



U.S. General Services Administration  
PBS Office of Child Care



gsa child care



Board of Directors  
Child Care  
Resource Book  
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## **Chapter 1**

### **INTRODUCTION**

The functions of a Nonprofit Board of Directors are many and impact most aspects of the federal child development center as it operates in space controlled by the U.S. General Services Administration (GSA). The Nonprofit Board management model has proven to be an effective means of ensuring participating agency involvement, commitment to the child development center, and on-going decision making authority. The majority of centers operating in GSA space are managed by professional child care providers under contract to Nonprofit Boards.

This resource book will serve as a guide for developing a Nonprofit Board which contracts for child care services. Specific steps and procedures are outlined and sample documents are provided to assist agencies starting Boards and opening centers.

In addition this resource book reflects GSA policy regarding Board operations and is designed to assist existing Boards by providing information to develop effective practices for the long term viability of their child development center and ensure growth and success of the Board itself.

#### **GSA Child Development Centers - A Perspective**

Since 1985, GSA has worked with federal agencies to accelerate the development and availability of on-site child development facilities. With the passage of the Tribble Amendment (40 U.S.C. 490b) in December 1985, GSA was authorized by law to provide space for child care in Federal buildings under GSA's control. This space is allocated at no charge to individuals or entities to provide child care services for government employees. Other federal agencies that have their own independent authority to manage or control space also share this authority.

In 1987, the House Committee on Government Operations of the 100th Congress further clarified GSA's role by saying that the agency should serve as a "catalyst" in the process of developing quality, affordable child care centers to meet the needs of working parents. GSA has met that challenge and has worked with many federal agencies to build-out and open more than 110 federal child development centers.

With the enactment of Section 528 (Amendment to 40 U.S.C. 490b) in 1992, GSA was given specific statutory authority to oversee child care operations of federal agencies that occupy GSA space and to provide assistance to those other land holding agencies that are not in GSA space. Title 40 was recodified in 2002 and section 490b has become section 590 (see APPENDIX A for a copy of the law as it currently reads).

Today, the Office of Child Care provides operational oversight, guidance and assistance with a network of GSA Regional Child Care Coordinators located throughout the nation. This network ensures consistency and continuity of services provided to customer agencies and further gathers statistical data, information, and research that has enabled GSA to provide valid and reliable operational policy directives. The Regional Child Care Coordinators, in cooperation with the GSA Property Managers

and other Regional and National Office personnel, have multiple responsibilities which contribute to the “guidance, assistance, and oversight” required of GSA by federal law (see Chapter 6, Roles and Responsibilities).

When an agency makes a decision to pursue the establishment of an on-site child development center, many factors and variables have to be addressed. A great deal of groundwork and planning is necessary to ensure that the most comprehensive means of development is obtained and that the entire process is clearly understood and followed. The Regional Child Care Coordinators provide guidance and advice throughout the process. They serve as GSA's main link to Boards of Directors and convey policies about child care and other guidance to the Boards and centers.

## **Chapter 2**

### **START UP GUIDANCE AND BOARD COMPOSITION**

#### **Legal Authority**

GSA Administrative Order 9252.1, issued in February 1984, allows a federal agency authority to allocate space to a voluntary employee association (Nonprofit Board) for the purpose of providing child care services under 40 U.S.C. 590. With the guidance of GSA's Regional Child Care Coordinators the Board selects a provider to perform the child care services at a particular site. Since the Board is an independent organization and not a federal agency, it is not subject to the Federal Acquisition Requirements, nor is it subject to bid protest jurisdiction of the General Accounting Office (Lac Courte Oreilles Development Corporation, B-24668, September 24, 1986, 86-2 CPD 346).

#### **Start Up Committee**

The formation of any Nonprofit Board is a process that takes time, planning, and considerable effort. Agency and individual commitment are essential for the process to work successfully. Organizing a start up committee is the first step. To make this committee most effective no fewer than five and no more than eleven members should be sought to accomplish the work. Keep in mind that a minimum of three people is necessary for Board incorporation.

The individuals who serve on this start up committee should possess specific knowledge and skills. At a minimum, the committee should include members with:

- knowledge of early childhood education
- a legal background (preferably an attorney)
- a financial background
- excellent organizational and communication skills
- fund raising skills
- prior experience serving on a nonprofit board

These individuals must have adequate time and resources to spend on the process of Board development. Further, the actual Board of Directors (if not the same members as the start up committee) must possess similar areas of expertise.

The start up committee may be involved in the center feasibility planning and implementation which precedes actual formation/incorporation of a Board of Directors, (e.g., survey to determine if adequate numbers of children are available for a center to exist at a specific site). Information about the start-up process is available from the Regional Child Care Coordinator and in the "Starting a Child Development Center" resource guide available in the library at [www.gsa.gov/childcare](http://www.gsa.gov/childcare).

#### **Responsibilities of the Board**

One of the main purposes for the establishment of a Nonprofit Board is to contract for child care services at a particular site. The Nonprofit Board model provides an excellent system to ensure

comprehensive participating agency involvement and commitment to the child care project. The Board has direct responsibility for ensuring that the Special Conditions to the GSA Licensing Agreement are followed in the operation of the center, thus providing a strong commitment to and responsibility for both quality and affordability.

The following briefly summarizes critical responsibilities of the Board:

- To ensure and oversee the long-term viability of the center
- To raise scholarship funds so that a diverse population of children of all economic and social backgrounds can afford to attend the child development center
- To administer a tuition assistance program
- To serve as a liaison between the provider, the parents and the sponsoring agency
- To keep programs and services consistent with the designated Board purpose
- To solicit, advertise and contract for child care services
- To ensure child care services are provided in compliance with the Special Conditions of the GSA Licensing Agreement
- To work cooperatively with GSA to ensure high quality, affordable child care
- To market the center to prospective parents
- To actively seek future Board members and to ensure Board stability and continuity
- To attend training as necessary

Because of their significance these basic responsibilities and functions of the Board are repeated in a variety of ways and in different sections of this manual.

### **Legal Responsibilities**

There are legal responsibilities/liabilities of incorporated boards. One of the first steps for the start up committee should be to obtain the appropriate documents from the state's "Secretary of State" or office that handles nonprofit incorporation.

In meeting the legal responsibilities of an incorporated board, the activities of the Nonprofit Board of Directors can generally be categorized in terms of three basic duties. Under "the" law (which varies across states), the duties are:

(1) The duty of care - that the Board takes its job seriously, makes reasoned decisions, engages in risk management.

(2) The duty of loyalty - that the Board puts the interests of the organization first. Every decision is made for the good of the organization (the child development center) rather than for the good of one or more Board members.



(3) The duty of obedience - that the Board acts in accord with its and the center's mission and applicable laws. The Board must also function, of course, in accordance with its own articles of incorporation and its bylaws.

Failure to fulfill these basic duties puts the Board at risk, not only for being sued because it can be sued for a variety of circumstances, but also for being sued successfully. Lawsuits are not a frequent occurrence, but when they do occur, Courts consider the liability of the Board in terms of one or more of the basic duties cited immediately above.

Good management/oversight and quality child care are closely interrelated. The Board should anticipate problems and their resolution by building into the Board's bylaws, see Chapter 4, general procedures and policies that will help avoid problems and which will provide the evidence of good stewardship through good record-keeping.

Sophisticated legal background is not the main prerequisite for risk management. Prudent planning that reflects an understanding of legal aspects and sound business practices is essential for risk management. For instance, good minutes of board meetings wherein reasoned judgments are reflected can be invaluable evidence of the duty of care in the eyes of judge and jury.

## **Insurance**

Public Law 105-19, the Volunteer Protection Act of 1997, provides certain protections to volunteers; nonprofit organizations and governmental entities in lawsuits based on the activities of volunteers (see Appendix L for the complete text). According to the Nonprofits' Insurance Alliance of California, employment practices disputes generate the most lawsuits against Boards of Directors. Since the Board will not be directly responsible for hiring and firing decisions (that rests with the provider) the need for Board insurance should be evaluated. The Nonprofit Board of Directors may want to consider the purchase of general liability insurance and/or Directors and Officers' liability insurance which more directly focuses on claims involving management and governance errors. Most Boards are named as coinsured parties on the provider's liability insurance policy. Although insurance doesn't reduce risks, it can provide a financial safety net providing money to settle claims. Individuals who volunteer for Board service should also check their personal homeowner's insurance policy which may include individual coverage for volunteer board service.

## **Board Composition**

The best functioning Boards have 3 key characteristics:

1. Manageable size, between 5 and 11 members
2. Broad and diverse representation with expertise in several key areas: administration, finance, child development and fundraising
3. Membership with long term commitment

In the beginning stages establishment of a child development center requires several Board meetings over a short space of time. A number of unpredictable issues typically arise which require Board approval. There is less of a problem in convening a quorum and operating as a working, efficient body if the board membership is kept at 5 to 11 members. Large Boards tend to be cumbersome; in

addition there is often a mindset on a Board so large that attendance by individual members is not essential. A Board of 5 to 11 people promotes decision making as a full body, in depth exploration of issues and development of alternative solutions. As with most Boards, members are typically the busiest individuals in the community. Efficiency is a key part of keeping a Board in tact. The rate of resignations will be a clear indication of how well the Board is operating.

Establishment of a child development center requires expertise in child development, the child care delivery system, business administration, personnel management, marketing and financial management. The best boards have members with a full range of expertise and balance among its members. The Board should actively pursue members who have these areas of expertise. While there may be parents who qualify as Board members the Board should reach out to other members of the community (both Federal and non-Federal). Community involvement is critical to the success of the center and Board membership is a good place to begin to generate that support. In addition community representation adds balance to a Board that has parent representation. Parents who are members of the Board need to be clear about their responsibility to make decisions for the good of the group rather than for the good of their individual children. Parents typically enroll children in a child development center for approximately two or three years. This short-term involvement with the center can tend to work against maintaining the continuity of the Board, whose membership should have a long-term commitment to the success of the center. Continuity, critical for children's care, is also critical to operating a well functioning center. Board members with long-term commitment can provide continuous history of the center and background on various issues to new Board members. Community involvement will also help assure the long-term commitment of some Board members.

Teachers and directors from other centers might also be invited to participate as Board members. Teachers and/or the director from your center could be part of the Board, although their expertise is valuable to the Board there are significant potential conflict of interest issues with their participation as voting members. Some of these issues (contract renewal, budgets, salary increases) are direct conflicts and they must recuse themselves from those votes. At a minimum, center directors should attend Board meetings to keep Board members abreast of current happenings in the center.

A range of talents and skills on the Board will assure the Board keeps abreast of demographic trends, legislation and issues that impact the child care industry. In multi-tenanted buildings Board membership should also reflect agency representation in the building.

### **Potential Conflicts of Interest for Federal Employees**

For those Board members who are Federal employees, attention must be paid to the applicable Federal laws, 18 U.S.Code, sections 203, 205 and 208, which refer to conflicts of interest. (See Appendix D for complete text). While these laws are not a specific barrier to participation on the Board, in certain circumstances their provisions are applicable.

Generally, 18 U.S.Code section 205 is not violated when a government employee sits on the board of directors of any cooperative, voluntary, professional, recreational, or similar organization or group not established or operated for profit, if a majority of the organization's or group's members are current officers or employees of the United States or of the District of Columbia, or their spouses or dependent children, and the representation is not inconsistent with the faithful performance of the employee's duties. Simply stated, government employees may sit on a non-profit board and may communicate with Federal departments and agencies concerning the organization if the majority of the members of that board are also government employees and there is no conflict with their official capacity. However,

Subsection 205(d)(2) specifically prohibits an employee from representing an employee organization, which would include a child care center,

- 1) when the representation involves claims against the Government
- 2) when there are formal judicial or administrative proceedings where the organization or group is a party and
- 3) when there is a grant, contract or other agreement providing for the disbursement of Federal funds to the organization or group.

Some centers receive recycling money for tuition assistance programs from agencies. These recycling funds are considered to be appropriated funds. Consequently, any Federal employee who sits on the Board of Directors of a Federal child development center should not be directly involved in any tuition assistance disbursement decisions made using these appropriated funds. We note that the prohibition of disbursement of funds applies only to "appropriated funds" and not to any money independently raised by the Board, including Combined Federal Campaign Funds. Non-government employees who sit on the Board of Directors should make the actual disbursement decisions at the center using the tuition assistance guidelines developed by the entire Board of Directors. If all members of the Board are government employees, the Board could either hire an outside agency to administer the program or the provider could receive the funds and make the tuition assistance decisions using the guidelines developed by the Board.

With regard to any potential conflicts of interest because of the employee's official position, when a voting member of the Board holds a government position that is responsible for funding for the center or for any decisions related to renovation or alteration of the space there may be, at a minimum, the appearance of a conflict of interest. However, some building managers or other agency liaisons frequently participate as ex officio or non-voting members of the Board. This is acceptable. We would suggest that any employee who wishes to serve as a voting member of the Board and whose government position is directly involved with that center, consult the applicable Office of General Counsel for a review of the matter to ensure that there are no actual conflicts of interest and potential violations concerning these statutes. It is also recommended that at least one non-federal member be appointed to the Board of Directors to eliminate any of the problems created by the conflict of interest laws.

## **Board Recruitment**

Clear expectations of service must be developed prior to recruiting members. How well these expectations are communicated will also help determine the success of the Board. Expectations should include time commitment, nature of the work and the Board's agenda. Board recruitment is successful if the center has gained a reputation for quality and has maintained visibility in the agency and or the community. In addition recruitment is successful if it is commonly known that Board membership does not require an inordinate amount of time, or excessive time away from regular duties. Finding the "right" person with the particular skills the Board is seeking is far more important than simply filling a vacancy. At times a Board spot should remain vacant while the search for the right Board member goes on.

## Chapter 3

### ARTICLES OF INCORPORATION

The basic instrument that creates the corporation (i.e., the Board of Directors) is called the Articles of Incorporation or Certificate of Incorporation, which is a legal document. In most states, corporate existence begins when the Articles of Incorporation are filed with the Secretary of State. Once the Board is incorporated, it is a legal entity in the state where it has filed and incurs specific legal reporting requirements that must be set up and maintained.

There is a cost associated with the filing of these documents and it is recommended that the Secretary of State be contacted to determine the appropriate fee. If no board member is an attorney, legal counsel should be sought to guide the creation of the Articles of Incorporation.

The contents of the Articles of Incorporation may vary according to the state's incorporation laws but, in general, they must at least:

- 1.) Give the name of the corporation, which must then always be used to identify the corporation, as in advertisements and on letterheads
- 2.) State the duration of the corporation, at least when state law imposes limitations on duration or when the corporation is not intended to be perpetual
- 3.) Set forth the corporate purposes. Most states require the statement to be reasonable and definite
- 4.) State the address of the corporation's office or place of business
- 5.) Give the number or the names of the initial Board of Directors
- 6.) State the names and addresses of the incorporators (i.e., members of the Board). Usually, at least three adults are required. All states require the incorporator(s) to sign the Articles of Incorporation, and verification of signatures is usually required. Some states require the filing of duplicate originals of the Articles of Incorporation.

In addition, the Articles of Incorporation can also include statements about eligibility for Board membership, nonpayment for Board service, exemption of members' private property for Board debts, forbidden Board activities, protection against loss due to Board service and specific exceptions, exemption from effect of acquaintance with or interest in contractors whom the Board may select for services, and dissolution of the Board.

APPENDIX B is an example of a set of Articles of Incorporation for use in developing this Board document. The generic model in Appendix B contains Articles of Incorporation specifically written to cover aspects and issues that relate to establishing a Nonprofit Board for the purpose of contracting for child care services in federal space. It is not a copy of a set in a State's files for a given Board of Directors.

## **Chapter 4**

### **BYLAWS**

Bylaws are the rules and regulations enacted by the corporation Board to govern its own actions and concerns. In addition, bylaws control the conduct of Directors and Officers. Unlike the Articles of Incorporation, the bylaws are usually not filed in any public office, but they must be consistent with the Articles of Incorporation which are on file.

Bylaws can range from brief statements of rules and regulations to comprehensive board operational manuals. Some Boards may elect to have a separate Board manual and a separate set of bylaws or may choose simply to combine the two into a comprehensive set of bylaws.

While detail can be examined in a later appendix, the following provides an overview of what bylaws typically include about the Nonprofit Board of Directors:

- its purposes, membership, desired expertise in composition and size of Board
- specification of officers, duties of each
- executive committees for specific Board functions
- responsibilities and tasks of the Board and of the Provider hired to provide child care services for the Board
- meetings
- procedures for amending bylaws
- parliamentary authority

APPENDIX C contains an example for a set of Bylaws for use in developing this Board document. Please note that the Bylaws in the generic example have been specifically written to cover aspects and issues that relate to rules and regulations of a Nonprofit Board established for the purpose of contracting for child care services in federal space. The generic example is not a copy for an extant Board.

## Chapter 5

### APPLICATION FOR TAX-EXEMPT STATUS

Under Section 501(c) (3) of the Internal Revenue Code, IRS tax-exempt status can be granted to an organization that provides child care services which are considered educational for IRS purposes if 1) the care is provided to enable the children's parent(s) to be gainfully employed, attend school or seek employment, and 2) the services are provided to the general public. The Nonprofit Board of Directors for a child development center in GSA-controlled space qualifies for tax-exempt status. Condition 1) is fulfilled because federal workers for whom services are provided are "gainfully employed." Condition 2) is met because children from outside the federal sector may enroll in the center according to the terms of the Tribble Amendment (40 U.S.C. 590). According to the Tribble Amendment, while at least 50% of the children in the center must be drawn from federal families, and federal children have priority for any open slots, the other 50% may come from the general public.

Since one of the main responsibilities of the Board of Directors is fund-raising, the advantages of tax-exempt status are obvious. Recipients of funds from the Combined Federal Campaign, for example, must have tax-exempt status. The IRS application process for tax-exempt status is not difficult, particularly if the Board members possess the categories of expertise recommended earlier in this manual.

#### Time Frame for Application

To be eligible to receive a definitive (final) ruling, the organization must have completed a tax year of at least eight months. Therefore, it is recommended that the Board file for exemption at the end of the first year of operation and provide a year-end statement for the first fiscal year.

Good accounting and bookkeeping procedures will be necessary during the early phases of Board formulation. The fees associated with establishing a corporation, including other incidental costs, will require a bank account to be established. This serves as the base year requirement for submitting the IRS Application for Recognition of Exemption.

#### The Application Process

Prior to filing for tax exempt status you will need to file a form SS-4 (application for Employer Identification Number). The form needed for tax exemption is: Form 1023 (Application for Recognition of Exemption under Section 501 (c) (3) of the Internal Revenue Code). These forms can be ordered from the Internal Revenue Service (IRS) by phone: 1-800-TAX-FORM or 1-800-829-3676 or downloaded from the internet off the IRS website at [www.irs.gov](http://www.irs.gov). Publication 557 (Tax-Exempt Status for your organization) can also be ordered or downloaded at the same time. The forms and publication will arrive in approximately 10 to 14 working days after a phone request. Contact your state's Department of Revenue and Finance for any necessary forms regarding exemption at the state level.

The wording of the forms should be specifically based on the Articles of Incorporation and Bylaws for the Board. The overall application process can be envisioned by reviewing these forms.

The cost for applying for tax-exempt status will range between \$150.00 and \$500.00. The cost depends on your organizations average annual gross receipts.

## Chapter 6

### ROLES AND RESPONSIBILITIES

The Federal child development centers, because they operate in space controlled by the GSA, function under the guidance and oversight of several entities. In order to have a successful center all parties must share a clear understanding of their role.

**GSA:** Sets policy for the child care program nationwide; provides finished space, services, utilities, and equipment to the centers; provides background checks on child care staff, sets and oversees quality standards through the license agreement and provides training opportunities and materials for boards, agencies and providers.

**TENANT AGENCIES:** Sponsor the center for their employees; pay rent for the space; may appoint board members and provide direction to the Board; may allocate resources (recycling funds, tuition assistance); and may provide space for fundraising activities.

**BOARD OF DIRECTORS:** Makes quality child care available to federal employees and others in the local commuting area. Specific tasks: selects the provider; supports the program; fund-raises and administers a tuition assistance program; markets the center; serves as a liaison between the government, the provider and parents; monitors center goals; and evaluates Board effectiveness.

**PROVIDER:** Operates a high quality, state licensed and NAEYC accredited center which includes: hiring staff; establishing curriculum; setting and collecting fees; maintaining liability insurance; marketing the program and complying with state and local licensing requirements and requirements in the GSA license agreement.

**STATE/LOCAL LICENSING AUTHORITIES:** Set the minimum quality standards for child care centers, investigate compliance complaints; and inspect the centers, including health, program and fire safety inspections.

#### Responsibilities of GSA

The primary mission of the Office of Child Care is to ensure that federal and community families receive high quality child care in centers located in GSA managed space. Over the years, the program has developed to include the provision of services and equipment on an ongoing basis to the centers (specifically identified in the Child Care Center Design Guide PBS-100). The day to day facility maintenance support of the center is provided by the GSA property manager, either directly or through lease contracts.

GSA has statutory responsibility for the provision of child care in its physical space. As noted before,

there are many partners necessary for the successful delivery of care in the GSA system. The specific working relationship between GSA and the Nonprofit Board should be formalized in a Memorandum of Understanding (MOU) or the license agreement. The responsibilities of the child care provider are formalized in the contract between the Board and the provider. The requirements that the provider must adhere to in order to occupy the space provided by the Government are documented in the license agreement. These documents serve as the road map to keep the center on track when questions arise. A change of physical space and/or a change of provider require the review and approval of the GSA Regional Child Care Coordinator.

#### Responsibilities of the Regional Child Care Coordinators

- Provide assistance to organizing committees interested in pursuing child care as an option for their employee base
- Evaluate needs assessments and market surveys that agencies have conducted on the feasibility of child care programs within their building, city and surrounding areas
- Determine location of suitable space within the GSA inventory
- Provide technical assistance in the design, construction and development of the facility
- Provide assistance to Boards in start-up
- Guide Boards in soliciting and selecting appropriate and qualified providers to operate centers
- Negotiate Special Conditions to GSA Licensing Agreements with Boards and /or providers for utilization of the space
- Issue and monitor compliance with the GSA Licensing Agreement
- Purchase and maintain all major equipment and furnishings for center operations (in delegated locations this may be the responsibility of the agency)
- Interface with GSA property managers to ensure the center and outdoor play area are maintained in a manner that provides for a safe and healthy environment
- Contract with professionals in the field to conduct center program reviews, health practices assessments and playground inspections
- Collect statistical information and other data for GSA's Office of Child Care
- Support and assist Boards and child care providers in delivering quality child care to Federal families
- Coordinate safety inspections made by GSA's Safety Division and the Federal Protective Service, DHS



## **Responsibilities of the Board**

The Board's mission is articulated in its Articles of Incorporation. Generally the mission of the Board is to make high quality child care available to federal families and others in the local commuting area.

The Board has a direct responsibility for ensuring that the Special Conditions to the GSA Licensing Agreement are followed in the operation of the center, thus providing a commitment and responsibility to quality and affordability.

The following summarizes critical responsibilities of the Board:

- Ensure and oversee the long-term viability of the center
- Raise scholarship funds so that a diverse population of children of all economic and social backgrounds can attend the child development center
- Administer a tuition assistance program
- Serve as a liaison between the provider, the families and the sponsoring agency
- Keep programs and services consistent with the designated Board purpose
- Solicit, advertise and contract for child care services
- Ensure child care services are in compliance with the Special Conditions of the GSA Licensing Agreement
- Work cooperatively with GSA to ensure high quality, affordable child care and all other aspects of the child care delivery system
- Market the center to prospective parents
- Actively seek future Board members to ensure Board stability and continuity
- Attend training as necessary

Two important responsibilities/tasks of the Board, which also should be included in a board's bylaws, are addressed in Chapter 9, Fundraising and Tuition Assistance. This underscores the importance of these tasks and gives potential Board members an idea of the scope of activities involved in fundraising and tuition assistance programs for the center.

## **Responsibilities of the Child Care Provider**

The child care provider is directly responsible for the day to day operations of the center. Parents contract directly with the child care provider for services. It is the provider who is legally and financially responsible for managing the business. All decisions and responsibilities with respect to program, enrollment, fees, tuition, hiring, salaries, policy making, and any and all aspects of the operation and conduct of the center's business remain the exclusive right and responsibility of the child care provider.

The following highlights key responsibilities of the provider:

- Provides quality child care services to the families
- Sets the budget, including the fee structure
- Runs a high quality program, state licensed and NAEYC accredited
- Hires and train staff
- Markets the program
- Keeps abreast of trends and research in the field
- Keeps aware of funding streams in the local area
- Keeps Board informed regarding center issues

### **Board and Provider Relationship**

The Board and provider have separate and distinct roles to play in the provision of care. The Board's role is not to manage an organization but rather to create a world, a vision, for the center. The day to day management of the center belongs to the provider. The Board and the provider will have a contractual relationship, not an employee-employer relationship. All agreements should be formalized in a written document which is the document that provides direction when questions arise.

The Board, provider relationship needs to be viewed as a working partnership. This partnership will be effective when there are:

- common expectations
- cooperative planning
- cooperative evaluation
- open and honest communication
- respect for each other

One of the first things the Board and provider need to agree upon are the boundaries of their responsibilities. It is imperative to have a clear policy for the handling of parental complaints and dispute resolution. This policy is established in collaboration with the provider and should be both formal and part of the parent handbook and posted in the center.

It may be helpful to participate in clarification of roles by looking at a particular issue and laying out each party's role in the issue using a model process. For example: A Board member who has a child in the center is approached by another parent with the complaint that her child has been bitten more than once and the Board needs to take some action.

