may be difficult to care for _____

Does the parent treat me with respect and have a positive attitude? Yes ___ No ___

Comments _____

Questions raised by the parent that concern me _____

What do I like about this family? _____

What concerns do I have about this family? _____

Skills Children Learn in Family Child Care

Activity	Specific Skills Learned
Finding toys or learning materials to work with alone or with others	<p><i>Cognitive:</i> Makes decisions about interests and abilities.</p> <p><i>Self-help:</i> Finds toys by himself or sets up environment for play.</p> <p><i>Social/language:</i> Learns to share, barter, manage conflict, and ask for help.</p> <p><i>Emotional:</i> Learns about acceptance and rejection. Expresses needs.</p>
Block play	<p><i>Cognitive:</i> May count blocks and see pattern and design. Learns to build and plan structure. Matches blocks that look alike.</p> <p><i>Social:</i> Learns to share and cooperate.</p> <p><i>Physical:</i> Learns to balance blocks and line them up (small-motor coordination).</p>
Dramatic play	<p><i>Cognitive:</i> Decides appropriate dress and appearance for roles; uses visual perceptions to assess self, others, and play environment. Learns and remembers behaviors to imitate. Develops abstract thinking abilities.</p> <p><i>Social:</i> Plays adult roles. Develops self-image and coordinates with others. Learns to express feelings.</p> <p><i>Language:</i> Learns to express self in another role.</p>
Setting the table	<p><i>Cognitive:</i> Counts silverware, glasses, and napkins, or places one object by each setting. Follows pattern of place settings. Knows which is soup spoon or salad fork.</p> <p><i>Social:</i> Cooperates with other children. May teach younger children to help.</p> <p><i>Physical:</i> Picks up and places objects (small-motor coordination).</p>

Activity	Specific Skills Learned
Sitting down to eat	<p><i>Cognitive:</i> Measures to pour. Understands directions.</p> <p><i>Social/language:</i> Learns appropriate table conversation and manners.</p> <p><i>Physical:</i> Pours milk, passes dishes (small-motor coordination).</p>
Story time or listening to music	<p><i>Cognitive:</i> Listens and retains information. Follows story line (sequencing) with eyes and/or ears. Recognizes words, pictures, instruments, and rhythms.</p>
Fingerplays and songs	<p><i>Cognitive/language:</i> Learns words, gestures, and melody (sequencing, repetition, speech, and listening skills). Follows directions.</p> <p><i>Physical:</i> Coordination (small and large motor) for gestures and fingerplays.</p>
Dance	<p><i>Cognitive/language:</i> Listens to music and rhythms. Learns to understand simple movement directions and their relationship to the music.</p> <p><i>Physical:</i> Coordinates movements (large motor).</p>
Climbing/riding	<p><i>Cognitive:</i> May count the rungs to the top of a climbing structure; plans climb. Maps out direction and distance to ride; watches for others in path.</p> <p><i>Social:</i> Takes turns, interacts.</p> <p><i>Physical:</i> Large-motor coordination, balance.</p>
Sand play	<p><i>Cognitive:</i> Measures sand and maps out roads (spatial relationships).</p> <p><i>Social:</i> Shares, interacts, cooperates.</p> <p><i>Physical:</i> Pours, dumps, pushes, gathers, scoops, packs (small and large motor).</p>
Putting away toys	<p><i>Cognitive:</i> Sorts toys, follows directions.</p> <p><i>Social:</i> Takes turns, learns to handle toys carefully.</p> <p><i>Physical:</i> Places object on the shelf, replaces lids, opens and shuts doors.</p>

Choosing Child Care Checklist

Choosing Child Care Checklist

Provider	_____
Date program was contacted	_____
Address	_____

Phone number—home	_____
Phone number—work	_____
Phone number—mobile	_____
Ages of children now enrolled, not including the provider's own children	_____
Ages of provider's own children	_____
Hours open	_____
Cost per hour/week/month	
Infant	_____
Toddler	_____
Preschooler	_____
Schoolager	_____
Other fees	
Enrollment fee	_____
Number of yearly paid holidays	_____
Number of yearly paid vacation days taken by parent	_____
Other	_____
Special services offered	_____

Key benefits of the program _____

Training credentials _____

References _____

Top Five Signs of Quality to Look for in a Child Care Program

- 1 A small group size
- 2 A program focused on meeting children's needs
- 3 A safe place for children
- 4 A program where there are lots of fun things for children to do
- 5 A provider with training in child development

Enrollment Form

_____ (*parent[s] name*) hereby agree to enroll their child _____ (*name of child*) with the _____ (*name of program*). The first day of enrollment will be _____ (*date*). Provider promises to begin providing care for this child on the first day of enrollment.

Parent(s) will pay an enrollment fee of \$ _____ that will hold this spot until the first day of enrollment. This fee is due at the signing of this form. This enrollment fee is nonrefundable whether or not the parent brings the child for care. Parent will sign and return the provider's contract on or by the first day of care.

Parent signature

Date of signature

Parent signature

Date of signature

Parent signature

Date of signature

Parent Evaluation Form

- 1 Overall, how would you rate the care I provide your child? Circle one.
- | | | | | |
|--------------------------|---|--------------------|---|------------------|
| <i>Needs Improvement</i> | | <i>Pretty Good</i> | | <i>Wonderful</i> |
| 1 | 2 | 3 | 4 | |
- 2 What do you like best about my program?

- 3 What could I do to improve my program?

- 4 Would you recommend my program to other parents? Why or why not?

- 5 Would you like to volunteer in my program? Doing what?

- 6 How could I advertise my program to attract new clients?

- 7 What additional “special services” are you interested in that I could offer?

