

Mastering Financial Management

BY ANNETTE BROWN, C.P.A.

Child care providers find themselves juggling numerous responsibilities that cover a wide span ranging from managing staff, to paying bills, to nurturing young minds. Amidst these demands, maintaining accurate financial records often becomes a daunting task. Child care providers, like many other business owners, generally tend to hate bookkeeping and paperwork, but it's critically important to have it done and to have it done correctly.

Efficient financial management is one of the keys to success for early child care providers. Key business decisions start with having accurate and up-to-date financial information, which provides critical insight into your business and aids in decision-making.

More and more child care providers find themselves having to navigate accounting tasks independently, as rising costs force them to cut back on many tasks or items they could previously outsource. However, a correctly designed accounting system can aid in this transition and provide the skills necessary to confidently navigate the intricacies of financial management.

The McCormick Center's upcoming virtual technology training, "[Mastering Financial Management: QuickBooks Training for Child Care Providers](#)," will help child care providers overcome the fear of the financials that plague small business entrepreneurs. There is a saying, "What gets measured, gets managed," and it is true that meticulous financial tracking can not only optimize operations but also assist with informed decision-making.

A well-structured setup in QuickBooks is crucial for effective financial management, and it can be adapted to meet the unique needs of childcare businesses. Learning to navigate QuickBooks effectively will allow you to use QuickBooks more efficiently to make critical management decisions and reduce outsourcing costs.

Among others, QuickBooks can be used for these key elements of child care program financial management:

- **Income Transactions:** Proper tracking and the categorization of income sources, such as tuition, fees, grants, food reimbursements, and extracurricular activities.
- **Expense Transactions:** Efficient tracking of operational expenses, including rent, utilities, supplies, meals, reimbursements, transportation, and professional fees, as well as processing more complex transactions such as asset purchases, depreciations, bill and loan payments.
- **Banking Transactions:** Accurate utilization of bank feeds to track bank and credit card transactions and monthly reconciliations to ensure accuracy between bank statements and QuickBooks records.

- **Report Creation:** Generating reports essential for tax purposes, management decisions, budgeting, and forecasting.
- **Year-End Reports:** Utilizing QuickBooks for year-end reporting requirements such as financial statements, child care expenses reports for families, and 1099 vendor payment reports.

“Mastering Financial Management: QuickBooks Training for Child Care Providers” will walk participants through how QuickBooks can be used for income transactions, expense transactions, banking transactions, report creations, and year-end reports. In addition, the session will explore strategies for optimizing workflows by automating recurring transactions and demonstrate how to integrate QuickBooks with other software and tools to enhance efficiency.

The [May 17 session](#) will also cover challenges encountered by QuickBooks users with insights into how to avoid common errors. Participants will be able to engage in a live Q&A session where they can ask specific questions and gain insight with fellow child care providers.

By adopting the practices outlined in the webinar, child care providers can streamline financial performance enabling them to focus their energies on nurturing the next generation.

Annette Brown is a Certified Public Accountant and the owner of ABC Accounting Services, LLC. She received her BS in Accountancy from Northern Illinois University and her CPA Certification from the University of Illinois. Annette began her accounting career in the corporate sector and has over 25 years of accounting experience. She started ABC Accounting Services to empower small business entrepreneurs to thrive in their businesses.