

a MESSAGE FROM the PRESIDENT

Let's start the year by reflecting and reminding ourselves of who we are and what we as an association represent. Let's take pride in belonging to the NJFCCPA- the association dedicated to developing professional pride and improving the lives of all family child care providers.

We can reach our potential sooner when we have more active members. Our entire association from the president, executive board, and county reps, is comprised of family child care providers, who volunteer their time to attend to the needs of fellow providers. NJFCCPA continues to reach out to all FCC providers to join us as we grow to meet the ever changing needs of its members. We can achieve our goals when we hear your voices. As I have said earlier- the larger our numbers, the stronger our voice. I encourage more FCC providers to take an active role in your County Chapters. Call your county reps and talk to them. Where county chapters need to be created, call your Regional Reps and let them know of your interest. They will support you and extend to you the help you need to get your chapters up and running.

When we meet with other providers that share the same issues and challenges, we realize our own sense of community. After all, ours is a lonely business with limited adult interaction. But you have to take that first step and call. I am proud of those who have come forward and are now in the process of assuming leadership positions in the association. Often, by just getting together, others may realize your potential - even before you realize it yourself. So, do call. We'd love to hear from you. Make the effort- not excuses.

As your president, I have been diligent in being your voice; attending meetings and contributing to differing organizations.

1. Family Child Care Organization-FCCO has been very supportive of NJFCCPA and all the resource and referral agencies have a mutual respect for the work we do to raise the bar of quality child care. They have also contributed towards my trip to attend the National Association of Family Child Care Conference in Kansas City, Missouri.

continued on page 2

Among other topics, we discussed "Where does Family Child Care Fit in the Early Care and Education Landscape?" and the inclusion of Family Child care when Universal Pre- K is established.

2. Legislative Government Action Committee- This committee of the Child Care Advisory Council has been supportive of us. When I approached the chair to begin work on bill S866- the bill that would allow family child care providers to care for 10 children with an assistant- the LGA passed this bill on to the Child Care Advisory Council for further review.

3. Child Care Advisory Council- As a member of this council, I now have the support of its members who have formed an adhoc committee to further look into the feasibility of Expanded Family Child Care in NJ. Those interested in contributing towards researching this, please contact us.

4. The Public Advisory Board- I have recently started to attend their meetings and see the benefits of doing so.

5. I was part of a working team and submitted my report on the family child care aspect when the draft for the NJ Infant- Toddler Credential was being created. This working Session was sponsored by the Better Baby Care Campaign-NJ, Coalition of Infant/Toddler Educators, NJ State Head Start Collaboration Office and the NJ Professional Development Center for Early Care and Education, the Dart Center of Kean University.

6. The co-founder of NJFCCPA- Lou Warren Groomes, held a Train the Trainer workshop for some of our seasoned providers in leadership positions. Our thanks to her, for being there for us.

Lastly, let's make some new resolutions for this year. Through your active participation, we will succeed only when we meet and exceed our own expectations. We need to have passion for excellence, and endeavor to deliver the highest standard of service, value, integrity, and fairness. We will celebrate the diversity and power of people, ideas, and cultures. Through our actions and our children, we will respect and enrich the community in which we live. Get Involved - Make that Call!!

Thank you,
Tan Coelho.



New Tax Law Changes for 2004

Tom Copeland, Director, Redleaf National Institute

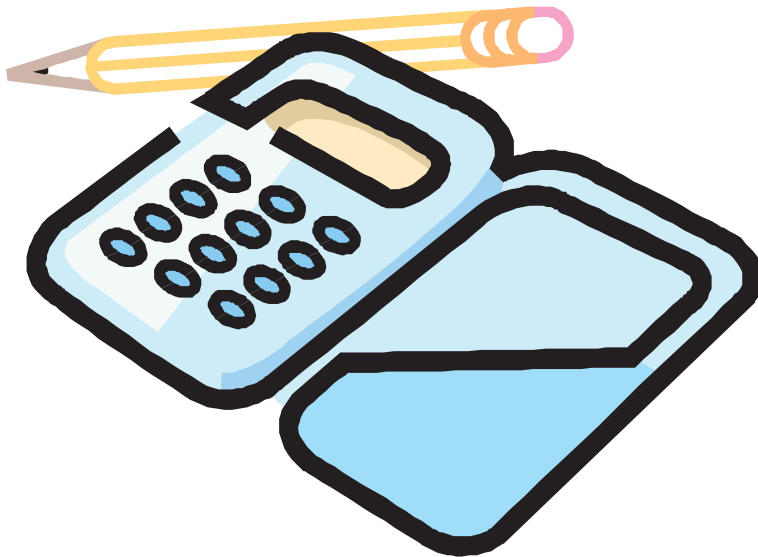
Every year there are changes in the tax laws that affect family child care providers. Here are the most significant ones for 2004.



