

Sample Indirect Costs



Homes

Indirect Costs are costs related to the overall running of your business - your overhead costs (i.e. rent or mortgage, owner's draw, marketing, licensing fees, insurance, etc.). Indirect costs occur regardless of how many children you care for. Shown below is a sample of what some of the indirect costs might be for your business for one month.

Categories	Home (8 children)
Salary and Wages	
Owner's Draw	\$1,700
Benefits (Retirement Savings)	170
Administrative Costs	
Accounting/Legal	\$17
Dues	5
Equipment	25
Insurance	30
Licensing Fees (fire inspection, business, etc.)	7
Loan Payments	150
Marketing/Advertising	5
Mortgage/Rent	119
Office Supplies	10
Professional Development	10
Repairs/Maintenance	25
Subscriptions to Publications	5
Telephone	35
Transportation/Mileage	30
Utilities	51
Reserve	50
Other	
Total Monthly Indirect Costs	\$2,444
Divide by 4.3 (number of weeks in a month)	
Total Indirect Costs per Week	\$568

Notes:

The family child care home costs are based on one shift licensed for 5 pre-school children and 3 school-aged children. In this example, the home costs include 17% of actual costs for home rent/mortgage and utilities costs. The owner's draw is the "salary" paid to the owner of the business—how much she needs to earn each month. The business structure is assumed to be a sole proprietorship.

Data Source: Good Work and Self-Help