Issue: Biting

Classroom Team: has primary responsibility, implement the biting strategies the center has developed, make the incident report, discuss incident with both sets of parents

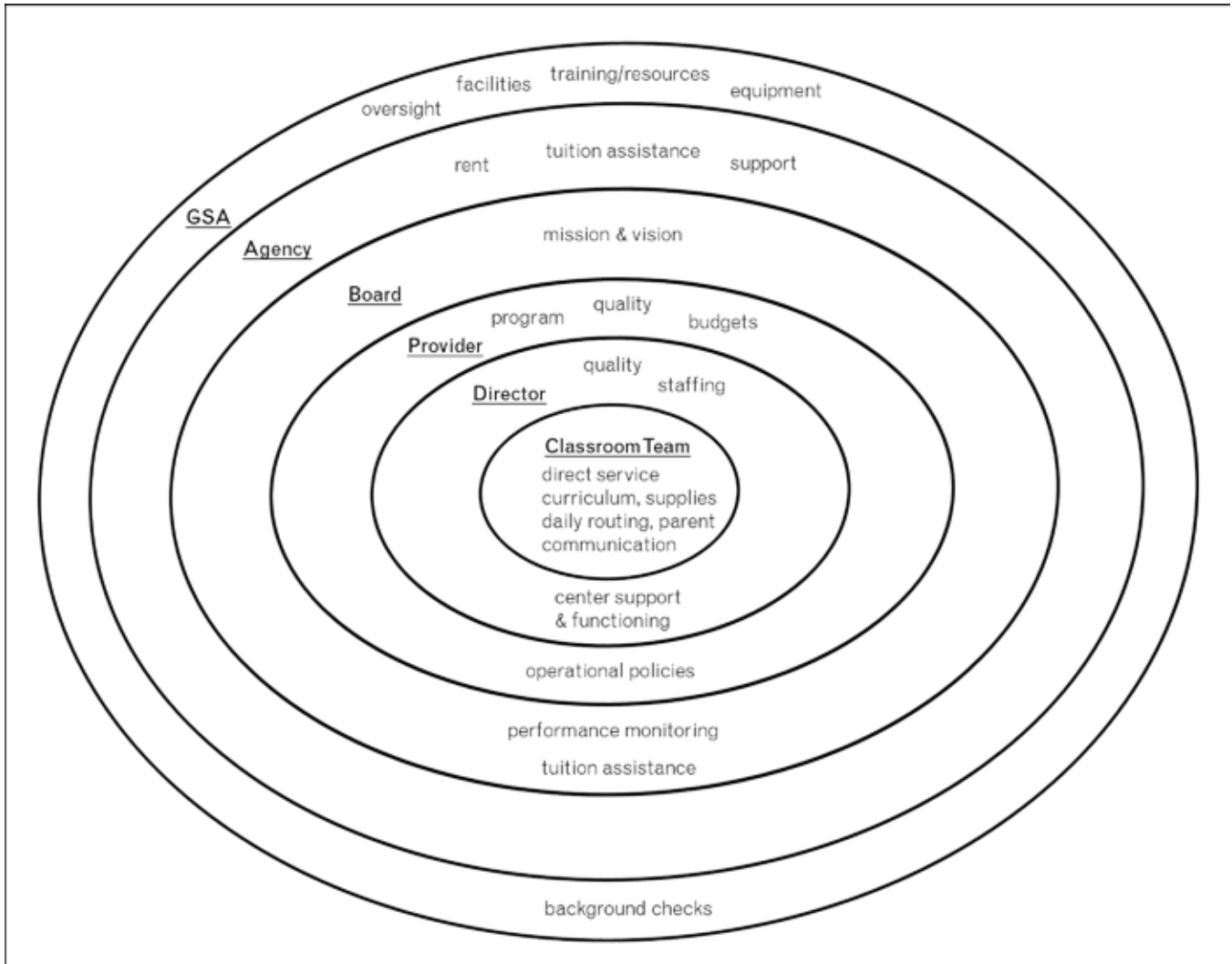
Director: advise/train the staff, make sure biting policy and efforts are effective, and communicate with parents if necessary

Provider: makes sure there is an effective biting policy articulated in writing based on sound developmental principles, makes sure policy is practiced, and communicates with parents if needed. Parent complaint stops at this point.

Board: refers parent back to provider on this issue, talks to provider to make sure biting policy is implemented, ensures dispute policy is part of parent handbook

Agency: has no role in this issue

GSA: has no role, could advise board to establish parental dispute policy if none exists, could share with provider best practices on biting policies if needed



## Chapter 7

### **COST, QUALITY AND AFFORDABILITY**

“Any one with more than a passing acquaintance with child care in the United States has confronted what many in the profession call the ‘trilemma’. Briefly characterized, the trilemma means that parents cannot afford to pay what good early care and education costs, child care providers cannot earn enough money to live on and children cannot get the quality of care they deserve”.

Child care is very labor intensive. Staff costs make up 70% to 85% of a budget, with most caregivers still earning less than a GS 4 level salary.

In non-GSA centers, center space costs are typically between 5% and 25% of a child care center's budget. The lower end reflects centers that receive free or subsidized space. The high end reflects suburban centers where facilities have been built. When GSA first opened child care facilities in our space we believed that if we provided the facility (the equivalent of as much as 25% of a center's budget) we would see a reduction in fees of equal measure. This belief was based on the erroneous assumption that child care available in the marketplace was of high quality. Subsequently we learned that this was not the case. In general the existing child care market was not providing the high quality care and learning environments we require in our centers.

Since the subsidy provided by free space and equipment is not enough to provide for both high quality programs and subsidized low tuition costs for parents we have focused our space subsidy on improved quality and tasked the Boards to provide fundraising for tuition assistance.

In 1995 a long awaited research study was published: “The Cost Quality and Child Outcomes in Child Care Centers” by Suzanne Helburn and Mary Culkin from the University of Colorado at Denver, Carolle Howes from UCLA, Sharon Kagan from Yale University and Richard Clifford from the University of North Carolina.

Some key findings include:

- Child care in most centers in the United States is poor to mediocre. The level of quality in most centers does not meet children's needs for health, safety, warm relationships and learning. Only one in seven centers was rated as developmentally appropriate.
- Key determinants in the provision of high quality care are staff to child ratios, staff education and administrators' prior experience. The most significant determinant of quality was found to be staff-to-child ratios. In addition center quality was found to increase as the percentage of staff with a high level of education increases and as the prior experience of the administrator increases. Centers providing the lowest quality of care were found to have teachers who were paid the lowest wage, had the least education and received the least specialized training.
- States with more demanding licensing standards have fewer poor quality centers.
- Highest quality was found in centers that have access to extra resources to improve quality. Centers that do not have to depend solely on parent fees are able to provide the highest quality care.

- Good quality services cost more, but not a lot more. The difference between mediocre quality care and good quality care was about 10%. The provision of excellent quality care requires a much greater increase in costs.
- Quality of service is not significantly different between for profit and non profit sectors.
- Parents tend to over estimate the quality of care their children are receiving. While parents say they value the quality of care their children receive, they tend to be ineffective in evaluating quality. Ninety percent of parents rated the quality of the services their children receive as very good, while the ratings of trained observers indicate that most of those same programs are providing care that ranges from inadequate to mediocre. The inability of parents to recognize good quality care implies that they do not demand it. Thus centers dependent on parent fees have little or no incentive to provide a higher level of quality at a higher cost.
- Inadequate public subsidies lower the demand for good quality child care. Government purchasing practices often fail to contribute to raising the level of quality. When government agencies impose low payments through low funding caps and reimbursement rates when purchasing care for low income children, they too contribute to lowering the demand for good quality child care.

Unfortunately the findings of this study still apply today. Nationwide, the number of centers accredited as quality programs by the National Association for the Education of Young Children (NAEYC) remains less than 10%. In GSA centers pursuing accreditation remains a key goal of the Board.

Knowing the cost of high quality care is too high for many families to pay, the Nonprofit Board must assume the responsibility for fundraising and tuition assistance programs. It is essential that the Board recognizes the relationship between staff salaries, tuition rates and quality programs and develops key strategies to balance these competing needs. Even as federal agencies are legally authorized to provide space and equipment support, child development centers must rely on parent fees and other external funds to pay for quality programs. Active fundraising is a significant component of a Board's responsibility to insure equitable salaries for staff and tuition subsidies for lower graded federal employees.

## Chapter 8

### SELECTING A CHILD CARE PROVIDER

The process of advertising for and selecting a child care provider can be a challenge. The following are some suggestions and recommendations for making the process effective and successful.

The Board of Directors should have criteria for evaluation of a provider in hand before undertaking the search. The following are key factors that influence the operation of a child development center and the quality of care and thus, have to be considered not only in the selection process but in the construction of the advertisements, where ads are placed, and the interviews.

The Board must decide which of these factors are most critical and which may have secondary priority for selection. GSA requires centers to become accredited and experience in the professional accreditation process is one of the criteria on which providers must be evaluated. If Board members want to acquire more background for decisions concerning many aspects of the basic child development program (e.g., written curriculum, ratios), reading materials published by the National Association for the Education of Young Children (NAEYC) on accreditation are recommended. (The full mailing address, phone and web address for NAEYC is provided in Chapter 10, Using Available Resources.)

Important criteria include:

- Philosophy of child care
- Experience at providing worksite care vs. community care
- Financial history, projected expense budget, projected tuition/fees for this center
- Experience in the national accreditation process under the auspices of the National Association for the Education of Young Children
- Written description of the program, program goals and curriculum
- Programmed schedule of activities for each age group
- Intended adult/child ratios and group sizes
- Personnel policies: including but not limited to staff supervision; probationary period; staff training; career development, pay scale, employee holiday/vacation/sick leave benefits; health insurance; experience and education required for director, for lead teachers, for assistant teachers
- Nutritional program – Food Service
- Child health policies: including requirements for physical examinations and immunizations by health professionals and criteria for exclusion from the child development center due to sickness
- Staff training policies: including but not limited to infant/child CPR, first aid, health and safety issues; center philosophy, policies, and procedures, curriculum training

- Vision of the provider/center/parent relationship, especially as this concerns general parent involvement, parent handbook and a parent advisory committee or parent council
- Vision of the provider/board relationship
- Plan for ongoing written communications with staff and parents e.g., newsletters
- Marketing plan

Additional criteria can be added to this list given particular circumstances of the child development center and its location.

The most effective means of conducting a search for a provider is to establish and maintain an outline of items to be accomplished. Each item is listed in the sequence in which it “should” occur and specific timelines must be established. Tasks to be addressed in searching for a provider for a new center are:

- 1) Write a solicitation/advertisement for a child care provider. (See APPENDIX I for an example)
- 2) Establish a deadline for receipt of all proposals
- 3) Establish a list of national and local providers from which to solicit services. Two ways to develop this list are to (1) include all the child care centers in your area which have been accredited by NAEYC, and (2) ask your GSA Regional Child Care Coordinator for a list of providers who have been or are in centers in GSA controlled space who have achieved NAEYC accreditation
- 4) Mail a letter of interest to those providers
- 5) Place an advertisement in local, regional newspapers, and trade journals to maximize competition and open opportunity
- 6) Conduct a pre-bid conference and tour of the center
- 7) Make provider selection (which may involve negotiating with the top two or three providers)
- 8) Finalize contract with selected provider
- 9) Announce selected provider
- 10) Notify unsuccessful providers
- 11) Begin marketing
- 12) Center Opening 60- 90 days after signed contract date

## **Provider Turn Over**

Child care, unlike other more typical government services, does not benefit from turn over or a “let’s see what else is out there” in the market reference. In child care, continuity of care is highly desired. However there are many good reasons to seek a new provider. In fact, provider turn over through provider initiated and/or Board initiated actions occurs quite often in the GSA network. If a provider can not deliver and/or does not share the Board’s and GSA’s vision for a high quality program (demonstrated at a minimum by NAEYC accreditation) then certainly a change may be in order.

When considering a replacement of an existing provider, the time frames in the search plan will usually be different. Some steps may have to be omitted and time per step shortened considerably. With the initial experience in obtaining a provider for the child development center, much of the information and materials for some of the steps have already been developed and only small adjustments may be necessary to ensure each procedure is current.

Regional Child Care Coordinators will provide technical assistance and direction in working through the steps of provider selection. Because GSA has statutory responsibility for the provision of child care, the GSA Regional Child Care Coordinator must review and approve the decision to replace a provider.



## Chapter 9

### FUNDRAISING AND TUITION ASSISTANCE

The primary reason for raising funds beyond those needed for the administrative functioning of the Board itself is to support a tuition assistance program. The need for a tuition assistance program is explicit in the Special Conditions to the Licensing Agreement (see APPENDIX F): e.g., “A tuition assistance program for families in economic need shall be established through a nonprofit organization ...” The Federal Government is committed to ensuring that all employees have the opportunity to send their children to child development centers in GSA space, thus the tuition assistance program is mandated, not optional.

The Nonprofit Board of Directors, after qualifying for tax-exempt status is the organization most suitable for establishing and administering the tuition assistance program. Tuition assistance funds should be kept in a separate account from center operating funds. While other groups may raise additional funds for tuition assistance purposes, it is the ultimate responsibility of the Board to ensure that a tuition assistance program exists.

There are a number of restrictions on generating and conducting fundraising activities. Generally, those involving gambling (e.g., lotteries, pools, and raffles) and alcohol may not be conducted on federal property. Tickets for gambling events may be sold elsewhere, but soliciting (selling tickets) is not allowed by the federal employee while on the job or in Federal facilities.

Fundraising by e-mail using federal government equipment and software is also against most agencies regulations. Individuals and groups should check with the agency's ethics or counsel's office concerning the use of government equipment for private purposes. The Nonprofit Board of Directors is a private organization.

GSA obtained a waiver from the Office of Personnel Management (OPM) to enable child development centers to conduct fundraisers on Federal Property at times other than the official Combined Federal Campaign, thus many fundraising activities can be conducted by the Nonprofit Board of Directors on federal property: e.g., art auctions, employee fairs, sports tournaments, walk/run events, T-shirt sales, and bake sales. Use of federal property usually requires filing a permit application with the building manager.

The foregoing is detailed in APPENDIX J, a fundraising guide. Activity suggestions are included.

#### Sources and Uses of Board Funds

Any funds the Board raises or receives belong to the Board and must be used to fulfill the Board's mission. The Board can use these funds to pay for basic administrative functions of the Board, for example: mailings, insurance, dues, fees etc., although the main effort of the Board's fundraising should be for tuition assistance. As a legally incorporated entity the Board must not discriminate in the distribution of its tuition assistance funds and Federal employees and non-federal employees should be eligible for the Center's tuition assistance program. The Board, however, must use their funds pursuant to the terms for which they were raised or received. If there are conditions attached to funds the conditions must be honored. For example, recycling funds obtained from an agency are to

be directed for tuition assistance for Federal employees. Consequently, those funds are to be used for tuition assistance for Federal employees only. Funds obtained from grants, bake sales or other similar types of fundraisers, however, should be used for tuition assistance for all center families. Combined Federal Campaign (CFC) funds received should be used for the purpose stated in the application to participate in the Combined Federal Campaign.

The CFC can be a substantial source of funds for tuition assistance. Contacting a Board of a center that has successfully completed a CFC application may enhance the probability of submitting a successful application for inclusion in the Campaign. Considerations appear to vary in different regions. Requesting instructions along with the application from your local CFC headquarters, however, is the first step.

Grant writing, a source of funds for tuition assistance but more particularly for other program needs such as staff training, requires extensive "how to" guidance, and is often specific to a particular private foundation or state requirement. State, county, and city resource and referral agencies should be able to direct Board members to organizations that may provide grants for child care center operations. Public libraries usually have books and pamphlets on grant making organizations and grant writing in their holdings.

Recycling funds can be a major source of funding in some parts of the country. The authority for use of these funds for child care has been codified in U.S. Code 40 Section 592 (e).

(e) Recycling Programs. -

(1) Receiving amounts. - The Administrator may receive amounts from the sale of recycled materials and shall deposit the amounts in the Fund for use as provided in paragraph (2).

(2) Obligating amounts for recycling programs. - In addition to amounts appropriated for such purposes and without regard to subsection (c)(1), the Administrator may obligate amounts received and deposited in the Fund under paragraph (1) for programs which -

(A) promote further source reduction and recycling programs;  
and

(B) encourage employees to participate in recycling programs by providing financing for child care. Section 607 of Public Law 106-58, authorizes all Federal agencies to use the proceeds from the sale of recycled materials to support "employee programs". Designating funds to a Board's tuition assistance program is an authorized use of these funds. The Board should contact the sponsoring agency about the possibility of receiving recycling funds.

The Nonprofit Board might consider contracting with a consultant who will specifically teach the members how to do fundraising and suggest various events that work well in the geographic area. The consultant's fee may be more than made up over the first few years in time saved and in the amount of funds collected for tuition assistance.

There are many resources on the web for fundraising. The Board should be able to develop effective strategies without hiring outside help and should look to recruit and place a member on the board who is experienced at fundraising.

## **Tuition Assistance Programs**

With the passage of Public Law 107-67 in 2001 authority was made permanent for the use of appropriated funds by executive agencies to provide child care tuition assistance for lower

income federal civilian employees. Each agency sets its own standards and program. OPM has issued regulations [http://www.opm.gov/Employment\\_and\\_Benefits/WorkLife/OfficialDocuments/HandbooksGuides/Childcare\\_Legislation/index.asp](http://www.opm.gov/Employment_and_Benefits/WorkLife/OfficialDocuments/HandbooksGuides/Childcare_Legislation/index.asp) on the law's implementation. While the majority of agencies have not yet instituted this program for their employees, the Board should check with each sponsoring agency of their center and determine which agencies have a program.

Many families at the very lowest grade levels may qualify for local community vouchers. These programs are usually administered at the county level.

GSA has partnered with the Army to provide child care for their active duty soldiers. All active duty Army soldiers qualify for the Army subsidy program and those soldiers pay the established military rate. Any difference in fees between the military rate and the center rate is paid back to the provider. GSA Heartland Region Finance Center administers this program. Any questions of eligibility should be directed to: Soldier/GSA Child Care Subsidy Initiative (816) 823-4578.

In addition to the Army program, all the military services have expanded their use of non base centers (including GSA and other Federal centers) for permanent and called up soldiers including the Reserves and National Guard. This subsidy program is administered by Child Care Aware, a division of the National Association for Child Care Resource and Referral Agencies (NACCRRA). Eligibility questions should be directed to: 1-800-424-2246 or via the web at [www.naccrra.org](http://www.naccrra.org)

These two subsidy programs are mentioned here as they are important to the Board in helping them recruit "Federal" participation to fill their center and meet the 50% goal for federal participation per center.

### **Administration of the Board's Tuition Assistance Program**

The Board should act as a tuition assistance office similar to the tuition assistance programs available at the university level. The Board must be familiar with all the programs available in their area and put together a number of strategies for the participating families. Even if your sponsoring agency runs a tuition assistance program, many families will not qualify as low income but may still need assistance in order to afford high quality child care. It is the Board's responsibility to fill this gap and assist these families. The tuition assistance program can be set up in a variety of ways. GSA does not specify or recommend any particular program format or formula for distributing funds to the families of individual children. In general, the determining factor in most formulas is total family income. (See appendix K Tuition Assistance Guide, for more information). The OPM guide listed above will also give insight and models for tuition assistance programs.

## Chapter 10

### MARKETING THE CENTER AND PROGRAM

Marketing is a responsibility of the child care provider as well as of the Board; how much of a responsibility depends on how this is addressed in the contract between the Board and the provider. Keeping the center fully enrolled (90% utilization) is essential. At least 50% of the enrollees must come from federal families, a requirement under 40 U.S.Code 590 as well as the GSA License for use of Space. Utilization of the centers is tracked quarterly by GSA. Building and maintaining child development centers is a costly commitment by the sponsoring agencies and there is an expectation that the centers are needed and should be fully enrolled. Centers that have less than 50% federal utilization are required to create and implement a marketing plan which is collected and reviewed by GSA.

Marketing is the overall strategy for selling the service the center has to offer -- quality child care and developmental opportunities. The specifics may vary but the basic idea is to make the center and its services known to parents and employers, both federal and non-federal, in a way that will draw the parent to the particular center that the Board oversees. The objective of marketing is to increase and stabilize enrollment.

To do this, it is important to use every form of communication available. Bringing the center and its programs to the attention of parents of potential enrollees through media stories with pictures about the center in general, about specific events, and about specific boosters of the centers – are a few ways. The best communications, of course, are through parents satisfied with the service.

When a new center is being marketed, the Board and the provider should make every effort to emulate other businesses: determine who and where the clients are and contact them through direct and general mailings and through posters/flyers. In this case, the federal building and surrounding buildings and perhaps, elementary schools, churches, and other organizations which serve children or the parents of children will be targeted. Like all businesses, some money must be invested to reach the goal of increased and stable enrollment for the center. An example of one kind of “expenditure” is a limited number of gift certificates offering an afternoon, morning, or some other specified time of free child care. Bringing parents into the center, which provides an opportunity to experience quality child care, to see the facility and to meet the director and staff is one of the best ongoing marketing strategies.

A marketing strategy for an ongoing center involves much of what has been mentioned above but there can be somewhat different emphases. For instance, a focus on age groups for which there are open slots, emphasizing the advantages of that particular program, may be desirable. Consider adding extra programs or services for which parents may pay additional fees. These can provide positive marketing opportunities because the extra activities don't require the parent's presence or time, including within the regular day something that might have to be done after the workday ends or on a weekend. One center brings in a hair stylist once a month to give that terrific cut which usually takes up a chunk of a family's Saturday! “Extras” provide very little additional money for the center (most of the fees go to the people providing the special services); however, these can provide a “competitive edge” for the center by meeting more needs of the customer and freeing up time for other family activity and travel.

Even though it appears that the Federal center serves a captive audience and families will automatically come to your door, you must make an effort to market to the Federal community. Your

first step will be to get to know your Federal market and what they perceive they need.

Key to knowing your Federal market is understanding which agencies are housed along with you in the same and neighboring facilities. Your GSA building management contact or RCCC can provide you with a mailing list of agency contacts.

The Military is subsidizing active duty and uniformed personnel who use GSA centers. Recruiters, ROTC, Reserves and National Guard members of all services are eligible. These local offices should be sought out and informed about your center. Their participation will add to your federal utilization numbers.

Every personnel office of every agency in your building and the surrounding buildings should have information and brochures on your program that is shared with new employees. Remind the agency that the center is there to serve as an employee benefit and help them recruit and retain their key employees.

Most large cities have a Federal Executive Board (FEB) or Federal Executive Association (FEA). In some cities these Boards are very active and can provide you with a single person with which you can provide information and carry your message to the Federal community. You should position the center as the local expert on early education and child development. An annual presentation to the FEB or FEA is a good idea. You can find information on specific FEB's on the internet: <http://www.opm.gov/feb/index.htm>. Your GSA building contact should also be able to provide you with an FEB contact.

Keeping the center in the spotlight in a positive way is a proven strategy. You can ask about a permanent "art display" area in the building. If that is not possible an exhibit or display should be planned every year for "Week of the Young Child". Information on this event is available on the NAEYC web site: <http://www.naeyc.org>

You should also find out which agencies run employee newsletters and try and submit articles about the center or generic child development topics. This will keep positive attention focused on the center. Ask the GSA building contact about a building wide newsletter and submit as many articles and pictures as possible.

As you work on your marketing plan and analyze your federal market do not forget to analyze your program. What are your strengths and weaknesses, how is the center perceived in the community, what is your reputation. This analysis is very important and will dictate marketing strategies as much as your analysis of your federal customers.

An important part of the center's comprehensive marketing strategy must be marketing the availability of tuition assistance. This will attract families who view the posted rates as too high for them.

When a center that provides quality child care and early education is recognized more widely through positive comments by satisfied families and through various marketing strategies, fundraising will also become easier because potential donors are already familiar with the operation and know it to be a worthy cause for tax-deductible dollars.

## Chapter 11

### COMMON CHALLENGES

While every Board and center has their unique qualities and has to establish their own vision, the work of all the Boards is similar. Through the years we have encountered a number of common and recurring issues from which all Boards can learn.

**Board Recruitment:** Watch out for volunteers who come with an agenda. Someone who wants to “fix” something about the center or their child’s classroom is not a good fit. Board members have to be driven by the mission of the organization not an individual agenda.

**Mature Boards:** The organization just seems to be going through the motions with no energy; the center seems to be marching along just fine without any Board involvement. Every organization matures. It is important to try and keep the Board vitalized. New members should always be part of the Board. Keep the mission and vision at the forefront. Don’t forget what, for whom and why you exist.

**Budget Time:** Most contracts call for Board review of the center’s operating budget and tuition increases. If there is a time for disconnect and discord between the provider and Board this is it. Keep in mind, the Board’s goal is not: “keep tuition low”. The Board must be driven by its mission: to ensure high quality child care is available.....

The Board should expect rate increases. The staff deserve raises. It is a mistake not to raise rates for consecutive years. This often leads to a financial crisis and then a forced large tuition increase all at once. Know the local child care market but only compare like quality programs. If your center pays better salaries and benefits than others and has higher teacher qualifications, than so much the better. The Board will have to be creative in maintaining high standards without pricing everyone out of the center. The Board can look at reducing hours, adding or dropping certain programs, subsidizing meal service or program areas, providing tuition assistance to more families.

Know the center’s historical, typical and projected enrollment. Most centers’ finances run almost exclusively on parent fees. Budgets should not be based on 100% enrollment. Typically budgets are based on 85% enrollment but it is imperative to know your enrollment history. One center uses 92% enrollment for budgeting. This is very tight but this center typically keeps all of their spaces full almost every day throughout the year. If this year proves to be an exception and a number of slots are unfilled for any length of time their finances could be in trouble. Realistic budgets are important for center stability. When enrollment exceeds expectation is where you’ll find your “profit” for the year.

**Change of Provider:** One of the most difficult times for a center is when there is a change of provider. Discretion and appropriate communication are critical. The child care business is very personal and very emotional for families and staff alike. Rumor and gossip are common and destructive to a center and the Board must work to avoid getting in a bad situation. A Board with a bad reputation for dealing with its director, staff and provider will find it difficult to attract new providers, staff and parents.

The Board must communicate as much as possible and as soon as possible to staff and parents. Rationale, plans and schedules must be shared in writing and in group meetings. The new provider must also communicate with parents and staff. The new provider should not be placed in a position to explain the change but rather they need to lay out their plans and programs. The Board must

communicate the rationale for the change. If the previous provider left for financial reasons that should be made clear. Sharing the reasoning and the experiences in finding a new provider will do much to diffuse complaints about changes and rate increases.

## Chapter 12

### USING AVAILABLE RESOURCES

Knowing what is available and where to find help will save the Board time and effort in their work. Many excellent resources have become available through the Internet. If you can not access the Internet at work or at home then try your public library.

