

NCCIC Is a Service of the Child Care Bureau

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STARTING AND OPERATING A CHILD CARE BUSINESS

Child care can be an exciting and rewarding field. It is a wonderful opportunity to have an impact on the lives of children and their families. Regardless of one's individual motivation for entering the field, starting and operating a child care business is both a personal and a business decision.

As is true for all small business owners, prospective child care providers must take the right steps to ensure that their business is profitable and sustainable. Child care providers must abide by Federal, State, and local regulations and standards, and they must ensure a healthy and safe environment for children. In addition to attending to children's basic needs, providers play an important role in children's development through activities that stimulate physical, emotional, intellectual, and social growth.

This resource guide presents some basic steps to consider as you plan to start and operate a child care business. The information is an overview and is not intended to be all inclusive. Additional resources are provided to help you explore child care as a business opportunity. Also, depending on local requirements and regulations, other steps may be suitable for your specific type of business.



The following information and selected resources relate to starting and operating a center-based or family child care business.

- ◆ [Child Care and Your Community](#): What are the characteristics of the child care market in your community and how will that affect your decision to open a child care business? Who can you contact for additional resources and information?
- ◆ [Types of Child Care Businesses](#): Child care businesses can be defined in a variety of ways. What type of child care business best suits your goals and capabilities?

- ◆ [Licensing Requirements](#): How do you establish a legally operating child care business by meeting the licensing requirements set by the child care regulatory agency in your State and local jurisdiction?
- ◆ [Other Laws and Ordinances](#): Beyond licensing requirements, what other laws and ordinances may apply to your child care business?
- ◆ [Managing a Successful Child Care Business](#): What is a business plan and how may it help ensure the ultimate success of your new child care business?
- ◆ [Facility Design](#): How can you ensure your child care facility design includes indoor and outdoor spaces that are safe and encourage development of children in your care?
- ◆ [Financial Assistance](#): How do you learn about Federal, State, or private funding that may be available for your child care business?
- ◆ [Essential Health and Safety Standards](#): What health and safety standards for your child care business are essential to ensure the well-being of the children in your care?
- ◆ [Policies and Procedures for Business Protection and Success](#): How can clear policies and procedures provide protection for you and your business and help your business succeed?
- ◆ [Health Insurance Benefits for Early Childhood Care Providers](#): What organizations have information about health benefits for caregivers and their families?
- ◆ [State Information About How to Start a Child Care Business](#): What State public and private organizations have resources available to help aspiring business owners with the process of starting and operating a child care business?

Additional resources are available via NCCIC's Online Library at <http://nccic.acf.hhs.gov/library/index.cfm?do=oll.search>. NCCIC does not endorse any organization, publication, or resource.

Child Care and Your Community

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When starting a child care program, you may want your child care business, capabilities, and goals to correspond in order for your work to be personally rewarding. You may also want your business to match the needs of your community if it is to be financially viable. As a potential business owner, you may want to learn which key organizations in your community work with child care professionals and business owners to ensure families have access to high-quality programs.

Which State government agencies play roles in child care?

State and local governments play roles in regulating and funding child care businesses. The following are three primary government agencies in each State that work closely with child care businesses:

Child Care Licensing Agency

This agency is responsible for regulating and licensing child care facilities across a State. A directory of all State child care licensing agencies is available at <http://nccic.acf.hhs.gov/statedata/dirs/display.cfm?title=licensing>. In some States, there may be additional county and/or municipal licensing requirements that differ from the State regulations.

Child Care Assistance Agency

This agency is responsible for administering and implementing the State child care assistance program funded through the Federal Child Care and Development Fund. The State child care assistance agency may also be the agency responsible for a variety of quality initiatives that support start-up activities. A directory of all State child care assistance agencies is available at <http://nccic.acf.hhs.gov/statedata/dirs/display.cfm?title=ccdf>.

