

Business Records Keep Your Community Running Smoothly

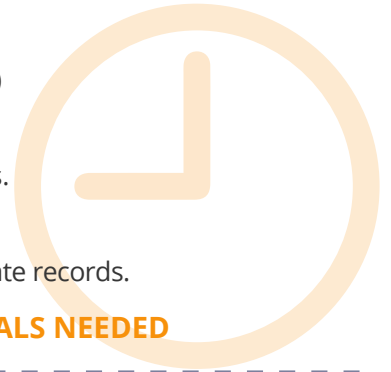
MODULE FIVE

TRAINING OUTLINE

1 Hour Continuing Education Credit (CACFP Professionals Certification Specialties 2 and 5)

At the completion of training, participants will:

- 1) Explain why it is important as a CACFP provider to keep accurate business records.
- 2) Identify record-keeping practices that help to keep accurate records.
- 3) Explain how the 2019 NCA Nutrition Calendar can be used and is beneficial for accurate records.



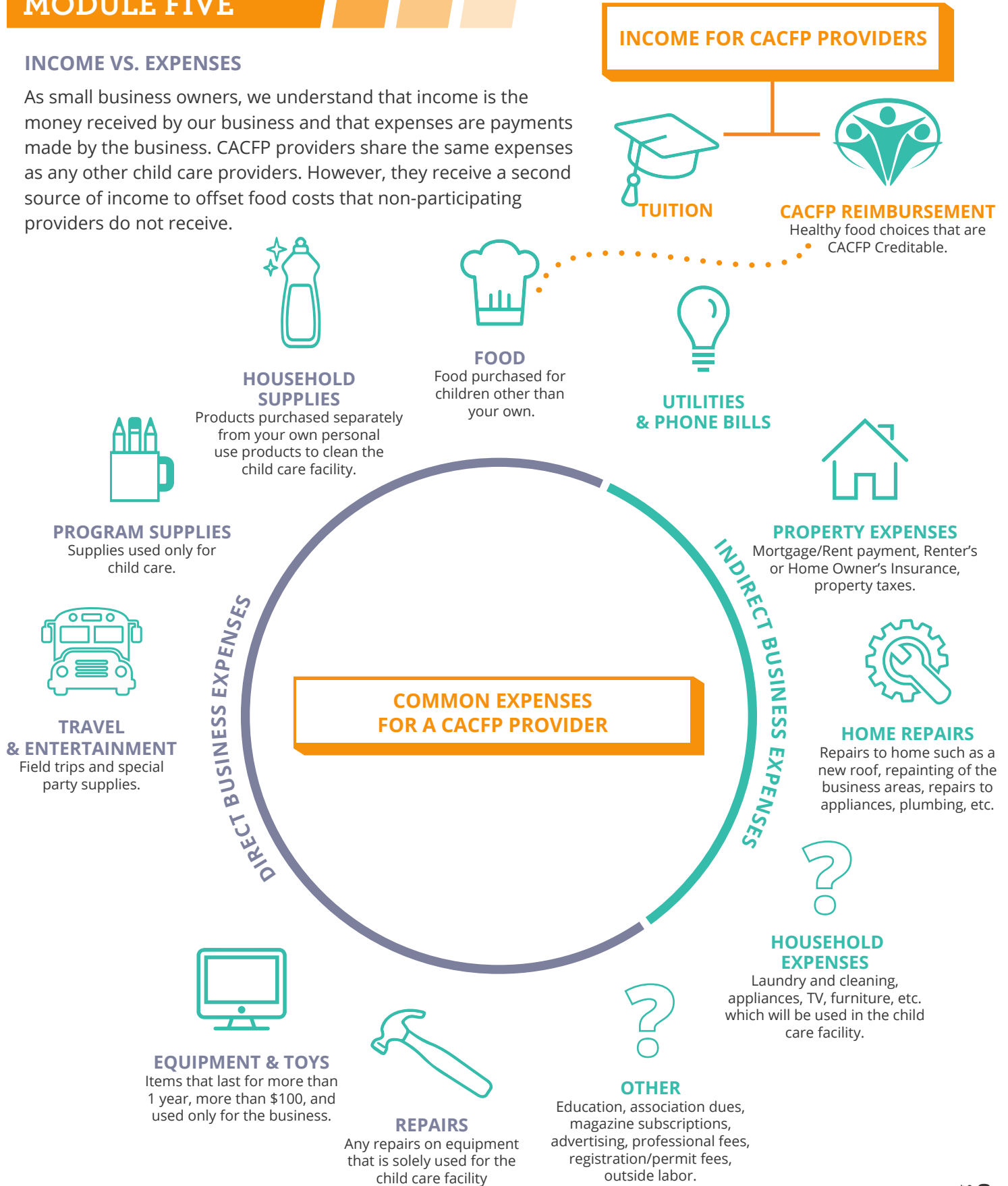
TIME	ACTIVITY	MATERIALS NEEDED
10 minutes	<p>Introduction</p> <p>Ask participants to describe the importance of record-keeping and at least one question they have about record-keeping on a sheet of paper. After everyone has had a chance to write down their own answers, ask participants to share their answer and especially their questions. Write down their questions for all to see. Address those throughout the training.</p>	<ul style="list-style-type: none">• Blank Paper or note cards for questions
5 minutes	<p>Discuss</p> <ol style="list-style-type: none">1. Family Child Care Providers are small business owners.2. The importance of keeping business records.3. Suggestions: Keeping track of source documents such as receipts.	<ul style="list-style-type: none">• Business Records: Building a Successful Business Information Page
10 minutes	<p>Discuss</p> <ol style="list-style-type: none">1. Expenses vs. income2. As a group, list out expenses and income for a CACFP provider (can review from information page).	<ul style="list-style-type: none">• Business Records: Building a Successful Business Information Page
30 minutes	<p>Application</p> <p>Using the NCA Nutrition Calendar Practice Pages, practice placing values for expenses and income in the proper places. Include the following:</p> <ol style="list-style-type: none">1. Monthly Business Expense and Income Record2. Monthly Attendance and Payment Record3. Standard Meal Allowance Record4. Utilities and Home Expense Worksheet5. Federal Income Tax Worksheet	<ul style="list-style-type: none">• Business Records: Building a Successful Business Information Page
5 minutes	<p>Address the questions that were listed at the beginning of the training if you have not done so throughout the training session. Are there additional questions? Also, address expectations that you as a sponsor require for your providers if you have not done so throughout the training session.</p>	<ul style="list-style-type: none">• Question list from beginning of training