Your most important local resource for information will be the local Child Care Resource and Referral Agency or CCR&R. This is an organization whose mission is to know the local child care market, “do whatever it takes to make child care work for families and communities” thus they can facilitate in identifying providers, training opportunities, funding streams and current issues/events in your area. You can find your CCR&R by looking in the Yellow Pages of the phone book under: Child Care Referral Services or by using the website listed below.

The following WEB sites have good information and publications that can be downloaded or purchased:

- GSA, Office of Child Care  
[www.gsa.gov/childcare](http://www.gsa.gov/childcare)
- The National Association for the Education of Young Children (NAEYC)  
[www.naeyc.org](http://www.naeyc.org)
- The National Resource Center for Health and Safety in Child Care  
<http://nrc.uchsc.edu>.
- National Child Care Information Center  
<http://nccic.org/>
- National Association of Child Care Resource and Referral Agencies (NACCRRRA)  
<http://www.naccrra.org/>
- Board Source  
1828 L Street N.W. Suite 900, Washington, DC 20036-5114 (800)883-6262  
<http://www.boardsource.org>
- The Foundation Center  
[www.foundationcenter.org](http://www.foundationcenter.org)
- The Authoritative Website for the Carver Policy Governance Model  
<http://www.carvergovernance.com/index.html>
- The Nonprofit Resource Center's Complete Guide to Internet Resources for Nonprofits  
<http://www.not-for-profit.org>



- Internet Nonprofit Center  
<http://www.nonprofits.org/>
- Center for the Child Care Workforce  
<http://www.ccw.org>

Publications:

- Accreditation Criteria and Procedures of the National Academy of Early Childhood Programs (NAEYC)  
1834 Connecticut Avenue, N.W. Washington, DC 20009 (800) 424-2460  
<http://www.naeyc.org>
- Tax -Exempt Status for Your Organization  
IRS Publication 557  
[www.irs.gov](http://www.irs.gov)
- Handbook for Public Playground Safety  
U.S. Consumer Product Safety Commission, Washington, DC 20207  
<http://www.cpsc.gov>
- Office of Personnel Management 5 CFR Part 950  
(Combined Federal Campaign, CFC)  
Solicitation of Federal Civilian and Uniformed Service Personnel for Contributions to Private Voluntary Organizations  
<http://www.opm.gov>
- Child Care Design Guide, PBS-100  
General Services Administration, Public Buildings Service  
[www.gsa.gov/childcare](http://www.gsa.gov/childcare)
- Caring for Our Children, National Health and Safety Performance Standards:  
Guidelines for Out-of-Home Child Care Programs.  
A joint collaborative project of the American Public Health Association and the American Academy of Pediatrics  
<http://nrc.uchsc.edu>.

**APPENDIX A**

**TRIBLE AMENDMENT**

**Title 40 U.S.C. section 590**

**Public Law 107-217 signed 8/21/2002**

**Title 40 United States Code**

**Related to public buildings, property, and works**

**Sec. 590. Child care**

(a) GUIDANCE, ASSISTANCE, AND OVERSIGHT- Through the General Services Administration's licensing agreements, the Administrator of General Services shall provide guidance, assistance, and oversight to federal agencies for the development of child care centers to provide economical and effective child care for federal workers.

(b) ALLOTMENT OF SPACE IN FEDERAL BUILDINGS-

(1) DEFINITIONS- In this subsection, the following definitions apply:

(A) CHILD CARE PROVIDER- The term `child care provider' means an individual or entity that provides or proposes to provide child care services for federal employees.

(B) ALLOTMENT OFFICER- The term `allotment officer' means an officer or agency of the Federal Government charged with the allotment of space in federal buildings.

(2) ALLOTMENT- A child care provider may be allotted space in a federal building by an allotment officer if--

(A) the child care provider applies to the allotment officer in the community or district in which child care services are to be provided;

(B) the space is available; and

(C) the allotment officer determines that--

(i) the space will be used to provide child care services to children of whom at least 50 percent have one parent or guardian employed by the Government; and

(ii) the child care provider will give priority to federal employees for available child care services in the space.

(c) PAYMENT FOR SPACE AND SERVICES-

(1) DEFINITION- For purposes of this subsection, the term `services' includes the providing of lighting, heating, cooling, electricity, office furniture, office machines and equipment, classroom furnishings and equipment, kitchen appliances, playground equipment, telephone service (including installation of lines and equipment and other expenses associated with telephone services), and security systems (including installation and other expenses associated with security systems), including replacement equipment, as needed.

(2) NO CHARGE- Space allotted under subsection (b) may be provided without charge for rent or services.

(3) REIMBURSEMENT FOR COSTS- For space allotted under subsection (b), if there is an agreement for the payment of costs associated with providing space or services, neither title 31, nor any other law, prohibits or restricts payment by reimbursement to the miscellaneous receipts or other appropriate account of the Treasury.

(d) PAYMENT OF OTHER COSTS- If an agency has a child care facility in its space, or is a sponsoring agency for a child care facility in other federal or leased space, the agency or the Administration may--

(1) pay accreditation fees, including renewal fees, for the child care facility to be accredited by a nationally recognized early-childhood professional organization;

(2) pay travel and per diem expenses for representatives of the child care facility to attend the annual Administration child care conference; and

(3) enter into a consortium with one or more private entities under which the private entities assist in defraying costs associated with the salaries and benefits for personnel providing services at the facility.

(e) REIMBURSEMENT FOR EMPLOYEE TRAINING- Notwithstanding section 1345 of title 31, an agency, department, or instrumentality of the Government that provides or proposes to provide child care services for federal employees may reimburse a federal employee or any individual employed to provide child care services for travel, transportation, and subsistence expenses incurred for training classes, conferences, or other meetings in connection with providing the services. A per diem allowance made under this subsection may not exceed the rate specified in regulations prescribed under section 5707 of title 5.

(f) CRIMINAL HISTORY BACKGROUND CHECKS-

(1) DEFINITION- In this subsection, the term `executive facility' means a facility owned or leased by an office or entity within the executive branch of the Government. The term includes a facility owned or leased by the General Services Administration on behalf of an office or entity within the judicial branch of the Government.

(2) IN GENERAL- All workers in a child care center located in an executive facility shall undergo a criminal history background check as defined in section 231 of the Crime Control Act of 1990 (42 U.S.C. 13041).

(3) NONAPPLICATION TO LEGISLATIVE BRANCH FACILITIES- This subsection does not apply to a facility owned by or leased on behalf of an office or entity within the legislative branch of the Government.

(g) APPROPRIATED AMOUNTS FOR AFFORDABLE CHILD CARE-

(1) DEFINITION- For purposes of this subsection, the term `Executive agency' has the meaning given that term in section 105 of title 5, but does not include the General Accounting Office.

(2) IN GENERAL- In accordance with regulations the Office of Personnel Management prescribes, an Executive agency that provides or proposes to provide child care services for federal employees may use appropriated amounts that are otherwise available for salaries and expenses to provide child care in a federal or leased facility, or through contract, for civilian employees of the agency.

(3) AFFORDABILITY- Amounts used pursuant to paragraph (2) shall be applied to improve the affordability of child care for lower income federal employees using or seeking to use the child care services.

(4) ADVANCES- Notwithstanding section 3324 of title 31, amounts may be paid in advance to licensed or regulated child care providers for services to be rendered during an agreed period.

(5) NOTIFICATION- No amounts made available by law may be used to implement this subsection without advance notice to the Committees on Appropriations of the House of Representatives and the Senate.

**APPENDIX B**

**ARTICLES  
OF  
INCORPORATION**

**ARTICLES OF INCORPORATION**  
of  
**THE NONPROFIT BOARD OF DIRECTORS**  
**(INSERT NAME OF THE CENTER BOARD)**

To the Secretary of State of the State of \_\_\_\_\_ :

We, the undersigned, under the (insert name of State and whatever that State calls its Nonprofit Corporation Code), do hereby adopt the following Articles of Incorporation for such corporation:

- I. The name of the corporation shall be known as the (insert the name of the center Board of Directors).
- II. The period of its duration is perpetual.
- III. This corporation has been formed to contract directly for quality child care and child educational services within a particular federal community. The Board of Directors will promote a federal child care center, provide technical assistance, do fundraising to assist in affordability issues, and advocate programs and services for the children of federal employees and the general public. The corporation's primary activity is to provide care away from the children's homes while their parents or guardians are gainfully employed or seeking employment. The Board will seek to provide a more *"family friendly work environment"* for federal workers and the general public serviced by the child care center.
- IV. The address of its initial registered office in the State of \_\_\_\_\_ is (insert the name, address, and county of the center) and the name of the initial registered agent at such address is (insert the name of the appropriate Member of the Board).
- V. The business of this corporation shall be conducted by a Nonprofit Board of Directors consisting initially of \_\_\_ (specify number between seven and eleven) directors, although the number of directors may be increased as permitted by the by-laws of this corporation. The initial Directors shall be:

Name	Address
Name	Address
Name	Address
Name	Address
Name	Address
Name	Address
Name	Address

- VI. The incorporator of this corporation is as follows:

Name  
Address  
City, State, Zip

*(Note to the Manual User, "incorporator" here refers to the person(s) who signed for the Board to be incorporated. However, the entire Board voted for the corporation to be formed and thus are all considered equally responsible as incorporators.)*

VII. There shall be only one class of member of this corporation and there shall be no membership dues required. Members may include federal agency representatives from participating agencies whose place of employment or residence is within commuting distance of the (insert principle office of the Board). Parents, guardians or employers of nonfederal employees whose children are enrolled in the center are eligible for membership, along with interested members of the general public, and all members shall have one vote. All members are governed by the Bylaws hereafter adopted.

*Check with your state. Your corporation can just be board members without a general membership*

VIII. The private property of the members of this corporation shall be exempt from corporate debts.

IX. This corporation shall issue no stock nor will any dividends be paid to any of the members of this corporation.

X. This corporation may or may not have a seal.

XI. Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the corporation, dispose of all the assets of the corporation exclusively for the purposes of the corporation in such manner, or to such organization or organizations under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine.

XII. No part of the net earnings of this corporation shall habituate to the benefit of, or be distributed to, officers, members, trustees or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III. The corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting, to influence legislation. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on a.) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), or b.) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Law) and c.) same for any and all corresponding state tax laws.

XIII. No contract or other transaction between the corporation or any other corporation shall be affected or invalidated by the fact that any one or more of the directors of this corporation is or are interested, or is a director or officer or are directors or officers, of such other corporation, and any director or directors, individually or jointly, may be a part of parties to, or may be interested in, any contract or transaction of this corporation, or in which this corporation is interested; and no contract, act or transaction of this corporation with any person or persons, firm or association shall be affected or invalidated by the fact that any director or directors of this corporation is a part or are parties to or interested in such contract, act or transaction, or in any way connected with such person or persons, firm or association and each and every person who may become a director of this corporation is hereby relieved of any liability that might otherwise exist from contracting with the corporation for the benefit of himself or any firm or corporation which he may be in any way interested.

XIV. This corporation shall indemnify any present or former director, officer, employee, member or volunteer of this corporation, and each such person who is serving or who has served, at the request of this corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan to the fullest extent possible against expenses actually incurred by such person relating to his conduct as a director, officer, employee, member or volunteer of this corporation or as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, other enterprise or employee benefit plan, except that the mandatory indemnification required by this sentence shall not apply i.) to a breach of the duty of loyalty to the corporation, ii.) for acts of omissions not in good faith or which involve intentional misconduct or knowing violation of the law, or iii.) for a transaction from which such person derived an improper personal benefit.

(Note to the Manual User: The preceding article essentially states that anyone who has worked, served, or volunteered in any way with this corporation will not be held personally responsible for any loss or damages incurred by the Board during their service – except for items i., ii., and iii. for which the individual would be held personally responsible. Legal advice is recommended for inclusion of the last six lines of Article XIV.

XV. This corporation may purchase Directors and Officers Liability Insurance separately and/or require that the Center Provider, name the corporation and its members in their Liability Insurance Policy.

\_\_\_\_\_  
(Name of incorporator)

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

) ss:

On this \_\_\_\_ day of \_\_\_\_\_, 19\_\_, before the undersigned, a Notary Public in and for the State of \_\_\_\_\_, (insert name of incorporator) personally appeared to me and known to be the identical person named in and who executed this instrument, and acknowledged the execution of the same to be his/her voluntary act and deed.

\_\_\_\_\_  
Notary Public in and for  
the State of \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

*(Note to the Manual User: The statement preceding the notary's signature varies across states. The requirement for the state in which the Board of Directors operates should be checked.)*



## **APPENDIX C**

### **BYLAWS**

**BYLAWS**  
of  
**THE NONPROFIT BOARD OF DIRECTORS**  
**(INSERT THE NAME OF THE CENTER BOARD)**

**ARTICLE I.**  
**Name**

The name of the corporation shall be (insert the name of the Board of Directors) and shall be a nonprofit corporation organized under the (insert name of State and its nonprofit corporation code) and the seal will be adopted by the Board of Directors and affixed on the right margin of this page (should a seal be adopted language of this nature is inserted here).

**ARTICLE II.**  
**Location**

The principle office shall be at (insert the name and address of the center) or at such place or places as may be designated by the Board of Directors.

**ARTICLE III.**  
**Purpose**

The (insert the name of the Board of Directors) is a nonprofit corporation organized to contract directly for quality child care services for the federal community. The Board of Directors will promote and contract for quality child care and educational services and operations at a federal center, provide technical assistance, raise funds to assist with affordability, and advocate programs and services for the children of federal employees and those in the general community. Using the information and services provided by the GSA Child Care Operations Center of Expertise through the Regional Child Care Coordinators and following the standards as outlined in the Special Conditions to the GSA Licensing Agreement, the Board will seek to provide a more “family friendly work environment” for federal workers and the general community serviced.

This corporation will be organized exclusively for educational purposes within the provision of the Section 501(c)(3) of the Internal Revenue Code of 1986, and its amendments.

Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code or corresponding section of any future federal tax code or by a corporation, contributions to which are deductible under section 170(c)(2) of the Internal Revenue Code or corresponding section of any future federal tax code and corresponding state codes, as applicable.

Federal employees who serve as Board Members will further be expected to follow all federal ethics laws in exercising their roles and responsibilities as Board Members. Federal participating agencies and their designated representatives shall review Executive Order 12731 of October 17, 1990 (or any corresponding provision of any future Executive Orders concerning “Principles of Ethical Conduct for

Government Officers and Employees,” Title 18 USCA, Section 205, as amended by P.L. 104-177 Federal Employee Representation Improvement Act of 1996 also should be reviewed. This latter amendment allows members of employee associations to represent their views before the US Government still within limitations but more extensively than before.

## **ARTICLE IV. Membership**

### Section 1.

Members shall include federal agency representatives from participating agencies whose place of employment or residence is within commuting distance of the (insert principle office of the Board). A majority vote of federal agencies in the initial organization of the Board or existing Board Members following formation will determine acceptance of non-federal members and then the full Board will share equal representation and voting rights thereafter.

### Section 2.

Each participating federal agency located within the service area of the center may periodically provide a member who will vote and serve on the Board. Provision of a member can be by appointment or whatever equitable method the agency chooses. The new member, however, should have qualifications that fulfill one of the critical roles (i.e., accountant, attorney, child care specialist , fundraiser) if that position is not filled on the current Board.

### Section 3.

Employees of nonfederal agencies participating in the center (whether or not they have children enrolled in the center) are eligible for membership, along with the interested general public, with a minimum of one position on the Board for this non-federal participant.

### Section 4.

Membership should be maintained at (specify a number between five and eleven) members. Should federal agency participation warrant additional participants, membership will be increased to support the demand, based on a workable formula for participation. Staggered membership terms should be undertaken to provide continuity of Board philosophy and business.

### Section 5.

The (insert the name of the Board of Directors) shall not discriminate against anyone because of race, sex, disability, color, age, religion, national origin, handicap, or ethnic background.

### Section 6.

The (insert the name of the Board of Directors) may fill any vacancy occurring in any office for any reason and may, in its discretion, leave unfilled for such period, as it may determine, any

offices other than those of President and Secretary if a qualified candidate has not been determined.

## **ARTICLE V. Officers and Elections**

### Section 1.

Officers shall be the Chairperson or President, Co-Chairperson or Vice-President, Secretary, Treasurer, and Directors or Committee Chairpersons for board nominations, fundraising, and tuition assistance. Expertise on the Board shall always include one individual who demonstrates knowledge in one or more aspects of the child care delivery system, one individual with accounting or bookkeeping experience, and one individual with experience or knowledge in the legal or law field. Appointment of officers can be on going with elections conducted on an as-needed basis, however, annual elections will be normal Board procedure. Board Members will serve a minimum two-year term. Officers will serve a minimum of one year, and ensure their successors are duly elected and trained in the purpose and goals of the Board and willing to assume the roles and responsibilities of the Officers before incumbents leave the Board. The nominating committee shall have a list of potential members to serve on the Board a minimum of three months prior to any known board vacancy.

### Section 2.

Officers of the Board will serve without compensation. Officers shall be entitled to reimbursement for any reasonable expenses incurred by them in the execution of the functions and duties of their respective offices, provided that any compensation so paid shall be solely for the purpose of reimbursement of expenses incurred and not in consideration of service as an officer of the Board.

### Section 3.

The Chair or President shall be the Chief Executive Officer of the corporation and shall have general management responsibility for the business of the corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The Chair or President shall call meetings of the Board and Executive Committees to order and shall act as chair of such meetings. The Chair or President shall lead and direct the Board.

### Section 4.

The Vice-Chair or Vice-President shall have all powers and perform the duties of the Chair or President when the Chair or President is not present or has not been elected, or at the request of the Chair or President. The Vice-Chair or Vice-President shall also have such powers and perform such duties as are specifically imposed upon the Vice-Chair or Vice-President by law and as may be assigned by the Board of Directors or the President.

### Section 5.

The Secretary shall generate and maintain a record of the proceedings of all meetings of the Board and Executive Committees. The secretary shall perform duties as may be prescribed by the Chair or President to include but not be limited to: custody of the seal if applicable, mailings,

notifications and document transmittal.

#### Section 6.

The Treasurer shall keep the financial books and records of the corporation. The Treasurer will account for funds, financial assets, and other assets to make such reports as may be necessary to keep the Chair or President and the Board informed at all times about the financial condition of the corporation. The Treasurer will maintain the money and other assets of the corporation in such depositories as the Treasurer shall choose or as may be designated by the Board of Directors and shall provide for the investment of the money and other assets consistent with the needs of the corporation. He/she will create and maintain a yearly budget, pay any bills and invoices for the corporation, and perform such other duties as may be prescribed by the Chair or President of the Board. The Treasurer shall serve an integral role in reviewing the financial documents as provided by the child care provider and make a formal presentation to the Board based on findings.

#### Section 7.

In case of the absence, death, or resignation of any officer of the corporation, or for any other reason that the Board may deem sufficient, the Board may delegate, for the time being, any or all of the powers or duties of such officer to any officer or director qualified to serve in such a position.

#### Section 8.

The Board shall have Executive Committees to serve the following Board functions: 1.) Fundraising, (2) Tuition Assistance Program, and (3) Board Nominations. Each Executive Committee shall have a Chair with no more than three members. The Chair will provide a progress report to the Board a minimum of six times per year, or as requested by the President. Goals and objectives of the Executive Committees shall be approved by the Board prior to implementation and the Board will support all efforts of the Executive Committees.

## **ARTICLE VI. Board of Directors**

#### Section 1.

The property, business, and affairs of the (insert the name of the center) shall be managed by the Board of Directors. In addition to the powers and authority expressly conferred upon it by these Bylaws, the Board of Directors may exercise such power of the corporation and do all such lawful acts permitted by the (name State and its nonprofit corporation code) and the Corporation's Articles of Incorporation. Such power shall include but not be limited to: a.) adopting policies for control of the affairs of the corporation; b.) contracting for child care and child educational services at a federal center; c.) monitoring center provider operational performance and ensuring terms and conditions of the GSA Licensing Agreement are followed; d.) procuring, protecting, maintaining, and managing any property and equipment of the corporation; e.) preparing and adopting an annual operating budget for the corporation, to include quarterly fundraising projects with projected revenue; f.) developing plans regarding long-range financial needs of the corporation and center; g.) reviewing policies of enrollment, marketing, fees and fund raising activities of the provider, h) ensuring eligibility

for program inclusion in the Combined Federal Campaign; i.) developing and maintaining a Board Manual of operations or expanding Bylaws to serve as same (altering the Bylaws through amendment, as needed); j) develop active marketing for Board nominations and qualified agency representatives; and k) actively pursue other government services, equipment, and funding. Examples of the latter two are excess property and recycling funds, respectively.

Section 2.

The Board of Directors will seek to ensure continuity and consistency in the performance of their duties through maintaining contact with and updating their GSA Regional Child Care Coordinator.

Section 3.

The child care provider shall be selected by the Board of Directors which shall establish terms and conditions of operation, based on the Special Conditions to the GSA Licensing Agreement.

**ARTICLE VII.  
Meetings**

Section 1

The Board of Directors shall hold regular meetings every other month or more frequently as needed, but a minimum of six times per year at such time and place as the Board may establish. The Secretary will provide notice and an agenda five days prior to all regularly scheduled Board Meetings.

Section 2.

Special meetings may be called by or at the request of the Chair or President or by any Directors in office at the time. The Board may consider and decide at special meetings only those matters set forth in the notice of such meeting.

Section 3.

Each member shall have one vote. Except as otherwise provided in these Bylaws or required by law, the vote of a majority of the Directors present at the time of the vote shall be an act of the Board of Directors if a quorum (fifty percent of the currently serving directors) is present at the time of the vote.

**ARTICLE VIII.  
Amendment of Bylaws**

The Board of Directors may recommend amendments of the Bylaws subject to consideration and approval of a majority of the persons then serving as Directors.

**ARTICLE IX.**  
**Parliamentary Authority**

All meetings of the (insert name of the Board or Directors) will be conducted in accordance with Robert's Rules of Order Revised in all cases to which they are applicable and in which they are not in conflict with these Bylaws.

I hereby certify that the above Bylaws were adopted by the members of the (insert name of Board) of said corporation under resolution at their meeting on the \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
Secretary

**APPENDIX D**

**Principles of Ethical Conduct  
for  
Employees of the Executive Branch  
5 CFR 2635 .101**

**Title 18 sections 203, 205, and 208**



[Code of Federal Regulations]  
[Title 5, Volume 3, Parts 1200 to end]  
[Revised as of January 1, 1999]  
From the U.S. Government Printing Office via GPO Access  
[CITE: 5CFR2635.101]

[Page 540-541]

## TITLE 5--ADMINISTRATIVE PERSONNEL

### CHAPTER XVI--OFFICE OF GOVERNMENT ETHICS

#### PART 2635--STANDARDS OF ETHICAL CONDUCT FOR EMPLOYEES OF THE EXECUTIVE BRANCH-- Table of Contents

##### Subpart A--General Provisions

##### Sec. 2635.101 Basic obligation of public service.

(a) Public service is a public trust. Each employee has a responsibility to the United States Government and its citizens to place loyalty to the Constitution, laws and ethical principles above private gain. To ensure that every citizen can have complete confidence in the integrity of the Federal Government, each employee shall respect and adhere to the principles of ethical conduct set forth in this section, as well as the implementing standards contained in this part and in supplemental agency regulations.

(b) General principles. The following general principles apply to every employee and may form the basis for the standards contained in this part. Where a situation is not covered by the standards set forth in this part, employees shall apply the principles set forth in this section in determining whether their conduct is proper.

(1) Public service is a public trust, requiring employees to place loyalty to the Constitution, the laws and ethical principles above private gain.

(2) Employees shall not hold financial interests that conflict with the conscientious performance of duty.

(3) Employees shall not engage in financial transactions using nonpublic Government information or allow the improper use of such information to further any private interest.

(4) An employee shall not, except as permitted by subpart B of this part, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from, doing business with, or conducting activities regulated by the employee's agency, or whose interests may be substantially affected by the performance or nonperformance of the employee's duties.

(5) Employees shall put forth honest effort in the performance of their duties.

(6) Employees shall not knowingly make unauthorized commitments or promises of any kind purporting to bind the Government.

(7) Employees shall not use public office for private gain.

(8) Employees shall act impartially and not give preferential treatment to any private organization or individual.

(9) Employees shall protect and conserve Federal property and shall not use it for other than authorized activities.

(10) Employees shall not engage in outside employment or activities, including seeking or negotiating for employment, that conflict with official Government duties and responsibilities.

(11) Employees shall disclose waste, fraud, abuse, and corruption to appropriate authorities.

(12) Employees shall satisfy in good faith their obligations as citizens, including all just financial obligations, especially those--such as Federal, State, or local taxes--that are imposed by law.

(13) Employees shall adhere to all laws and regulations that provide equal opportunity for all Americans regardless of race, color, religion, sex, national origin, age, or handicap.

(14) Employees shall endeavor to avoid any actions creating the appearance that they are violating the law or the ethical standards set forth in this part. Whether particular circumstances create an appearance that the law or these standards have been violated shall be determined from the perspective of a reasonable person with knowledge of the relevant facts.

(c) Related statutes. In addition to the standards of ethical conduct set forth in this part, there are conflict of interest statutes that prohibit certain conduct. Criminal conflict of interest statutes of general applicability to all employees, 18 U.S.C. 201, 203, 205, 208, and 209, are summarized in the appropriate subparts of this part and must be taken into consideration in determining whether conduct is proper. Citations to other generally applicable statutes relating to employee conduct are set forth in subpart I and employees are further cautioned that there may be additional statutory and regulatory restrictions applicable to them generally or as employees of their specific agencies. Because an employee is considered to be on notice of the requirements of any statute, an employee should not rely upon any description or synopsis of a statutory restriction, but should refer to the statute itself and obtain the advice of an agency ethics official as needed.

**- CRIMES AND CRIMINAL PROCEDURE**

## CHAPTER 11 - BRIBERY, GRAFT, AND CONFLICTS OF INTEREST

Sec. 203. Compensation to Members of Congress, officers, and others in matters affecting the Government

(a) Whoever, otherwise than as provided by law for the proper discharge of official duties, directly or indirectly -

(1) demands, seeks, receives, accepts, or agrees to receive or accept any compensation for any representational services, as agent or attorney or otherwise, rendered or to be rendered either personally or by another -

(A) at a time when such person is a Member of Congress, Member of Congress Elect, Delegate, Delegate Elect, Resident Commissioner, or Resident Commissioner Elect; or

(B) at a time when such person is an officer or employee or Federal judge of the United States in the executive, legislative, or judicial branch of the Government, or in any agency of the United States, in relation to any proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the United States is a party or has a direct and substantial interest, before any department, agency, court, court-martial, officer, or any civil, military, or naval commission; or

(2) knowingly gives, promises, or offers any compensation for any such representational services rendered or to be rendered at a time when the person to whom the compensation is given, promised, or offered, is or was such a Member, Member Elect, Delegate, Delegate Elect, Commissioner, Commissioner Elect, Federal judge, officer, or employee; shall be subject to the penalties set forth in section 216 of this title.

