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Daycare Business Plan Template

For home-based family child care and child care centers

Program name: []

Owners: []

State: []

Date: []

Version: []

Template version 1, October 2026, by Let's Talk Business Plans.

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How to use this template

- Replace every [bracketed field]. Delete the grey guidance and every shaded box before you send the plan.
- Start with the home or center switch below. Then work through the worksheets in section 5: capacity and enrollment (5.2), staffing from your state's rules (5.3), tuition and payment mix (5.4), the grant application crosswalk (5.5) and the licensing timeline (5.6).
- Build the full projections in the free Excel workbook, then copy the summary figures into section 8: letstalkbusinessplans.com/posts/excel-business-plan-templates-free-download. Enter your enrolled children as its units and your tuition as its price.
- The SBA says you don't have to stick to the exact outline: use the sections that make the most sense for your program ([SBA: Write your business plan](#)).

Home or center switch: tick one

- ☐ Home-based family child care
- ☐ Child care center
- ☐ Not sure yet

Where it changes	If home-based family child care	If a child care center
Section 2: location and zoning	Your home address; landlord or HOA permission, if you rent or share walls (ask them)	The space you rent or own; the landlord's permission (ask them)
Section 4: staffing	You, and anyone who helps or covers for you	Director, lead and assistant caregivers, cook, substitutes
Section 5.2: capacity and enrollment	Your licensed capacity, from your license or state rule	Your licensed capacity, from your license or state rule
Section 5.6: licensing timeline	Ask your state which application fits your setting	Ask your state which application fits your setting
Section 5.7: insurance checklist	Includes home-based business coverage	Ask your insurance agent about the space and the program

Your state decides whether your program needs a license, and the rules can depend on the number of children. Check with your state child care licensing agency.

Does your state require a license for the number of children you plan to care for? Check with your state.
Your answer and the date: []

Your state sets the numbers

This template gives no staff-to-child ratios, group sizes, space rules, training hours, licensing steps or fees. Your state sets them; look for its licensing process on your state agency's website. Enter your state's numbers where the rows ask for them.

Scope note

Not for adult day care. Preschools run as schools, before- and after-school programs and camps may have different rules: check with your state.

Known limitations of this template

- No built-in calculations: Word has none. The arithmetic is laid out for you; the Excel workbook does the 5-year model.
- No ratios, group sizes, capacity, space, training, inspection, background-check, licensing, subsidy or fee rules are given: your state sets them. Every such row is blank.
- No tuition, pay or cost figures are supplied. Every number shown is a labelled example.
- Grant programs open and close, and none is promised. The grant crosswalk is a generic list of items some applications ask for.
- The Excel workbook has no receivables timing, no grant line and no ratio or age-group logic. Section 8 shows how to work around each.
- Adult day care and schools are not covered.
- The SBA asks for five years of projections with balance sheets, cash flow statements and capital expenditure budgets ([SBA](#)). This file holds summary tables only and does not cover everything the SBA lists.
- Checked in LibreOffice only. It has not been opened in Microsoft Word.
- Not legal, tax, accounting, licensing or lending advice.

Contents

One-page summary.....	5
1. Executive summary.....	6
2. Company description.....	6
3. Market analysis.....	7
4. Organization and management.....	7
5. Services and operations.....	8
5.1 Program and schedule.....	8
5.2 Capacity and enrollment.....	8
5.3 Staffing from your state's rules.....	9
5.4 Tuition and payment mix.....	10
5.5 Grant application crosswalk.....	11
5.6 Licensing timeline checklist.....	11
5.7 Insurance checklist.....	12
5.8 Start-up equipment and supplies.....	12
5.9 Busy and slow months.....	13
6. Marketing and enrollment.....	13
7. Funding request.....	14
8. Financial projections.....	14
8.1 Start-up costs and funding (sources and uses).....	15
8.2 Profit and loss summary, Years 1-5.....	15
8.3 Cash, break-even and the loan.....	16
8.4 Year-1 monthly cash with payment timing.....	16
8.5 Balance sheet.....	17
9. Risks and what you'll do.....	17
10. Appendix checklist.....	17

One-page summary

Fill this in last, from the sections that follow. Keep it to one page.