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MODULE FIVE

INCOME VS. EXPENSES

As small business owners, we understand that income is the money received by our business and that expenses are payments made by the business. CACFP providers share the same expenses as any other child care providers. However, they receive a second source of income to offset food costs that non-participating providers do not receive.



Business Records Keep Your Community Running Smoothly

MODULE FIVE

MONTHLY ATTENDANCE AND PAYMENT RECORD

Use the Monthly Attendance and Payment Record to record arrival time (Time In) and departure time (Time Out) for each child daily. The amount owed is entered as money due (\$ Due). When a payment is made, the amount paid is entered as money paid (\$ Paid). In this example, J. Smits was present 5 days this week, 3 full days and 2 half days. Full day tuition is \$25 per day and half day tuition is \$20 per day. On the 5th, his parents paid \$115.

(Month) 2019 Attendance & Payment Record

In & Out - Use to record time child is admitted in and out of child care. \$ Due & \$ Paid - Use to record amounts each parents owes. Record total monthly payments collected on monthly Business Expense & Income page.

Child's Name	Month 2019	Mo 1	Tu 2	We 3	Th 4	Fr 5	Sa 6	Su 7	Mo 8	Tu 9	We 10	Th 11	Fr 12	Sa 13	Su 14	Mo 15	Tu 16	We 17	Th 18	Fr 19	Sa 20	Su 21
	Time In	8	8	11	8	11																
	Time Out	5	5	5	5	5																
	\$ Due	25	25	20	25	20																
	\$ Paid					115																
	Time In																					

MONTHLY BUSINESS EXPENSE AND INCOME RECORD

The Monthly Business Expense and Income Record gives you a place to record both your income and expenses. At the end of each month, carry over the total monthly income from the Attendance and Payment Record to the Monthly Income Received section on the right side of the Business Expense and Income Record. Next, record the monthly income received from the CACFP in the same area.

