

Simplify Your Grant Reporting

There is a simple way for home-based child care providers to report Spring and Summer Child Care Stabilization Grant spending to MDE.

REMEMBER: Grant reporting is separate from income tax returns. **How you report to MDE that you used your grant will not affect your tax refund or tax due in any way.** You will not pay more tax if you report you used the grant for salaries rather than reporting you used it for supplies.

Method 1 – Paper Check:

1. After receiving your grant, write yourself a check for the full amount of the grant. Write “Salary” in the memo line on the check.
2. Deposit the check into a personal bank account with your name on it. After the check is deposited there, you can spend the money on any business or personal expense.
3. Obtain a copy of the canceled check from your online bank account or from a bank teller.
4. Report to MDE that you used the entire grant for salaries.
5. Upload a copy of the canceled check to MDE. You’re done! It’s so easy!

Method 2 - EFT:

1. After receiving your grant, set up an electronic funds transfer to transfer the full amount of your grant from the original bank account to a personal bank account with your name on it. Type “Salary” in the notes field while setting up the EFT.
2. Save or print a copy of the confirmation of that EFT. After the EFT goes through, you can spend the money on any business or personal expense.
3. Report to MDE that you used the entire grant for salaries.
4. Upload a copy of the EFT confirmation to MDE. You’re done! It’s so easy!

Example:

Jane Doe is a home-based child care provider. She received a Spring grant of \$9,500.

1. Jane writes a check for \$9,500 made out to “Jane Doe.” She writes “Salary” in the memo line of the check.
2. Jane deposits this check into her personal savings account. She then transfers \$6,000 to her IRA (Individual Retirement Account), spends \$1,000 on child care supplies, and spends \$2,500 to go on vacation.
3. Jane downloads a copy of the canceled check from her online bank account.
4. Jane reports to MDE that she spent \$9,500 of her Spring grant on salaries.
5. Jane uploads a copy of the canceled check to MDE.

Reasons to use this reporting method:

- It’s simpler for you. You don’t need to worry about expense categories or to determine whether you should report the full amount or the time/space percentage of that expense.
- MDE prefers this reporting method. Because this type of reporting is simpler, you are less likely to be contacted by MDE for correction or clarification.
- If you are randomly chosen for monitoring, you don’t need to worry. Your reporting was simple, your expense was allowable, and you’ve already uploaded the perfect proof.

Made possible thanks to the Michigan ECE Community of Practice Team: Members include representatives from BC Pulse, BUILD Initiative, Detroit Hispanic Development Corporation, Early Childhood Investment Corporation, Early Learning Neighborhood Collaborative, First Steps Kent, Grand Rapids Chamber, Hope Starts Here, KC Ready 4’s, M.A.C. Tax Service, Michigan’s Children, Refugee Education Center, Southeast Michigan Early Funders Collaborative, The Grand Rapids Early Discovery Center, YWCA Kalamazoo, and Vibrant Futures.