Child and Adult Care Food Program (CACFP)

State agencies administering the Child Nutrition Programs funded by the U.S. Department of Agriculture work with child care providers who serve children who are eligible to receive child nutrition services from the government. CACFP provides funds for meals and snacks served to eligible children in child care centers and family child care homes. Information about CACFP participation guidelines and the Child Care Food Program Administrator is available at www.fns.usda.gov/cnd/Care/CACFP/cacphome.htm. Information in Spanish is available at www.fns.usda.gov/cnd/Care/sp-default.htm. Contact information for all State agencies administering the child nutrition programs is available at www.fns.usda.gov/cnd/Contacts/StateDirectory.htm.

How can I identify child care needs in my community?

The supply of child care available to meet the demand in each community can vary based on the type of care needed, type of child care business, and overall capacity of the child care sector. For example, the demand for child care for infants and toddlers, school-age care, care for children with special needs, care during nontraditional hours, and care in rural areas often exceeds the supply in many communities.

An assessment of your specific community may contribute to a decision to open a child care business and may include both the child care needs of the community (demand) and an overview of child care currently available (supply). A close look at the child care market in your community may help you with other decisions as well: What will families be willing to pay for child care? If you hire staff to assist you in your child care business, what will they expect in terms of salary? Many community, State, and national resources are available to help you find the answers to these and other questions.

Statistical Information on Child Care in the United States has information about the cost of child care and other child care statistics.
<http://nccic.acf.hhs.gov/poptopics/statistics.pdf>

Local Child Care Resource and Referral (CCR&R) agencies are responsible for documenting child care needs and trends in a particular market and are useful sources of information about child care in a State or individual community. CCR&R agencies link providers with information about:

- ◆ Tuition rates child care providers typically charge;
- ◆ Average salaries for child care workers;
- ◆ Existing supply and the highest need for care in your area;
- ◆ Licensing requirements;
- ◆ Resources on child development and early education; and

- ◆ Training opportunities for child care professionals.

CCR&R agencies often serve as an entry point for new child care professionals. They also may help you spread the word about your services to families in your community. To locate a CCR&R agency in your area, visit

<http://nccic.acf.hhs.gov/statedata/dirs/display.cfm?title=crr>.

How can I connect with child care associations and other community organizations?

Child care associations and other community organizations exist to support child care businesses as they deliver high-quality care and sustain themselves financially. These associations and professional organizations vary from community to community but often provide financial assistance such as loans and grants, training opportunities for staff, liability and health insurance, and other services.

Local resources such as the public library, small business development associations, Chamber of Commerce, and even other child care providers may help you connect with community child care associations and professional organizations. Also, several national organizations have local chapters or other connections to local support that may benefit your child care business. The following national groups might help you connect with key organizations in your community:

National AfterSchool Association (NAA)

617-778-6020

800-617-8242

<http://naaweb.yourmembership.com/>

NAA is a national membership organization representing the entire array of public, private, and community-based providers of after-school programs.

National Association for the Education of Young Children (NAEYC)

800-424-2460

www.naeyc.org/

NAEYC is a nonprofit membership organization that provides resources and services to improve professional preparation and development of early childhood professionals.

National Association for Family Child Care (NAFCC)

800-359-3817

www.nafcc.org/include/default.asp

NAFCC is a national membership organization of family child care providers and local and State family child care associations.

National Child Care Association (NCCA)

202-367-1133

800-543-7161

www.nccanet.org

NCCA represents private, licensed early childhood care and education businesses.