* Providers can now amend their 2003 tax return and elect to use the Section 179 rule to write off larger purchases. Providers who amend their 2003 tax return will get a refund. The Section 179 rule allows providers to claim as a business deduction in one year items used more than 50% of the time in their business. Such items could include furniture, appliances, equipment, televisions, etc. The purchase of a home, home improvements, or land improvements does not qualify for this rule. Before this change, providers were only entitled to use the Section 179 rule if they elected it in the year they purchased the item.

Standard Deductions for 2004

- The amount that can be claimed per meal using the standard meal allowance rate for 2004 is \$0.99 breakfast, \$1.83 lunch or supper, and \$0.54 snack.
- The standard mileage rate for 2004 is 37.5 cents per business mile. For 2005 the rate rises to 40.5 cents per business mile. This big increase means that providers will benefit by carefully tracking all business trips.



* The start-up rule has essentially been eliminated for expenses incurred after October 22, 2004. A start-up expense is an item purchased for use in the business before the business began and which costs less than \$100. Under the old rules such start up expenses would be deducted over 60 months. (Items costing less than \$100 and purchased after the business began can be deducted in one year.) The new rule allows providers to deduct up to \$5,000 of start-up expenses purchased after October 22, 2004 in the year

the business begins. For example, a provider who buys \$2,000 worth of small toys in November and December of 2004 and starts her business in 2005 will be able to deduct the full \$2,000 on her tax return in 2005. Start-up expenses in excess of \$5,000 must be amortized over 180 months (15 years). Items purchased before October 22, 2004 are still subject to the old start up rule.

More New Tax Law Changes for 2004

Tom Copeland, Director, Redleaf National Institute

* The 50% bonus depreciation rule expired December 31, 2004. This rule allowed providers to deduct one half of their depreciation expenses in the first year for items such as furniture, appliances computers, fences, and play equipment. The item must have been new when purchased. Providers who did purchase such items in 2004 should take advantage of the rule.

* Providers who have not depreciated items used in their business (such as the home, home improvements, furniture, appliances, equipment, fences, etc.) can use IRS Form 3115 to recapture this unclaimed depreciation from earlier years and deduct the depreciation on their current tax return. This form can be used to claim depreciation on hundreds of household items owned by the provider when her business began. A new rule now allows providers to use this form without waiting for two years after items were first used in their business.



Tax Changes Scheduled for 2005

- The standard meal allowance rate will be
\$1.04 for breakfast
\$1.92 for a lunch or supper
\$0.57 for a snack.
- Maximum IRA contributions rise to \$4,000 for a traditional IRA and Roth IRA (up from \$3,000) and \$10,000 for a SIMPLE IRA (up from \$9,000).

For details on all the new tax law changes see the 2004 Family Child Care Tax Workbook and Organizer (\$14.95), available in January 2005 from Redleaf Press (www.redleafpress.org or 800-423-8309). To receive monthly emails updating you on changing tax rules and other business news throughout the year, sign up for our free Provider Business News Newslink at www.redleafinstitute.org.

What Are My Chances of Being Audited?

Providers often worry about being audited. According to recently released data from the IRS, taxpayers who file a Schedule C showing gross income of under \$25,000 have an audit rate of 2.67% for 2002 and a projected audit rate of 3% for 2003. For those with income from \$25,000 to \$100,000, the audit rate was 1.18% for 2002 and a projected rate of 1.33% for 2003. For those earning above \$100,000, the rates are 1.45% and 1.47%.

Providers can do little to reduce their chances of being audited, other than to avoid showing losses in their business for several years in a row. If providers keep complete and accurate records for their business income and expenses, they should not worry about an audit.

