



Accounting & Budgeting

For Childcare Providers during Covid-19

By: Naddia Clute

STATISTICS

According to the "Child Care Demographic 2020 Report", there are about 287 Child Care Centers and 822 Family Care Providers in Montgomery County. Due to Covid-19, all of these providers were affected in a variety of ways, but specifically they were all affected and negatively impacted financially.



Purpose of Presentation

- **Have a better understanding of each financial reporting.**
- **Evaluate the expenses of the Child Care Center**
- **Create an "Emergency Covid-19 Financial Plan"**
- **Be aware of different assistance programs available for small businesses and nonprofit organizations**

Financial Report - Balance Sheet

The balance sheet is a snapshot of everything the Child Care Center owns and owes at a particular moment. The things that the company owns are called assets. The things that the company owes are called liabilities (when the company owes to outside parties) and equity (what the company owes to the owners of the business).

**123 CHILDCARE CENTER - SAMPLE
BALANCE SHEET
AS OF OCTOBER 31, 2020**

ASSETS		Total
	Current	
	Bank	\$2,751.00
	Accounts Receivable	\$1,200.00
	Capital Asset	\$15,000.00
Total Assets		\$18,951.00
<hr/>		
LIABILITIES		
	Current	
	Accounts payable	\$3,951.00
	Long Term	
	PNC Loan	\$10,000.00
		\$13,951.00
Shareholders' Equity		
	Retained Earnings	\$5,000.00
Total Liabilities and Equity		\$18,951.00

Financial Reports

Balance Sheet

Financial Report - Income Statement

Also called Profit & Loss Statement. Most income statements include the Revenue and Expenses. This is one of the reports that you are going to be using on a constant basis.

The purpose of this report is to show you a summary of the company or organization income over a specific period.



Financial Report - Income Statement

123 CHILDCARE CENTER - SAMPLE
INCOME STATEMENT
October 2020

Income	Total
Parent Fees 0-2 YO	\$3,200.00
Parent Fees 2-5 YO	\$12,000.00
Total Income	\$15,200.00
GROSS PROFIT	\$15,200.00
Expenses	
Advertising & Promotion	\$100.00
Bank Charges	\$3.00
Children Supplies	\$273.00
Computer & Internet	\$48.00
Food	\$750.00
Insurance	
General Liability	\$250.00
Worker's Comp	\$175.00
Janitorial/ Premises Maintenance	\$350.00
Office Supplies	\$125.00
Payroll	
Wages	\$5,000.00
Taxes	\$850.00
Postage	\$15.00
Professional Fees	
Bookkeeper	\$350.00
CPA	\$175.00
Rent	\$3,500.00
Repairs & Maintenance	\$75.00
Training/ Seminars	\$175.00
Utilities	\$425.00
Total Expenses	\$12,639.00
NET INCOME	\$2,561.00

Budgeting: Planning for the future

Based on the current economic situation and how Child Care Centers and Family Child Care providers have been negatively impacted by Covid-19, it is crucial to create a financial plan. The budget can be setup in 3-month, 6-month or 12-month blocks.

As you create your budget, it is important to plan for different scenarios. It is especially important to review and evaluate your recurring expenses, regardless if your Child Care Facility is open, closed or at a reduced capacity.

In order to prepare a budget for your business, you will need an income statement, categories of expenses, and a budget spreadsheet.