Now let's look at your expenses, or money going out. Most of the Business Expense and Income Record is devoted to your expenses. This is where monthly purchases and other monthly business expenses are recorded. As purchases are made, record the date, place of purchase, check number, and the type of purchase. It is important to keep all of your receipts, whether you pay with cash, credit card, or check. Most columns on our form match the tax-deductible items on the IRS Form Schedule C.

(Month) 2019 Income Received

Date	Source	Amt
	CACFP	\$
	This month's total payments received from parents	\$
	Other (specify)	\$
	Other (specify)	\$
=	This month's total income	\$
+	Previous YTD Income Received Balance Brought Forward	\$
=	New YTD Income Received Balance	\$
	Amount put in savings for tax payment	\$

April 2019 Business Expenses & Income For IRS Schedule C (Form 1040) Profit or Loss from Business

Record your expenses below. Record 2019 utilities and home expenses on the worksheet provided at the back of the calendar.

Date	Purchased From	Chk#	Food	Household Supplies	Program Supplies	Supplies, Postage, & Bank Fees	Toys & Equip.	Business Repair & Maintenance	Laundry & Cleaning	Training & Dues	Wages	Travel Expense	Ad
4/3	XYZ Store	123		\$32.90	\$12.43		\$108						
4/7	Corner Grocery	124	\$415.06	\$25.88									
4/15	Jane Doe	125									\$850.66		
4/28	Fox Plumbing	126						\$232					
4/30	Jane Doe	127									\$850.66		
	November Total Expenses	5	\$415.06	\$58.78	\$12.43		\$108	\$232			\$1701.32		
+	Previous YTD Expense Balance Brought Forward	13	\$1876.54	\$214.54	\$245.67	\$137.33	\$135.77	\$311.24	\$565.07		\$5103.96		
=	New YTD Expenses Total	18	\$2291.60	\$273.32	\$258.10	\$137.33	\$243.77	\$543.24	\$565.07		\$6805.28		

Business Records Keep Your Community Running Smoothly

MODULE FIVE

STANDARD MEAL ALLOWANCE RECORD

Business food expenses can be calculated for tax purposes in two ways. You can claim your actual business food costs (by saving all business and personal food receipts) or you can use the Standard Meal Allowance method. With this method, you keep track of all meals and snacks served to children in your care, not just CACFP-reimbursed meals and snacks. You can claim up to one breakfast, one lunch, one dinner, and three snacks per child per day for tax purposes. Do not include meals and snacks served to your own children or other residential children, even if income eligible. These totals are recorded monthly using the Standard Meal Allowance Record on the Business Expense and Income Record.

For "Standard Meal Allowance" record the total number of meals and snacks served including meals and snacks not reimbursable by CACFP. Do not include your own children's meals.

Breakfasts _____
 AM Snacks _____
 Lunches _____
 PM Snacks _____
 Dinners _____
 Evening Snacks _____

UTILITIES AND HOME EXPENSE WORKSHEET

A separate page called the Utilities and Home Expense Worksheet is found near the back of the calendar. This page is used to record your monthly utility and home expenses such as electric, water, gas, trash, and other categories from IRS Form 8829. Simply record the date paid and the dollar amount spent on the utility or home expense. This example shows that the provider paid for electricity, natural gas, water and sewer, trash and recycling, and homeowners insurance in the month of January.

Expenses for Business Use of Your Home

2019	Electric		Natural Gas		Water & Sewer		Trash & Recycling		General Home Repairs		Homeowner's Insurance		Real Estate Taxes		Rent or Interest on Mortgage	
	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount
January	1/7	\$62.90	1/7	\$45.12	1/7	\$15.71										

FEDERAL INCOME TAX WORKSHEET

NCA has included a Federal Income Tax worksheet to complete your file organization for tax time. Enjoy the record-keeping portion of the calendar and make use of it. This will help you to get organized and take some of the stress out of tax time!

REMINDER

The CACFP requires that you keep accurate daily records on the foods you offer and the children you serve each day to earn your reimbursement.