Monmouth County Spotlight



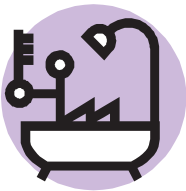
A little bit about Monmouth County Rep, Michele Gregorio:

Michele has been a State Registered Child Care Provider in Howell since 1996, Child Development Associate Credentialed, First Aid & CPR Certified. She is dedicated to helping children experience the highest level of care available and pursues this goal through ongoing education and professional development. In addition to serving as the Monmouth County Rep. of the NJ Family Child Care Provider's Association, Michele is also a Gold Star Member and serves on the Central Board of C.I.T.E. (Coalition of Infant-Toddler Educators). She is the mother of two, is active in a number of children's causes and organizations. Ongoing professional development is very important to this Monmouth County Rep! She has earned the Child Development Associate Credential and is working toward Program Accreditation from the National Association for Family Child Care.

Time to Get Together and Chase Away the Winter Blahs....

Family Child Care can be very isolating! Child Care Services and many other organizations are doing a very good job of offering educational opportunities -- remember we can fill your other need -- a support system with other Family Child Care Providers. Reach out and meet other Providers right here in Monmouth County in a supportive, peer-to-peer setting. Exchange ideas, ask questions, get advice from someone who has been "in the trenches" or just talk to someone who does what you do for a living and can really relate. Contact Michele Gregorio for information about our next meeting.

Call 732-370-3528 or email shellchild@aol.com.



A Shower Moment?

"I had a "shower" moment today - and it is something that I feel has been neglected for too long. It has to do with the most critical aspect of the association and the true reason we exist. We are not emphasizing enough how our association impacts State policy in family childcare. We need to start educating providers that we ARE their face and their voices when it comes to business practices and policies. There is NO ONE ELSE doing that for them! The next time a provider asks what do I get for my membership tell them they get the ability to protect their interests on the state level, to interact with other family childcare BUSINESS owners and to help shape the face of childcare in NJ. We ARE a business league and that gives us a unique designation under the IRS code - we have the right to perform legislative activities. We were founded by women who wanted to empower the owners of family childcare businesses and we need to keep that spirit alive. Somehow the purity of that mission has gotten muddled over the years."

-NJFCCPA Treasurer, Linda Cook



Strategies for Increasing Family Child Care Income



by Jeff Wyatt

Nearly one third of family child care providers leave the business every year. A contributing factor is that child care does not pay very well. Must we accept this situation? Maybe there are ways to improve family child care income.

The strategies listed below may help you find extra money that you are missing from your business. You may already be considering some of them. Of course not all will work for you, but you owe it to yourself to examine them in light of your business situation.

* Care for the maximum number of children with which you are comfortable, while staying within the regulation rules for your state. (It may pay for you to hire an assistant and care for even more children. Check it out. **(EDITOR's NOTE: In NJ, you may care for no more than 5 children with or without an assistant)**)

* Enroll in the Child Care Food Program. Depending on qualifications, a provider will receive from \$400 to \$800 a year per child in reimbursements (assuming she serves a breakfast, lunch, and snack each day).

* If you are receiving payments from your county or state to care for low-income parents, require the parents to pay you the difference between your regular rates and what the government pays. Parents can, and should, pay you this co-payment.

* Do not allow discounts for the second or third child from one family. You are selling quality child care slots. Your fixed expenses for a slot are not going to decrease when you allow a discount for multiple children. After all, when you buy two gallons of milk, how much does the grocery store discount the second gallon?

* Make sure you are claiming all allowable business deductions to help you reduce your earned income. (For a list of 1,000 such deductions, see the Family Child Care Record-Keeping Guide, published by Redleaf Press.)

* Open your home to children whose parents work second or third shift. Care for one or two children evenings or overnight. (Check your local regulations and with your child care liability insurance company prior to doing this.)

* Take more part-time children at a daily or hourly rate that is higher than your full-time rate. Example: if you charge \$100/week for a child's slot and \$25/day for a part-time child's slot, and you can fill all five days of the week with part-timers, you make an extra \$25 a week from that one slot.

· Put a cost-of-living clause in your contract. There are very few people working outside the home who don't get an annual cost-of-living raise, and you should, too. (A 2% cost-of-living increase for a provider with five full-time children at an average of \$100/week per child will result in \$500 more gross income per year.)

· Keep your prices in the top 20% of child care rates in your area. You provide high quality child care. Don't be afraid to charge for the service you deliver. If an increase causes you to experience some turnover, so be it. You will end up averaging overall higher income after you have replaced someone who has left. It sounds cold to put it this way, but at the end of the day you are a business owner. The more successful you are, the longer you can stay in business and provide quality child care to many more deserving children.