Budgeting: Planning for the future

123 CHILD CARE CENTER													
BUDGETED INCOME STATEMENT 2021													
MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Revenue	\$12,300.00	\$11,300.00	\$10,150.00	\$14,200.00	\$14,200.00	\$15,200.00	\$24,300.00	\$24,700.00	\$17,200.00	\$16,100.00	\$16,100.00	\$15,300.00	\$191,050.00
Advertising & Promotion	\$250.00	\$100.00	\$100.00	\$100.00	\$250.00	\$250.00	\$200.00	\$200.00	\$100.00	\$100.00	\$100.00	\$200.00	\$1,950.00
Bank Charges	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$180.00
Children Supplies	\$375.00	\$200.00	\$200.00	\$200.00	\$200.00	\$500.00	\$500.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$3,175.00
Computer & Internet	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$1,500.00
Food	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$950.00	\$950.00	\$950.00	\$600.00	\$600.00	\$475.00	\$8,125.00
Insurance - General Liability	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$2,400.00
Insurance - Worker's Compensation	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$245.00	\$2,940.00
Insurance - Health	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$9,000.00
Janitorial	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$3,600.00
Office Supplies	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$1,500.00
Payroll - Wages	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$7,000.00	\$7,000.00	\$6,000.00	\$3,000.00	\$3,000.00	\$3,000.00	\$47,000.00
Payroll - Taxes	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00	\$3,200.00	\$3,200.00	\$3,000.00	\$1,200.00	\$1,200.00	\$1,200.00	\$20,200.00
Postage	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$25.00	\$300.00
Professional Fees - Accounting	\$385.00	\$385.00	\$385.00	\$1,000.00	\$385.00	\$385.00	\$385.00	\$385.00	\$385.00	\$385.00	\$385.00	\$385.00	\$5,235.00
Rent	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$24,000.00
Repairs & Maintenance	\$300.00	\$300.00	\$300.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$300.00	\$3,200.00
Training/ Seminars	\$300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$300.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00
Utilities	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$850.00	\$10,200.00
NET INCOME	\$ 1,255.00	\$ 880.00	\$ (270.00)	\$ 3,215.00	\$ 3,680.00	\$ 4,080.00	\$ 7,180.00	\$ 7,880.00	\$ 1,680.00	\$ 5,730.00	\$ 5,730.00	\$ 4,905.00	\$ 45,945.00

Emergency Financial Toolkit

Create an "Emergency Financial Toolkit" for your business. This should include:

- Assign 1 to 3 people (or as many as needed depending on the size of the business) as part of your "Emergency Team".
- Point of contact: Business Banker.
- Point of contact: Lenders that you currently have any debt with.
- Point of contact: Landlord/ Mortgage Company.
- List of vendors that you setup automatic payments or automatic withdrawals.
 - Ensure that all login/ password information to vendor's portal is in a secured location, but accessible to your Emergency Team.



Emergency Financial Toolkit

- Have a document that lists all outstanding debt with terms and conditions (loan term/ interest rate/ penalty).
- Create a financial contingency plan with the scenarios listed previously.
- Ensure all short- and long-term debt contracts are saved electronically.
- Review current Human Resource agreements regarding employee time off due to Covid-19.

The Emergency Financial Toolkit needs to be saved electronically as a backup for your business in the case of an emergency.



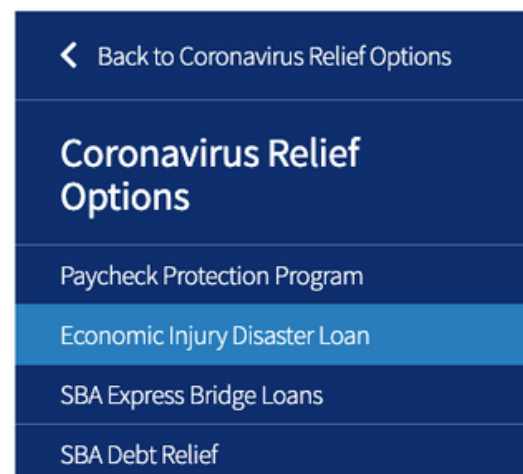
Current Programs Available to Help Your Business

**Maryland Website with available grant/ loan opportunities from
Federal, State and Local Organizations:**

**[https://govstatus.egov.com/md-coronavirus-business/financial-
assistance](https://govstatus.egov.com/md-coronavirus-business/financial-assistance)**

Current Programs Available to Help Your Business

SBA EIDL Loan - up to \$ 150K
Website: <https://covid19relief.sba.gov/#/>



Economic Injury Disaster Loans

This loan provides economic relief to small businesses and nonprofit organizations that are currently experiencing a temporary loss of revenue.