QUIZ

Business Records Keep Your Community Running Smoothly

1. A _____ is an example of a source document.
 - a. Receipt
 - b. Bank Statement
 - c. Credit Card Statement
 - d. All of the Above

2. TRUE OR FALSE? Record-keeping is only necessary for tax purposes.
_____ TRUE _____ FALSE

3. Describe your method of keeping track of important documents.

4. What is NOT considered a monthly expense?
 - a. Supplies
 - b. Food
 - c. Tuition
 - d. Repairs

5. What is NOT a monthly income for providers?
 - a. Travel and entertainment
 - b. Tuition
 - c. CACFP Reimbursement

6. Use the _____ worksheet to record attendance.

7. Use the _____ worksheet to record food and meal expenses.

8. Use the _____ worksheet to record utilities and maintenance fees.

9. Use the _____ worksheet for taxes at the end of the year.

10. TRUE OR FALSE? You should keep business records for 5 years, plus the current year.
_____ TRUE _____ FALSE

CERTIFICATE OF COMPLETION

2019 COMMUNITY HELPERS: GOOD PEOPLE EVERYWHERE TRAINING



This certifies that

Provider Name

Has studied the following training module of the NCA 2019 Nutrition Calendar
and has completed the training quiz for

Business Records Keep Your Community Running Smoothly

Total Training Time _____

(Quiz must be completed for certificate to be valid.)

Executive Director

Sponsoring Agency

Date of Completion

Workshop Location

BUSINESS RECORD-KEEPING Attendance & Payment Record-Keeping Practice Worksheet

Complete the attendance and payment records with this information and track YTD earnings.

Jack and Kayla are cared for daily in Donna's home child care. Jack attends every weekday from 8am - 5pm. His parents pay \$25 per day. Kayla attends every weekday from 8am - 1pm and her parents pay \$20 per day. In October, Jack missed all Mondays and the 18th for his birthday. Kayla missed the 10th due to illness. In November, Jack missed all Mondays and was out Thanksgiving and the day after. Kayla was out the entire week of Thanksgiving because her brother was home from school. In December, Donna was on vacation from December 21st through January 7th for the holidays. Jack and Kayla did not attend during this time. Donna's home child care is Tier II.

October 2019 Attendance & Payment Record

In & Out - Use to record time child is admitted in and out of child care. **\$ Due & \$ Paid** - Use to record amounts each parent owes and has paid.
Record total monthly payments collected on monthly Business Expense & Income page.

Child's Name	October 2019	Mo 1	Tu 2	We 3	Th 4	Fr 5	Sa 6	Su 7	Mo 8	Tu 9	We 10	Th 11	Fr 12	Sa 13	Su 14	Mo 15	Tu 16	We 17	Th 18	Fr 19	Sa 20	Su 21	Mo 22	Tu 23	We 24	Th 25	Fr 26	Sa 27	Su 28	Mo 29	Tu 30	We 31	Month Total
	Time In																																
	Time Out																																
	\$ Due																																
	\$ Paid																																
	Time In																																
	Time Out																																
	\$ Due																																
	\$ Paid																																
If you have more than 9 children, NCA grants permission to make an extra copy of this Attendance & Payment Record chart. Attach along the bottom with tape.																									Total Monthly Payments Collected								

October 2019 Income Received

Date	Source	Amt
	CACFP	\$81.36
	This month's total payments received from parents	\$
	Other (specify)	\$
	Other (specify)	\$
=	This month's total income	\$
+	Previous YTD Income Received Balance Brought Forward	\$8,730
=	New YTD Income Received Balance	\$
	Amount put in savings for tax payment	\$

November 2019 Attendance & Payment Record

In & Out - Use to record time child is admitted in and out of child care. **\$ Due & \$ Paid** - Use to record amounts each parent owes and has paid.
Record total monthly payments collected on monthly Business Expense & Income page.