(b) Whoever, otherwise than as provided by law for the proper discharge of official duties, directly or indirectly -

(1) demands, seeks, receives, accepts, or agrees to receive or accept any compensation for any representational services, as agent or attorney or otherwise, rendered or to be rendered either personally or by another, at a time when such person is an officer or employee of the District of Columbia, in relation to any proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which the District of Columbia is a party or has a direct and substantial interest, before any department, agency, court, officer, or commission; or

(2) knowingly gives, promises, or offers any compensation for any such representational services rendered or to be rendered at a time when the person to whom the compensation is given, promised, or offered, is or was an officer or employee of the District of Columbia; shall be subject to the penalties set forth in section 216 of this title.

(c) A special Government employee shall be subject to subsections (a) and (b) only in relation to a particular matter involving a specific party or parties -

(1) in which such employee has at any time participated personally and substantially as a Government employee or as a special

Government employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise; or

(2) which is pending in the department or agency of the Government in which such employee is serving except that paragraph (2) of this subsection shall not apply in the case of a special Government employee who has served in such department or agency no more than sixty days during the immediately preceding period of three hundred and sixty-five consecutive days.

(d) Nothing in this section prevents an officer or employee, including a special Government employee, from acting, with or without compensation, as agent or attorney for or otherwise representing his parents, spouse, child, or any person for whom, or for any estate for which, he is serving as guardian, executor, administrator, trustee, or other personal fiduciary except -

(1) in those matters in which he has participated personally and substantially as a Government employee or as a special Government employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise; or

(2) in those matters that are the subject of his official responsibility, subject to approval by the Government official responsible for appointment to his position.

(e) Nothing in this section prevents a special Government employee from acting as agent or attorney for another person in the performance of work under a grant by, or a contract with or for the benefit of, the United States if the head of the department or agency concerned with the grant or contract certifies in writing that the national interest so requires and publishes such certification in the Federal Register.

(f) Nothing in this section prevents an individual from giving testimony under oath or from making statements required to be made under penalty of perjury.

(Added Pub. L. 87-849, Sec. 1(a), Oct. 23, 1962, 76 Stat. 1121; amended Pub. L. 91-405, title II, Sec. 204(d)(2), (3), Sept. 22, 1970, 84 Stat. 853; Pub. L. 99-646, Sec. 47(a), Nov. 10, 1986, 100 Stat. 3604; Pub. L. 101-194, title IV, Sec. 402, Nov. 30, 1989, 103 Stat. 1748; Pub. L. 101-280, Sec. 5(b), May 4, 1990, 104 Stat.159.)

## TITLE 18--CRIMES AND CRIMINAL PROCEDURE

**Sec. 205.** Activities of officers and employees in claims against and other matters affecting the Government

(a) Whoever, being an officer or employee of the United States in the executive, legislative, or judicial branch of the Government or in any agency of the United States, other than in the proper discharge of his official duties--

(1) acts as agent or attorney for prosecuting any claim against the United States, or receives any gratuity, or any share of or interest in any such claim, in consideration of assistance in the prosecution of such claim; or

(2) acts as agent or attorney for anyone before any department, agency, court, court-martial, officer, or civil, military, or naval commission in connection with any covered matter in which the United States is a party or has a direct and substantial interest; shall be subject to the penalties set forth in section 216 of this title.

(b) Whoever, being an officer or employee of the District of Columbia or an officer or employee of the Office of the United States Attorney for the District of Columbia, otherwise than in the proper discharge of official duties--

(1) acts as agent or attorney for prosecuting any claim against the District of Columbia, or receives any gratuity, or any share of or interest in any such claim in consideration of assistance in the prosecution of such claim; or

(2) acts as agent or attorney for anyone before any department, agency, court, officer, or commission in connection with any covered matter in which the District of Columbia is a party or has a direct and substantial interest; shall be subject to the penalties set forth in section 216 of this title.

(c) A special Government employee shall be subject to subsections (a) and (b) only in relation to a covered matter involving a specific party or parties--

(1) in which he has at any time participated personally and substantially as a Government employee or special Government employee through decision, approval, disapproval, commendation, the rendering of advice, investigation, or otherwise; or

(2) which is pending in the department or agency of the Government in which he is serving. Paragraph (2) shall not apply in the case of a special Government employee who has served in such department or agency no more than sixty days during the immediately preceding period of three hundred and sixty-five consecutive days.

**(d) (1) Nothing in subsection (a) or (b) prevents an officer or employee, if not inconsistent with the faithful performance of that officer's or employee's duties, from acting without compensation as agent or attorney for, or otherwise representing--**

(A) any person who is the subject of disciplinary, loyalty, or other

personnel administration proceedings in connection with those proceedings;  
or

**(B) except as provided in paragraph (2), any cooperative, voluntary, professional, recreational, or similar organization or group not established or operated for profit, if a majority of the organization's or groups' \1\ members are current officers or employees of the United States or of the District of Columbia, or their spouses or dependent children.**

**(2) Paragraph (1)(B) does not apply with respect to a covered matter that--**

(A) is a claim under subsection (a)(1) or (b)(1);

(B) is a judicial or administrative proceeding where the organization or group is a party; or

**(C) involves a grant, contract, or other agreement (including a request for any such grant, contract, or agreement) providing for the disbursement of Federal funds to the organization or group.**

(e) Nothing in subsection (a) or (b) prevents an officer or employee, including a special Government employee, from acting, with or without compensation, as agent or attorney for, or otherwise representing, his parents, spouse, child, or any person for whom, or for any estate for which, he is serving as guardian, executor, administrator, trustee, or other personal fiduciary except--

(1) in those matters in which he has participated personally and substantially as a Government employee or special Government employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, or

(2) in those matters which are the subject of his official responsibility, subject to approval by the Government official responsible for appointment to his position.

(f) Nothing in subsection (a) or (b) prevents a special Government employee from acting as agent or attorney for another person in the performance of work under a grant by, or a contract with or for the benefit of, the United States if the head of the department or agency concerned with the grant or contract certifies in writing that the national interest so requires and publishes such certification in the Federal Register.

(g) Nothing in this section prevents an officer or employee from giving testimony under oath or from making statements required to be made under penalty for perjury or contempt.

(h) For the purpose of this section, the term ``covered matter'' means any judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, investigation, charge, accusation, arrest, or other particular matter.

(i) Nothing in this section prevents an employee from acting pursuant to--

(1) chapter 71 of title 5;

(2) section 1004 or chapter 12 of title 39;

(3) section 3 of the Tennessee Valley Authority Act of 1933 (16 U.S.C. 831b);

(4) chapter 10 of title I of the Foreign Service Act of 1980 (22 U.S.C. 4104 et seq.); or

(5) any provision of any other Federal or District of Columbia law that authorizes labor-management relations between an agency or instrumentality of the United States or the District of Columbia and any labor organization that represents its employees.

(Added Pub. L. 87-849, Sec. 1(a), Oct. 23, 1962, 76 Stat. 1122; amended Pub. L. 101-194, title IV, Sec. 404, Nov. 30, 1989, 103 Stat. 1750; Pub.L. 101-280, Sec. 5(c), May 4, 1990, 104 Stat. 159; Pub. L. 104-177, Sec. 2, Aug. 6, 1996, 110 Stat. 1563.)

#### References in Text

The Foreign Service Act of 1980, referred to in subsec. (i)(4), is Pub. L. 96-465, Oct. 17, 1980, 94 Stat. 2071, as amended. Chapter 10 of title I of the Act is classified generally to subchapter X (Sec. 4101 et seq.) of chapter 52 of Title 22, Foreign Relations and Intercourse. For complete classification of this Act to the Code, see Short Title note set out under section 3901 of Title 22 and Tables.

**18 USC Sec. 208**

TITLE 18 - CRIMES AND CRIMINAL PROCEDURE

CHAPTER 11 - BRIBERY, GRAFT, AND CONFLICTS OF INTEREST

Sec. 208. Acts affecting a personal financial interest

(a) Except as permitted by subsection (b) hereof, whoever, being an officer or employee of the executive branch of the United States Government, or of any independent agency of the United States, a Federal Reserve bank director, officer, or employee, or an officer or employee of the District of Columbia, including a special Government employee, participates personally and substantially as a Government officer or employee, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in a judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter in which, to his knowledge, he, his spouse, minor child, general partner, organization in which he is serving as officer, director, trustee, general partner or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest - Shall be subject to the penalties set forth in section 216 of this title.

(b) Subsection (a) shall not apply -

(1) if the officer or employee first advises the Government official responsible for appointment to his or her position of the nature and circumstances of the judicial or other proceeding, application, request for a ruling or other determination, contract, claim, controversy, charge, accusation, arrest, or other particular matter and makes full disclosure of the financial interest and receives in advance a written determination made by such official that the interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from such officer or employee;

(2) if, by regulation issued by the Director of the Office of Government Ethics, applicable to all or a portion of all officers and employees covered by this section, and published in the Federal Register, the financial interest has been exempted from the requirements of subsection (a) as being too remote or too inconsequential to affect the integrity of the services of the Government officers or employees to which such regulation applies;

(3) in the case of a special Government employee serving on an advisory committee within the meaning of the Federal Advisory Committee Act (including an individual being considered for an appointment to such a position), the official responsible for the employee's appointment, after review of the financial disclosure report filed by the individual pursuant to the Ethics in Government Act of 1978, certifies in writing that the need for the individual's services outweighs the potential for a conflict of interest created by the financial interest involved; or

(4) if the financial interest that would be affected by the particular matter involved is that resulting solely from the interest of the officer or employee, or his or her spouse or minor child, in birthrights -

(A) in an Indian tribe, band, nation, or other organized group or community, including any Alaska Native village corporation as defined in or



established pursuant to the Alaska Native Claims Settlement Act, which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians,

(B) in an Indian allotment the title to which is held in trust by the United States or which is inalienable by the allottee without the consent of the United States, or

(C) in an Indian claims fund held in trust or administered by the United States, if the particular matter does not involve the Indian allotment or claims fund or the Indian tribe, band, nation, organized group or community, or Alaska Native village corporation as a specific party or parties.

(c) (1) For the purpose of paragraph (1) of subsection (b), in the case of class A and B directors of Federal Reserve banks, the Board of Governors of the Federal Reserve System shall be deemed to be the Government official responsible for appointment.

(2) The potential availability of an exemption under any particular paragraph of subsection (b) does not preclude an exemption being granted pursuant to another paragraph of subsection (b).

(d) (1) Upon request, a copy of any determination granting an exemption under subsection (b) (1) or (b) (3) shall be made available to the public by the agency granting the exemption pursuant to the procedures set forth in section 105 of the Ethics in Government Act of 1978. In making such determination available, the agency may withhold from disclosure any information contained in the determination that would be exempt from disclosure under section 552 of title 5. For purposes of determinations under subsection (b) (3), the information describing each financial interest shall be no more extensive than that required of the individual in his or her financial disclosure report under the Ethics in Government Act of 1978.

(2) The Office of Government Ethics, after consultation with the Attorney General, shall issue uniform regulations for the issuance of waivers and exemptions under subsection (b) which shall -

(A) list and describe exemptions; and

(B) provide guidance with respect to the types of interests that are not so substantial as to be deemed likely to affect the integrity of the services the Government may expect from the employee.

-SOURCE- (Added Pub. L. 87-849, Sec. 1(a), Oct. 23, 1962, 76 Stat. 1124; amended Pub. L. 95-188, title II, Sec. 205, Nov. 16, 1977, 91 Stat. 1388; Pub. L. 101-194, title IV, Sec. 405, Nov. 30, 1989, 103 Stat. 1751; Pub. L. 101-280, Sec. 5(e), May 4, 1990, 104 Stat. 159; Pub.L. 103-322, title XXXIII, Sec. 330002(b), 330008(6), Sept. 13, 1994, 108 Stat. 2140, 2143.)

#### REFERENCES IN TEXT

The Federal Advisory Committee Act, referred to in subsec. (b) (3), is Pub. L. 92-463, Oct. 6, 1972, 86 Stat. 770, as amended, which is set out in the Appendix to Title 5, Government Organization and Employees. The Ethics in Government Act of 1978, referred to in subsecs. (b) (3) and (d) (1), is Pub. L. 95-521, Oct. 26, 1978, 92 Stat. 1824, as amended. For complete classification of this Act to the Code, see Short Title note set out under section 101 of Pub. L. 95-521 in the Appendix to Title 5 and Tables. The Alaska Native Claims Settlement Act, referred to in subsec. (b) (4) (A), is Pub. L. 92-203, Dec. 18, 1971, 85 Stat. 688, as amended, which is classified

generally to chapter 33 (Sec. 1601 et seq.) of Title 43, Public Lands. For complete classification of this Act to the Code, see Short Title note set out under section 1601 of Title 43 and Tables.

**APPENDIX E**

**MODEL**

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE GENERAL SERVICES ADMINISTRATION (GSA)  
AND  
THE BOARD OF DIRECTORS OF CHILD CARE CENTER**

MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE GENERAL SERVICES ADMINISTRATION (GSA)  
AND  
THE BOARD OF DIRECTORS:

**Purpose**

This Memorandum of Understanding (MOU) summarizes the conditions under which the General Services Administration will provide space for the Child Care Provider to provide child care services located at :

**Background and Authority**

In 1986, Congress enacted P.L. 99-591 which created a new section 40 U.S.C. 490b to the Property Act (recodified in 2002 as section 590). This provision, commonly referred to as the Tribble Amendment, allows GSA to provide space, at no cost, to organizations who wished to provide child care services at that site. Child care services have been proven to increase productivity through improved staff recruitment and retention, reduced absenteeism, and higher employee morale.

GSA has made a determination that a child development center is necessary for the welfare of government employees in and around the \_\_\_\_\_ Building. To facilitate the provision of child care services, GSA has provided space and built-out a child care center.

The Board of Directors for this Child Care Center has organized and incorporated as a 501(c)(3) organization to provide for child care services for government employees. The Board of Directors has hired a Provider to operate the Center for the benefit of the children of these employees.

**Specific Provisions**

**Board of Directors.** The Board will ensure that both the Provider and the Board comply with all of the general and specific terms and conditions set forth in the GSA License Agreement.

The Board agrees to provide general oversight over the child care Provider which the Board has selected to operate the Center. The Provider must agree to run a State licensed and NAEYC accredited center. All selections and changes of Provider must be with the review and approval of GSA.

The Board shall be a legal not for profit Board of Directors of no more than 11 voting members. Members of the board should include a variety of interests and skills such as an early childhood expert, a fund-raiser, an accountant or CPA, a lawyer, a parent representative from each age group, or a member of the Parent Advisory Group if one is set up by the provider (the board is not to be exclusively parents, Board members will reflect the agency mix of the facility and membership should be sought consistent with building occupancy so as to reflect the interests of all agencies). Non Federal participation on the board is to be sought.

The Board agrees to submit, upon request, proof of its tax-exempt charitable and educational status under Federal and State laws.

The Board will provide for adequate training and transitioning of officers and new board members. By laws will include staggered terms (2 years) and filling vacancies in a timely fashion to allow continuity of services to the federal community.

The Board must have an agreement with the provider that includes any specific requirements germane to the site such as hours of operation, type of food service, etc. This agreement can not negate any of the terms of the GSA license with the Provider. This agreement is subject to review and approval of GSA. Any renewals and/or termination of this agreement are subject to approval by GSA.

The Board shall establish and administer a tuition assistance program for families in economic need. The tuition assistance program must include the provision of a review committee that does not include center parents. Funds for this program can come from Combined Federal Campaign (CFC) donations, donated funds from the recycle program, fund-raisers, grants and fees as appropriate.

All federal employees must adhere to the standards of ethical conduct for employees of the executive branch. The most relevant provisions are title 18, sections 205 and 208 of the U.S. Code.

The Board will designate a member of the Board or use the Provider as the liaison with the GSA Child Care Coordinator or the Office of Child Care.

**GSA.** GSA will conduct periodic reviews of the Center to determine that both the Center and the Board are in compliance with the GSA License Agreement.

GSA will ensure that the center is cleaned and maintained as specified in the Guidelines that GSA has established for the operation of child care centers in GSA space.

(GSA's Director of Facilities) officer to be determined will serve as the GSA representative to the Board and to the Provider concerning the Center. This is an advisory role not a voting Board member.

### **Effective Date and Duration**

This agreement is effective on the date of the last signature below and will continue in effect for each party unless and until terminated by either party.

### **Termination**

This agreement may be terminated under the following conditions:

If there shall occur or shall become known to either party a material breach of the other's obligations, representatives, or warranties under this agreement, such party may terminate this Agreement upon thirty (30) days written notice to the other, provided that the other party may prevent termination by curing such breach within thirty (30) days of receipt of such written notice.

If there occur or become known to the GSA at any time after the effective date of this Agreement a material breach of the Provider's obligations under the Special Conditions to the Licensing Agreement which in GSA's reasonable judgment jeopardizes the safety, health or well-being of the children cared for by the provider, GSA shall have the right to terminate this Agreement and revoke the license immediately.

**Approvals**

On behalf of our respective parties, this Agreement is approved.

\_\_\_\_\_  
Board of Directors

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
GSA Representative

\_\_\_\_\_  
Date

**APPENDIX F**

**MODEL**

**SPECIAL CONDITIONS TO THE LICENSING AGREEMENT**

**First printed in the Federal Register/Vol. 58, No. 123 Tuesday, June 29, 1993  
(Modified June 2004)**

SPECIAL CONDITIONS TO THE LICENSING AGREEMENT BETWEEN  
GSA AND \_\_\_\_\_

1.LICENSE AUTHORITY

This license is granted pursuant to the authority of and subject to the conditions in 40 U.S.C. 590. The Child Care Provider who provides child care at the site agrees to abide by these Special Conditions.

2.CRIMINAL HISTORY BACKGROUND CHECKS

The Child Care Provider and its employees are subject to the Crime Control Act of 1990 Public Law 101-647, as amended by Public Law 102-190, dated December 5, 1991, and will submit to criminal history background checks. In order to comply with this law, Providers will ensure the following: they will submit a Name Check Information Sheet immediately upon hiring a new employee, they will ensure that their employees submit a completed Statement of Personal History Form, GSA Form 176, and contact the Regional Federal Protective Service (FPS) or other designated party to arrange for fingerprints to be taken, no later than that employee's start date, with completed packages received by FPS within 5 working days. The Child Care Provider will notify the Regional Child Care Coordinator immediately when a new employee has been hired.

The Child Care Provider will certify that appropriate suitability background checks have been completed, including references, employment and educational certification checks for each new hire. In addition, the Child Care Provider and its employees are subject to any other checks as may be required by GSA, and any pertinent local regulatory authorities.

Providers or employees who have a conviction for sex crimes, offenses involving children as victims, or drug felonies will be denied employment or dismissed, except that for a conviction of a crime other than a sex crime or offense involving children, the government will review the facts of the individual case before exercising its right to deny or have terminated the employment of that employee.

3. NATIONAL ACCREDITATION

The child care provider shall begin the National Association for the Education of Young Children (NAEYC) accreditation process within one year of operation and will achieve accreditation within 2 years of operation. The child care provider will maintain accreditation through the renewal process of the National Academy of Early Childhood Programs.

4.TERMS AND CONDITIONS OF OCCUPANCY

The child care center will be operated in accordance with the following terms and conditions:

- a. Maintain and operate a developmental child care program from a.m. to p.m., Monday through Friday except on Federal holidays. The child care center may be closed one week per year for maintenance.



- b. The center's employees shall comply with all building regulations and special building security arrangements. Building security arrangements may include the display of Government-furnished identification (ID) cards, where required. All Government furnished IDs remain the property of the Government and must be surrendered to the Provider's management by all center employees leaving the Provider's employ. Such IDs must then be immediately returned to the Government's designated building security officer.
- c. The Child Care Provider shall not discriminate on the basis of race, religion, color, national origin or disability with respect to enrollment of children or employment of staff.
- d. By signing this agreement the Child Care Provider has acknowledged receipt of and use of equipment and other property as furnished by the government, and shall provide routine care of any government furnished equipment during the term of this license.
- e. The Child Care Provider shall be responsible for any damage to the equipment arising from wrongful acts or acts of negligence of the Child Care Provider.
- f. The Child Care Provider must maintain the facility in a clean and safe manner. General housekeeping is expected so that the center appears clean and well kept at all times. Cleaning responsibilities of the provider include, but are not limited to: cleaning and sanitizing of all toys, toy shelves, children's furniture, kitchen appliances inside and out, kitchen pantries, storage closets including shelves, as well as pet cages and aquariums. Immediate spot cleaning is required during snacks, mealtimes, during and after craft projects, etc. Storage of all bleach/sanitizing solutions will be out of reach of children.
- g. The Child Care Provider must ensure that staff members have ongoing training. In addition to the training required by State or local licensing authorities and NAEYC accreditation criteria the Child Care Provider must ensure that staff have 1.5 to 2 hours annual training in the prevention and detection of child abuse, up to date first aid training and certifications in employees' files, verifiable staff training in emergency and evacuation procedures, and annual training on bloodborne pathogens (per OSHA Regulations of 1991 applicable to all settings where workers might come into contact with blood).
- h. The Child Care Provider will ensure that all incidents occurring in the center: criminal incidents or accidents/incidents requiring immediate professional medical attention are immediately reported to the Federal Protective Service. The Child Care Provider will ensure that notification of the incident is provided to the regional child care coordinator as soon as possible but no later than 24 hours after the occurrence.
- i. The Child Care Provider will notify the appropriate local authority in cases of suspected child abuse or neglect per Public Law 104-28. The Federal Protective Service will not be notified in these matters unless the suspected abuse occurred on site, in which case the FPS is notified in addition to the appropriate local authority.
- j. The Child Care Provider will post in a public area of the center its current state or local license to operate a child care center.
- k. The Child Care Provider will comply with all Federal, State or local safety policies, including the smoking policy.

- l. The Child Care Provider will post an emergency evacuation plan for the center. The Child Care Provider will ensure that a fire drill is conducted by the staff at the Child Care Center at least monthly and will keep a record of these drills available to GSA upon request. The Child Care Provider will work with appropriate Government officials to ensure that the center's evacuation plan is appropriately incorporated into the occupant emergency plan (OEP) for the building.
- m. The GSA Regional Child Care Coordinator, will on a regular basis, collect demographic data and other pertinent information relating to center operations. The Child Care Provider will respond in a timely and expeditious manner.
- n. The Child Care Provider must demonstrate that it is financially capable of continuing its operations under the terms of its license to use space. The child care provider agrees to provide upon request financial statements, which may include quarterly financial statements and/or an annual audit by an independent reviewer.
- o. The Child Care Provider shall provide all supplies (consumables and manipulatives) such as toys, food and curriculum materials which remain the property of the provider.
- p. The Child Care Provider shall market the program, its quality and availability to Federal employees and others. This can be accomplished through newsletters, posters, building displays, lunch & learns, flyers, e-mail and other marketing techniques.

5. GSA INITIATED REVIEWS

The Child Care Provider shall agree to have GSA initiated program, health and safety assessments accomplished on center operations and shall meet all requirements as a result of these reviews.

6. STATUS OF THE CHILD CARE PROVIDER

The Child Care Provider is not an employee or agent of the Government. Parents with children enrolled at the center shall contract directly with the Child Care Provider. Except for matters explicitly addressed in this license, decisions and responsibilities with respect to program, enrollment, fees, tuition, hiring, policy making, and any and all other aspects of the operation and conduct of the Center's business shall be the exclusive right, prerogative, and responsibility of the Child Care Provider.

7. PRIORITY ENROLLMENT

The Child Care Provider shall give priority for available child care services to employees of the sponsoring agencies. Per the conditions of 40 U.S.C. 590 Federal employees will be given priority placement for all available spaces and at least 50% of the children enrolled in the center are to be children or dependents of Federal employees. If this requirement is not met a plan must be put into effect to increase Federal enrollment. Remaining enrollment may be open to the general public.

8. INSURANCE

The Child Care Provider shall, at its own expense, provide and maintain during the term of this license, and any extension thereof, comprehensive liability insurance in an amount not less than \$1 million. A copy of the insurance certificate including renewals shall be provided to GSA prior to occupancy of the center or as soon thereafter as possible. An accident insurance policy will be maintained on all students by the Child Care Provider.

9. TUITION ASSISTANCE

A tuition assistance program for families in economic need shall be established. The tuition assistance program can/will be established through a nonprofit Federal employee organization. Participation in the Combined Federal Campaign or local United Way campaign should be planned.

10. TERMINATION

GSA or the Child Care Provider may terminate this license after \_\_\_\_\_ days written notice, or immediately if there is a substantial breach of the conditions of this license.

11. EFFECTIVE DATE AND DURATION

This agreement is effective on the date of the last signature and will continue in effect for each party unless and until terminated by either party under the conditions in section 10 of this agreement. (Can set a term)

12. MODIFICATIONS

This agreement may be modified at any time by written agreement of the parties.

13. CHANGES IN STATUS

The Child Care Provider agrees to notify GSA immediately of any changes in the manner in which the Center is being operated or in its change of status including the creation of any public private partnerships. This license is nontransferable and may be cancelled if the provider sells its business.

**APPENDIX G**

**MODEL**

**CONTRACT BETWEEN BOARD OF DIRECTORS OF**

\_\_\_\_\_ **CENTER, INC.**

**AND**

**(name of provider)\_\_\_\_\_**

CONTRACT BETWEEN BOARD OF DIRECTORS OF CENTER INC.  
AND  
COMPANY  
TO OPERATE AND MANAGE CENTER

The Board of Directors of Center Inc. was incorporated as a non-profit entity to provide child care services for the children of employees of the agency(ies) at [address]. By entering into this contract with the Board of Directors, the Company agrees to furnish and deliver all services set forth or otherwise identified within this Contract.