- 8 Other comments or suggestions:

Parent's name (optional) _____ Date _____

Child's name (optional) _____

Photo, Voice, Website, Facebook, and Video Permission Form

Waiver and Release

I/we hereby consent to the use of the voice or the likeness in photographs, audio, or on videotape of _____ (*name of child*) by the _____ (*name of child care program*) in the production of any business flyers, newsletters, websites, voice mail messages, videotapes, and any other advertisements or promotions that _____ (*name of child care program*) may decide to develop, now or in the future.

In addition, I/we hereby consent to the use of the voice or likeness in photographs or on videotape of _____ (*name of child*) by the _____ (*name of child care program*) to be posted on my Facebook/MySpace page. [Note: this permission could be limited to one or a few photos, rather than this general permission.]

I/we also hereby agree to waive and forgo any right or entitlement of claim I/we might have to any compensation, fees, or other benefits except for a waiver fee of \$1.00.

Further, by signing this waiver and release, I/we certify that I/we am/are the legal parent or guardian of the child identified above.

Parent/Guardian _____

Parent/Guardian _____

Date _____

APPENDIX L

Tax Benefits of Becoming a Regulated Family Child Care Provider

	Unregulated or Illegal Provider	Regulated or "Exempt" Provider	Regulated and Food Program	Fill in Your Estimate
Income				
Parent fees (4 children x \$160 per week)	\$33,280	\$33,280	\$33,280	_____
Food Program—Tier II ((\$205/month for 4 children)	\$0	\$0	\$2,460	_____
Total Income	\$33,280	\$33,280	\$35,740	_____
Business Deductions				
Advertising	\$400	\$400	\$400	_____
Business interest	\$80	\$80	\$80	_____
Office expense	\$1,750	\$1,750	\$1,750	_____
Supplies	\$2,000	\$2,000	\$2,000	_____
Laundry/cleaning	\$150	\$150	\$150	_____
Food	\$5,000	\$5,000	\$5,000	_____
Dues, books	\$200	\$200	\$200	_____
Training expenses	\$200	\$200	\$200	_____
Household items	\$700	\$700	\$700	_____
Toys	\$500	\$500	\$500	_____
Car expenses	\$750	\$750	\$750	_____
Depreciation on \$8,000 of appliances and furniture	\$400	\$400	\$400	_____
Utilities (\$700 x 35% T/S [†])	*	\$245	\$245	_____
House depreciation (\$162,000 home x 35% T/S [†] over 39 yrs)	*	\$1,450	\$1,450	_____
Homeowner's insurance (\$800 x 35% T/S [†])	*	\$280	\$280	_____
Mortgage interest (\$3,000 x 35% T/S [†])	*	\$1,050	\$1,050	_____
Property taxes (\$1,600 x 35% T/S [†])	*	\$560	\$560	_____
Total Deductions	\$12,130	\$15,715	\$15,715	_____
Taxable Income (Income—Deductions)	\$21,150	\$17,565	\$20,025	_____
Social Security Tax (13.65%)	\$2,887	\$2,398	\$2,733	_____
Federal Income Tax (15%)	\$3,173	\$2,635	\$3,004	_____
Gross Profit (Taxable Income—Taxes)	\$15,090	\$12,532	\$14,288	_____
House expenses (marked above with an *) that are not deductible	\$-3,585	-0	-0	_____
Net Profit (Gross Profit— House expenses not allowed)	\$11,505	\$12,532	\$14,288	_____

[†]T/S means Time-Space percentage. See the *Family Child Care Record-Keeping Guide*, 8th edition, for more information.

*These are not deductible for unregulated providers.

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It is a federal law that child care providers earning money by caring for children in their home (whether licensed, regulated, exempt from regulation, or illegal) must report their income to the IRS. Many providers do not report their income, either because they aren't aware of the tax laws or because they are worried that they will owe too much in taxes. This appendix is designed to show how all providers can significantly reduce their taxes. For federal tax purposes, a child care provider falls into one of two categories:

- 1 A provider who is required to meet but does not meet state regulations (such as licensing or registration) is called an unregulated or illegal provider. Although the author does not recommend being unregulated, such providers should be aware that they can take many business tax deductions if they report their income. See column one of the chart. Taking deductions can greatly reduce any taxes owed.
- 2 A provider who does meet state regulations is called a regulated provider. A regulated provider is entitled to claim house expenses (house depreciation, insurance, mortgage interest, property taxes, and utilities) that an unregulated provider cannot claim. A provider who is exempt from state regulations is entitled to all the same deductions as a regulated provider but is usually not eligible to participate in the Food Program. Regulated providers can increase their net profit by joining the Food Program.

Besides claiming additional tax deductions, there are many other benefits of becoming a regulated child care provider:

- Join the Food Program and be reimbursed for some of your food expenses.
- Obtain liability insurance to protect your business.
- Join a local association of family child care providers and receive the benefits of membership.
- Sign up to be listed by your local child care resource and referral agency, which will refer parents to your business.
- Attend training workshops and receive other support services.
- Become eligible for local grant and loan programs in some areas.

Notes on the chart: The numbers in the chart are only estimates shown for comparison purposes. Your income and expenses will vary. Not all the business deductions or tax consequences are shown on this chart. We used a 35% Time/Space percentage (T/S) representing the portion of the home used for business. We used a 15% federal income tax rate. Notice that the deductions are the same for each provider, except that the unregulated provider cannot claim expenses associated with the house. By losing these deductions, this provider pays more taxes. These deductions (totaling \$3,585) are subtracted from the unregulated provider's gross income because the provider had to pay these expenses anyway, even though they are not allowed as a business deduction. Also notice that an exempt provider (one who is not required to meet local regulations) can claim all of the same deductions as a regulated provider. The provider on the Food Program pays more taxes but has the highest net profit. Every provider is better off by joining the Food Program.