Child's Name	November 2019	Th 1	Fr 2	Sa 3	Su 4	Mo 5	Tu 6	We 7	Th 8	Fr 9	Sa 10	Su 11	Mo 12	Tu 13	We 14	Th 15	Fr 16	Sa 17	Su 18	Mo 19	Tu 20	We 21	Th 22	Fr 23	Sa 24	Su 25	Mo 26	Tu 27	We 28	Th 29	Fr 30	Month Total	
	Time In																																
	Time Out																																
	\$ Due																																
	\$ Paid																																
	Time In																																
	Time Out																																
	\$ Due																																
	\$ Paid																																
If you have more than 9 children, NCA grants permission to make an extra copy of this Attendance & Payment Record chart. Attach along the bottom with tape.																									Total Monthly Payments Collected								

November 2019 Income Received

Date	Source	Amt
	CACFP	\$66.80
	This month's total payments received from parents	\$
	Other (specify)	\$
	Other (specify)	\$
=	This month's total income	\$
+	Previous YTD Income Received Balance Brought Forward	\$
=	New YTD Income Received Balance	\$
	Amount put in savings for tax payment	\$

December 2019 Attendance & Payment Record

In & Out - Use to record time child is admitted in and out of child care. **\$ Due & \$ Paid** - Use to record amounts each parent owes and has paid.
Record total monthly payments collected on monthly Business Expense & Income page.

Child's Name	December 2019	Sa 1	Su 2	Mo 3	Tu 4	We 5	Th 6	Fr 7	Sa 8	Su 9	Mo 10	Tu 11	We 12	Th 13	Fr 14	Sa 15	Su 16	Mo 17	Tu 18	We 19	Th 20	Fr 21	Sa 22	Su 23	Mo 24	Tu 25	We 26	Th 27	Fr 28	Sa 29	Su 30	Mo 31	Month Total
	Time In																																
	Time Out																																
	\$ Due																																
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	Time Out																																
	\$ Due																																
	\$ Paid																																
If you have more than 9 children, NCA grants permission to make an extra copy of this Attendance & Payment Record chart. Attach along the bottom with tape.																									Total Monthly Payments Collected								

December 2019 Income Received

Date	Source	Amt
	CACFP	\$56.56
	This month's total payments received from parents	\$
	Other (specify)	\$
	Other (specify)	\$
=	This month's total income	\$
+	Previous YTD Income Received Balance Brought Forward	\$
=	New YTD Income Received Balance	\$
	Amount put in savings for tax payment	\$

Business Record-Keeping Calculating End of Year Standard Meal Allowance Rate Practice Sheet

For "Standard Meal Allowance" record the total number of meals and snacks served including meals and snacks not reimbursable by CACFP. Do not include your own children's meals. Based on a home child care serving 5 children.

January

Breakfasts	<u>72</u>
AM Snacks	<u>85</u>
Lunches	<u>75</u>
PM Snacks	<u>66</u>
Dinners	<u>0</u>
Evening Snacks	<u>0</u>

February

Breakfasts	<u>81</u>
AM Snacks	<u>76</u>
Lunches	<u>88</u>
PM Snacks	<u>88</u>
Dinners	<u>0</u>
Evening Snacks	<u>0</u>

March

Breakfasts	<u>65</u>
AM Snacks	<u>80</u>
Lunches	<u>87</u>
PM Snacks	<u>76</u>
Dinners	<u>0</u>
Evening Snacks	<u>0</u>

April

Breakfasts	<u>65</u>
AM Snacks	<u>71</u>
Lunches	<u>81</u>
PM Snacks	<u>76</u>
Dinners	<u>0</u>
Evening Snacks	<u>0</u>

May

Breakfasts	<u>54</u>
AM Snacks	<u>71</u>
Lunches	<u>77</u>
PM Snacks	<u>73</u>
Dinners	<u>0</u>
Evening Snacks	<u>0</u>

June

Breakfasts	<u>76</u>
AM Snacks	<u>83</u>
Lunches	<u>83</u>
PM Snacks	<u>83</u>
Dinners	<u>0</u>
Evening Snacks	<u>0</u>

July

Breakfasts	<u>57</u>
AM Snacks	<u>75</u>
Lunches	<u>75</u>
PM Snacks	<u>73</u>
Dinners	<u>0</u>
Evening Snacks	<u>0</u>

August

Breakfasts	<u>65</u>
AM Snacks	<u>77</u>
Lunches	<u>77</u>
PM Snacks	<u>77</u>
Dinners	<u>0</u>
Evening Snacks	<u>0</u>

September

Breakfasts	<u>64</u>
AM Snacks	<u>89</u>
Lunches	<u>86</u>
PM Snacks	<u>84</u>
Dinners	<u>0</u>
Evening Snacks	<u>0</u>