You may not want to, or be able to, implement all of these strategies. However, if you use at least four of them, you should be able to improve your income by a couple of thousand dollars a year. We estimate that if all nine were implemented, you could earn as much as \$15,000 or more from your business.



What to do with the money: Improve, Insure, Invest

Improve... Take classes, get your CDA, apply for NAFCC accreditation, buy necessary capital improvements for your home and business. Also, if you have not already, join your local family child care association, state association (NJFCCPA!) and NAFCC (www.nafcc.org). All of these connections will help in your overall success, and the membership fees are 100% tax deductible.

Insure... Get business liability insurance if you have none, maximize your homeowners and auto coverage, buy an umbrella liability insurance policy, and get disability income insurance. (See our "Insurance" pages at www.redleafinstitute.org for more information.) Buy a whole life insurance policy with death benefits equal to five years of your take-home income. This will help your dependent children if you should die, and it is an investment for your retirement as well. (The younger you are when you take out a life insurance policy, the lower your monthly premium, so what are you waiting for?)

Invest... Start a regular IRA, SEP IRA, SIMPLE IRA, or Roth IRA and add to it regularly with an automatic deduction from a checking account. Try to contribute the maximum and start enjoying the miracle of compounding interest. New tax laws allow you to contribute more to an IRA. Nearly every family child care provider can get more money out of the business. Really smart providers put some of their money to work for them. Will you?

For more information, visit our Web site at www.redleafinstitute.org, email us at rni@redleafinstitute.org, or call us at 651-641-6675.

Putting a name to a face of our active board members!



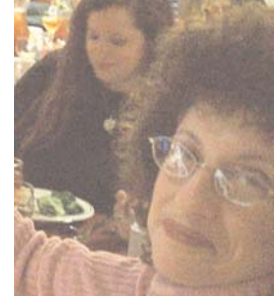
President-
Tan Coelho



Past President
Newsletter Editor
Tina Foley



Vice-President
Lorraine Farr



Treasurer
Passaic County Rep
Linda Cook



Membership Secretary
Union County Rep
Barbara Pittman



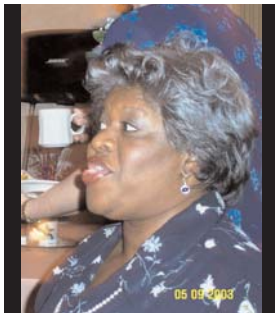
Member Services
Gloria Johnson



Recording Secretary
Morris County Rep
Lisa Mani



Northern Reg. Rep
Morris County Rep
Danielle Syracuse



Central Regional Rep
Middlesex County Rep
Roselle Coye



Southern Reg Rep
Alycia Walton



Monmouth County Rep
Michele Gregorio



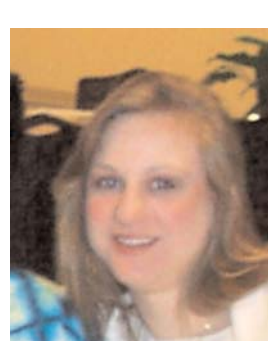
Somerset County Rep
Julie Payne



Burlington County Rep
Lil Rollins



Hunterdon County Rep
Darlene Blanchard



Middlesex County Rep
Cheryl Ambicki



Board Advisor
Terri Knoblock

Highlights from Middlesex County

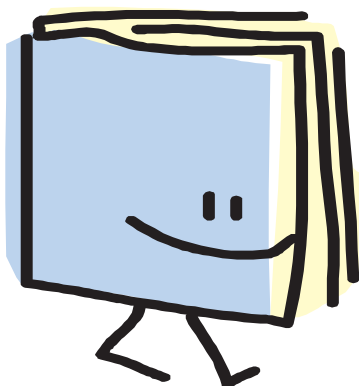
- * On November 30th we had a planning meeting to discuss what we will be doing for the New Year.
- * On December 18th we had a "Cookie Club" at Cheryl Ambicki's home from 2-4pm. Each provider brought one dozen cookies per person plus a dozen to sample. There was punch and other goodies to eat. We had such a relaxed and leisurely time we're planning to do it again next Holiday Season. Anybody interested, contact Cheryl M. Ambicki at 732-424-0090.
- * On January 7th we held a "Provider's Night Out" at Applebees in Watchung!
- * On Tuesday, March 8th, from 7:30-8:30 pm, we will have a planning meeting at Roselle Coye's home. For directions, contact Roselle at 732-968-0381. **All providers are welcome.**

Happy Birthday Dr. Seuss!