Item	Your answer
Program type (home-based family child care / center)	[]
Ages served, and licensed capacity (your number, from your license or state rule; section 5.2)	[]
Location, hours and days (sections 2 and 5.1)	[]
Enrollment plan: children enrolled by month (section 5.2)	[]
Tuition and payer mix (section 5.4)	[] / []
Staffing plan, from your state's rules (section 5.3)	[]
Start-up costs (sections 5.8 and 8.1)	[\$]
Funding sources: grant, loan, owner (section 7)	[\$] / [\$] / [\$]
Licensing status and next step (section 5.6)	[]

1. Executive summary

How to fill this in (delete before sending)

Write this section last, in one page. Say what kind of program it is, who it serves, how many children you plan to enroll and how fast, how it is staffed, and what the plan asks for.

The SBA describes it as: “Briefly tell your reader what your company is and why it will be successful.” ([SBA](#))

Questions to answer in this section:

- What is the program, in two sentences?
 - How many children can you enroll under your license, and how fast will you fill?
 - How is the program staffed under your state's rules?
 - How much funding is needed, for what, and where will it come from?
-
- The program: [name] is a [home-based family child care program / child care center] in [location], serving [ages] from [opening hour] to [closing hour].
 - Capacity and enrollment: licensed for [your number]; enrolling [] children by month [] (section 5.2).
 - Tuition and payers: [] private-pay and [] through your state's child care assistance program (section 5.4).
 - Staffing: [] staff on duty, from your state's rules (section 5.3).
 - Licensing: [status and target date] (section 5.6).
 - Funding request: [\$] for [uses] (section 7), or: no funding requested.

2. Company description

How to fill this in (delete before sending)

Give the facts a reader checks first: who owns the program, its legal form, where it operates and since when.

Zoning can apply even to a program run from a home: the SBA says “zoning ordinances can still apply even to home-based businesses” and to check with your department of city planning ([SBA: Launch your business](#)).

If you are a nonprofit center, pair this template with the letstalkbusinessplans.com/posts/nonprofit-business-plan-templates-free.

Questions to answer in this section:

- Is this a home-based program or a center, and where?
- Is the program for-profit or nonprofit, and who owns it?

Legal name and structure: [sole proprietor / LLC / corporation / partnership / nonprofit]. Owner(s) or board: [name, % owned].

Start date: [month, year]. Program type: [home-based family child care / center].

Location: [address or area]. Zoning checked with: [city planning office, date, what they said].

Home-based only: landlord or HOA permission asked? [Y/N, date]. Center only: lease or ownership: [].

Licenses and registrations held or applied for: [list] (details in section 5.6).

3. Market analysis

How to fill this in (delete before sending)

Describe the families you will serve and the other programs near them, from your own research. Say where each number comes from and the date.

This template supplies no market-size figure, no tuition level and no enrollment norm. Use a figure only if you can link its source.

Federal rules require each state's lead agency to certify that it will publish a consumer website that includes "A localized list of all licensed child care providers" "searchable by zip code" (45 CFR 98.33(a)(2)). Look for that list on your state's site. If it offers one, use it as the start of your competitor table. It may not show every provider.

Questions to answer in this section:

- Which families are you serving, and how did you find out they need care?
- Which other programs are near you, and what do they offer?

Families and ages you serve: [neighborhoods; ages; how you counted them, with source and date].

Demand evidence: [waiting list, letters of intent, employer or school conversations, with source and date].

Yours: the programs near you

Provider (from your state's list, if it has one)	Type	Ages	Hours	Tuition (your research: source and date)	Waitlist?
[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]

Employers, schools and others nearby that could refer families: [your research].

4. Organization and management

How to fill this in (delete before sending)

Show who runs the program, who cares for the children and who covers when someone is out. In a home-based program that is often one person; say so.

Qualifications your state requires for each role are your state's to set. Leave them blank until you have checked with your state.

Planned hires feed the Excel workbook's Payroll section: role, annual salary and start month. Hourly staff are converted by hand (section 5.3).

Questions to answer in this section:

- Who runs the program, and what have they done before?
- Which hires are planned, and in which month?

Person or role	What they do	Qualifications your state requires (check with your state)	Experience
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]
[]	[]	[]	[]

Planned hires (feeds the Excel workbook: Assumptions, section 5, Payroll)

Planned hire (role)	Number	Annual salary per person	Start month	Notes
[]	[]	[\$]	[month]	[]
[]	[]	[\$]	[month]	[]
[]	[]	[\$]	[month]	[]
[]	[]	[\$]	[month]	[]

Advisers: [accountant], [insurance agent], [attorney], [licensing contact at your state agency].

