

## **AUTO TRAVEL**

Your auto expenses are based on the number of qualified business miles you drive. Auto expenses for you as a day care provider could include your transportation:

- to and from a class taken to enhance your day care skills;
- on field trips with those for whom you are providing care;
- for errands related to day care business (e.g. going to the bank to make a deposit of day care receipts);
- to the store to shop for day care supplies; or
- when chauffeuring day care attendees.

## **CAPITAL PURCHASES**

Certain purchases for day care use may be so-called "capital items." These items must be deducted on your tax return using different rules than are used for supplies and expenses. Capital items are those that normally last more than one year and cost more than \$100 - typical examples would be cribs, playground equipment etc. Be sure to keep receipts for these items separate from receipts for general supplies.

## **SUPPLIES AND EXPENSIVES**

Generally, to be deductible, items must be ordinary and necessary to the operation of your day care business. Record separately from other supplies the costs of business assets that are expected to last longer than one year and cost more than \$100. Normally, the costs of such assets are reported differently on your tax return than are other recurring, everyday business expenses like small toys or books. Try to get separate store receipts for the items you use for day care. For example, if you buy food for the day care attendees, don't combine this purchase with the food purchases for personal use.

## **BUSINESS USE OF HOME**

Normally, the expenses you incur (other than home mortgage interest, taxes or casualty losses) related to your personal home are not deductible. However, when you regularly use your home for licensed day care, a portion of the cost of your home upkeep can be deductible - the deductible amount depends on both the number of square feet you use for day care AND the amount of time you routinely use various rooms of your home in the day care business.

Your day care records don't need to detail the specific hours a room in your home is used for business. It's enough to show that you regularly use a room for day care. For instance, say your home has one bedroom that is regularly used for afternoon naps for day care recipients-about two hours each day. Your day care center is open from 7:00 a.m. to 6:00 p.m. Even though nap time uses only two of the 11 hours your center is open, the bedroom is considered used for business for the entire 11-hour business day. The rules for the job-related expenses applicable to day care providers, records required and the various governmental regulations, including this brochure.

<b>AUTO TRAVEL</b>		<b>SUPPLIES AND EXPENSIVES</b>		<b>BUSINESS USE OF HOME</b>		
Continuing Education (mi)		Advertising		Total Square Feet of Home		
Field trips		Arts & Crafts Materials		Business Area of Home		
School – Pickup & Delivery (mi)		Bond		Business Hours (Total for Year)		
Shopping – Food & Supplies (mi)		Book – Children's		Home Mortgage Interest		
Parking		Bottles – Baby's		Property Taxes		
Tolls		Child-proofing Devices		Insurance		
Other:		Cleaning Supplies		Rents		
Other:		Continuing Education (Care Provider)		<b>Allocated Expenses</b>	<b>Direct</b>	<b>Indirect</b>
<b>CAPITAL PURCHASES</b>		CPR Training		Cleaning Services		
Car Seats		Diapers		Gardner		
Cribs		Educational Toys		Maintenance		
High Chairs		First Aid Supplies		Painting		
Jungle Gym		Food		Pool Service		
Swings		Formula		Pool Supplies		
Other:		Insurance – Business		Repairs – Exteriors		
Other:		Laundry		Repairs - Interiors		
Other:		Laundry Supplies		Repairs – Yard, Fence etc.		
<b>Allocated Expenses</b>	<b>Direct</b>	<b>Indirect</b>	Legal & Professional Services	Trash Service		
Dishwasher			License	Utilities – Cable		
Dryer			Office Supplies	Electric		
Washer			Paper	Gas		
Fencing			Party Supplies	Water		
Refrigerator			Payroll	Other:		
Television			Repairs	Other:		
VCR			Replacements	Other:		
DVD			Tax – Business	Other:		
Other:			Tax – Payroll	Other:		
Other:			Tax Preparation	<b>NOTES:</b>		
Other:			Telephone			
			Tickets, Fees etc. – Field Trips			
			Toilet Paper			
			Toys			
			Video Rentals			
			Other:			