



<b>Other Monthly Expenses (continued)</b>	<b>Sub-Totals</b>	<b>Totals</b>
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 _____ 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>	<b>=</b>
Yearly business expense (total of tax & insurance X time/space % from above) _____ ÷ by 12 months = _____	<b>÷ 12</b>	<b>=</b>
<b>TOTAL</b>		
<b>TOTAL – Day Care Liability Insurance _____ ÷ 12 mo = _____</b>	<b>÷ 12</b>	<b>=</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>		<b>=</b>
Multiply by Time-Space percentage*	<b>X%</b>	
<b>= Business basis of home</b>		<b>=</b>
Divide business basis by 39 years (= yearly house depreciation expense)	<b>÷ 39</b>	<b>=</b>
Divide above number by 12 months (= monthly house depreciation expense)	<b>÷ 12</b>	<b>=</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>	
<b>= Business basis of items</b>		
Divide business basis by 7 years (= yearly furn./appl. depreciation expenses)	<b>÷ 7</b>	<b>=</b>
Divide above number by 12 months (= monthly furn./appl. depreciation)	<b>÷ 12</b>	<b>=</b>
<b>(B.) TOTAL MONTHLY/YEARLY EXPENSES</b>		<b>=</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.		<b>=</b>

**\*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%.