5. Services and operations

How to fill this in (delete before sending)

Describe the program, how many children you can enroll, how staffing follows your state's rules, how families pay, what a funder asks for and which licensing steps your plan includes.

Then fill in the worksheets: program and schedule (5.1), capacity and enrollment (5.2), staffing from your state's rules (5.3), tuition and payment mix (5.4), the grant application crosswalk (5.5), the licensing timeline (5.6), insurance (5.7), start-up equipment and supplies (5.8) and busy and slow months (5.9).

Questions to answer in this section:

- What exactly does a family get each day?
- What does your state require for the children you plan to enroll?

5.1 Program and schedule

The rows are prompts. Use your own words; this template names no curriculum standard.

Item	Your answer
Ages served	[]
Days and hours open	[]
Full-time, part-time and drop-in options	[]
Meals and snacks: provided or brought from home	[]
Daily routine and learning approach (your own words)	[]
Closings: holidays, training days, weather	[]

5.2 Capacity and enrollment

Your state sets the numbers

This template gives no staff-to-child ratios, group sizes, space rules, training hours, licensing steps or fees. Your state sets them; look for its licensing process on your state agency's website. Enter your state's numbers where the rows ask for them.

Enter your licensed capacity from your license or your state's rule. This template gives no default capacity and no expected occupancy. Plan your enrollment month by month from your own demand evidence (section 3). Enrollment % = children enrolled ÷ licensed capacity.

Yours: age groups and licensed capacity

Age group (your own labels)	Licensed capacity (your number, from your license or state rule)	On the waitlist now	Notes
[age group]	[]	[]	[]
[age group]	[]	[]	[]
[age group]	[]	[]	[]
[age group]	[]	[]	[]

Yours: planned enrollment by month, months 1-12

Month	1	2	3	4	5	6	7	8	9	10	11	12
Children enrolled: [age group 1]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Children enrolled: [age group 2]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Children enrolled: [age group 3]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Children enrolled: [age group 4]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Total children enrolled	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Enrollment % of licensed capacity	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]

Break-even enrollment = your monthly costs ÷ your monthly tuition per child. If your tuition differs by age group, work it out with the weighted figure from section 5.4. Break-even enrollment: [] children.

Example — replace with your numbers. A hypothetical program, made-up enrollment, tuition and costs; no number here is a norm, a rate, a ratio or a capacity. Costs are one made-up monthly total

Line	Worksheet	Yours	Example — replace with your numbers
a	Monthly costs, all in (one total: staff, rent, food, supplies, insurance and the rest)	[\$]	\$18,600
b	Monthly tuition per child (the same for every child, to keep the arithmetic simple)	[\$]	\$1,240
c	Break-even enrollment = a ÷ b (round up if it does not divide evenly)	[]	15 children

Example — replace with your numbers: \$18,600 ÷ \$1,240 = 15 children. This example does not imply that 15 children is a viable or allowed size for any program. It is arithmetic only.

5.3 Staffing from your state's rules

Your state sets the numbers

This template gives no staff-to-child ratios, group sizes, space rules, training hours, licensing steps or fees. Your state sets them; look for its licensing process on your state agency's website. Enter your state's numbers where the rows ask for them.

Staff needed at one time = children enrolled ÷ your state's ratio (children per staff member), rounded up. Staff shifts a day = staff needed × hours open ÷ hours per shift. Every cell below is yours to fill from your state's rules. The example in this template shows no ratio and no staff count.

Your state's rule (enter from your state's rules)	Your state's answer	Where you found it (agency, page, date)
Children per staff member, for each age group	[]	[]
Maximum group size, for each age group	[]	[]
Who counts toward staffing (check with your state)	[]	[]
Hours of staff presence your state requires while children are present	[]	[]
Substitute and cover rules	[]	[]

Yours: staffing by age group, month by month if your enrollment changes

Age group	Children enrolled (5.2)	Your state's ratio: children per staff member	Staff needed at one time (round up)	Hours open a day	Hours per shift	Staff shifts a day
[age group]	[]	[]	[]	[]	[]	[]
[age group]	[]	[]	[]	[]	[]	[]
[age group]	[]	[]	[]	[]	[]	[]
[age group]	[]	[]	[]	[]	[]	[]

Yours: hours a week per role, converted for the Excel workbook

Role	Staff	Hours a week each	Hourly pay	Annual figure = hourly pay × hours a week × 52	Workbook payroll role and start month
[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]
[]	[]	[]	[]	[]	[]

The Excel workbook takes payroll as an annual salary per role from a start month, with no hourly scheduling. For hourly staff, enter the annual figure from the last column. Benefits and other payroll costs are one shared % in the workbook (Assumptions, section 5b).