**SECTION A. GENERAL REQUIREMENTS**

**1. Provider.**

Company shall manage and operate the Child Care Center for the use of employees of the agency, other agencies and the public, and to furnish all materials and perform all tasks necessary for providing an on-site, high quality, full-time child development program which will provide an environment in which children can develop to their optimal potential.

As a Federal child care center, Company will comply with all terms and conditions of the GSA Licensing Agreement. Company will also be committed to recruiting and retaining qualified staff; providing a clean, healthy, and safe environment; obtaining accreditation by the National Association for the Education of Young Children (NAEYC); and providing accessible child care for Federal employees and others.

**2. Board of Directors.**

The Board of Directors will provide general oversight of the Child Care Center to ensure that a quality child care program for the children is provided at the Center. The Board will also conduct fundraising for tuition assistance to ensure that the Center is affordable to parents in the federal community.

In addition to the above, the Board of Directors will:

1. Receive and review the reports submitted by Company;
2. Have a member of the Board who is not a Government employee act as liaison between Company and the Federal and local government agencies;\*
3. Develop policies regarding tuition assistance;

-----  
\*Before including this point as written in the contract, review P.L. 104-177 as noted in the last paragraph of Article III in the Bylaws model in this manual.

4. Keep confidential all information received from Company deemed as confidential;
5. Conduct an annual review of the Center to include upcoming budgets;

## **SECTION B. DESCRIPTION OF THE CENTER**

### **1. Interior.**

The Center is located at

### **2. Exterior.**

## **SECTION C. SERVICES/SUPPLIES**

A list of the current equipment/furnishings supplied by [agency] that are at the Center is attached.

Company shall be responsible for obtaining and maintaining general supplies, educational materials, and providing services as needed for operating the Center including, but not limited to: obtaining supplies such as dishwashing soap, laundry detergent, cleaning supplies and paper products, acquiring expendable program materials such as toys, paper, paints, pencils, and crayons, maintaining the day-to-day cleanliness of the Center such as mopping up spills, cleaning counter tops, etc., and procuring office supplies.

## **SECTION D. OPERATIONS**

Company shall perform all tasks necessary to manage, staff, and operate a high quality child care center to accommodate up to [#] children, from [ ] weeks to [ ] years of age. The ratio of staff to children must, at a minimum, meet the licensing requirements of the [applicable jurisdiction] licensing standard for child care centers and NAEYC, whichever is more stringent.

Company shall begin the accreditation process within one year of beginning operations and achieve accreditation within 2 years of the date of this contract, and maintain accreditation.

### **1. Priority of Enrollment.**

1. Children of employees of .
2. Siblings of children of employees of .
3. Children of other Federal agency employees.
4. Dependents of the general public. (Must meet the requirements of 40 U.S.C. 590) .
5. Children of Federal employees will have preference on all waiting lists.

Company will administer the enrollment policy, which will be reviewed by the Board on a quarterly basis.

## 2. Non-Discrimination Policy.

The Center shall admit children without regard to race, color, creed, religion, or national origin. In regard to admission of and reasonable accommodation for children with disabilities, the Center shall adhere in spirit and practice to provisions of Section 504 of the Rehabilitation Act of 1973, as amended, for programs and activities receiving Federal financial assistance. (28 CFR Part 41). Company shall adhere to NAEYC's Standards of Ethical Conduct.

## 3. Days of Operation/Hours. [negotiable]

The Center will be open year-round, Monday through Friday, excluding Federal holidays and special Federal closings (e.g. closing due to weather and/or Inauguration Day) or natural disasters as determined by the Administrator of GSA. The Federal holidays are as follows:

- New Year's Day
- Martin Luther King's Birthday
- Washington-Lincoln Birthday
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veterans Day
- Thanksgiving
- Christmas Day

The hours of operation shall be 6 a.m. - 6 p.m. but may be changed from time to time by mutual agreement of Company and the Board as deemed necessary.

## 4. Management of the Center.

Company will have four major areas of responsibility:

4.1. Program Development. Company shall be responsible for developing, administering, and providing the program of the Center to achieve the goals stated herein. Each of the groups in the Center must have a separate program geared specifically to that group, including, but not limited to: schedule of activities; curriculum model and any special program features that will be included in the program; discipline policies; plans for field trips and the type of transportation to be provided; and the provision of meals and snacks.

4.2. Personnel Management. Company shall be responsible for:

a. Defining staff needs;

b. Hiring and firing of staff, as necessary, including checking required references.

Employees must meet the [applicable (specify)] licensing standard for child care centers and the GSA Licensing Agreement between GSA and Company and have criminal history background checks and current TB test results on file. Staff will be employees of Company, and not the employees of the

Board of Directors of Center. Company will maintain complete staff files containing documentation of criminal history background checks, education, training, experience, employment, time, attendance and payroll records, licenses, awards, performance evaluations, and discipline or corrective action reports. In addition, there shall be a minimum of one staff member in each classroom at all times who is child/infant CPR certified NLT January 1, 19\_\_\_. Yearly CPR recertification is required.

- c. Providing career development and staff training. Provide to the Board of Directors a quarterly record of proposed and completed workshops, conferences and training sessions for staff development. Ensure that at least one staff member attends the GSA Annual Child Care Conference.
- d. Establishing procedures for hiring substitute staff so that the Center is adequately staffed at all times.
- e. Establishing personnel policies.
- f. Establishing employee salaries, benefits, and a staff handbook.

4.3 Administration. Administrative responsibilities should include, but are not limited to the following:

- a. Conducting registrations and admissions. This includes establishing a record for each child which includes: assessments, health records, attendance, injury reports, illnesses, immunization records and meetings with parents.
- b. Promoting media coverage and marketing the Center.
- c. Establishing and maintaining operating procedures.
- d. Providing day-to-day on-site management of the Center.
- e. Training and supervising staff.
- f. Ensuring required reports are submitted on a timely basis.
- g. Obtaining and maintaining all necessary insurance and licenses consistent with Federal and local requirements, including any necessary modifications.
- h. Providing nutritious meals and snacks (negotiable)
- i. Providing copies of parent notices, handouts and other literature to the Board of Directors.
- j. Establishing policies for parent involvement and participation, including but not limited to: access to faculty for ongoing consultation/meetings; access to the children during the day; participation in daily activities and special activities; parent/teacher conferences.
- k. Establishing policies dealing with absences (including vacations, illness, etc.) of



children enrolled in the Center full time.

- I. Allowing drop-in care during working hours on a space available basis. (negotiable)
    - m. Maintaining insurance policies, including naming the Board of Directors as a co-insured on the policy. (does not include directors and officers insurance for the board)
    - n. Completing all necessary forms, reports and deliverables as described herein.
    - o. Maintaining confidentiality of personal records of children and families.
    - p. Recommending classroom configuration for full enrollment and current enrollment.
    - q. Providing copies of accident reports to the Board of Directors, and the Regional Child Care Coordinator, within 24 hours of occurrence.
    - r. Adhering to local, Federal, NAEYC and GSA policies and requirements and complying with all requirements included in GSA's licensing agreement (see attached).
- 4.4. Parent Communication. Company shall maintain open and ongoing communication with the parents using resources, such as:
- a. Parent Handbook
  - b. Administration of Annual Parent Survey
  - c. Planned parent events, such as an "Open House"
  - d. Annual Parent Teacher conferences
  - e. Adherence to requirements of NAEYC accreditation

## **5. Payment and Collection of Fees.**

It is the intent of the Board of Directors that the Center be a self-sustaining operation. The funds required to run the Center must be derived from fees charged to the users and/or grants and other subsidies. The Board assumes no responsibility for collection of fees.

Company will establish policies for the Center as outlined in the Parent Contract, which are subject to reasonable changes. This contract supersedes any conflicting provisions in the Parent Contract.

The Board of Directors will annually review the Center's financial status and audit and will review Company requests for changes in fees for the coming year. The annual review will take place no later than July 30 of each year. Parents will receive 30 days notice prior to implementation of new tuition rates.

## SECTION E. PERFORMANCE

1. Effective Date and Duration. This contract is effective on the date of the last signature below and, unless terminated by either party under the conditions in the Termination section below, will continue [indefinitely] or [state termination date and renewal options].

(If a definite termination date is listed) [Up to, but no later than 60 days prior to the end of the initial term, the Board retains the right to terminate any option for renewal under this agreement. After the initial period is complete, without the aforementioned termination, the Board shall have the option for renewal for successive 3 year terms. The Board shall have the right to terminate any further renewal periods and this agreement shall terminate between the parties provided that notice is provided no later than 60 days prior to the end of the initial or any renewal period.]

The Board must notify Company of whether or not it shall exercise its option to renew no later than 60 days prior to the end of the initial period or subsequent renewal periods. If the Board notifies Company of its intent to renew the contract for any option period, Company shall have 30 days after receipt of such notice in which to advise the Board of its intention to terminate the Contract. If Company does not reply within the 30 day period, the contract will continue in full force and effect for the next option period.]

2. Termination. This contract may be terminated prior to the expiration of its terms under the following conditions:

a. If the Tribble Amendment, 40 U.S.C. 590, which authorizes such agencies to provide the premises and related services, shall be repealed or amended in any manner which deprives the Board or Company of the ability to use the premises to provide child care services, the Contract may be terminated as of the effective date of such event.

b. If there shall occur or shall become known to either party a material breach of the other's obligations, representation, or warranties under this Contract, such party may terminate this Agreement upon thirty (30) days of receipt of such written notice.

c. If the GSA License is revoked, this contract shall terminate.

d. Notwithstanding the provisions in section b. above, and by mutual consent, if there shall occur or become known to the Board at any time after the effective date of this Contract a material breach of Company's obligations under this Contract which in the Board's reasonable judgment jeopardizes the safety, health, or well-being of the children cared for in the Center, the Board shall have the right to suspend this Contract immediately. Thereafter, the Contract may be terminated pending normal processes described above for review and determination of the allegation of breach.

### 3. Reporting Requirements.

Company is responsible for providing the following:

- a. (As applicable) Reports
  1. Accidents/Injuries
  2. Problems or other pertinent information
- b. Quarterly Reports
  1. Proposed and completed staff training
  2. Enrollment and waiting list broken down by Federal and non-federal status
- c. Annual Reports
  1. Salary/benefits/other employee costs
  2. Financial audit
  3. Proposed budget
- d. Evidence of criminal history background checks for administrators and staff
- e. Staff licenses and certificates as necessary

f. Provide to the Board NLT (Date), a job description of each position at Center including substitute and volunteer positions. In cases where an employee functions in a dual capacity position, include percentage of time spent at each function.

### **SECTION F. SPECIAL REQUIREMENTS**

1. License. Company shall be responsible for obtaining and/or reviewing the necessary Federal and local licenses needed for operating the Center.

Company shall show and display within the Center proof of all licenses and permits, and all applicable documents issued by local authorities for operating in locality.

2. Insurance. The following insurance is required:

1. Liability as required in the GSA Licensing Agreement
2. Accident Insurance on each child

Each insurance policy or certificate shall contain an endorsement providing that the insurance company will notify GSA, the Board, and Company thirty (30) days prior to the effective date of any cancellation, modification, or termination of the policy. Company shall immediately notify the Board of any changes in the insurance.

Prior to the commencement of work thereunder, Company shall furnish to the Board evidence showing that liability insurance has been obtained.

3. Contractor Key Personnel.

Key personnel shall be the Director and the Assistant Director and are essential to the performance



**APPENDIX H**

**MODEL**

**CONSORTIUM AGREEMENT  
BETWEEN  
THE US GENERAL SERVICES ADMINISTRATION,  
NONPROFIT BOARD,  
PROVIDER,  
AND  
PRIVATE ASSOCIATION**

FERC Child Development Center Consortium Agreement

(Effected May 25, 1 993) The Partners:

FERC Day Care, Incorporated - the Center's Board of Directors

American Psychological Association (APA) - The Private Firm Bright Horizons (BH)- The Child Care Provider and General Services Administration (GSA)

APA Bought	How it Works
3 emergency backup spaces (1-infant, 1-young toddler, 1-preschool)	APA pays regular tuition rate for each space to BH. The APA employee pays APA an amount set by APA whenever a space is used. (This arrangement is outside the purview of the consortium.) This increased the enrollment in the center by 3 children. These spaces are for the sole use of APA employees.
Priority rights for 10 spaces (2-infant, 2-young toddler, 2-older toddler, 4-preschool)	APA pays BH \$2000 per space over a 3-year period. (A total of \$20,000.) BH allocates the same amount to the scholarship fund. (80% goes to scholarships and 20% to teacher bonuses or additional scholarships.) APA employees enrolled in the spaces pay the regular tuition rate to BH. These spaces are for APA employees if they have a need. If not, it moves to the next level of priority. It increases enrollment by drawing on the APA population, and provides scholarships allowing more families to participate in the center.

- APA has one voting slot on the board of directors and one voting slot on the scholarship committee.
- Any family who qualifies is eligible for tuition assistance whether FERC, other Federal employees, APA, or private sector employees.

**Consortium Agreement (Agreement) Between the  
General Services Administration,  
Nonprofit Board,  
Provider, and Private Association**

Pursuant to the authority provided in Section 528 of Pub. L. 102-393, dated October 6, 1992, this agreement is entered into and is effective as of this \_\_\_\_\_ day Of \_\_, 19\_\_ by and between the General Services Administration (GSA), Non-profit Board, Provider, and Private Association

Whereas, GSA and Provider have entered into a licensing agreement to provide a location for the provision of child care services at (location of facility); and

Whereas, the Nonprofit Board is a nonprofit corporation which provides child care services for the employees of agency) Federal employees, and the general public at the Center,

Whereas, Private Association desires that its employees have access to child care services at the Center; and

Whereas, Nonprofit Board has contracted with Provider to operate the Center, located at (location)

Now, therefore, GSA, Nonprofit Board, Private Association, and Provider do hereby agree, acknowledge, and attest as follows:

**1. Definitions.**

a. "Center" means the (identify Center) which GSA licensed and Provider operates for the Nonprofit Board at (location of Center);

b. "Contract" means the contract agreement that Provider has with the Nonprofit Board for operating the Center;

c. "Back-up Care Spaces" means child care spaces reserved under this Agreement to provide child care from time to time on an as-needed basis for Private Association employees;

d. "Priority Rights" means that parents shall have the specified priority for a child care space when vacancies occur at the Center. Priority Rights are assigned as follows:

1. Private Association employee infant siblings of child already enrolled in Center)3
2. Sponsoring Agency employee infant siblings
3. Federal employee infant siblings
4. Private Association employees
5. Sponsoring Agency employees
6. Federal employees
7. General public infant siblings
8. All other siblings
9. General public, other

e. "Property" means the land and buildings located at (location);

f. "space" means the capacity to accommodate child care services for one child;

g. "Child" means any biological child, adopted child, foster child, grandchild or any child f or which an employee acts as the legal guardian;

h. "Private Association employee" means any person employed by the Private Association; however it is within the sole discretion of Private Association to determine whether an individual employee is entitled to any Priority Rights.

**2. Priority Rights Spaces at Center.** In consideration of payment of the fees set forth below, the Private Association will have Priority Rights to 10 spaces at the Center for the term of this Agreement. These ten spaces will include 2 infant spaces, 2 young toddler spaces, 2 older toddler spaces and 4 preschool

spaces. Accordingly, a Private Association employee on a waiting list for the Center shall have Priority Rights, as defined in Paragraph 1.d. above, for an available space at the Center or for a space which is vacated when a child leaves the Center or moves to an older age group, as long as such space is appropriate to the age and needs of the child. In order for Private Association and Agency employees to have a reasonable opportunity to take advantage of an opening at the Center, Provider shall maintain a waiting list at the Center which may be reviewed by the Management Oversight Group. If and when an employee with Priority Rights is on a waiting list, Provider will notify the appropriate representative on the Management Oversight Group before offering the last available space in the at appropriate age group to a parent who is in a lesser priority category with respect to that opening. It is understood by all parties that the Center will not be required to terminate the Enrollment of a child currently enrolled in the Center or who may become enrolled in the Center to provide the Priority-Rights Space is at the Center. At any time that Private Association employees do not use such Priority Rights Spaces, Provider may offer the spaces to the other priority holders identified in Paragraph 1.d. of this Agreement. It is also recognized that Private Association employees may occupy more than 10 spaces at the Center. Private Association employees, however, have priority for only the 10 slots which Private Association has funded through this agreement.

Private Association's priority for a space is contingent upon Association's not having filled 10 spaces as designated in this Agreement. If Association has filled all 10 of its designated spaces, it will no longer have a priority and will be in the same category as a member of the general public for any additional spaces. See 1, above

3. Cost and Payment. To reserve Priority Rights Spaces, Private Association agrees to pay Provider, on behalf of, and as operator of, the Center, \$\$\$\$ per space as a one-time fee, \$\$\$\$ of which is due and payable upon execution of this Agreement, and an additional \$\$\$ to be paid at the beginning of the second and third year of this Agreement, to assist in defraying the salaries and benefits provided for any Provider personnel. It is understood and agreed by all the parties to this Agreement, that Provider will immediately allocate an amount equal to the Private Association payment, and designate the Provider's funds to be used for the Scholarship Fund of the Center. 80% of the designated funds will go to scholarships for any eligible child in the Center and 20% will be allocated at the mutual discretion of the Board of Directors of Center and Provider for teacher bonuses or additional scholarships. Any tuition fees shall be the responsibility of the parents who use the Center and shall be in addition to the fees stated herein.

4. Option to Continue Priority Rights. To the extent that this facility is operated beyond the period of this Agreement, Private Association will have the option to continue its Priority Rights for an equivalent period subject to its continuing payment of an annual fee for each space. In the initial year of any such extension, such fee shall be \$\$\$\$ per space, and such fee shall be increased in the same proportion as the average tuition increase annually during the option period. In the event that an extension period is for less than a one year period, this fee will be pro rated to reflect the applicable period.

5. Back-Up Care Spaces. In consideration of payment of the fees set forth in this section, Private Association will have available three (3) Back-Up Care spaces at the Center for the term of this agreement. The Private Association will have one space in each of three groups for back-up care. These three groups are identified as infant, younger toddler, and preschool. The annual tuition rate for all three Back—Up Care Spaces is \$\$\$\$ prorated monthly for any partial year, and payable to Provider, on behalf of, and as operator of, the Center, to be used by Provider for staff salaries and benefits. These payments will be made in advance in equal quarterly installments. Effective with any increase in Provider's tuition as provided for in the Contract, the payments will be adjusted to reflect the new



tuition for each of the three spaces. Provider will work with Private Association to collect any and all fees Private Association decides to charge Private Association's employees for using these three Back-Up Care spaces. Any money collected from Private Association's employees for using these three Back-Up Care spaces will go to Private Association.

6. The term of this Agreement will begin on (date), and terminate on (date), unless the Contract is terminated earlier pursuant to its provisions, in which case this Agreement shall also terminate. If the Contract is extended by the parties thereto beyond its initial term, Private Association shall have the option of renewing this Agreement for an equal period and shall advise all parties to this Agreement of its intent to do so no later than three (3) months prior to the end of the initial term and each successive term. Any such successive term of this Agreement shall also be subject to termination should the Contract be terminated pursuant to its provisions.

7. Enrollment Procedure. Private Association agrees that all employees of Association who desire to use the Center must complete the standard application and enrollment forms used in the Center, pay all application and tuition fees to Provider and otherwise comply with all terms and Conditions applicable to families utilizing the services of the Center. Provider shall have no obligation to provide services under this Agreement to any employee who has not completed such standard forms, paid all appropriate application fees and tuition when due, and otherwise complied with the terms and conditions applicable to Center families. Provider is an equal opportunity employer and in all decisions regarding employment and enrollment of children shall abide by all federal and State statutes with respect to discrimination.

8. Marketing. Private Association and Nonprofit Board will cooperate and work with Provider to market the Center to their employees and to coordinate with Provider concerning their communication with employees about their rights and obligations under this program. No materials used to market the Center shall be distributed by any party to this agreement without the prior review and consent of Provider. Nonprofit Board and Private Association, respectively, shall have the right to review in advance and approve all materials regarding the Center that are targeted exclusively at Agency or Private Association employees or that mention the Agency and/or Nonprofit Board or Private Association.

9. Board Membership. Upon execution of this Agreement, the Private Association will have the right to have one voting member on the Nonprofit Board of Directors. In addition, the Private Association will have one voting member on the scholarship committee of the center.

10. Indemnification. Provider agrees to indemnify Private Association against, and hold Private Association harmless from any and all claims, actions, suit, proceedings, costs, expenses, damages, judgments and liabilities, including reasonable attorney's fees, arising out of or connected with the child care services to be provided by Provider under this Agreement. Without limiting the generality of the preceding sentence, Provider expressly agrees to indemnify and hold harmless Private Association from any and all claims, actions, suits, proceedings, costs, expenses, damages, judgments and liabilities, including reasonable attorneys fees, in any way arising out of or connected with any person or other injuries suffered by children under the care of Provider, or parents and visitors to the child care center run by Provider pursuant to this agreement, regardless of the cause of injury. Provider shall, at its own cost and expense, defend any and all suits that may be brought against Private Association, either alone or in conjunction with others, upon any such liability or claim or claims and shall satisfy, pay and discharge any and all judgment and fines that may be recovered against Private Association in any such action or actions, provided, however, that Private Association shall give Provider prompt

written notice of any such claim or demand.

In no event shall Private Association be liable to Provider for any acts or omissions of the children or parents who utilize the center pursuant to the terms of this Agreement.

In no event will Private Association have the right to bring suit on behalf of itself in connection with any acts or omissions of Providers' employees taken or failed to be taken with respect to the children or parents who utilize the center pursuant to the terms of the Agreement, except that Private Association may bring suit to enforce the terms of this Agreement.

Private Association shall defend and hold Provider harmless against all expenses, judgment and losses for claims or actions or violations of other rights that result primarily and directly from Private Association's actions, failure to act, specifications or instructions, provided that Private Association is notified promptly in writing of any such claim or action and shall have sole control of the defense of any such claim or action and all negotiations for its settlement or compromise.

11. Liability Insurance. In accordance with the GSA licensing agreement entered into by and between Provider and GSA on (date), Provider shall obtain and maintain an insurance policy or policies covering Provider's activities at the Center that includes liability insurance for the children in the Center. This insurance policy must also include the Private association as additional insured. Provider shall provide to Private Association certificates of such insurance within thirty (30) days of the execution of this Agreement.

1 Waiver. The delay or failure of either party to exercise any right provided herein shall in no way affect its rights at a later time to enforce that right or any other rights under this Agreement. No waiver shall be effective unless it is in writing and signed by the waiving party.

12. Severability. If any provision of this Agreement is declared invalid by a court of competent jurisdiction, then it shall be deleted as though it had never been included in the Agreement and the remaining provisions of the Agreement shall remain in full force and effect, unless such deletion materially frustrates the purpose of any party in entering into this Agreement, in which case the parties shall have the option of voiding the Agreement or renegotiating its terms.

13. Taxes. Provider shall have the sole responsibility for payment of any taxes applicable to the business of the Center.

14. Status of Parties. Neither Private Association, Nonprofit Board nor Provider are employees or agents of GSA. Each of these parties is independent, and no party shall be, or represent itself to be, the joint venturer, franchisor, franchisee, partner, broker, employee, servant, agent or representative of any other party for any-purpose. No party shall be Responsible for the acts or omission of any other party, except to the extent provided in the Indemnification contained in paragraph 10 of this Agreement, and no party shall have the authority to make any representations or incur any obligations on behalf of any other party.

Parents with children enrolled at the Center shall contract directly with Provider. Except for matters explicitly addressed in the GSA/Provider Licensing Agreement, decisions, and responsibilities with respect to program, levels of enrollment, hiring, policy making, and any and all other aspects of the operation and conduct of the Center's business shall be the exclusive right, prerogative, and responsibility of Provider.

15. GSA/Provider License Agreement. The Licensing Agreement between GSA and Provider, including the Special Conditions thereto, as modified on (date), is incorporated herein in its entirety.

16. Nonprofit Board/Provider Contract. The Contract between Nonprofit Board and Provider, dated (date), is incorporated herein in its entirety.

17. Amendment. This Agreement may be modified, changed or amended only in writing signed by all parties. No employee of any party other than an authorized officer or employee of that party shall have any actual or apparent authority to modify the terms of this Agreement.

18. Management Oversight Group. A Management Oversight Group will be established to oversee the implementation of this Agreement. Each signatory to this Agreement and the (sponsoring agency) will be a member of the Management Oversight Group and will appoint 1 member and an alternate to serve as a representative to that body. The Management Oversight Group will meet, at a minimum, twice a year.

19. Notices. Except as otherwise specifically provided herein, each notice required or permitted shall be in writing and signed by a duly authorized representative of the party initiating the notice, and shall be sent by any means requiring receipt signature, or by facsimile transmission confirmed by certified mail, to the following address unless changed by written notice:

GSA:	Regional Child Care Coordinator
	General Services Administration
Nonprofit	Board Chair
Board:	Address
Private	Association address
Association:	
Provider:	Provider's Address

Each notice shall be effective upon initial receipt by the addressee, or when the addressee refuses to accept the notice if that is the case.

20. Headings. The headings and titles used in this Agreement are for convenience only and shall not limit, expand or otherwise affect any of its terms.

21. Disputes. Nonprofit Board, Private Association and Provider agree that, in the event that they are unit to resolve amicably any dispute that may arise regarding their respective rights, duties or obligations under this Agreement any party shall have the right to submit the disputed issues to binding arbitration pursuant to the rules and auspices of the American Arbitration Association. The arbitrator(s) may grant any relief as may be just and equitable, including specific performance and declaratory relief. The parties further agree that the site of such arbitration shall be Washington, DC and that judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Notwithstanding the forgoing, however, if such a dispute arises between or among GSA and one or more of Nonprofit Board, Private Association and Provider, no party shall be bound to arbitrate that dispute.

22. Entire Agreement. This Agreement is the complete and exclusive statement of the agreement between the parties and supersedes all prior oral and written agreements, communications,

representations, statements, negotiations and undertakings relating to the subject matter hereof. In the case of any conflicting provisions or language between the GSA/Provider License or the Nonprofit Board/Provider Contract and this Agreement, this Agreement governs. IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

General Services Administration (GSA)

By: \_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Nonprofit Board

By: \_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Private Association

By: \_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Provider

By: \_\_\_\_\_  
Name

\_\_\_\_\_  
Title

**APPENDIX I**

**SOLICITATION FOR  
CHILD CARE PROVIDER**

## Solicitation for Child Care Provider

### BACKGROUND:

The (insert name of Board of Directors), a private not-for-profit corporation, herein referred to as the "Board, is seeking a professional provider for the on-site child care center located at (insert address). The child care center is located in space controlled by the U.S. General Services Administration (GSA) and is, therefore, subject to requirements of the GSA.

