



Other Monthly Expenses (continued)	Sub-Totals	Totals
Car Mileage (Enter the number of miles driven last month in which the primary purpose was for business and multiply the total by 50.5 cents (2009 standard mileage rate.) <b>Total Business Miles</b> _____ <b>X \$ .50.5 =</b> _____		=
Monthly payment to assistants/day care helpers		
<b>TOTAL MONTHLY EXPENSES</b>		
<b>YEARLY EXPENSES</b>		
Property Taxes		
House Insurance		
<b>Multiply tax &amp; insurance total by Time-Space percentage*</b>	<b>X%</b>	=
Yearly business expense (total of tax & insurance X time/space % from above) _____ ÷ by 12 months = _____	<b>÷ 12</b>	=
<b>TOTAL</b>		
<b>TOTAL – Day Care Liability Insurance</b> _____ ÷ 12 mo = _____	<b>÷ 12</b>	=
<b>House Depreciation</b>		
Purchase price of home		
Minus value of land at time of purchase		
Plus home improvements after purchase (do not include home repairs)		
<b>Total (= basis of home)</b>		=
Multiply by Time-Space percentage*	<b>X%</b>	
= Business basis of home		=
Divide business basis by 39 years (= yearly house depreciation expense)	<b>÷ 39</b>	=
Divide above number by 12 months (= monthly house depreciation expense)	<b>÷ 12</b>	=
<b>TOTAL HOUSE DEPRECIATION</b>		
<b>Furniture/Appliance Depreciation</b>		
Total fair market value of furniture/appliances as of the month the business began		
Multiply by the Time-Space percentage*	<b>X %</b>	
= Business basis of items		
Divide business basis by 7 years (= yearly furn./appl. depreciation expenses)	<b>÷ 7</b>	=
Divide above number by 12 months (= monthly furn./appl. depreciation)	<b>÷ 12</b>	=
<b>(B.) TOTAL MONTHLY/YEARLY EXPENSES</b>		=
<b>Deduct gross income amount from front page</b>		<b>- \$</b>
<b>MONTHLY NET INCOME</b> (Subtract B from A) Note: A monthly net income that is a negative number (a loss) must be reported as zero on the Food Program Income Eligibility form.		=

**\*TIME-SPACE PERCENTAGE** The Time-Space percentage is used to determine how much of the expenses used by a provider's business and family can be deducted as a business expense. The formula to calculate this number is:

$$\frac{\text{\# of hours home is used For business in a week}}{168 \text{ hours in a week}} \times \frac{\text{\# square feet home is regularly used for business}}{\text{total \# square feet in a home}} = \text{Time-Space Percentage}$$

A provider who works 10 hours a day, 5 days a week would have a Time Percent of 30%. Most providers use all the rooms in their home for their business on a regular basis. A typical provider would therefore have a Time-Space percentage of around 30%.