Types of Child Care Businesses

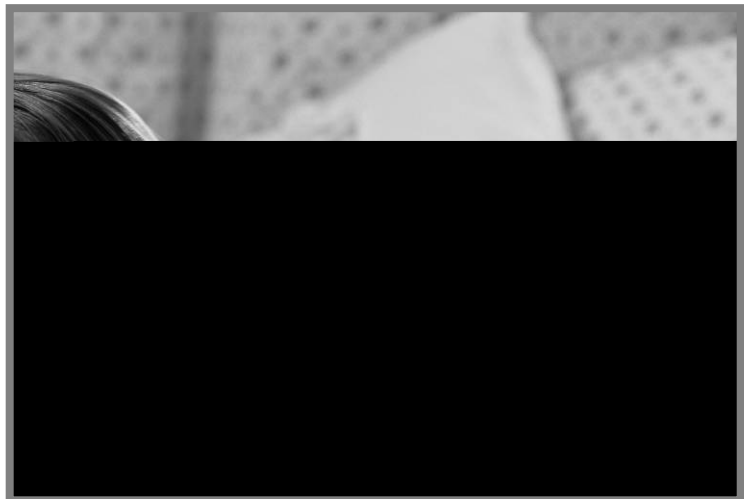
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Among the first considerations for prospective child care business owners is to decide which type of business they would like to operate. You should take into account your personal capabilities, your motivations for working in child care, and your business goals. Answering the following questions can help you determine the type of child care business that is right for you and will set you on a course toward success.

- ◆ Do you plan to care for a few children in your home?
- ◆ Is running a large child care center with many children of various ages your goal?
- ◆ Is your primary motivation to provide direct care for children? Or are you more interested in the management challenges of running a large child care facility?
- ◆ Do you have a small budget and just want to get started in child care? Or do you have funding sources that will be invested in your business?
- ◆ Have you considered the different regulations and laws that could influence your decision about operating a child care business in your community?

While definitions for child care businesses vary in the licensing regulations for different States, legally operating child care businesses generally are included in one of the following categories:

- ◆ **Child care centers** are facilities where care typically is provided to children in a nonresidential building with classrooms of children in different age groups. Care is provided for less than 24 hours per day. State child care licensing regulations include definitions of the types of child care centers that must meet licensing requirements. These definitions often include a minimum number of children and/or a minimum number of hours the facility operates to determine whether it must be licensed.
- ◆ **Family child care homes** are facilities where care typically is provided to children in the provider's residence. Family child care homes usually provide care for a small number of children of mixed ages and have one care provider. As with centers, States have definitions of the types of family child care homes that must be licensed. These definitions are usually based on the number of children in care. For example, several States require family child care homes to be licensed if the provider cares for at least one unrelated child or the children from one family, but many States also allow homes with three or more children to operate without a license. Many States license two types of family child care homes—a **small home** that has a small number of children and usually one care provider, and a **large/group home** that usually has a larger number of children and a provider and assistant.



The types of child care settings that are required to be licensed can differ from State to State. You may learn more about what is required by your State by contacting the State child care licensing agency. A directory of all State child care licensing agencies is available at <http://nccic.acf.hhs.gov/statedata/dirs/display.cfm?title=licensing>.

Licensing Requirements

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Licensing is a process administered by State governments that gives permission to child care businesses to operate. Licensing sets a baseline of requirements below which it is illegal to operate, unless a business is legally exempt from licensing. States have regulations that include the requirements child care centers and family child care homes must comply with and policies to support enforcement of those regulations. These regulations and enforcement policies vary widely from State to State. Some States call this regulatory process “certification” or “registration.” For purposes of this resource guide, the terms “licensing” or “licensed” are used to refer to all State regulatory processes. State child care licensing regulations help protect the health and safety of children in out-of-home care. Licensing helps prevent different forms of harm to children, which can include risks from the spread of disease, fire and other building safety hazards, and injury. Licensing also helps prevent developmental impairment from children’s lack of healthy relationships with adults, adequate supervision, and developmentally appropriate activities. Some of the key aspects of child care licensing regulations include:

- ◆ The child to staff ratio and maximum group size;
- ◆ Building and physical safety;
- ◆ Prevention and control of infectious disease; and
- ◆ Qualifications and training.

Licensing regulations vary for child care centers and family child care homes. Most States have separate sets of regulations for each type of child care business. The National Resource Center for Health and Safety in Child Care and Early Education Web site has State child care regulations at <http://nrc.uchsc.edu/STATES/states.htm>. Contact information for all State licensing agencies is available at <http://nccic.acf.hhs.gov/statedata/dirs/display.cfm?title=licensing>. Additional information about licensing is available at <http://nccic.acf.hhs.gov/topics/topic/index.cfm?topicId=2>.