The child care center was opened under the authorities of Title 40 United States Code Section 590. The authority identifies the need for quality child care service at the Federal workplace. Federal employees receive priority rights to enrollment and a minimum of 50 percent of the children must be children from Federal families. The center receives space free of charge of rent, utilities, janitorial services, and equipment. All other costs are the responsibility of the Provider.

A Provider will be selected to operate the child care center consistent with the requirements of this request. The selected Provider will be required to (1) enter into a contract with the Board based on the terms and conditions of this request; (2) sign a license agreement for use of the space with GSA.

### CHILD CARE CENTER DESCRIPTION:

The center was opened in \_\_\_\_\_. The plan is for the new provider to assume operations on (insert the date). The center occupies approximately \_\_\_\_\_ sq. ft. indoors. The center houses classrooms and a separate multipurpose classroom. An outdoor playground of approximately \_\_\_\_\_ sq. ft. is located adjacent to the Federal building.

The center licensed capacity is \_\_\_\_\_ children. Ages of children are from \_\_\_\_\_ months to \_\_\_\_\_ years. Current enrollment by classroom is as follows:

The center includes a (designate commercial or residential) kitchen. A catered lunch program is provided by (insert name of vendor). The cost of snacks and meals is to be included in the tuition fees.

The Board cannot guarantee enrollment; traditionally, the center has been enrolled at near or full capacity. A waiting list exists for the following classrooms:

### BOARD-PROVIDER RELATIONSHIP:

The Provider will be responsible for all aspects of the management and operation of the center.

The Provider understands and agrees that the services to be provided under this agreement by the Provider are non-personal services. The parties recognize that no employer-employee relationship exists or will exist under this agreement. For the purpose of this agreement, the Provider's employees shall not be subject to the supervision of Board members or Federal officers or employees while engaged in the performance of their duties. The Board and Provider will meet on a regular basis, typically not more than monthly. The Board President will be the Provider's point of contact for special situations and emergencies.

## **BOARD RESPONSIBILITIES:**

The Board will enter into a contract with the Provider that will specify the agreements made by both parties. The Board will provide a forum for business or other communication, as either party desires. The Board will act as liaison with the Federal community and will keep the Federal community apprised of developments at the center. Annually, upon receipt of the annual audit and proposed budget from the Provider, the Board will review tuition rate changes. The Board will raise funds and administer the tuition assistance program for families in need of financial support.

## **PROVIDER RESPONSIBILITIES:**

The Provider shall perform all tasks necessary for the operation of a quality child care and development center consistent with this request and meeting or surpassing the requirements of local and/or State licensing regulations.

The Provider should use the criteria from the National Academy of Early Childhood Programs' (NAECP) accreditation requirements as the standards for this solicitation. The NAECP is a division of the National Association for the Education of Young Children (NAEYC). Therefore, criteria related to staff qualifications, curriculum, parent involvement, and all other aspects of the NAECP/NAEYC accreditation requirements will not be repeated here.

In addition to the criteria referenced above, the requirements of the special conditions to the GSA licensing agreement apply. A copy of a sample license agreement with special conditions is included with this request.

Besides the requirements of the two documents named above, the following terms and conditions will apply:

- a. Maintain and operate the child care program from (insert a.m. time) to (insert p.m. time) Monday through Friday with the exception of 10 Federal holidays.
- b. The Provider shall establish all operating policies including staff and parent policies.
- c. The Provider shall collect all tuition fees and other moneys necessary for the operation of the program.
- d. The Provider will maintain an enrollment that will reflect a minimum of 50% of enrolled children from Federal families.
- e. The Provider will provide the Board and GSA an annual audit of the center's financial books, records, and expenditures by an outside, independent, certified auditor or accountant. The audit shall reflect the financial status of the center and no other center with whom the Provider has a relationship will be included.
- f. The Provider is responsible for staff recruitment and staff training. The Provider will provide staff benefits including, but not limited to, vacation and sick days and health coverage. The Provider may provide dental coverage and/or a retirement plan.
- g. The Provider will publicize and market the center as appropriate.

## **SPECIAL REQUIREMENTS:**

The agreement is not affected by oral agreements.

The Board is interested in a commitment to retain the current staff on an initial probationary basis.

The Board wishes to be insured through a rider to the Provider's liability insurance policy.

## **PERIOD OF PERFORMANCE:**

*(Can set any term, can be open ended.)*

The period of performance shall continue indefinitely unless the Provider fails to meet the requirements specified in this request, the contract, and the GSA licensing agreement with special conditions in which case the Provider will receive 30 days written notice to terminate the agreements. The Board will conduct a review of the Provider's performance after the first 6 and 12 months of performance.

## **PROPOSAL FORMAT:**

All responses must be received no later than 4:00 p.m. on (insert date) to the following person at the following address:

The proposal must include four copies of the proposal. The proposals shall be written in two separate sections: Section 1. Technical Proposal;  
Section 2. Cost Proposal. The technical proposal shall contain no references to or discussion of cost.

The Board will evaluate proposals based on criteria for quality child care programming, sound financial plans, and succinctness. The proposal should demonstrate the provider's understanding of the requirements and their ability to meet the requirements in a clear, concise and logical manner.

## **TECHNICAL PROPOSAL:**

The technical proposal shall include:

1. A statement of philosophy and mission, including what are considered by the provider to be the three most important goals of a child care program.
2. In no more than one page, the overall curriculum philosophy and approach. If a particular curriculum model is subscribed to, name it.
3. Staffing patterns with accompanying staff qualifications (e.g., if a head teacher and assistant are assigned a particular classroom, list the types of credentials and/or experience each should have). Staffing patterns should reflect all parts of the day.
4. A sample schedule of daily activities and special activities.
5. Schedules for obtaining local and/or State Licenses and NAEYC accreditation.



6. Proposed food service.
7. Copy of the parent handbook
8. Copy of the staff handbook
9. Five references (names, affiliations, telephone numbers) who have firsthand knowledge of your ability to successfully perform the requirements of this request.

**COST PROPOSAL:**

Use the attached budget format to identify cost and projected income.

1. Identify the cost per week for each category of user. Identify any additional costs to users besides tuition. Specify the services which are included in the tuition (e.g., food, special classes). Specify the number of hours of care per day the tuition fee reflects. Indicate, if appropriate, what charges will be for additional hours. The committee prefers for tuition to be all inclusive with the exception of diapers and baby food.
2. Identify salary costs and benefits.
3. Include administrative costs, insurance, food costs, marketing expenses, and any other expenses predicted for the operation of the center.
4. Besides tuition income, identify any other sources of income predicted as revenue (food subsidies, etc.). Do not include fundraising revenue that will be collected by the Board of Directors.



## **APPENDIX J**

### **FUNDRAISING GUIDE**

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## PREFACE

Fundraising has become an important source of tuition assistance dollars for many Federal child care centers. We hope this document will take the mystery out of fundraising and will serve as a practical guide for boards of directors, parent advisory committees, and other volunteers.

We purposely exclude information on grant writing, soliciting corporations, and the Combined Federal Campaign, because information on these topics is available from other sources. Also, our discussion of legal considerations is necessarily general; centers are advised to consult their respective Federal agencies and buildings managers early in the fundraising process, even if events will be held off Federal property.

We welcome your comments about this guide and suggestions for fundraisers so that we can include them in future publications.

## ACKNOWLEDGEMENTS

GSA wishes to acknowledge the contributions of Marcelle Hababion, Ph.D., Department of Veterans Affairs; Edwardene Pitcock, Department of Agriculture; and the directors and board members of child care centers operating in GSA managed space who provided proven fundraising ideas. The principal authors are Patricia F. Kinney, Ph.D, and Susan Grandy, Intern, Office of Child Care and Development Programs. March 1992  
Updated by the GSA Office of Child Care May 2005



United States  
**Office of  
Personnel Management**

Washington, DC 20415-0001

in Reply Refer to:

Your Reference:

OCT 29 1999

MEMORANDUM FOR DIRECTORS OF PERSONNEL

FROM: STEVEN R. COHEN  
DIRECTOR  
OFFICE OF WORKFORCE RELATIONS

SUBJECT: Special Solicitations for Child Care Centers Located  
at Federal Installations

The purpose of this memorandum is to restate guidance previously issued by OPM to address two questions related to fundraising for child care on Federal property:

- (1) Can fundraising activities for child care centers located on Federal installations be conducted? and
- (2) Are there restrictions about such fundraising activities during the Combined Federal Campaign (CFC)?

Because the Federal Government has recognized the importance of developmentally appropriate child care for Federal employees, many child care centers have been established at Federal installations. These centers provide accessibility to child care to increasing numbers of Federal employees. However, many families are unable to afford the tuition rates at the child care centers their agencies sponsor.

In an effort to financially assist as many families as possible, child care centers have applied for and received eligibility in the CFC. In addition, some centers have requested permission to conduct additional charitable fundraising activities beyond the CFC donations.

While Section 950.102 of the CFC regulations at 5 CFR Part 950 limits fundraising in the Federal workplace to the annual CFC, there is an exception to this limitation on solicitations that applies to child care centers. Section 7 of Executive Order 12353 (as amended) allows "solicitations conducted by organizations composed of civilian employees or members of the uniformed services among their own members for organizational support for the benefit of welfare funds for their members. Such solicitations shall be conducted under the policies and procedures approved by the head of the department or agency concerned."

We have determined that child care centers located at Federal installations fall within this exception and, therefore, special solicitations may be conducted under the policies

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and procedures approved by the head of the department or agency that sponsors the child care center. One important requirement is that the department or agency's standards of conduct and any restrictions of the Office of Government Ethics regarding fundraising should be reviewed carefully.

In conformity with the Office of Personnel Management's longstanding position that other charitable solicitations should not be conducted during the CFC campaign, we are requiring that such solicitations not take place during the fall of each year when the local CFC campaigns are in progress.

Nothing in this memorandum is meant to limit the opportunities for child care centers to seek support from non-Federal sources, from Federal employees outside the workplace, or to limit the opportunity for a Federal employee in a private capacity to support the centers. If you have questions, please call the Family-Friendly Workplace Advocacy Office, (202) 606-5520.

January 16, 2003

MEMORANDUM FOR EILEEN STERN

DIRECTOR  
OFFICE OF CHILD CARE (PK)

FROM:

LESLEY P. WILSON   
SENIOR ASSISTANT GENERAL COUNSEL  
GENERAL LAW DIVISION (LG)

SUBJECT:

Concerns of the Ziggurat Child Development Center

This memorandum is in response to your questions relating to the Ziggurat Child Development Center concerning fundraising by the child care center, the use of those funds and other issues pertaining to the operation and participation by various parent groups at the Center.

Generally speaking, the GSA building regulations prohibit individuals from soliciting commercial or political donations, vending merchandise of all kinds, displaying or distributing commercial advertising, or collecting private debts. 41 CFR 102-74.410 (formerly section 41 CFR 101-20.308). Subsection (a) of that section states however, that these restrictions are not applicable to "national or local drives for funds for welfare, health or other purposes as authorized by 5 CFR part 950, entitled 'Solicitation of Federal Civilian And Uniformed Service Personnel For Contributions To Private Voluntary Organizations,' and sponsored or approved by the occupant agencies."

In a letter dated January 24, 1992, the Office of Personnel Management stated that although the regulations for the Combined Federal Campaign (CFC), 5 CFR Section 950.102, limits fundraising in the Federal workplace to the annual CFC, there is an exception to this limitation that applies to child care centers. In the letter OPM cites Section 7 of Executive Order 12353, as amended, which allows:

'solicitations conducted by organizations composed of civilian employees or members of the uniformed services among their own members for organizational support or for the benefit of welfare funds for their members.'

OPM concluded that child care centers located at Federal installations fall within this exception and therefore special solicitations may be conducted on their behalf under the policies and procedures approved by the head of the Department or agency. It is our opinion, therefore, that child care centers can conduct fundraising activities in the public areas of Federal buildings at times other than during the Combined Federal Campaign if a permit is obtained from the building manager to use the space.



To obtain a permit, an organization must submit an application which includes the following information:

1. Name, address and telephone number
2. The organization sponsoring the proposed activity
3. The individual responsible for supervising the activity
4. Documentation that the applicant has authority to represent the sponsoring organization
5. A description of the proposed activity.

42 CFR 102-74.470.

If funds are to be solicited, the applicant must also certify in writing that the organization has received an official ruling of tax-exempt status from the IRS under 26 U.S.C. 501(c)(3). 42 CFR 102-74.475. Consequently, if the child care center wishes to hold a fundraiser in the Federal building, the sponsor must have a tax-exempt designation from the IRS, or have applied for non-profit status. Because of this requirement, for-profit centers must have a non-profit board to be the sponsoring agent for the fundraiser. If the center itself is certified as a non-profit entity, it could sponsor the fundraiser. If a parent advisory committee or some other representative parent group of the center wishes to sponsor a fundraiser, the group which holds the non-profit designation, such as the board, must participate in the fundraiser in order to obtain the permit to use the space. In order to hold a fundraiser in the building if the center does not have a non-profit board and the center itself does not have a non-profit status, the center must have the sponsorship of an employee association or other non-profit group designated by the agency to sponsor fundraising activities within the building.

The authority to do fundraising within a Federal building does not restrict the center to conducting such activities as a bake sale. Under this authority, the center could decide to sponsor a fundraising event involving a sale by a commercial vendor where the child care center receives a portion of the proceeds. The decision whether to sponsor a particular vendor and the percentage of proceeds earmarked for the child care center should be made solely by the child care center and not the government as long as the activities being engaged in do not reflect negatively on the agency.

Since the CFC rules recognize that civilian employees may conduct solicitations among themselves for organizational support or for the benefit of welfare funds for their members, it would also seem appropriate to allow a parent group, in addition to the board, to conduct fundraising among the parents within the center itself. It is not necessary to obtain a permit to conduct an activity within the center's space. (Permits are only granted for the use of public areas of the building and a child care center is not a public area. See 41 CFR 102-74.465) When the center receives a revocable license for use of the space within the Federal building pursuant to GSA Form 1582, the center is authorized to conduct whatever activities are stipulated and necessary to pursue the purpose of the license and required to comply with all rules, orders, regulations and

requirements of the Government. Legally the center has the authority to conduct fund raising activities within the public areas of the building. Consequently, it follows that the center also has the authority to conduct fund raising activities within the confines of the space that is designated in the license agreement. It is, of course, possible for the parties to agree in the contract between the board and the provider that fund raising will not be conducted within the child care center's space.

With regard to the uses of the money obtained through fundraising, GSA has traditionally taken the position that all fundraising was to be used for the tuition assistance programs that are required in the Special Conditions to the License Agreement. (See, Board of Directors Child Care Resource Book, Appendix J) These funds were to be used in addition to the funds that may be received by the center through the subsidy program authorized by the Morella Amendment and codified in 40 U.S.C. 590(g). GSA also recognizes that fund raising may be used to assist the center in providing special programs and other activities for the children as enhancements to the general program of the provider. It was not anticipated that these funds were to be used to enhance salaries or provide bonuses for staff members. There is nothing, however, that would prevent individual parents from privately giving a bonus to staff members if they chose to do so.

You have also questioned the potential conflict of interest of members of the board who are also government employees. Generally, 18 U.S.C. 205 is not violated when a government employee sits on the board of directors of any cooperative, voluntary, professional, recreational, or similar organization or group not established or operated for profit, if a majority of the organization's or group's members are current officers or employees of the United States or of the District of Columbia, or their spouses or dependent children, and the representation is not inconsistent with the faithful performance of the employee's duties. Simply stated, government employees may act as a representative on a non-profit board and may communicate with Federal departments and agencies concerning the organization if the majority of the members of that board are also government employees as long as there is no conflict with their official capacity. However, Subsection 205(d)(2) specifically prohibits an employee from representing an employee organization, which would include a child care center, back to the government

- 1) when the representation involves claims against the Government;
- 2) when there are formal adversarial matters where the organization or group is a party and
- 3) when the employee is lobbying for grants, contracts and cash on behalf of the organization.

If the member of the Board held a government position that was responsible for funding for the center or for any decisions related to renovation or alteration of the space there may be, at a minimum, the appearance of an impropriety. We would suggest that any employee that may act in these roles in their official capacity consult the applicable Office of General Counsel for a review of the matter.

Please feel free to contact me if you have any additional questions concerning this matter.

## SECTION 1

### WHY FUNDRAISING?

Studies have shown that quality child care is expensive, and center-based care is generally the most expensive. Annual estimates from quality centers range from \$4,800 for preschoolers to over \$10,000 for infants. While these costs vary in relation to center size, staffing patterns, and geographic location, quality child care will always be expensive, even prohibitive to many families.

Under provisions of the Tribble Amendment (40 U.S.C 590, formerly 490b), Federal agencies are authorized to provide space for child care centers for Federal families without charge for rent or services. Even with operating costs thus reduced, the cost of onsite child care remains high and, for some Federal families, unaffordable.

Costs remain high, because the major expense for child care centers is staff salaries and benefits, which cannot be paid with appropriated funds. Child care centers depend primarily on parent-paid fees for staff salaries and benefits. Salary costs are related to specific staff-to-child ratios for good care. For example, infants generally require nearly three times more staff than preschoolers. In addition, quality care requires recruiting competent, well-trained staff and retaining them with good salaries, benefits, and working conditions. Where child care is inexpensive, a direct link exists between low staff salaries and high staff turnover. Inferior care for children is the direct result.

A major goal for Federally sponsored centers should be to increase the affordability of onsite child care for as many Federal families as possible by providing tuition assistance. Fundraising is the major mechanism for raising tuition assistance dollars.

The success of fundraising within an agency is inextricably linked to the sponsoring agency's view of the center and of child care as a whole. Agency employees will be more likely to support a center's fundraising if they support the center's program, value its mission, believe it provides a valuable service to Federal employees, and believe that dollars raised will directly benefit families who otherwise might not be able to afford an agency's onsite child care.

Word of mouth about a center will play a major role in developing positive perceptions among agency employees. To develop and maintain agency support, the center must provide a high-quality program, advertise its mission and program, and maintain constant, positive visibility.

Parent and public education is critical to gaining support for fundraising. A board that actively promotes a center has the opportunity to increase public awareness of onsite child care as a viable option for families. Public perceptions will directly affect the support--or lack of support--for all fundraising efforts. Remember: agency employees are willing to support quality programs that promote laudable goals.

## SECTION 2

### LEGAL CONSIDERATIONS

A child care center, through its board of directors or parent organization, can conduct a wide range of fundraising activities on and off Federal property if the activity meets certain criteria and if certain procedures are followed. In this section, different types of fundraising events authorized on Federal property, advertising, permitting, and certain IRS requirements are discussed.

## AUTHORIZED FUNDRAISING ACTIVITIES

The Public Buildings Cooperative Use Act of 1976, 40 U.S.C 601(a), authorizes fundraising in public areas on Federal property—auditoriums, cafeterias, lobbies, foyers--during and after working hours if the activities can be classified as one of the following:

- Cultural: film, drama, dance, musical, and fine arts programs.
- Educational: library operations, lectures, demonstrations.
- Recreational: athletic events.

Examples of fundraising activities allowable on Federal property include art auctions, talent shows, film presentations, fashion shows, concerts, plays, lectures, dance recitals, book sales, walk/run events (1K, 5K, 10K), “celebrity” athletic events, and sports tournaments.

Certain fundraising activities do not fit the definition of a cultural, educational, or recreational activity, but are allowable on Federal property if cosponsored by an employee association or group. Examples include bake sales, jewelry sales, t-shirt sales, employee fairs or bazaars, cookbook sales. Employee associations and agency volunteer committees can be valuable resources for child care center fundraising activities.

(41 C.F.R. 102-74.395) prohibits gambling on Federal property. Gambling includes lotteries, pools, and raffles. To have an event of this type, center parents, board members, and staff would have to sell tickets and hold lotteries, pools, or raffles off Federal property. They are expressly prohibited from selling tickets on Federal property or soliciting Federal employees while on their jobs.

(41 C.F.R.102-74.405) prohibits the use of alcoholic beverages, except “upon occasions and on property upon which the head of the responsible agency or his or her designee has for appropriate official uses granted an exemption in writing. Contact your agency management and building manager or landlord for guidance before planning a fundraising event at which alcoholic beverages would be served.

## ADVERTISING ON FEDERAL PROPERTY

A child care center may advertise its fundraising events on Federal property even if the event itself will be held off Federal property. It may advertise the event by displaying fliers, pamphlets, or posters on authorized bulletin board. or distributing materials in Federal building public arena. A permit generally is not required for displaying materials on authorized bulletin boards. Again, consult your agency management and building manager for guidance.

To distribute materials in public parts of General Services Administration (GSA)-controlled buildings, the center must obtain a permit from the buildings manager pursuant to 41 C.F.R. 102-74.415. Centers in non-GSA space should contact their respective buildings manager for proper procedures.

## PERMITTING

A child care center intending to conduct a specific fundraising event should contact the buildings manager well in advance for specific permitting instructions. For each fundraising event held on GSA-controlled property, child care center representatives must file a permit application with the GSA

buildings manager (pursuant to 41 C.F.R. Section 102-74.465). The application requires the following information:

- o full name, mailing address, and telephone number of the applicant
- o the organization sponsoring the proposed activity; and the individuals responsible for supervising the activity
- o documentation showing that the applicant has authority to represent the center
- o a description of the proposed activity, dates and times during which it is to be conducted, and the number of persons expected to be involved

Further, the center will be required to submit a signed statement that: The applicant is a representative of and will be soliciting funds for the sole benefit of the center.

The fundraising organization has received an official ruling of tax-exempt status from the Internal Revenue Service under 26 U.S.C 501 or, alternatively, that an application for such a ruling is still in process.

If the fundraising organization does not have nonprofit status, it cannot use Federal property for fundraising unless:

- o The child care center vendor is incorporated and certified as a tax-exempt organization, or
- o The fundraising organization affiliates with an employee organization, which could accept and disburse funds on the center's behalf.

## IRS REQUIREMENTS

Certain IRS regulations apply for nonprofit organizations conducting fundraising activities. Your tax consultant or account can provide information pertinent to your center's situation.

The IRS requires fundraising sponsors to tell donors how much of their donation is tax deductible--the portion of the donation that actually benefits the center. This means that the cost of food, beverages, or to gifts received in return for the donation must be subtracted from the donation amount and must not be claimed as a tax deduction.

Several general rules apply:

- o The cost of raffle tickets (which may not be sold on Federal property) is not tax deductible--the donor is purchasing the right to win something, which is not considered a donation.
- o IRS generally rules that if a donor pays at least \$25 and receives a token (t-shirt, coffee mug) costing less than \$5 in return, the full \$25 is considered a tax deduction.
- o Generally, if the price of a fundraising item represents its fair market value, such as a cookbook, no part of the purchase price is considered tax deductible.

Child care centers contemplating fundraising activities might want to consult two IRS publications for details:

- Publication No. 557, Tax-Exempt Status for Your Organization
- Publication No. 1771, Charitable Contributions

## STEPS TO FUNDRAISING SUCCESS

Fundraising for child care can be rewarding, profitable, and fun! The keys to success are clear goals and an organization and volunteers who believe in the mission of the center and the fundraising purpose.

This section describes a step-by-step approach to successful fundraising. These steps are:

1. Set goals
2. Choose events and assess feasibility
3. Assign responsibility
4. Conduct your event
5. Evaluate the event's success
6. Provide feedback and thank participants

### 1. SET GOALS

Setting 1- and 5-year goals will help you decide how much effort you need to devote to fundraising and which activities will be most appropriate. Planning ahead also allows you to capitalize on past successes--and avoid the not-so-successful events. To help you set goals, ask yourselves:

- o How much do we want to raise? Is it feasible? Consider the talents, experience, availability, and numbers of your volunteers and your center's fundraising track record.

o Be realistic. What will we use the money for--will our volunteers be excited about this purpose?
--

Volunteers and contributors are more likely to want to participate in fundraisers for things like tuition assistance, training or enrichment programs than for reducing overhead or building a contingency fund: tuition assistance should be the primary goal.
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Be thoughtful and explicit, and let your purpose be well known.
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Can we repeat successful past events? Or do we need something new? Repeat your past successes. Even the small ones--you can reduce your planning time, costs, and risks. Learn to recognize a "tired" event and avoid repeating it.
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### 2. CHOOSE EVENTS AND ASSESS FEASIBILITY

Select several possible events and assess feasibility before choosing one. Sample fundraising events are described in the appendix. Review the following for each event:

- o Estimate the amount of profit the event will produce. One big event usually requires more upfront money but may be worthwhile in the revenue it produces for the effort required.
- o Assess the amount of time, money, and human and physical resources the event will require. Assess the willingness of volunteers to work on such an event. Determine if the goal of the event is

reasonable given the available resources.

- o Consider whether volunteers will enjoy working on the event. Many fundraisers attract numerous volunteers because it is widely known that the volunteers have fun during planning.
- o Consider your organization's nature or culture when choosing an event. Ask whether the event is appropriate for the potential audience.
- o Determine if the event is well timed. Avoid conflicts with other organizations. Try to link the event to special events such as Public Service Recognition Week, Black History Month, and other agency activities.
- o Identify individuals who have had experience in their churches or communities with other fundraisers. They may be willing to conduct the same fundraiser for your organization.

### 3. ASSIGN RESPONSIBILITY

Once goals are set, you are ready to assign fundraising responsibility. You may use:

- o The full board
- o A fundraising committee responsible for all events
- o A committee appointed for one event

You may want to assign long-range planning responsibilities to the full board, but divide short-term responsibilities by event. Remember that the primary role of center directors and staff is caregiving--not fundraising. They are appropriately involved in fundraising only as far as the children are involved. If the fundraising event is a holiday pageant or puppet show, director and staff involvement is appropriate.

Annual events that are successful tend to be anticipated by the Federal community. You may want to plan one annual, repeat event that will be anticipated every year, such as selling holiday gift wrapping paper every November. A few smaller events could then vary year to year. Avoid planning numerous small events, however--you will wear out your welcome with volunteers and supporters!

