



2023 SUBSIDY REIMBURSEMENT RATE SURVEY GUIDE

Background

Updated Reimbursement Rates

To update child care assistance reimbursement rates and to make sure child care is accessible for families, states must assess subsidy reimbursement rates and child care costs every three years. Because of market changes during the pandemic, Indiana decided to delay rate changes. Instead, in April 2021, it issued a temporary 20% increase for all assistance payments to offset increasing child care costs.

At the same time, Indiana used data from over 3,100 providers and 8,984 classrooms across early childhood and school-age programs to create a new model that shows the true cost of child care in the state and also ensures that providers are reimbursed accordingly. This is done by focusing on cost drivers, which allows providers across auspices, quality levels, geography and the age groups they serve to be compared on an "apples-to-apples" basis.

Additionally, the new model accommodates the realities of child care services, including shifting daily schedules, flexible staffing models and classrooms that open, close, or are converted to other age groups (e.g., before-/after-school care) depending on the time of day.

Using this new model, OECOSL introduced a transitional rate structure from July 30, 2023 through fall 2024 when the state must reassess and introduce a permanent structure. The new transitional rates took effect on July 30, when Emergency Relief Grants ended. The new rates offer a minimum 20% increase across all payments and additional increases for specific providers and care types where cost data showed inequities. These included notable increases, for example, for providers serving infants and toddlers in Licensed Centers and Registered Ministries.

The Subsidy Reimbursement Rate Survey is the final critical piece in understanding the complete picture of child care in the Hoosier state by providing information on how much providers are charging families for the service of child care. The new 2023 survey takes approximately 30-45 minutes to complete, with much of the information pre-populated based on your licensing information. This user guide has been created to answer frequently asked questions about the survey, and help you, the provider, to answer this survey honestly and accurately. For further questions about reimbursement rates please visit the Family and Social Services Administration website [here](#). To view the current provider reimbursement rates for your county please click [here](#).

Thank you for taking the time to complete this and for providing service to your community.

Survey

Tax Documents - Family Child Care Homes

The following questions appear exactly as they are on the Subsidy Reimbursement Rate Survey and will ask you questions related to your 2022 tax return. Depending on your business structure you will fill out a different IRS tax form. Below are common tax return forms associated with different business structures. This portion of the guide will reference these forms.

- A sole proprietor or self-employed individual is both the owner and the only employee. Income for a sole proprietorship is reported on a [Schedule C](#) as part of your personal 1040 tax return.
- An S-corporation is a small business type where any profit is “transferred” directly to your personal tax return (so you don’t pay corporate taxes on it). S-Corporations use a Form [1120-S](#).
- A C-Corporation is often called a “regular” corporation. The C-corporation uses [Form 1120](#) (corporation income tax return) and will have profit taxed as a corporation before you can claim it as personal income (and it gets taxed again).
- A 501(c)3 charitable organization will fill out a [Form 990](#).



The following set of questions refer to the costs of meals you provide for your children. Please refer to Note on Tax Documents file in the SPARK Guide for additional clarification.

In 2022, what was your **total annual cost for food** (child meals and snacks) and **food preparation expenses**? Please be sure to exclude wages paid to your staff for food preparation.

Please format as xxx,xxx.xx. Do not enter the dollar sign.



You'll find this information on:

Schedule C: Line 22, Supplies
1120-S: Line 19, Other deductions
1120: Line 26, Other deductions
990: Part IX, Line 24

In 2022, what was your **total annual cost for employee wages**? If you are a family home provider, then please include your paid employees only and exclude any compensation you pay to yourself.

Please enter the amount in the following format: x,xxx.xx. Do not enter the dollar sign.



You'll find this information on:

Schedule C: Line 26, Wages
1120-S: Line 8, Salaries and wages
1120: Line 13, Salaries and wages

In 2022, what was your **total annual cost** (based on 12 months) for "**mandatory**" **benefits to employees including FICA** (Social Security and Medicare taxes), **unemployment insurance, and workers compensation insurance**? Please be sure to exclude the employees' portion of employment taxes that is deducted from their paychecks. *In addition, if you are a Licensed Family Home or Exempt Family Home, then please include your paid employees only and exclude any benefits you pay to yourself.*

Please format as xxx,xxx.xx. Do not enter the dollar sign.



Employers will find the amounts paid for FICA and Federal Unemployment Tax Act (FUTA) taxes on IRS forms 940 and 941

In 2022, what was your **total annual cost for "additional" benefits to employees** including medical/dental insurance, life insurance, disability, and retirement savings matching programs? *If you are a Licensed Family Home or Exempt Family Home, then please include your paid employees only and exclude any benefits you pay to yourself.*

Please format as xxx,xxx.xx. Do not enter the dollar sign.