Content

- [COVID-19 Economic Injury Disaster Loans](#)
- [EIDL Advance: NO LONGER AVAILABLE](#)
- [Eligibility](#)
- [Additional Program Information](#)

COVID-19 Economic Injury Disaster Loans

APPLY HERE

Current Programs Available to Help Your Business

Maryland Work Sharing Unemployment Insurance Program
<https://www.dlr.state.md.us/employment/worksharing/>

The screenshot shows the Maryland Department of Labor website. The header includes the Maryland state logo and the text 'MARYLAND DEPARTMENT OF LABOR'. A search bar is visible. The navigation menu includes: HOME, UNEMPLOYMENT, LICENSING, JOBS, LABOR, FINANCIAL, RACING, ABOUT US. The main content area features a sidebar for 'Applicants' with a list of links: Maryland Unemployment Insurance Claimant Guide, How to Apply for Maryland Unemployment Insurance, Video - Sometimes Good People Make Bad Decisions, Information and Documents Needed for Claims Filing, Apply for Unemployment Insurance Benefits, Solicitar Beneficios en BEACON, File Your WEBCERT, Frequently Asked Questions, Claimant Contact Information, Benefit Payment Control - Audits, Overpayments & Fraud, Register with Maryland Workforce Exchange, How to Enter Job Contacts on REX, Español, La Guía del usuario del portal de reclamantes, and Appeals. The main article is titled 'Work Sharing - A Layoff Aversion and Reopening Unemployment Insurance Program'. It includes an image of a person holding a sign that says 'OPEN BUSINESS AS NEW NORMAL' and a yellow banner that says 'WORK SHARING Unemployment Program'. The article text describes the program's history and purpose.

Applicants

- > Maryland Unemployment Insurance Claimant Guide
- > How to Apply for Maryland Unemployment Insurance
- > Video - Sometimes Good People Make Bad Decisions
- > Information and Documents Needed for Claims Filing
- > Apply for Unemployment Insurance Benefits
- > Solicitar Beneficios en BEACON
- > File Your WEBCERT
- > Frequently Asked Questions
- > Claimant Contact Information
- > Benefit Payment Control - Audits, Overpayments & Fraud
- > Register with Maryland Workforce Exchange
- > How to Enter Job Contacts on REX
- > Español
- > La Guía del usuario del portal de reclamantes
- > Appeals

Work Sharing - A Layoff Aversion and Reopening Unemployment Insurance Program

OVERVIEW

In 1984, the Maryland General Assembly enacted legislation establishing the **Work Sharing Unemployment Insurance Program**. Work Sharing is a voluntary program that provides an alternative to layoffs for employers faced with a temporary, non-cyclical decline in business due to lower economic activity. The program is designed to avoid layoffs by preserving jobs for current employees and to assist businesses that have already undertaken layoffs to reopen and resume operations gradually. Employers who participate in Work Sharing can retain employees by temporarily reducing the hours of work, within a range of 20% to 50%, among employees within the affected unit(s). The employees with reduced work hours receive partial unemployment insurance benefits to supplement lost wages.

During the current COVID-19 pandemic, Work Sharing can mitigate or prevent the adverse effects of the current economic crisis by keeping businesses connected to their employees, and ensuring employees continue to receive compensation. Work Sharing can also serve as a means of bringing most or all of a temporarily laid off workforce back to the job, even if social-distancing measures, a decline in business or other factors prevent operating at full staffing levels immediately.

Current Programs Available to Help Your Business

Covid-19 Layoff Aversion Fund

<https://www.dlir.state.md.us/employment/covidlafund.shtml>

The screenshot shows the Maryland Department of Labor website. The header includes the Maryland state logo, the text 'MARYLAND DEPARTMENT OF LABOR', a search bar, and social media icons for Facebook, Twitter, YouTube, and LinkedIn. A navigation menu below the header lists: HOME, UNEMPLOYMENT, LICENSING, JOBS, LABOR, FINANCIAL, RACING, and ABOUT US.