Remember to delegate! If everyone does a little, no one does a lot.

### 4. CONDUCT YOUR EVENT

As you plan, organize, and conduct your event, keep the following in mind:

- o Early contact with your buildings manager is critical. Buildings managers can help with a number of things, including timing, agency requirements, and set up for complicated events.
- o Timing: Buildings managers normally maintain annual agency calendars and can help you make wise scheduling decisions. With early review of the agency calendar, you can time your bake sale to avoid conflicting with similar events. You may also capitalize on complimentary events, such as selling pizza slices at the same time another group is having a book fair.
- o Agency Requirements: Buildings managers can also help assure full compliance with

building requirements, and you can avoid last-minute surprises. For example, permits are required for fundraising events held on GSA-controlled property; see the discussion of permitting in Section 2. Check with him or her before making time and money commitments.

- o Event Set Up: Buildings managers often are experienced in successfully setting up complicated events, like auctions or large book fairs. Capitalize on this experience.

  - A supportive buildings manager is an important asset; a good relationship is worth cultivating.

- o Involve agency leadership. Before you set dates, check with agency management for scheduling conflicts. Invite your agency director to buy the first poinsettia for your annual sale or sell chili at noon. Remember to take pictures for future publicity! Also, contact your agency's national and regional leadership for information about visiting dignitaries.

Top management support offers a tremendous opportunity for increasing center visibility and advertising fundraising events.

- o Provide clear and simple directions to all volunteers. Hold an organizing committee meeting initially to assign tasks; avoid having too many meetings. One month before the event, hold a status meeting to share what has been accomplished and what needs to be done. Just before the event, hold a final meeting so that all directions are clear and last-minute details can be addressed.

- o Keep clear and accurate records. These are invaluable as you evaluate your event's success and plan for future events. Include specifics: telephone numbers, problems, key volunteers, recommendations.

- o Advertise aggressively. Use eye-catching well-written materials that explicitly state who is sponsoring the event, what is planned, and the event's purpose (who or what will benefit). If funds are to be used for tuition assistance, let it be known that your goal is to increase the number of families that will benefit.

- o Advertise in your agency or employee association newsletter, and notify your agency's volunteer committee. Look for creative advertising sources: bulletin boards outside your building, other centers, and private companies. Some children enrolled at the center may be from non-Federal families. Be sure to send announcements of upcoming events to their parents' employers.

As you advertise, remember that your materials also advertise your center--take advantage of opportunities to display your center's logo, include photographs of children in action, or briefly highlight your program. Use all opportunities to enhance your center's visibility.

- o Involve agency volunteer committees or employee associations. They probably have fundraising experience and may even offer to help or let your center participate in their events.

- o Collect money before giving out merchandise. This will reduce your risks and eliminate embarrassing collection efforts on the part of your volunteers.

- o Take photographs. Pictures of key parts of the event are useful for publicizing future events or thanking contributors and volunteers.



- o Keep careful records of money spent and received. You may want to consider separating accounting duties to avoid one person having too much responsibility. For example, a volunteer selling tickets to an event would submit a written account of money received, a second person would receive and verify the amount, and a third person would deposit the money.

## 5. EVALUATE THE EVENT'S SUCCESS

Take time after your event to evaluate its success. Put your comments in writing--be brief. Include details you think may be useful in the future: telephone numbers, dollars spent and earned problems, key volunteers, and recommendations. In evaluating your event, consider these questions:

- o Did volunteers and contributors have a good time?
- o Did you raise as much money as you hoped
- o Was the effort expended worth the benefit received?
- o Do you recommend repeating the event? If so, what would you do differently? If not, why?

This kind of information can be extremely valuable to future event planners as they decide how to most effectively use their available resources.

## 6. PROVIDE FEEDBACK AND THANK EVERYONE

Let your volunteers and contributors know how they did! You might consider preparing follow-up posters to let everyone know how much money was raised, what it was used for, how many donuts were sold, or how many people attended your wine-tasting party. Write a brief article highlighting the event for your agency or employee newsletter. People will be more inclined to participate in future events if you take time to provide feedback. These opportunities for feedback have the secondary benefit of positively enhancing your center's visibility.

Thank your volunteers and contributors. Try to be as personal as possible with key persons--handwritten notes from the board president or fundraising committee chair, children's artwork accompanied by their thanks, and/or telephone calls. Although ambitious, you may consider compiling a computer mailing list of all contributors and sending each a letter.

## FUNDRAISING IDEAS

The fundraising ideas in this appendix come from child care centers across the country and several Federal agencies. They range in complexity and income-generating potential from an ongoing aluminum can drive and "spare change" day to a walk-a-thon and a silent auction.

Less complex events appear first, followed by events that require considerably more planning, advance funding and coordination than others--and offer greater income potential. If your volunteer group is new to fundraising, you might want to start with the less complex events. As you gain experience, you can move to the events that will probably generate more income, but will require more effort.

These ideas are presented to get you started on your way to successful fundraising. You will want to tailor them to your agency and your center's situation--the amount of money you want to raise, volunteer talent available, timing, and experience.

A lot of additional fundraising ideas and companies can be found by doing a search on the internet using fundraising as a key word.

## ALUMINUM CAN DRIVE

### Potential Income:

This could be a good source of steady income. It probably will not generate a lot of money, but the time and energy investment is minimal, and the project is environmentally sound.

### What You Will Need:

- Large posters advertising can collection.
- Large, conveniently located containers to hold deposited cans.
- Storage area to accumulate bags of cans before recycling.
- Convenient recycling center that will pay for cans.

### You Will Need Volunteers To:

- Periodically collect cans from the large container, deliver them to a recycling center, collect money from the recycling center, and maintain container cleanliness.
- Save cans and bring them to a central location.
- Reconcile cash and checks (receive, count, deposit).

### Timing:

- Ongoing.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.

### Tips for Success:

- Keep the collection area clean, and remove cans before the container overflows.
- Make sure a recycling center is convenient and that it will pay for cans.
- Obtain necessary building and agency approvals.

## “SPARE CHANGE” DAY

### Potential Income:

This event could generate hundreds of dollars with clever advertising and aggressive volunteers!

### What You Will Need:

- Large posters advertising the event.
- Attractive containers for spare change.
- You may want to develop a sticker or button to give donors.

### You Will Need Volunteers To:

- Collect spare change.
- Reconcile cash and checks (receive, count, deposit).

### Timing:

- Noon near cafeteria, elevators, or front lobbies where people gather.
- Anytime after a Federal payday.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.

### Tips for Success:

- Try to develop a catchy theme or slogan to interest people.
- Volunteers collecting spare change could wear reader boards or center t-shirts to call attention to themselves.
- Call volunteers several days before the event to remind them what they offered to do or donate.
- Give donors a sticker or button as a “thank you. for supporting the center.
- Obtain necessary building and agency approvals.

## BAKE SALE

### Potential Income:

Approximately \$100-\$150 per sale with at least 50 donated items.

### What You Will Need:

Poster for signing up--place strategically in center. You may want to include categories to ensure range of items (pies, cakes, coffeecakes...).

- Donated baked goods.
- Tables and table cloths to display goods.
- Napkins, paper plates, and plastic wrap (to divide items if necessary).
- Coffee and supplies if selling coffee.
- Cash box with adequate change supply.
- Refrigerator to store donated items overnight.

### You Will Need Volunteers To:

- Prepare and monitor sign-up poster.
- Bake, set up, and sell items.
- Reconcile cash and checks (receive, count, deposit).
- Clean up and take care of unsold items.

Timing: • Holidays or special events (Valentine's Day or Halloween cookies, Thanksgiving pies).

- If selling coffee break items (donuts or individual portions of cookies or coffee cake), set up early in the morning near a major building entrance or near an elevator where people wait. Sell coffee, too!
- Noon.
- After a Federal payday.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.

### Tips for Success:

- Ask agency leaders to sell baked goods!
- Ask volunteers to deliver baked goods the day before your event (refrigerate if necessary); your setup will be more organized.
- Develop a price list and prepare price stickers before your event to make set-up easier.
- Adopt a theme--baked goods for an upcoming holiday or mid-morning coffee break.
- Call volunteers several days before the sale to remind them what they offered to do or donate.
- Obtain necessary building and agency approvals.

## BALLOON SALE

### Potential Income:

Depends on cost of balloons and related items (string or ribbon, helium), your markup, and number sold. Balloons generally are easy to sell.

### What You Will Need:

- Balloons and related items (helium, string or ribbons).
- Tables and table clothe to display balloons.
- Cash box with adequate change supply.

### You Will Need Volunteers To:

- Purchase balloons and supplies and deliver to site.
- Inflate and sell balloons.
- Reconcile cash and checks (receive, count, deposit).
- Clean up and take care of unsold items.

### Timing:

- Holidays or special events (Valentines Day, Halloween, Thanksgiving).
  - Noon and after work.
- After a Federal payday.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.

Tips for Success: • If possible, arrange with the balloon supplier to return unused balloons.

- Locate your table where people gather--major building entrance, elevators, cafeteria.
- Call volunteers several days before the event to remind them what they offered to do or donate.
- Obtain necessary building and agency approvals.

## CALENDAR SALE

### Potential Income:

Depends on cost of purchased or specially--created calendars and related costs, your markup, and number sold.

### What You Will Need:

- Purchased calendars, which may require up-front money. This approach is less ambitious than creating a calendar (such as with child art or photos taken within the center). OR
- Calendar prepared by volunteers.
- If calendars are sold at a table within the building, cash box with adequate change supply.
- Information packet for volunteers selling calendars outside of the building.

### You Will Need Volunteers To:

- Coordinate the event, if purchasing a ready-made calendar.
- Plan, design, collect art or photos, print, assemble, distribute if creating a calendar (such as with children's art).
- If selling calendars at a table in the building:
  - Coordinate, set up, and sell calendars.
  - Reconcile cash and checks (receive, count, deposit).
  - Clean up and take care of unsold calendars.
- If selling calendars outside the building:
  - Coordinate and sell.
  - Prepare an information packet for sellers.
  - Reconcile cash and checks (receive, count, deposit).

### Timing:

- November and December for the coming year.
- If sold within the building, set up table at noon when people gather.
- After a Federal payday.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.

### Tips for Success:

- Try to take orders before spending money.
- Your agency may donate printing and binding services.
- Call volunteers several days in advance of deadlines to remind them what they offered to do or donate.
- Obtain necessary building and agency approvals.

## DONUT, POPCORN, HOT DOG, CHILI... SALE

### Potential Income:

Depends entirely on costs, markup, and quantity sold. The more you can get volunteers to donate, the greater your profit percentage. These items are good for sales, because they are generally easy to prepare and not complicated to sell.

### What You Will Need:

- Up-front money for items to be purchased.
- Items to be sold. Try to keep things simple.
- For donuts: purchased donuts, napkins, coffee and supplies.
- For popcorn: purchased ready-popped corn or suppliers to make popcorn (cookers and electrical outlets, kernels, oil, containers, salt or toppings, napkins), containers, beverages.
- For hot dogs: hot dogs, buns, condiments, napkins, paper plates, grill or other way to cook hot dogs, electrical outlets, beverages, chips.
- For chili: purchased or prepared chili, electrical outlets, large pots for heating chili, corn bread or other bread (butter), bowls, spoons, beverages, serving utensils.
- Trash receptacles, cleanup supplies.
- Sign-up poster for volunteers to contribute items.
- Tables and table cloths to display goods.
- Cash box with adequate change supply.
- Refrigerator.

### You Will Need Volunteers To:

- Prepare and monitor sign-up poster.
- Take advance orders (for donut sale).
- Donate or prepare items.
- Pick up and deliver any purchased items.
- Sell and cleanup.
- Reconcile cash and checks (receive, count, deposit).

### Timing:

- Early morning (for donuts) and noon (for chili, hot dogs, popcorn).
- After a Federal payday.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.

### Tips for Success:

- Ask agency leaders to sell.
- Ask volunteers to deliver items the day before your event (refrigerate as necessary); your setup will be more organized.
- Price items before your event to make set-up easier.
- Call volunteers several days before the sale to remind them what they offered to do or donate.
- Obtain necessary building and concessionaire approvals.



## GIFT WRAP SALE

### Potential Income:

Some gift wrap distributors will return 50 percent of total sales. This event could generate hundreds of dollars.

### What You Will Need:

- An arrangement with a gift wrap distributor to provide certain items (gift wrap, ribbon, gift tags) at an agreed-upon cost. The distributor likely will provide promotional materials and order forms. Gift wrap distributors include Innisbrook Wraps, Inc., in Greensboro, North Carolina [1(800)334-8461] and Current Catalog in Colorado Springs, CO [1(719)594-4100].
- If gift wrap orders are taken at a table within the building, have adequate change supply (request checks rather than cash) and table, chairs, and promotional materials.

### You Will Need Volunteers To:

- Take orders.
- Reconcile cash and checks (receive, count, deposit).
- Staff a table, if selling gift wrap within the building.

### Timing:

- October and November for end-of-the-year holidays.
- If sold within the building, set up table at noon every day for a week at a place or places where people gather.
- After a Federal payday.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.

### Tips for Success:

- Collect checks (try to avoid cash) when receiving an order. This eliminates potential collection and nonpayment problems.
- Set a deadline, and call volunteers a week before to remind them that final orders are due.
- Obtain necessary building and agency approvals.

## T-SHIRT SALE

### Potential Income:

Depends on costs, your markup, and number sold. By purchasing in quantity and keeping all other costs low, you may be able to earn a profit of about \$5 per t-shirt sold.

### What You Will Need:

- Arrangement with a t-shirt distributor to supply t-shirts.
- Sample t-shirts in all sizes offered.
- If t-shirt orders are taken at a table within the building, cash box with adequate change supply (request checks rather than cash) and table, chairs, and promotional materials.

### You Will Need Volunteers To:

- Design t-shirt, unless distributor offers this service.
- Take orders.
- Reconcile cash and checks (receive, count, deposit).
- Staff a table, if taking t-shirt orders within the building.

### Timing:

- Beginning of school through the December holidays.
- If sold within the building, set up table at noon every day for a week at a place or places where people gather.
- After a Federal payday.

### Publicity:

- Fliers and posters strategically placed around the building. Posters should display a drawing of the t-shirt.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.

### Tips for Success:

- Collect checks (try to avoid cash) when receiving an order. This eliminates potential collection and nonpayment problems.
- Set a deadline, and call volunteers a week before to remind them that final orders are due.
- Obtain necessary building and agency approvals.

## SALE OF ITEMS FROM FUNDRAISING CATALOG

### Potential Income:

Depends entirely on how much you sell and what percentage you negotiate with the distributor. This fundraising event involves minimal coordination, and the items usually sell well.

### What You Will Need:

- Arrangement with Current\* (The Current Building, Colorado Springs, Colorado, 80941) or similar companies which publish a catalog with wrapping paper, stationery, cards, and miscellaneous seasonal items.
- If orders are taken at a table within the building, cash box with adequate change supply (request checks rather than cash) and table, chairs, and promotional materials.

### You Will Need Volunteers To:

- Take orders.
- Reconcile cash and checks (receive, count, deposit).
- Staff a table, if taking orders within the building.

### Timing:

- October and November for December holidays or anytime.
- If sold within the building, set up table at noon every day for a week at a place or places where people gather.
- After a Federal payday.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.

Tips for Success: • Collect checks (try to avoid cash) when receiving an order. This eliminates potential collection and nonpayment problem.

- Set a deadline, and call volunteers a week before to remind them that final orders are due.
- Obtain necessary building and agency approvals.

\* The Office of Child Care does not endorse or recommend any catalog company over another. This information is provided as a service, encouraging awareness of alternatives in company selection

## BOOK SALE

### Potential Income:

A local children's bookseller might be willing to donate up to 20 percent of the sale price of books purchased over a certain period of time. You may be able to negotiate a cash payment instead; otherwise, you could use the 20 percent credit to purchase books for your center. One option is to have an open house at the bookseller's and serve simple refreshments like cheese and wine.

### What You Will Need:

- Arrangement with a children's bookseller.
- Invitations if you hold an open house.

### You Will Need Volunteers To:

- Negotiate with a children's bookseller.
- Send invitations.
- Plan, prepare, purchase, and serve refreshments and clean up.
- Reconcile cash and checks (receive, count, deposit), unless the bookseller does this.
- Select appropriate children's books for the center if the bookseller returns your profit as a store credit.

### Timing:

- An evening in early December or the beginning of the school year. Maybe repeat the event the following Saturday morning.
- After a Federal payday.

### Publicity:

- Invitations.
- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.

### Tips for Success:

- Try to negotiate with the bookseller to conduct all business. This eliminates your need to handle books and money. Your responsibilities then would primarily be advertising and serving refreshments.
- Call volunteers several days before the event to remind them what they offered to do or donate.

## SALE OF VARIOUS ITEMS SUPPLIED BY FUNDRAISING COMPANIES

### Potential Income:

Proceeds from the sale of candy, holiday items, and flowers purchased from fundraising companies will vary depending on the percentage return you negotiate with the company and the dollar amount of items sold. This type of fundraiser generally is low risk, because orders are taken and money is collected before items are delivered; no advance purchases are necessary.

### What You Will Need:

- Arrangement with a distributor.
- If orders are taken at a table within the building, cash box with adequate change supply (request checks rather than cash) and table, chairs, and promotional materials.

### You Will Need Volunteers To:

- Negotiate with a distributor.
- Reconcile cash and checks (receive, count, deposit).
- Staff a table, if taking orders within the building.

### Timing:

- Anytime, or around a holiday if selling seasonal items
- After a Federal payday.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.

Tips for Success: • Collect checks (try to avoid cash) when receiving an order. This eliminates potential collection and nonpayment problem.

- Set a deadline, and call volunteers a week before to remind them that final orders are due.
- Obtain necessary building and agency approvals.

## CHRISTMASTREE SALE

### Potential Income:

Depends on cost of trees and related coats, your markup, and number sold. This event could generate considerable income, but risks are high and much effort is required.

### What You Will Need:

- Good supply of Christmas trees (varying sizes). Try to negotiate a wholesale price to allow for a good markup.
- Optional: tree stands, saws, lights, other related items.
- Secure outdoor space to display trees; lights and a tent are necessary if you want to sell trees in the evenings.
- Cash box with adequate change supply.

### You Will Need Volunteers To:

- Coordinate and order trees and related items.
- Coordinate volunteer selling schedule.
- Set up selling space and price trees.
- Sell trees (weekdays, evenings, and weekends).
- Reconcile cash and checks (receive, count, deposit). Clean up periodically and at the end of the sale.

Timing: • Christmas season.

### Publicity:

- Well-lit and signed selling area.
- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.
- Public Service Announcements over local radio stations.

### Tips for Success:

- Advertise early so people can plan on buying their trees. You likely will have to pay for trees before selling them, so early advertising is especially important.
- Make sure you have enough volunteers to sell the trees. It often is difficult to get volunteers for weekends and evenings.
- Call volunteers several days in advance to remind them what they offered to do or donate.
- Obtain necessary building or agency approvals.

## TICKET SALES FOR ATHLETIC OR CULTURAL EVENTS

### Potential Income:

Depends on the number of tickets sold, the frequency of the event, and the event itself. Centers have reported profits of \$2000 from ticket sales.

### What You Will Need:

- A local athletic team or fine arts organization that will sell group tickets at a discount.

### You Will Need Volunteers To:

- Obtain schedule of athletic or other local events.
- Contact teams, fine arts organizations, or ticket offices to purchase tickets.
- Sell tickets (if tickets are to be sold in the building lobby, you will need table(s), chairs, cash boxes).
- Reconcile checks and cash (receive, count, deposit).

Timing: Well in advance of the event.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.

### Tips For Success:

- Market the event as an office get-together.
- Make this an annual event that participants can anticipate on a regular basis.
- Prepare colorful posters. Some athletic clubs and entertainment organizations will provide publicity materials.

## FRIENDS CAMPAIGN

### Potential Income:

Depends on the monetary increments of “friends” (i.e., “Good Friend,” “Best Friend,” etc.) contributions.

### What You Will Need:

- Up-front money to purchase buttons.
- Distributor to obtain buttons to give to contributors signifying their level of contribution.
- Large posters advertising the campaign.
- Tables, chairs and cash box with adequate change supply.

### You Will Need Volunteers To:

- Contact distributor to design and obtain buttons. A volunteer can design your button.
- Staff a table during campaign.
- Reconcile checks and cash (receive, count, deposit).

### Timing: -

- After a Federal payday.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of fliers for parent mailboxes.
- Agency or employee association newsletters.

### Tips for Success:

- Ask agency head to kick-off campaign as “first friend.”
- Ask “friends” to wear their button during the duration of campaign.
- Ask parents of children enrolled in the center to become “friends” and recruit others to do the same.
- Hold parent education classes during a lunch and suggest that participants become friends of the center.
- Set up a “friends” table during fundraising events. Include center brochures and a display of photographs of the center.



## COOKBOOK SALE

### Potential Income:

Depends on cost of developing cookbooks, related costs, your markup, and number sold. This event could generate considerable income, but much effort and time are required, especially if you prepare your own cookbook.

### What You Will Need:

- A publishing company willing to prepare a cookbook from your recipes OR
- A cookbook prepared by volunteers (perhaps your agency will donate printing and binding services).
- Donated recipes.
- If cookbooks are sold at a table within the building, cash box with adequate change supply, table, table covering, sample cookbooks, chairs.

### You Will Need Volunteers To:

- Coordinate the preparation of the cookbook, from soliciting recipes to negotiating with a publishing company OR
- Plan, design, collect recipes, print, assemble, distribute if creating a cookbook.
- If selling cookbooks at a table in the building:
  - Coordinate, set up, and sell cookbooks.
  - Reconcile cash and checks (receive, count, depot).
  - Clean up and take care of unsold cookbooks.
- If selling cookbooks outside the building:
  - Coordinate and sell.
  - Prepare the information packet for sellers.
  - Reconcile cash and checks (receive, count, deposit).

### Timing:

- Anytime.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.

### Tips for Success:

- Try to take as many orders as you can before spending money.
- Your agency may donate printing and binding services.
- Call volunteers several days in advance to remind them what they offered to do or donate.
- Develop a catchy brochure requesting that people donate recipes. Consider having a theme: regional foods, family favorites, holiday foods.

## FASHION SHOW AND LUNCHEON

### Potential Income:

Many factors affect potential income. Your income will be greater if you can get volunteers to donate food and prepare the lunch rather than having lunch catered or served in a restaurant. You can either arrange with a store to supply clothes to be modeled or have volunteers model their own clothes.

### What You Will Need:

- Clothes to be modeled and models.
- Arrangement with a caterer or restaurant OR
- Volunteer-prepared lunch and all related supplies (tables, chairs, tableware).
- Large space (with complete kitchen if volunteers are preparing lunch).
- Sign up poster for volunteers to contribute items.
- Tickets.
- Cash box with adequate change supply for last-minute ticket purchases.

### You Will Need Volunteers To:

- Prepare and monitor sign up poster.
- Sell advance tickets.
- Donate or prepare items.
- Coordinate with restaurant or caterer.
- Coordinate modeling (who, source of clothes).
- Help on the day of the fashion show (master of ceremonies, collect tickets, serve lunch, clean up).
- Reconcile cash and checks (receive, count, deposit).

### Timing:

- Lunchtime (11:30 a.m.-1:00 p.m.)
- After a Federal payday.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.
- Public Service Announcements over local radio stations.

### Tips for Success:

- Develop a theme (holiday clothes, active wear, new seasonal clothes).
- If your attendance will be high, notify the building cafeteria so they will not overcook for the day.
- Ask volunteers to deliver items the day before your event (refrigerate as necessary); lunch preparation will be more organized.
- Call volunteers several days before the event to remind them what they offered to do or donate.
- Obtain necessary building and agency approvals.

## GOLF OUTING

### Potential Income:

If you sell each golf hole to a sponsor (for \$100), arrange for no-cost or low-cost greens fees with a golf club, and charge players a \$25 greens fee, you could clear close to \$2,000. Your profit will depend on what else you provide: lunch, refreshments, prizes, token gifts (t-shirts). The more you can get volunteers to donate, the greater will be your profit.

### What You Will Need:

- A golf course that will donate the cost of greens fees.
- Signs at each hole advertising the sponsoring organization.
- Prizes or gifts--possibly donated--by area businesses.
- Tickets.

### You Will Need Volunteers To:

- Solicit organizations to sponsor golf holes and donate prizes.
- Sell tickets to golfers.
- Organize playing times and groups.
- Make a sign for each hole. Prepare score chart and award prizes.
- Help on the day of the event.
- Reconcile cash and checks (receive, count, deposit).

### Timing:

- During golfing weather.
- After a Federal payday.

### Publicity:

- Fliers and posters strategically placed around the building and at the golf club.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.
- Public Service Announcements over local radio station:

### Tips for Success:

- The success of this event hinges on how much you can go organizations to donate, how much you will have to pay the golf club, and how many players you can get. Active soliciting is crucial.
- Call volunteers several days before the event to remind them what they offered to do or donate.
- Obtain building and agency approvals.
- Written agreement with prize donors.

## SILENT AUCTION

### Potential Income:

The income potential is great, but this event takes considerable work.

### What You Will Need:

- Donated items and services to be auctioned, such as: jewelry, art, books, items from local businesses, tickets to events, time with top management (lunch, meeting), services (haircuts, manicures, photography, catered dinner), get-away weekends, restaurant meals, lessons (golf, tennis).
- List of donated items so that people can prepare sealed bids.
- Facility and refreshments if you are planning a party at which bids would be opened.
- Need security for items on display and locked storage box.
- Table and chairs for taking sealed bids.

### You Will Need Volunteers To:

- Solicit services and items.
- Solicit bids and payment.
- Receive and distribute items to winners.
- Coordinate with restaurant or caterer if a party is planned.
- Help on the day of the event (host, serve food, open bids).
- Reconcile cash and checks (receive, count, deposit).

### Timing:

- Anytime.
- After a Federal payday.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.

### Tips for Success:

- Display bid sheets at a centrally located table at noon for a week.
- The key to this event's success is the appeal of the items and services. Be creative in soliciting donations.
- Call volunteers several days before the event to remind them what they offered to do or donate.
- Obtain building and agency approvals.

## WALK—A—THON

### Potential Income:

Depends on how many participants you have and how many sponsors you can solicit. One child care center raised over \$12,000.