You'll find this information on:

Schedule C: Line 14, Employee Benefits Program
1120-S: Line 18, Employee Benefits Program
1120: Line 24, Employee Benefits Program

In 2022, what was your gross annual revenue for childcare services? *Please be sure to include private pay, CCDF subsidies, CACFP reimbursements, and other state/local or federal sources of funding.*

Please format as xxx,xxx.xx. Do not enter the dollar sign.



You'll find this information on:

Schedule C: Line 1, Gross receipts
1120-S: Line 1a, Gross receipts
1120: Line 1a, Gross receipts
990: Part 1, Line 12, Total Revenue

In 2022, what was your **total annual reported expenses** for providing childcare services? Total expenses would be equivalent to what is reported on your annual tax returns.

Please format as xxxxxx.xx. Do not enter a comma or the dollar sign. *Note: This format differs from the previous questions.*



You'll find this information on:

Schedule C: line 28, Total Expenses
1120-S: Line 20, Total Deductions
1120: Line 27, Total Deductions
990: Line 18, Total Expenses

In 2022, how much of your total annual reported expenses are attributable to the following costs?

Please use the following table to record your total annual reported expenses, in x,xxx.xx, by each category. Do not enter the dollar sign. Please do not count an individual purchase or expense more than once.

Note: The total annual reported expense you report in the table below should sum to the amount you reported in the previous question.

Total Annual Reported Expenses

Occupancy costs including mortgage/lease utilities (i.e., electricity, heating/cooling, water, sewer, trash/waste), property insurance, cleaning/groundskeeping, and building maintenance excluding major repairs or improvements to your home or property

\$ 0

Major repairs or improvements to your home or property

Office equipment purchases, appliance purchases, or other equipment purchases

Telephone and internet services

\$ 0

Wages and benefits paid to the family home provider, if reported as expenses on your annual tax return

\$ 0

All other reported expenses. Note: other reported expenses can include but are not limited to the following: employee wages and benefits, child meals, transportation, training, assessments, education and office supplies (not including equipment), professional services (i.e., tax/legal), and annual fees/permits

\$ 0

Total

\$ 0



You'll find all of this information on:

Schedule C: Part C, Expenses

1120-S: Lines 7-19, Deductions

1120: Lines 12-26, Deductions

990: Part IX, Statement of Functional Expenses

Survey

Common Questions

The following survey questions are used to provide an example or further explanation. The first question below provides an example of how you might enter your open and close times using a 12-hour clock - please remember to check your AM and PM. Note that Saturday and Sunday are BLANK because this example program is not open during the weekends:



Enter the hour, in the 12-hour clock format, that the program opens and closes for each day of the week from the options listed. Please indicate if the time is in the AM or PM. If your program is not open on that day, please leave that row blank.

	Open	Close
Monday	<input type="text" value="7:00 AM"/>	<input type="text" value="5:00 PM"/>
Tuesday	<input type="text" value="7:00 AM"/>	<input type="text" value="5:00 PM"/>
Wednesday	<input type="text" value="7:00 AM"/>	<input type="text" value="5:00 PM"/>
Thursday	<input type="text" value="7:00 AM"/>	<input type="text" value="5:00 PM"/>
Friday	<input type="text" value="7:00 AM"/>	<input type="text" value="5:00 PM"/>
Saturday	<input type="text"/>	<input type="text"/>
Sunday	<input type="text"/>	<input type="text"/>

The next question refers to lead caregiver status in family child care homes. If you are the director and/or owner of your program and the primary lead caregiver please mark "yes" for this question. If you own multiple family child care home sites AND you are the primary lead caregiver in at least one of your sites please mark "yes" for this question and include the number of lead caregivers at your other sites. If you are the owner and/or director but not the lead primary caregiver at any site please mark "no" for this question.

Are you the primary lead caregiver in your family home?

Yes

No

In 2022, including yourself, how many **lead caregivers** were typically present with the children at **one time**? *Please exclude any assistant caregivers that were present.*

Frequently Asked Questions

1. I am having issues logging in with my license.

- Ensure your license number is entered exactly as it's listed. Make sure to include hyphens and RM. Enter information exactly as it's listed in ILEAD.

2. I am having a hard time getting past a question.

- Please read all instructions in the survey to ensure you're addressing all pieces. The survey will provide guidance as needed.

3. The numbers I'm entering aren't working

- You do not need to add dollar signs when entering costs. Extra characters will cause an error.