If you are thinking of opening a child care business, you may have to meet some specific qualifications before beginning your work with young children. The *Child Care Workforce Qualifications, Training, and Professional Development*, resource guide available at <http://nccic.acf.hhs.gov/poptopics/workforcequals.pdf>, provides information about the education, training, and experience necessary to qualify for a teaching or administrative role in a child care center or to operate a family child care program in your home. Information is also included to help you locate training and professional development opportunities in your community.

Consumers of child care, and the general public, can ask questions about the licensing status of programs and file complaints about suspected noncompliance with State regulations with their State child care licensing agency. Additional information about health and safety licensing requirements is available in the [Essential Health and Safety Standards](#) section of this resource guide.

Are there licensing exemptions for child care businesses?

Some child care businesses are legally exempt by State law and are not required to be licensed. Exemptions vary widely from State to State. For child care centers, common exemptions include programs where the parents are at the location and are accessible (such as a shopping mall, resort, health club, or church); programs where a small number of children are in care; recreation programs, instructional classes for children, and/or club programs; programs that operate part-day or for a limited number of hours per day/week; and preschool programs operated by public schools or public school systems. Some States also exempt child care centers operated by religious organizations.

Most States have exemptions for family child care homes that are based on the number of children in care. The *Threshold of Licensed Family Child Care*, at <http://nccic.acf.hhs.gov/pubs/cclicensingreq/threshold.html>, provides information about the number of children in care for which a license is required.

Some States may conduct background checks and impose other requirements on legally exempt providers, especially if the providers receive government funds. Check with your State's licensing agency to learn more about exemptions that may apply to your business.

Are there insurance requirements for child care businesses?

Liability insurance is a standard consideration for any business. It covers the center or family child care home when an injury occurs. Comprehensive general liability insurance covers bodily injury, damage to property, medical emergencies, and legal costs. Homeowner's or renter's insurance on the provider's home does not provide liability coverage for a family child care business. If the provider rents the home, the landlord may need to be listed on the family child care business liability policy. Contact an insurance provider for more complete information.

Some States require child care centers and/or family child care homes to have some form of insurance. Other States either require providers to carry insurance or to notify parents if they do not carry insurance. To learn the specific insurance requirements in your State, contact the State child care licensing agency. Contact information for all State licensing agencies is available at <http://nccic.acf.hhs.gov/statedata/dirs/display.cfm?title=licensing>. In addition, the child care resource and referral (CCR&R) agency in your community might have a list of companies that provide insurance for child care businesses. Contact information for all State CCR&R agencies is available at <http://nccic.acf.hhs.gov/statedata/dirs/display.cfm?title=ccrr>.

How can I access the child care licensing regulations for my State?

State child care regulations are available at <http://nrc.uchsc.edu/STATES/states.htm>. A directory of State licensing agencies is available at <http://nccic.acf.hhs.gov/statedata/dirs/display.cfm?title=licensing>. The NCCIC Web site features several resources that compare licensing regulations across States. These resources are available at <http://nccic.acf.hhs.gov/topics/topic/index.cfm?topicId=2>.

The following organizations can provide additional information about licensing regulations:

National Resource Center for Health and Safety in Child Care and Early Education
University of Colorado at Denver and Health Sciences Center
800-598-KIDS
<http://nrckids.org/>

National Association for Regulatory Administration
859-514-1921
www.nara.affiniscape.com/index.cfm

Other Laws and Ordinances

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In addition to meeting licensing requirements, child care businesses must comply with various laws and ordinances. If you are interested in opening a child care business, learning about the Federal and State tax laws that apply to small businesses may be an important step. Your business may need to comply with zoning laws and ordinances that apply to your community and/or local area.

Which tax regulations affect child care businesses?

Like other business owners, child care business owners must comply with Federal and State tax regulations. Tax regulations vary for the different types of child care businesses. For instance:

- ◆ Nonprofit community organizations operating child care programs may be exempt from taxes;
- ◆ As employers, owners of child care centers must comply with employee tax and benefit regulations; and
- ◆ Family child care businesses must comply with tax regulations for sole business proprietors.