5.4 Tuition and payment mix

Set tuition from your own costs and your own market research; this template gives no tuition levels and no subsidy rates. Separate what a family pays itself from what comes through your state's child care assistance program, and say when each payer actually pays.

Yours: tuition, payers and timing

Age group	Tuition (yours: weekly or monthly)	Private-pay children	Children through the assistance program	Parent co-payment (from your state's scale)	Registration fee (yours)	Private pay arrives (month lag)	Program pays you (month lag)
[age group]	[]	[]	[]	[]	[]	[]	[]
[age group]	[]	[]	[]	[]	[]	[]	[]
[age group]	[]	[]	[]	[]	[]	[]	[]
[age group]	[]	[]	[]	[]	[]	[]	[]

Subsidy payments and parent co-payments

- If some families pay through your state's child care assistance program, ask the program what it pays, what the parent pays, and when payments arrive.
- Federal rules list the sliding fee scale for parent co-payments among what a state's lead agency is to publish (45 CFR 98.33(a)(8)). This template gives no co-payment amount and no payment rate. Federal rules require each state to describe payment practices that make payment timely (45 CFR 98.45(m)(1)); your state's actual schedule is for the program to tell you. Ask the program.
- Write your late-payment, withdrawal and waitlist policies here: [].

Section 8.4 shows how a payment that arrives a month late changes cash month by month.

5.5 Grant application crosswalk

Some state and local applications ask for items like these. Use your application's own list; programs and deadlines change. This template names no program and promises no grant.

What the application asks for	Where it is in this plan	Done?
Business plan narrative	Sections 1–6	[]
Budget	Sections 8.1 and 8.4	[]
Budget narrative: why each cost is needed	Section 7	[]
Needs assessment: why families in your area need this care	Section 3	[]
Letters of support	Section 10 (appendix)	[]
Quotes or estimates for purchases	Section 5.8	[]
Proof of property use (ownership or landlord permission)	Section 10 (appendix)	[]
Licensing status	Section 5.6	[]
[Anything else your application lists]	[]	[]

Your application's name and deadline: []. Date you copied its list of required items: [].

5.6 Licensing timeline checklist

Your state sets the numbers

This template gives no staff-to-child ratios, group sizes, space rules, training hours, licensing steps or fees. Your state sets them; look for its licensing process on your state agency's website. Enter your state's numbers where the rows ask for them.

This template states no licensing step as required and gives no timeline. Federal rules require each state's lead agency to certify that it will publish a consumer website that includes the process for licensing child care providers, the process for monitoring and inspections, its policies on criminal background checks, and inspection results (45 CFR 98.33(a)). Federal rules also refer to states that exempt providers whose number of children falls below a state-defined threshold (45 CFR 98.40(a)(2)); this template states no threshold. Look for your state's pages and write what they say.

Step	Who	Status	Target date	Where to check
Licensing application, and whether your program needs a license at all	☐		☐	Check with your state child care licensing agency.
Orientation or training your state requires	☐		☐	Check with your state child care licensing agency.
Background checks (your state's policy)	☐		☐	Check with your state child care licensing agency.
Inspections (fire, health, building: as your state and city require)	☐		☐	Check with your state child care licensing agency. Check your city or county too.
Health and safety items your state lists (list none until you have checked)	☐		☐	Check with your state child care licensing agency.
Food program, if any	☐		☐	Check with your state child care licensing agency.
Posting or record-keeping your state requires	☐		☐	Check with your state child care licensing agency.

Federal rules require each state's lead agency to certify that it has health and safety requirements in effect that depend on the setting and the ages served (45 CFR 98.41(a)). This template lists none. Your state's list: ☐.

5.7 Insurance checklist

The SBA says “Laws requiring insurance vary by state” ([SBA: business insurance](#)). Ask your insurance agent which coverage fits your program. Leave the status column blank until you have checked.