WDAL Services

- > Información en español
- > Find an American Job Center (AJC) Near You
- > Overview
- > Job Seeker Services
- > Dislocated Worker Information
- > Veterans Services
- > Eligible Training Provider List - WIOA
- > Information for Individuals with Disabilities
- > Agricultural Employers and Workers
- > Youth Workforce Programs and Services
- > Re-entry
- > Business Services
- > EARN Maryland
- > Tax Credits
- > Labor Market Information
- > Workforce Innovation and Opportunity Act (WIOA)
- > Senior Community Services Employment Program
- > Adult Education
- > GED® Information

COVID-19 Layoff Aversion Fund - Workforce Development and Adult Learning

Update

Since October 28, 2020, the Maryland Department of Labor has received a high volume of applications for the COVID-19 Layoff Aversion Fund and continues to work expeditiously to review proposals. At this time, the department has removed the application document from this page because the \$20 million allocated for the expanded fund will soon be fully exhausted. If you have already downloaded the application, but have not submitted it to our team, we still encourage you to submit your application to the e-mail address listed in the policy document as we will continue to process requests on a first-come, first-served basis. Thank you!

What is the COVID-19 Layoff Aversion Fund?

Governor Larry Hogan and the Maryland Department of Labor have announced additional funding is available beginning Wednesday, October 28th through the successful COVID-19 Layoff Aversion Fund, which is designed to support small businesses undergoing economic stresses due to the pandemic by preventing or minimizing the duration of unemployment resulting from layoffs. The award (up to \$50,000 per applicant), will be a quick deployable benefit and customizable to the specific needs of your business to minimize the need for layoffs.

Labor will begin accepting grant applications from small businesses on Wednesday, October 28th and the program will remain open through 30 days after the State of Emergency ends or until funding has been fully exhausted.

Current Programs Available to Help Your Business

Reopen Montgomery County Grant Program

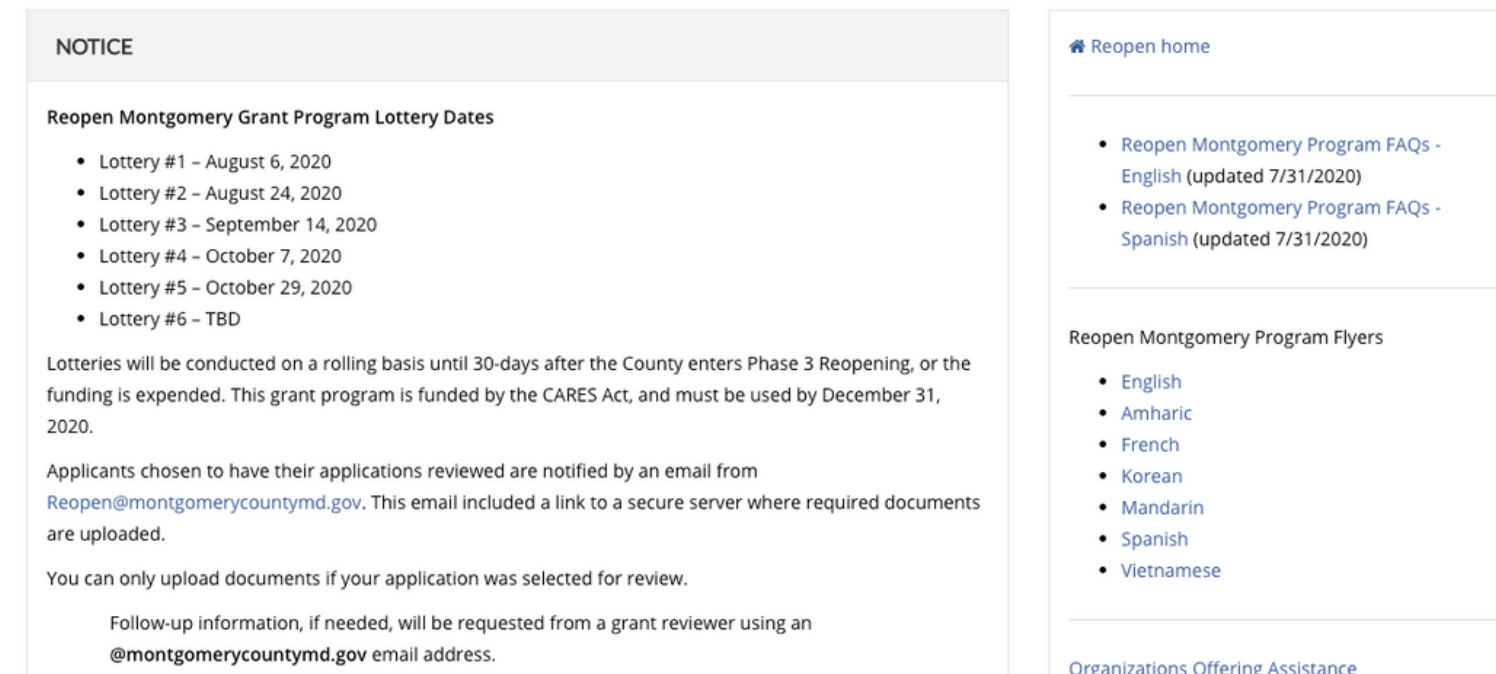
<https://www.montgomerycountymd.gov/biz-resources/reopen/>