October

Breakfasts	<u>63</u>
AM Snacks	<u>92</u>
Lunches	<u>93</u>
PM Snacks	<u>88</u>
Dinners	<u>0</u>
Evening Snacks	<u>0</u>

November

Breakfasts	<u>65</u>
AM Snacks	<u>87</u>
Lunches	<u>89</u>
PM Snacks	<u>89</u>
Dinners	<u>0</u>
Evening Snacks	<u>0</u>

December

Breakfasts	<u>52</u>
AM Snacks	<u>83</u>
Lunches	<u>80</u>
PM Snacks	<u>76</u>
Dinners	<u>0</u>
Evening Snacks	<u>0</u>

STANDARD MEAL ALLOWANCE RATES

for 2019 income tax returns and for Tier 1 Food Program reimbursements from July 1, 2017 to June 30, 2019 (in the continental U.S.)

\$1.31 for each Breakfast

\$2.46 for each Lunch or Supper

\$0.73 for each Snack
(up to 3 per day for each child)

END OF THE YEAR ALLOWANCE CALCULATOR

Meal	# of Meals	2019 Standard Meal Allowance	= Total
Breakfast			
AM Snack			
Lunch			
PM Snack			
Dinner			
Evening Snack			
Total Food Cost			

Business Record-Keeping Calculating End of Year Standard Meal Allowance Rate Practice Sheet

For "Standard Meal Allowance" record the total number of meals and snacks served including meals and snacks not reimbursable by CACFP. Do not include your own children's meals. Based on a home child care serving 5 children.

January

Breakfasts _____
 AM Snacks _____
 Lunches _____
 PM Snacks _____
 Dinners _____
 Evening Snacks _____

February

Breakfasts _____
 AM Snacks _____
 Lunches _____
 PM Snacks _____
 Dinners _____
 Evening Snacks _____

March

Breakfasts _____
 AM Snacks _____
 Lunches _____
 PM Snacks _____
 Dinners _____
 Evening Snacks _____

April

Breakfasts _____
 AM Snacks _____
 Lunches _____
 PM Snacks _____
 Dinners _____
 Evening Snacks _____

May

Breakfasts _____
 AM Snacks _____
 Lunches _____
 PM Snacks _____
 Dinners _____
 Evening Snacks _____

June

Breakfasts _____
 AM Snacks _____
 Lunches _____
 PM Snacks _____
 Dinners _____
 Evening Snacks _____

July

Breakfasts _____
 AM Snacks _____
 Lunches _____
 PM Snacks _____
 Dinners _____
 Evening Snacks _____

August

Breakfasts _____
 AM Snacks _____
 Lunches _____
 PM Snacks _____
 Dinners _____
 Evening Snacks _____

September

Breakfasts _____
 AM Snacks _____
 Lunches _____
 PM Snacks _____
 Dinners _____
 Evening Snacks _____

October

Breakfasts _____
 AM Snacks _____
 Lunches _____
 PM Snacks _____
 Dinners _____
 Evening Snacks _____

November

Breakfasts _____
 AM Snacks _____
 Lunches _____
 PM Snacks _____
 Dinners _____
 Evening Snacks _____

December

Breakfasts _____
 AM Snacks _____
 Lunches _____
 PM Snacks _____
 Dinners _____
 Evening Snacks _____

STANDARD MEAL ALLOWANCE RATES

for 2019 income tax returns and for Tier 1 Food Program reimbursements from July 1, 2017 to June 20, 2019 (in the continental U.S.)

\$1.31 for each Breakfast

\$2.46 for each Lunch or Supper

\$0.73 for each Snack
(up to 3 per day for each child)

END OF THE YEAR ALLOWANCE CALCULATOR

Meal	# of Meals	2019 Standard Meal Allowance	= Total
Breakfast			
AM Snack			
Lunch			
PM Snack			
Dinner			
Evening Snack			
Total Food Cost			

Business Record-Keeping Year End Utilities & Home Expenses / Federal Income Tax

Utilize the previous worksheets to fill in all the required information below.