Item	Applies? (Y/N)	Status	Where to check
General liability insurance (SBA table: “Any business”)	☐		SBA: business insurance Ask your insurance agent.
Home-based business coverage, if run from home (SBA table: “Businesses that are run out of the owner’s personal home”)	☐		SBA: business insurance Ask your insurance agent.
Business owner’s policy (SBA table: “Most small business owners, but especially home-based business owners”)	☐		SBA: business insurance Ask your insurance agent.
Workers' compensation, if you hire (laws vary by state)	☐		Check with your state. Ask your insurance agent.
Other coverage your state or landlord asks for	☐		Check with your state child care licensing agency. Ask your insurance agent.

5.8 Start-up equipment and supplies

How to fill this in (delete before sending)

List what the program must buy before the first child arrives. Categories only: this template has no price list. Enter your own quotes or estimates (they feed the crosswalk row in 5.5).

Each category feeds a line in the Excel workbook's Startup & Funding section (Assumptions, section 6): Equipment, Furniture and fixtures, Leasehold improvements, Computers and software, Initial inventory, Deposits, Licenses and permits, Legal and professional fees, Pre-opening marketing, Pre-opening payroll and training, Other startup costs, and the working-capital reserve.

The SBA lists these among the uses of a microloan: “Working capital, Inventory, Supplies, Furniture, Fixtures, Machinery, Equipment” ([SBA: Microloans](#)).

Questions to answer in this section:

- What do you need to buy before the first child arrives?
- How much cash is needed to pay for the first months before tuition covers costs?

Item	Needed? (Y/N)	Quotes or estimates (source, date, amount)	When	Workbook line
Furniture sized for children	[]	[]	[]	Furniture and fixtures
Cribs and sleep equipment	[]	[]	[]	Equipment
Play and learning materials	[]	[]	[]	Initial inventory
Kitchen equipment	[]	[]	[]	Equipment
Safety items	[]	[]	[]	Equipment
Outdoor equipment	[]	[]	[]	Equipment
Signage	[]	[]	[]	Other startup costs
Software (enrollment, billing, communication)	[]	[]	[]	Computers and software
Space changes (leasehold improvements), deposits	[]	[]	[]	Leasehold improvements; Deposits (rent, utilities)
License, background-check and inspection fees your state charges	[]	[]	[]	Licenses and permits
Working-capital reserve (cash for the months before tuition covers costs)	[]	[]	[]	Working-capital reserve
Total		[\$]		Section 8.1

5.9 Busy and slow months

Questions to answer: Which months do families leave or add days (summer, school breaks, holidays)? Which months are slow? What do you do in a slow month? This template shows no seasonal pattern: fill in your own. 100% = a month with no seasonal change.

Calendar month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Enrollment, % of a month with no seasonal change	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
What changes this month	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]

The Excel workbook takes one shared factor per calendar month for all revenue lines (Assumptions, section 4).

6. Marketing and enrollment

How to fill this in (delete before sending)

Describe how families find you, how a tour becomes an enrollment and how you manage a waitlist. Federal rules list referrals to local child care resource and referral organizations among what a state's consumer website provides (45 CFR 98.33(a)(6)). Ask your state which organization serves your area.

Questions to answer in this section:

- How will the first families find you?
- What happens between a first call and the first day?
- How families find the program: [referrals / local search / employers / schools / resource and referral organization / flyers].
- Tour and enrollment steps: [first call → tour → application → deposit or registration → start date].
- Waitlist: [how it works, how families are told].
- Referral sources and partners: [].

- Marketing budget: [\$ a month] (Excel workbook: OpEx tab).

7. Funding request

How to fill this in (delete before sending)

The SBA asks you to explain “how much funding you’ll need over the next five years and what you’ll use it for”, and to “Specify whether you want debt or equity” ([SBA](#)).

Skip this section if you are not asking for money. Make the amount match section 8.1 and the start-up list in 5.8. If you are applying for a grant, use the budget narrative row in 5.5 and your application's own list.

Questions to answer in this section:

- How much is needed, and where will it come from?
- What will each dollar buy?
- How will a loan be repaid from the program's cash flow?

