



REDLEAF NATIONAL INSTITUTE

10 Yorkton Court
Saint Paul, MN 55117

Telephone: 651-641-6675
Fax: 651-645-0990

Email: rni@redleafinstitute.org
Web site: redleafinstitute.org

*The National Center for the
Business of Family Child Care*

The Time-Space Percentage

* The Time-Space percentage is the single most important number to calculate in the family child care business.

* Time-Space formula:

Time Percent		Space Percent		
<u># hours home used for business</u>	X	<u># square feet of home used regularly for business</u>	=	Time-Space percentage
Total # hours in a year		Total # square feet in home		

* Use this formula to allocate business use of shared business and personal expenses such as:

- House repairs and maintenance
- House depreciation
- Property tax
- Mortgage interest
- House Rent
- Utilities (gas, oil, electric, garbage, water, sewer, cable television)
- House insurance
- Home improvements
- Personal property depreciation (including furniture, appliances, play equipment, computer, TV, VCR, radio, tape recorder, piano)
- Land improvements
- Toys, cleaning supplies, yard supplies

Note: Instead of using the Time-Space percentage, providers may allocate business use for the above items by calculating an actual business use percentage, if they can document their calculation.



REDLEAF NATIONAL INSTITUTE

450 North Syndicate, Suite 5
Saint Paul, MN 55104

Telephone: 651-641-6675
Fax: 651-645-0990

Email: rni@redleafinstitute.org
Web site: redleafinstitute.org

*The National Center for the
Business of Family Child Care*

The Time Percent: What Hours May Be Counted?

* Time formula:

$$\frac{\text{\# hours home used for business}}{\text{Total \# hours in a year}} = \text{Time percent}$$

* Include in this calculation hours spent in the home on business activities:

- Caring for children, from when the first child arrives until the last child leaves
- Cleaning up the house for the business before and after the children are present
- Meal preparation for the children in care
- Preparing activities for the children in care
- Interviewing prospective parents
- Talking to parents on the phone
- Keeping business records and preparing taxes
- Meal planning and preparing shopping lists for the business
- Filling out paperwork for the Child and Adult Care Food Program
- Spending time on the Internet for business purposes

Note:

* Providers may not count time twice if they are caring for children and engaged in some business activity described above.

* Providers may not count hours spent away from home in activities such as shopping or transporting children to school.

For further information, see *The Family Child Care Record Keeping Guide*, Redleaf Press, 1-800-423-8309.