

Daycare Expense Categorization Cheat Sheet

A practical starting point for organizing common childcare business expenses.

Income

- Tuition / childcare payments
- Registration or enrollment fees
- Late fees or other service fees
- CCS / subsidy payments and reimbursements
- Other business income

Common Operating Expenses

- Food and meal program expenses
- Classroom and educational supplies
- Toys, books and learning materials
- Cleaning and sanitation supplies
- Office and administrative supplies
- Software, apps and subscriptions
- Advertising and marketing
- Licensing, permits and professional training
- Business insurance
- Professional services such as bookkeeping, tax or legal fees
- Repairs and maintenance
- Business-related bank and payment processing fees

Vehicle & Travel

- Business mileage for qualifying daycare-related trips
- Parking and tolls for qualifying business travel
- Keep a contemporaneous mileage log and supporting records

Home-Based Daycare

- Keep records for qualifying business use of the home
- Track household expenses and information needed to determine the applicable business-use percentage
- Keep direct daycare expenses separate from shared household expenses

Equipment & Larger Purchases

- Computers, printers and office equipment

- Furniture and durable classroom equipment
- Outdoor play equipment
- Major improvements or repairs
- Keep receipts, purchase dates, descriptions and amounts

Helpful note: This resource is an organizational aid, not individualized tax advice. Keep receipts and supporting records and confirm tax treatment with your qualified tax professional.