Montgomery County Business Portal Training Workshops

- Start a Business
- Grow a Business
- Manage a Business
- Licenses & Permits
- Regulations & Laws
- Services & Resources
- Business Starter Kits
- Business Connect
- 4Business
- Contact Us

Reopen Montgomery Grant Program



NOTICE

Reopen Montgomery Grant Program Lottery Dates

- Lottery #1 – August 6, 2020
- Lottery #2 – August 24, 2020
- Lottery #3 – September 14, 2020
- Lottery #4 – October 7, 2020
- Lottery #5 – October 29, 2020
- Lottery #6 – TBD

Lotteries will be conducted on a rolling basis until 30-days after the County enters Phase 3 Reopening, or the funding is expended. This grant program is funded by the CARES Act, and must be used by December 31, 2020.

Applicants chosen to have their applications reviewed are notified by an email from Reopen@montgomerycountymd.gov. This email included a link to a secure server where required documents are uploaded.

You can only upload documents if your application was selected for review.

Follow-up information, if needed, will be requested from a grant reviewer using an @montgomerycountymd.gov email address.

[Reopen home](#)

- Reopen Montgomery Program FAQs - English (updated 7/31/2020)
- Reopen Montgomery Program FAQs - Spanish (updated 7/31/2020)

Reopen Montgomery Program Flyers

- English
- Amharic
- French
- Korean
- Mandarin
- Spanish
- Vietnamese

Organizations Offering Assistance



Local Organizations Helping Small Businesses



www.nonprofitmoco.org



www.marylandwbc.org



www.mdsbdc.umd.edu



www.thinkmoco.com



www.ledcmetro.org

Reminders

- **If you received the PPP (Paycheck Protection Program) from the SBA, make sure that you discuss with your Accountant/ CPA about the possible tax implications during 2020 and 2021.**
- **Create the " Emergency Financial Toolkit" for your business.**
- **Review your projections for income and expenses periodically to make sure you are on track.**
- **If you see that you are facing financial challenges, contact vendors and see if you can re-negotiate plans and cost based on the business demand and needs.**

Questions?

Next Training:

Thursday, December 3rd at 12:30 PM

Topic:

**"How to do business with the State and
County"**

THANKS FOR PARTICIPATING