The NJFCCPA challenges you, on March 2, to participate in Read Across America in honor of Dr. Seuss' birthday!

Initially created as a one-day event to celebrate reading on Dr. Seuss' birthday, the National Education Association's Read Across America has grown into a nationwide initiative that promotes reading every day of the year.

Keep this tip in mind from the NEA's website as you plan how to celebrate. "Your NEA's Read Across America celebration can be as simple or elaborate as time and inclination allow. Whether you choose to scale up or down, keep in mind the basic premise and your event is almost certain to be a success: On March 2, the National Education Association is calling for every child to be reading in the company of a caring adult. "



To find out more about this important initiative including ways to celebrate, visit the National Education Association's website @ <http://www.nea.org/readacross/> For now, keep reading! Make reading a part of your day, everyday!

Be sure to share with us how you celebrated the day. Send your stories to info@njfccpa.org . Put "Read Across America" in the subject line!

Did You attend the NJFCCPA Annual Retreat?

Yes? Great! No? Plan to attend an upcoming board meeting to find out how you can become more involved in the New Jersey Family Child Care Providers' Association!



The NJ Professional Development Center For Early Care and Education has redesigned their website.

If you haven't visited recently, take a look at www.njpsc.org to find information about:

- Scholarships
- Tuition Reimbursement
- Conferences
- The NJ Registry
- Accreditation
- Directors' Academy
- Instructor Approval System

The NJPDC also looking for photos of children and teachers in educational settings to include on our new website. The first 5 respondents will receive a gift. Restrictions apply. Please call (908) 737-5907 for details.

Watch your mail for insurance and membership renewal information!

10 Reasons to Buy Liability Insurance

1. Most Homeowners policies specifically exclude or provide very limited coverage for day care business operations.
2. No matter how experienced you are, or how safe your home is, accidents do happen.
3. The cost of defending a lawsuit can be a monumental expense.
4. Daycare insurance protects your family's assets against the financial uncertainty of a claim or lawsuit against you.
5. Daycare insurance provides you with qualified legal council in the event of a covered claim.
6. Daycare insurance provides you with high limits of protection in the event you are found liable.
7. Daycare insurance allows you to stay in business by transferring the financial uncertainty of a claim to the insurance company.
8. Having proper in insurance protection demonstrates your professional responsibility.
9. Having proper insurance distinguishes you from other providers.
10. Having the proper insurance is good for you, the parents you serve, and most importantly, the valuable children in your care.

Prepared by the New Jersey Family Child Care Providers' Association.
For more information: www.njfccpa.org or call 908-713-8682

The New Jersey Family Child Care Providers' Association

Board Members

President- Tan Coelho
Past President - Tina Foley
Vice-President - Lorraine Farr
Treasurer - Linda Cook
Membership Secretary - Barbara Pittman
* Member Services - Gloria Johnson
Recording Secretary - Lisa Mani
Newsletter Editor - Tina Foley
Servicios para Miembros - Open

Northern Regional Representative Danielle Syracuse

Bergen County - Pending
Essex County - Open
Hudson County - Open
Morris County - Danielle Syracuse
Lisa Mani
Passaic County - Linda Cook
Sussex County - Pending
Warren County - Open

Central Regional Representative - Roselle Coye

Hunterdon County - Darlene Blanchard
Mercer County - Virginia Micai
Middlesex County - Roselle Coye
Monmouth County - Michele Gregorio
Somerset County - Julie Payne
Union County - Barbara Pittman

Southern Regional Representative - Alycia Walton

Atlantic County - Gail Noble and Grace Holley
Burlington County - Gloria Johnson and Lil Rollins
Camden County - Open
Cape May - Open
Cumberland County - Open
Gloucester County - Open
Ocean County - Open
Salem County - Open

For information, contact NJFCCPA * 908-713-8682
or visit our website: www.njfccpa.org



NJ Family Child Care
Providers' Association
16 Evelyn Drive
West Milford, NJ 07480

Standard
US Postage
PAID
Permit No. 1
Hillsborough,
NJ 08844



MAZEY, REED & BREY

"The right choice for insurance & financial services"



**We specialize insurance
coverage for all
NJ Family Child Care Providers.**

We are the only program developed and endorsed by the NJFCCPA exclusively for member providers. Managed by Mazey, Reed & Brey Insurance Agency.

908-359-2222 www.mazeyinsurance.com

Underwritten by: The Scottsdale Insurance Company (a surplus lines policy)