UTILITIES AND HOME EXPENSES WORKSHEET For IRS Form 8829 - Expenses for Business Use of Your Home

2019	Electric		Natural Gas		Water & Sewer		Trash & Recycling		General Home Repairs		Homeowner's Insurance		Real Estate Taxes		Rent or Interest on Mortgage			
	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount	Date Paid	Amount
Totals	\$978.44		\$231.23		\$960		\$300		\$750		\$723		\$4000		\$14,100			

FEDERAL INCOME TAX WORKSHEET

TOTAL INCOME (See December 2019 YTD Total) \$ _____
CALCULATE SPACE/TIME %:

of square feet used for business ÷ total square feet in the house = _____

of hours of operation in a year ÷ total # of hours in a year (8760) = _____

SPACE _____ x TIME _____ = _____ %

EXPENSES:

Actual expenses in family child care vary among providers. You may have expenses in some categories and no expenses in others. Also, the exact expense categories used can vary. You may want to use or adjust categories based on your own experience and needs. The amounts to be filled in are the amounts you have calculated monthly on the Utilities and Home Expenses worksheet and the Monthly Business Expense pages of this record-keeping system as family child care business expenses. The categories listed in () are additional categories listed on tax forms that you may expense, if applicable.

The categories listed here are from "Form 8829: Expenses for Business Use of Your Home" and "Schedule C: Profit or Loss From Business or Profession."

FORM 8829:

(Casualty Losses) _____
Utilities _____
General Home Repairs and Maintenance _____
Homeowner's Insurance _____
Real Estate Taxes _____
Rent Or Interest On Mortgage _____

SCHEDULE C

(Depreciation) _____
(Family Day Care Liability Insurance) _____
(Car and Truck Expenses-use mileage log) _____

Food _____
(actual receipts or Standard Meal Allowance Rate*) _____
Household Supplies _____
Program Supplies _____
Office Supplies/Postage/Bank Charges _____
Toys and Equipment _____
Business Repairs and Maintenance _____
Laundry/Cleaning _____
Legal and Professional Services _____
Training and Dues _____
Wages _____
Travel/Meals/Entertainment _____
Advertising _____
Other _____

TOTAL EXPENSES (Deductions) _____
NET INCOME (Total Income – Total Expenses) _____

*The IRS Standard Meal Allowance allows up to one breakfast, one lunch, one supper and three snacks per day, per child. The allowance for this year is based on Tier 1 rates as of January 1, 2019. The Standard Meal Allowance includes meals not reimbursed by the CACFP. Do not include meals served to your own children or other residential children, even if income eligible.

FEDERAL TAX FORMS WHICH YOU MAY BE REQUIRED TO FILE AS A SELF-EMPLOYED PERSON ARE:

Form 8829 (Expense for Business Use of Your Home)
Schedule C (Profit or Loss From Business or Profession)
Schedule SE (Social Security)
Schedule ES (Estimated Taxes)
W-10 (Dependent Care Provider Identification and Certification)
Form 1040 (Combines business and personal tax records)
Form 4562 (Depreciation)

For more information on the Standard Meal Allowance Rate or any tax question contact: IRS Hotline (800) 829-1040 or IRS Website: www.irs.gov

QUIZ

Business Records Keep Your Community Running Smoothly

1. A _____ is an example of a source document.

- a. Receipt
- b. Bank Statement
- c. Credit Card Statement
- d. All of the Above

2. TRUE OR FALSE? Record-keeping is only necessary for tax purposes.

_____ TRUE FALSE

3. Describe your method of keeping track of important documents.

Serve only unflavored milk to all participants.

4. What is NOT considered a monthly expense?

- a. Supplies
- b. Food
- c. Tuition
- d. Repairs

5. What is NOT a monthly income for providers?

- a. Travel and entertainment
- b. Tuition
- c. CACFP Reimbursement

6. Use the Monthly attendance worksheet worksheet to record attendance.

7. Use the The Standard Meal Allowance Record worksheet to record food and meal expenses.

8. Use the The Utilities and Maintenance Record worksheet to record utilities and maintenance fees.

9. Use the Federal Income Tax Worksheet worksheet for taxes at the end of the year.

10. TRUE OR FALSE? You should keep business records for 5 years, plus the current year.

_____ TRUE FALSE