### What You Will Need:

- Sponsor sheets for walkers.
- A predetermined, well-marked course with vehicular traffic limited.
- Cups and water along the course.
- Prizes or other form of recognition;
- “Numbers” for walkers to wear.

### You Will Need Volunteers To:

- Sign up sponsors, walk, and collect donations.
- Sign up walkers and distribute sponsor sheets.
- Lay out course and arrange with local police for limited vehicular traffic.
- “Start” the walk-a-thon (top agency manager?) and greet finishers.
- Help on the day of the event (take care of water and cups, clean up)
- Arrange to have a nurse or paramedic on site to treat any injuries.
- Reconcile cash and checks (receive, count, deposit).

### Timing:

- Anytime during pleasant weather.
- Noon.
- After a Federal payday.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.
- Public Service Announcements over local radio stations.

### Tips for Success:

- Your agency might grant clearance for administrative leave for walkers.
- Assure that walkers do not solicit contributions from subordinates. Sponsorship for superiors can be solicited by subordinates as long as names are kept confidential.
- Collect donations as soon as the event is completed. Set a deadline.
- Call volunteers several days before the event to remind them what they offered to do or donate.
- Obtain building and agency approvals.

## VALENTINE DELIVERY

### Potential Income:

Depends on costs, markup, and quantity sold. The delivery can include handmade cards, or flowers. A booth is set up several prior to delivery date for the sale of items. On the delivery date, the children, accompanied by a teacher, deliver the items.

### What You Will Need:

- Arrangement with a florist wholesaler or retailer to provide flowers.
- Staff to assist the children in the creation of cards.
- If orders are taken at a table within the building, cash box with adequate change supply (request checks rather than cash), table, chairs, and promotional materials.

### You Will Need Volunteers To:

- Negotiate with florist vendor or assist teachers and children with the cards.
- Reconcile cash and checks (receive, count, deposit).
- Staff a table, if taking orders within the building.

### Timing:

- After a Federal payday the sale of the items should begin.

### Publicity:

- Fliers and posters strategically placed around the building.
- Multiple copies of a flier for parent mailboxes.
- Agency or employee association newsletters.

### Tips for Success:

- Collect checks (try to avoid cash) when receiving an order. This eliminates potential collection and nonpayment problems.
- Set a deadline, and call volunteers a week before to remind them that final orders are due.
- Obtain necessary building and agency approvals.

## **APPENDIX K**

### **TUITION ASSISTANCE GUIDE**

## **GENERAL GUIDELINES FOR TUITION ASSISTANCE PROGRAM INTRODUCTION**

A major emphasis in child care programs for children of Federal families is to provide care for employees from all grade levels. Equity can be addressed through active fundraising and tuition assistance programs. Most fundraising efforts, in fact, should be targeted for the tuition assistance program.

Quality programs are operated with well-qualified staff whose pay and benefits should be commensurate with their qualifications. Paying for the true cost of child care, therefore, has been a problem for most families with young children. In order to offer a quality program and, at the same time, address the affordability issue, programs must charge the market rate for tuition and also establish a tuition assistance program for their families.

Tuition assistance is generally offered as a partial reduction in tuition fees. The amount of the reduction will depend on monies available as well as the financial situation of the individual family who applies.

Fundraising for the tuition assistance program is conducted by the Board of Directors. It is imperative that the program is well-publicized throughout the agency or agencies and potential applicants know how and where to make application.

The following sections describe the establishment of the review committee, developing guidelines, the application and review process, record-keeping, and publicizing the program.

### **STEP 1: ESTABLISHING THE REVIEW COMMITTEE**

Tuition assistance is a function of center finances and should be delegated by the Board to a committee. The size of the committee should be relatively small (3-5 members) to facilitate attendance at meetings, and should have an odd number of members to prevent tie votes. In determining committee composition, the Board might consider some of the following options:

- 1 The Treasurer of the Board may sit on the committee, or may choose to have the committee report to him/her. If the Treasurer does not sit on the committee, another Board member can volunteer or be appointed to represent the Board.
- 2 A financial officer of a bank or credit union can add a professional perspective on the applications due to experience with loan applications. He/she can help determine those applicants who, even with assistance, are poor credit risks for the center.
- 3 A member of the sponsoring agency who does not have children attending the center may be invited to be a member. If the center uses Combined Federal Campaign (CFC) contributions to help fund tuition assistance, an agency representative in the campaign may wish to help the committee.
- 4 The Director of the Center may sit on the committee as a non-voting member to give counsel regarding the families and any other information pertinent to the applications.

### **STEP 2: DRAFTING OPERATIONAL GUIDELINES**

The committee should draft a set of guidelines for reviewing the applications which can be kept on file in the office for parents to review. The guidelines should include:

- \*Purpose of the program
- \*Eligibility



- \*Terms of assistance
- \*Composition of the committee
- \*Application process
- \*Review procedures
- \*Circumstances for termination of tuition assistance

### **STEP 3: APPLICATION AND REVIEW PROCESS**

The Application. A sample application and cover letter are included in this section for your information. It is important that applicants understand that required documentation must accompany the application or the application will not be considered. Incomplete information slows down committee decisions by requiring additional meetings.

Confidentiality: All persons involved in the tuition assistance process must understand that applicants are sharing confidential information, and therefore, expect to have their applications treated with discretion. No one receiving the applications such as office personnel, director and committee members must never divulge any information related to tuition assistance. To safeguard the information, the center may wish to consider the following precautions:

- 1 When applications are accepted in the center office by the Director, she should place them in a locker file cabinet or safe, before and after review.
- 2 All information identifying the family and child should be removed from the application and support documents. Applications should be reviewed by the committee without identifying the child/family's name. Applications can be coded with an identifying number by the director or other person not involved with the committee's decisions.
- 3 Board members not sitting on the committee as well as teaching staff in the center should not have access to any internal information related to tuition assistance.

#### The Review Process.

1. Committee meetings can be scheduled to prepare for major enrollment periods in the center's yearly program; for example, in July for Fall enrollment, and/or in April for summer enrollment. If the Board designates a certain

percentage or amount of available assistance funds for emergency needs (such as a radical decline in family income), there should be provision for calling an emergency session of the committee.

2 Review of the applications should take place within a reasonable period of time after the application deadline. For example, if applications must be in by July 1, the committee should review applications within one to two weeks after the deadline.

3 Review criteria should be explained clearly to applicants in the application materials. These criteria may include such factors as

- \*Family income;
- \*Discretionary income;
- \*Family size (minor and adult dependents);
- \*Family expenses;
- \*Assets and liabilities;
- \*Relative need among applicants;
- \*Number of applicants;
- \*Economic impact on the center;
- \*Any other special qualifications, such as donations for a designated classification of applicant (scholarship for a union member's child; donation to

assist a single parent from a sorority or fraternity, etc.).

4. The committee may reserve the right to ask for additional information or clarification from an applicant. Anonymity can be preserved by channeling such requests through the director.

5. Awards. The amount of tuition assistance awarded any family should be a percentage of the child's fees. [The family must contribute toward the children fees to the extent that they are able to do so.] The percentage range of award should be decided by the Board of Directors on recommendation of the committee.

Other factors which affect the amount of award include:

\*Discounts for siblings; \*Movement of a child from one fee category to another; \*Length of time tuition assistance is needed.

EXAMPLE 1: If the family of an infant receives a discount of 20% on a fee of \$130/week, the discount would be \$26, resulting in a fee of \$104/week. If the child moves into another fee category within the period of the award (to a rate of \$115), the award should be adjusted by the committee. The family is not automatically entitled to a 20% discount.

EXAMPLE 2: An applicant family may already be enrolled in the program but may be going through a period of unemployment for one of the parents. The committee may decide to award a temporary, reduction of 30% for a period of three months with the option to renew the award. This short-term measure will allow the child to remain enrolled, and give the unemployed parent additional time to seek employment.

6. Notification of the committee's decision should be sent from the Board of Directors to all applicants within two weeks of the meeting. The committee may choose to have the letter constitute an agreement between the family and the center which is then signed and sent back to the office. (See SAMPLE NOTIFICATION LETTER). All applicants not receiving assistance should be given a reason for denying the application.

7. Provision for reconsideration may be granted at the next regular review of applications and the option of adding information to the original application.

1 The Board may reserve the right to review the need for assistance at any time. It is advisable to review applications semi-annually, request current pay stubs and any other significant changes in the application.

2 Any applicant granted tuition assistance should be required to reapply yearly.

#### **Step 4: RECORD-KEEPING**

Storing records. A committee member should be designated to collect all applications from the Director for review, keep them in confidence, and return them to her for filing in a secured location. It is useful to have a record sheet on which is written the date of the meeting, the committee members present, and the disposition of all reviewed applications. The record sheet is filed with the individual file for future committed reference.

Funds. It is advisable that tuition assistance not be issued directly to approved applicants. Instead, the family makes payment in the amount of the reduced tuition. Funds can then be transferred on a regular basis from the tuition assistance account to the center's operating account.

## **Step 5: PUBLICIZING TUIITION ASSISTANCE PROGRAM**

It is important that information regarding tuition assistance be included in any materials which publicize the program. Such materials might include:

- \*Brochures
- \*Application packets
- \*Posters and flyers recruiting new families
- \*Parent's Manual

Families should be made aware that applications are always readily available from the office, and that they are welcome to apply at any time.

Publicity should include information which clearly states that proceeds will be used to help families with tuition. If the Center has been able to assist single parent families, that fact should be publicized. If the Center raises tuition assistance funds by participating in the Combined Federal Campaign, and/ or sponsors special events such as auctions or sales, the events can help publicize tuition assistance to prospective families as well as to donors.

## **CONCLUSION**

Providing tuition assistance to a sizable number of Federal families should be a goal for every child care center. A minimum of 5% of the gross operating budget is suggested. Tuition assistance programs help to maintain quality centers through quality staffing while, at the same time, insuring accessibility to all families.

SAMPLE COVER LETTER TO ACCOMPANY APPLICATION  
TUITION ASSISTANCE PROGRAM

Dear Parents,

The Board of Directors of (Name of Center) has approved a budget for the Tuition Assistance Program for the period of (Dates). Some financial assistance will be available for families demonstrating financial need.

Financial need will be determined on the basis of family income and expenses, family size, and any extenuating circumstances which impact on a family's ability to pay child care fees. All families with children currently enrolled or those planning to enroll may apply. The center aims to assist as many families as possible within the limitations of the resources available and considering the overall economic impact on the Center. There will be several partial scholarships ranging from (percentages) of the tuition per child. Application and other miscellaneous fees must be paid by the family and are not included in the tuition assistance program.

Applicants for tuition assistance must complete an application and submit support documentation to include: the most recent Federal income tax return as well as two pay stubs. Applications are available from the Director of the center, and are included in the admissions package. The Tuition Assistance Guidelines are also available for review at the Director's office. All information submitted as part of the financial assistance application form as well as the final determinations on the applications will remain confidential.

Applications for tuition assistance may be submitted at any time. Regular review of the applications will be scheduled as follows: (schedule of review).

The center is an equal opportunity organization and does not discriminate based upon sex, race, color, religion, or national origin.

Sincerely,

SAMPLE TUITION ASSISTANCE APPLICATION  
NAME AND ADDRESS OF CENTER

Application No \_\_\_\_\_

PART I

(To be retained by Director)

Only one application per family is required. If you are applying for tuition assistance for more than one child in your family, please supply the requested information for each child on the same form.

Child(ren)'s Name: \_\_\_\_\_

APPLICANT'S NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

HOME PHONE: \_\_\_\_\_ WORK PHONE: \_\_\_\_\_

SPOUSE'S NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

HOME PHONE: \_\_\_\_\_ WORK PHONE: \_\_\_\_\_

Do you wish to have your pay stubs and income tax copy returned

to you or destroyed once the evaluation is completed? \_\_\_\_\_ SIGNATURES I/we state that everything I/we have stated in this application is correct to the best of my/our knowledge and that the above information is a complete listing of my/our income, debts, and obligations.

\_\_\_\_\_  
DATE \_\_\_\_\_ Mother/Guardian's Signature

\_\_\_\_\_  
DATE \_\_\_\_\_ Father/Guardian's Signature

The (Name of Center) is an equal opportunity organization and does not discriminate based upon sex, race, color, religion, or national origin.

NAME AND ADDRESS OF CENTER  
APPLICATION FOR TUITION ASSISTANCE  
PART II

Application No. \_\_\_\_\_  
Date: \_\_\_\_\_

Only one application per family is required. If you are applying for tuition assistance for several children in your family, please supply the requested information for each child on the same form.

Child(ren)'s Birth date(s): \_\_\_\_\_

With whom do(es) the child(ren) live (no names please) ? \_\_\_\_\_

Number of family members in household: \_\_\_\_\_

Total financial assistance requested (by regular fee period, i.e., bi-weekly, monthly, etc.) \_\_\_\_\_

For what period is tuition assistance requested? \_\_\_\_\_

If your child is not yet enrolled, when would you like your Child to begin attending the center? \_\_\_\_\_

Mother/Guardian information:

EMPLOYER: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

MARITAL STATUS: SINGLE: \_\_\_\_\_ ; MARRIED \_\_\_\_\_ DIVORCED \_\_\_\_\_

Father/Guardian information:

EMPLOYER: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

MARITAL STATUS: SINGLE: \_\_\_\_\_ ; MARRIED \_\_\_\_\_ DIVORCED \_\_\_\_\_ NUMBER OF OTHER CHILDREN: \_\_\_\_\_ AGES: \_\_\_\_\_

PRESENT CHILD CARE ARRANGEMENTS: \_\_\_\_\_

NAME AND ADDRESS OF CENTER  
APPLICATION FOR TUITION ASSISTANCE  
PART III

Application No. \_\_\_\_\_

Please provide the total current average gross monthly income and expenses of the child(ren)'s household. This data; will be compared to your pay stubs and income tax return data, and will remain on file and confidential.

I

INCOME

Your SALARY \_\_\_\_\_  
 Spouse's SALARY \_\_\_\_\_  
 ALIMONY \_\_\_\_\_  
 CHILD SUPPORT \_\_\_\_\_  
 OTHER INCOME \_\_\_\_\_

EXPENSES

RENT/MORTGAGE \_\_\_\_\_  
 CREDIT CARDS \_\_\_\_\_  
 UTILITIES \_\_\_\_\_  
 OTHER LOANS \_\_\_\_\_  
 CHILD CARE \_\_\_\_\_  
 AUTO LOAN(S) \_\_\_\_\_  
 TRANSPORTATION \_\_\_\_\_  
 INSURANCE \_\_\_\_\_  
 (Health , other) \_\_\_\_\_  
 RETIREMENT \_\_\_\_\_  
 OTHER(LIST) \_\_\_\_\_  
 INCOME TAXES \_\_\_\_\_

TOTAL INCOME \_\_\_\_\_

TOTAL EXPENSE \_\_\_\_\_

PLEASE NOTE: Evidence of your income must this application. Evidence must consist of copies of your past two pay stubs and your latest income tax return(s) for each income earner in the child(ren)'s household.

Please attach to this application a statement indicating any additional reasons or circumstances that you may wish to have considered. Special attention should be given to explaining unusual expenses, such as medical/health care, dependents, etc.

-----DO NOT WRITE BELOW THIS LINE-----

DATE \_\_\_\_\_ APPROVAL: YES \_\_\_\_\_ NO \_\_\_\_\_ RATE \_\_\_\_\_

REASON FOR DISAPPROVAL:

SIGNATURES OF COMMITTEE: \_\_\_\_\_

**APPENDIX L**

**VOLUNTEER PROTECTION ACT OF 1997**



Volunteer Protection Act of 1997

*This is the text of Public Law 105-19; the Volunteer Protection Act of 1997 as signed into law by President Clinton on June 18, 1997:*

One Hundred Fifth Congress of the United States of America

AT THE FIRST SESSION

Begun and held at the City of Washington on Tuesday, the seventh day of January, one thousand nine hundred and ninety-seven

### **An Act**

To provide certain protections to volunteers, nonprofit organizations, and governmental entities in lawsuits based on the activities of volunteers.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### **SECTION 1. SHORT TITLE.**

This Act may be cited as the `Volunteer Protection Act of 1997'.

### **SECTION 2. FINDINGS AND PURPOSE.**

(a) FINDINGS- The Congress finds and declares that--

(1) the willingness of volunteers to offer their services is deterred by the potential for liability actions against them;

(2) as a result, many nonprofit public and private organizations and governmental entities, including voluntary associations, social service agencies, educational institutions, and other civic programs, have been adversely affected by the withdrawal of volunteers from boards of directors and service in other capacities;

(3) the contribution of these programs to their communities is thereby diminished, resulting in fewer and higher cost programs than would be obtainable if volunteers were participating;

(4) because Federal funds are expended on useful and cost-effective social service programs, many of which are national in scope, depend heavily on volunteer participation, and represent some of the most successful public-private partnerships, protection of volunteerism through clarification and limitation of the personal liability risks assumed by the volunteer in connection with such participation is an appropriate subject for Federal legislation;

(5) services and goods provided by volunteers and nonprofit organizations would often otherwise be provided by private entities that operate in interstate commerce;

(6) due to high liability costs and unwarranted litigation costs, volunteers and nonprofit organizations face higher costs in purchasing insurance, through interstate insurance markets, to cover their activities; and

(7) clarifying and limiting the liability risk assumed by volunteers is an appropriate subject for Federal legislation because--

(A) of the national scope of the problems created by the legitimate fears of volunteers about frivolous, arbitrary, or capricious lawsuits;

(B) the citizens of the United States depend on, and the Federal Government expends funds on, and provides tax exemptions and other consideration to, numerous social programs that depend on the services of volunteers;

(C) it is in the interest of the Federal Government to encourage the continued operation of volunteer service organizations and contributions of volunteers because the Federal Government lacks the

capacity to carry out all of the services provided by such organizations and volunteers; and (D)(i) liability reform for volunteers, will promote the free flow of goods and services, lessen burdens on interstate commerce and uphold constitutionally protected due process rights; and (ii) therefore, liability reform is an appropriate use of the powers contained in article 1, section 8, clause 3 of the United States Constitution, and the fourteenth amendment to the United States Constitution.

(b) PURPOSE- The purpose of this Act is to promote the interests of social service program beneficiaries and taxpayers and to sustain the availability of programs, nonprofit organizations, and governmental entities that depend on volunteer contributions by reforming the laws to provide certain protections from liability abuses related to volunteers serving nonprofit organizations and governmental entities.

### **SECTION 3. PREEMPTION AND ELECTION OF STATE NONAPPLICABILITY.**

(a) PREEMPTION- This Act preempts the laws of any State to the extent that such laws are inconsistent with this Act, except that this Act shall not preempt any State law that provides additional protection from liability relating to volunteers or to any category of volunteers in the performance of services for a nonprofit organization or governmental entity.

(b) ELECTION OF STATE REGARDING NONAPPLICABILITY- This Act shall not apply to any civil action in a State court against a volunteer in which all parties are citizens of the State if such State enacts a statute in accordance with State requirements for enacting legislation--

(1) citing the authority of this subsection;

(2) declaring the election of such State that this Act shall not apply, as of a date certain, to such civil action in the State; and

(3) containing no other provisions.

### **SECTION 4. LIMITATION ON LIABILITY FOR VOLUNTEERS.**

(a) LIABILITY PROTECTION FOR VOLUNTEERS- Except as provided in subsections (b) and (d), no volunteer of a nonprofit organization or governmental entity shall be liable for harm caused by an act or omission of the volunteer on behalf of the organization or entity if--

(1) the volunteer was acting within the scope of the volunteer's responsibilities in the nonprofit organization or governmental entity at the time of the act or omission;

(2) if appropriate or required, the volunteer was properly licensed, certified, or authorized by the appropriate authorities for the activities or practice in the State in which the harm occurred, where the activities were or practice was undertaken within the scope of the volunteer's responsibilities in the nonprofit organization or governmental entity;

(3) the harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed by the volunteer; and

(4) the harm was not caused by the volunteer operating a motor vehicle, vessel, aircraft, or other vehicle for which the State requires the operator or the owner of the vehicle, craft, or vessel to--

(A) possess an operator's license; or

(B) maintain insurance.

(b) CONCERNING RESPONSIBILITY OF VOLUNTEERS TO ORGANIZATIONS AND ENTITIES- Nothing in this section shall be construed to affect any civil action brought by any nonprofit organization or any governmental entity against any volunteer of such organization or entity.

(c) NO EFFECT ON LIABILITY OF ORGANIZATION OR ENTITY- Nothing in this section shall be construed to affect the liability of any nonprofit organization or governmental entity with respect to harm caused to any person.

(d) EXCEPTIONS TO VOLUNTEER LIABILITY PROTECTION- If the laws of a State limit volunteer liability subject to one or more of the following conditions, such conditions shall not be construed as

inconsistent with this section:

(1) A State law that requires a nonprofit organization or governmental entity to adhere to risk management procedures, including mandatory training of volunteers.

(2) A State law that makes the organization or entity liable for the acts or omissions of its volunteers to the same extent as an employer is liable for the acts or omissions of its employees.

(3) A State law that makes a limitation of liability inapplicable if the civil action was brought by an officer of a State or local government pursuant to State or local law.

(4) A State law that makes a limitation of liability applicable only if the nonprofit organization or governmental entity provides a financially secure source of recovery for individuals who suffer harm as a result of actions taken by a volunteer on behalf of the organization or entity. A financially secure source of recovery may be an insurance policy within specified limits, comparable coverage from a risk pooling mechanism, equivalent assets, or alternative arrangements that satisfy the State that the organization or entity will be able to pay for losses up to a specified amount.

Separate standards for different types of liability exposure may be specified.

(e) **LIMITATION ON PUNITIVE DAMAGES BASED ON THE ACTIONS OF VOLUNTEERS-**

(1) **GENERAL RULE-** Punitive damages may not be awarded against a volunteer in an action brought for harm based on the action of a volunteer acting within the scope of the volunteer's responsibilities to a nonprofit organization or governmental entity unless the claimant establishes by clear and convincing evidence that the harm was proximately caused by an action of such volunteer which constitutes willful or criminal misconduct, or a conscious, flagrant indifference to the rights or safety of the individual harmed.

(2) **CONSTRUCTION-** Paragraph (1) does not create a cause of action for punitive damages and does not preempt or supersede any Federal or State law to the extent that such law would further limit the award of punitive damages.

(f) **EXCEPTIONS TO LIMITATIONS ON LIABILITY-**

(1) **IN GENERAL-** The limitations on the liability of a volunteer under this Act shall not apply to any misconduct that--

(A) constitutes a crime of violence (as that term is defined in section 16 of title 18, United States Code) or act of international terrorism (as that term is defined in section 2331 of title 18) for which the defendant has been convicted in any court;

(B) constitutes a hate crime (as that term is used in the Hate Crime Statistics Act (28 U.S.C. 534 note));

(C) involves a sexual offense, as defined by applicable State law, for which the defendant has been convicted in any court;

(D) involves misconduct for which the defendant has been found to have violated a Federal or State civil rights law; or

(E) where the defendant was under the influence (as determined pursuant to applicable State law) of intoxicating alcohol or any drug at the time of the misconduct.

(2) **RULE OF CONSTRUCTION-** Nothing in this subsection shall be construed to effect subsection (a)(3) or (e).

## **SECTION 5. LIABILITY FOR NONECONOMIC LOSS.**

(a) **GENERAL RULE-** In any civil action against a volunteer, based on an action of a volunteer acting within the scope of the volunteer's responsibilities to a nonprofit organization or governmental entity, the liability of the volunteer for noneconomic loss shall be determined in accordance with subsection (b).

(b) **AMOUNT OF LIABILITY-**

(1) **IN GENERAL-** Each defendant who is a volunteer, shall be liable only for the amount of noneconomic loss allocated to that defendant in direct proportion to the percentage of responsibility of that defendant (determined in accordance with paragraph (2)) for the harm to the claimant with respect to

which that defendant is liable. The court shall render a separate judgment against each defendant in an amount determined pursuant to the preceding sentence.

(2) PERCENTAGE OF RESPONSIBILITY- For purposes of determining the amount of noneconomic loss allocated to a defendant who is a volunteer under this section, the trier of fact shall determine the percentage of responsibility of that defendant for the claimant's harm.

## **SECTION 6. DEFINITIONS.**

For purposes of this Act:

(1) ECONOMIC LOSS- The term `economic loss' means any pecuniary loss resulting from harm (including the loss of earnings or other benefits related to employment, medical expense loss, replacement services loss, loss due to death, burial costs, and loss of business or employment opportunities) to the extent recovery for such loss is allowed under applicable State law.

(2) HARM- The term `harm' includes physical, nonphysical, economic, and noneconomic losses.

(3) NONECONOMIC LOSSES- The term `noneconomic losses' means losses for physical and emotional pain, suffering, inconvenience, physical impairment, mental anguish, disfigurement, loss of enjoyment of life, loss of society and companionship, loss of consortium (other than loss of domestic service), hedonic damages, injury to reputation and all other nonpecuniary losses of any kind or nature.

(4) NONPROFIT ORGANIZATION- The term `nonprofit organization' means--

(A) any organization which is described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code and which does not practice any action which constitutes a hate crime referred to in subsection (b)(1) of the first section of the Hate Crime Statistics Act (28 U.S.C. 534 note); or

(B) any not-for-profit organization which is organized and conducted for public benefit and operated primarily for charitable, civic, educational, religious, welfare, or health purposes and which does not practice any action which constitutes a hate crime referred to in subsection (b)(1) of the first section of the Hate Crime Statistics Act (28 U.S.C. 534 note).

(5) STATE- The term `State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, any other territory or possession of the United States, or any political subdivision of any such State, territory, or possession.

(6) VOLUNTEER- The term `volunteer' means an individual performing services for a nonprofit organization or a governmental entity who does not receive--

(A) compensation (other than reasonable reimbursement or allowance for expenses actually incurred); or

(B) any other thing of value in lieu of compensation, in excess of \$500 per year, and such term includes a volunteer serving as a director, officer, trustee, or direct service volunteer.

## **SECTION 7. EFFECTIVE DATE.**

(a) IN GENERAL- This Act shall take effect 90 days after the date of enactment of this Act.

(b) APPLICATION- This Act applies to any claim for harm caused by an act or omission of a volunteer where that claim is filed on or after the effective date of this Act but only if the harm that is the subject of the claim or the conduct that caused such harm occurred after such effective date.