Item	Your answer
Amount requested	[\$]
Type of funding	[loan / owner equity / grant / other]
Terms you would like, and the period the request covers	[]
Use of funds (from section 5.8)	[]
Budget narrative: why each cost is needed	[]
Repayment from cash flow (loans)	[]

Paths to check (ask your lender or the grant program what it requires)

- The SBA says its microloan program helps “small businesses and certain not-for-profit childcare centers start up and expand”. That does not say your program will qualify: ask a lender. Microloans are made through intermediary lenders, which make all credit decisions and set all terms ([SBA: Microloans](#)).
- SBA 7(a) loans are applied for directly through a local lender. Most 7(a) term loans are repaid with monthly payments of principal and interest from the cash flow of the business ([SBA: 7\(a\) loans](#)).
- This template states no amount, rate or term, and promises no loan, grant or license.

8. Financial projections

How to fill this in (delete before sending)

The SBA asks for “a prospective financial outlook for the next five years”, with forecasted income statements, balance sheets, cash flow statements and capital expenditure budgets, and quarterly or monthly projections for the first year ([SBA](#)).

Build the numbers in the free Excel workbook: letstalkbusinessplans.com/posts/excel-business-plan-templates-free-download. Copy the summary figures below and attach the printouts (section 10).

This file holds summary tables only. Each table names the workbook tab that fills it.

Questions to answer in this section:

- Do the projections match the funding request?
- What has to be true for these numbers to happen?

Workbook bridge and its limits

- Units: enter enrolled children per month at full Year-1 enrollment, and the monthly tuition per child as the price, in Assumptions, section 2 (five revenue lines are available, for example one per age group).
- Ramp-up is one six-month table shared by all revenue lines; month 7 onward runs at 100%. Your month-by-month enrollment from 5.2 for months 7 to 12 cannot be entered month by month.
- There is no receivables timing: the workbook has customers pay in the month of the sale. A payment that arrives a month late cannot be modeled, so section 8.4 does it by hand.
- There is no grant line in the sources of funds: only Loan, Owner equity and Investor equity. One way to model a grant is to enter it as owner equity and say so in your assumptions. Check with your accountant.
- There is no ratio or age-group staffing logic. Payroll is salaried by role from a start month; convert hourly staff by hand (5.3).
- Seasonality is one factor per calendar month for all revenue lines (100% = a month with no seasonal change).
- Lowest month-end cash is read from the Key Ratios tab (row "Lowest month-end cash in the year"); Cash Flow shows month-end cash.
- The workbook is not daycare-specific.

8.1 Start-up costs and funding (sources and uses)

From the Excel workbook, Startup & Funding tab

Uses of funds	Amount	Sources of funds	Amount
Equipment and furniture (5.8)	[\$]	Loan	[\$]
Materials and supplies (5.8)	[\$]	Owner equity	[\$]
Licenses, inspections and deposits (5.8)	[\$]	Investor equity	[\$]
Marketing before opening	[\$]	Grant (no workbook line: see the bridge box)	[\$]
Working-capital reserve (5.8)	[\$]		
Total uses	[\$]	Total sources	[\$]

8.2 Profit and loss summary, Years 1-5

From the Excel workbook, P&L tab (annual columns)

Line	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	[\$]	[\$]	[\$]	[\$]	[\$]
Direct costs	[\$]	[\$]	[\$]	[\$]	[\$]
Gross profit	[\$]	[\$]	[\$]	[\$]	[\$]
Payroll	[\$]	[\$]	[\$]	[\$]	[\$]
Operating expenses	[\$]	[\$]	[\$]	[\$]	[\$]
EBITDA	[\$]	[\$]	[\$]	[\$]	[\$]
Net income	[\$]	[\$]	[\$]	[\$]	[\$]

8.3 Cash, break-even and the loan

From the Excel workbook, Cash Flow, Key Ratios, Break-Even and Loan tabs

Line	Year 1	Year 2	Year 3	Year 4	Year 5
Ending cash	[\$]	[\$]	[\$]	[\$]	[\$]
Lowest month-end cash (and month)	[\$] ([month])	[\$] ([month])	[\$] ([month])	[\$] ([month])	[\$] ([month])
Annual debt service	[\$]	[\$]	[\$]	[\$]	[\$]
Debt service coverage ratio	[x]	[x]	[x]	[x]	[x]

Break-even sales per month (Excel: Break-Even tab): [\$] on a profit basis, [\$] on a cash basis. Break-even enrollment from 5.2: [] children.

8.4 Year-1 monthly cash with payment timing

The workbook cannot delay a payment, so work Year 1 here. Cash in each month = private-pay tuition received + the assistance program's payments received (the month you enter in 5.4) + parent co-payments received + any other cash in. Net = cash in – costs. Cumulative = the running total of net from month 1. Keep a working-capital reserve at least as large as your lowest cumulative figure.

Yours: Year-1 monthly cash, months 1-12

Month	1	2	3	4	5	6	7	8	9	10	11	12
Children enrolled	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
of which through the program	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Private-pay tuition received	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Program payments received	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Co-payments received	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Other cash in	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Cash in	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Costs	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Net	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]
Cumulative	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]	[]

Example — replace with your numbers. A hypothetical program, made-up inputs. The program's share is paid one month later (a made-up lag that is not any state's schedule). Costs and tuition are the made-up figures from 5.2

Month	1	2	3	4	5	6
Children enrolled	6	9	12	14	15	16
of which paid through a subsidy program	2	3	4	4	5	5
Private-pay tuition received	\$4,960	\$7,440	\$9,920	\$12,400	\$12,400	\$13,640
Subsidy received (last month's subsidy children)	\$0	\$2,480	\$3,720	\$4,960	\$4,960	\$6,200
Cash in	\$4,960	\$9,920	\$13,640	\$17,360	\$17,360	\$19,840
Costs (made-up)	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600	\$18,600
Net	(\$13,640)	(\$8,680)	(\$4,960)	(\$1,240)	(\$1,240)	\$1,240
Cumulative	(\$13,640)	(\$22,320)	(\$27,280)	(\$28,520)	(\$29,760)	(\$28,520)

Example — replace with your numbers: Enrollment reaches 15 (break-even in 5.2) in month 5, but cash is still short that month because the subsidy share arrives a month later. The lowest cumulative cash is month 5, at (\$29,760). That is why the budget carries a working-capital reserve. Change the lag to your program's

real timing. The example ignores co-payments, which a real subsidy case would split (5.4), and it does not imply that 15 children is a viable or allowed size.

8.5 Balance sheet

The balance sheet at each year-end (total assets, liabilities and equity) is on the Excel workbook's Balance Sheet tab. Copy the five year-end columns here or attach the printout in section 10: [].

Main assumptions: [children enrolled by month, tuition, payer mix and payment lag, staffing from your state's rules, rent, insurance, loan terms].

9. Risks and what you'll do

How to fill this in (delete before sending)

For each risk, change the matching input in the Excel workbook or in 8.4 and note what happens to cash. Then write the reserve or action. No probabilities are needed.

Questions to answer in this section:

- What could keep the program from opening or from covering its costs, and how long could you cover the bills?

Risk	What to change or check	Effect on cash	Your plan (reserve or action)
Enrollment fills more slowly than planned	Enrollment by month (5.2); break-even enrollment	[]	[]
A staff member leaves and you fall short of your state's staffing rule	Staff needed at one time (5.3); payroll start months	[]	[]
Payments from your state's assistance program arrive late	Payment lag (5.4, 8.4); working-capital reserve	[]	[]
A licensing or inspection delay pushes the opening	Licensing timeline (5.6); rent and payroll before opening	[]	[]
Your state changes its assistance program	Payer mix (5.4); tuition	[]	[]
A large employer that sends families leaves the area	Enrollment by month (5.2)	[]	[]
Insurance lapses or a claim is made	Insurance cost (5.7)	[]	[]

10. Appendix checklist

This appendix is an addition to the SBA's sections. Attach what your reader asks for and tick it.

- ☐ License or application status
- ☐ Inspection reports
- ☐ Insurance certificates
- ☐ Lease or ownership proof
- ☐ Landlord or HOA permission
- ☐ Letters of support

- ☐ Quotes or estimates for purchases
- ☐ Staff qualifications (as your state requires)
- ☐ Parent handbook
- ☐ Excel workbook printouts: P&L, Cash Flow, Balance Sheet, Key Ratios

Sources for the rules quoted in this template, as read on October 20, 2026: SBA (Plan your business; Launch your business; Microloans; 7(a) loans) pages, linked in each section; and the federal child care regulations, 45 CFR 98.33, 98.40, 98.41, 98.45, in the eCFR (title 45, part 98). The federal rules set duties for each state's lead agency; the requirements you must meet come from your state. Check each page again before you rely on it.