Like other businesses, all tax-paying child care businesses are allowed a deduction for ordinary and necessary expenses paid or incurred during the taxable year for carrying out the business.

The Small Business and Self-Employed Tax Center section of the Internal Revenue Service (IRS) provides information about business start up, recordkeeping, and trends and statistics, as well as tax tips, for small child care businesses at www.irs.gov/businesses/small/index.html.

Information is available in Spanish at www.irs.gov/espanol/content/0,,id=162902,00.html. For additional information, contact the IRS at 800-829-4933 or at www.irs.gov/index.html. Information is available in Spanish at www.irs.gov/espanol/index.html.



Key resources include the following:

- ◆ *Starting a Business* provides links to basic Federal tax information for people who are starting businesses. www.irs.gov/businesses/small/article/0,,id=99336,00.html
- ◆ *Operating a Business* contains information you need to operate a business with employees, including information on business deductions and tax credits, filing and paying taxes, recordkeeping, and choosing an accounting method. www.irs.gov/businesses/small/article/0,,id=99930,00.html
- ◆ *Self-Employed Individual Tax Center* answers questions related to being a self-employed individual or independent contractor. www.irs.gov/businesses/small/article/0,,id=115045,00.html

Family Child Care Homes

- ◆ The Federal Internal Revenue Code allows family day care providers to deduct the cost of food given to eligible children in their care. Additional information about this tax deduction is available at www.irs.gov/pub/irs-drop/rp-03-22.pdf.
- ◆ The Business of Child Care section of the Redleaf National Institute's Web site at www.resourcesforchildcaring.org/index.cfm?page=business provides resources for family child care businesses that outline key steps for keeping good records and complying with tax regulations.

Nonprofit Programs

The IRS Web site at www.irs.gov/charities/index.html presents tax information for charities and other nonprofit organizations, including child care programs.

State Tax Laws

To learn about State tax laws that apply to child care businesses, contact your State revenue department. Links to State revenue and tax departments are available on the Federation of Tax Administrators Web site at www.taxadmin.org/fta/link/default.html.

Are there any land use laws or zoning ordinances that apply to child care businesses?

Local governments have the responsibility and authority to protect the public's general safety and welfare. Local planning agencies fulfill this responsibility in part through land use laws, determining what activities may occur on the land within their jurisdiction. Land use laws, also known as zoning ordinances, commonly include regulation of the kinds of activities or use—such as open space, residential, commercial, or industrial—that will be acceptable in a particular community. You may want to check with the planning agency in your community to make sure your business is in compliance with local zoning ordinances. The State child care licensing agency or CCR&R agency near you may have more information about zoning ordinances, including contact information for the local planning agency.

Managing a Successful Child Care Business

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One way to help ensure the success of your child care business is to learn about smart management practices that can help minimize the risks associated with starting a business and the burden of running it. Key steps for running a profitable and sustainable child care business include development of a business plan and marketing plan. Prospective child care business owners can also look for opportunities in their community to share the administrative costs of running a business through collective management systems.

Do I need to develop a business plan?

Preparing a business plan may be an important step for those who are interested in opening a child care business. You may incur many costs as you set up and run your business. A business plan may take into account the operational costs of toys, equipment, paper goods, art supplies, food, house/center repairs, electricity, insurance, water, and rent.

In many States, public and private organizations working with child care professionals have developed handbooks for child care business owners that present information about business management. You may want to check all the resources in your area. In some States and local areas, organizations may help you develop the most appropriate business plan.

The following resources explain how to develop a business plan for a child care center or family child care home. The resources also provide information about record keeping, billing practices, working with government programs to maintain a healthy financial status, and personnel management, including finding and keeping qualified staff.

Child Care Centers

- ◆ *Operating on Federal Property: Directors Desk Guide* (2004), by the Office of Child Care, U.S. General Services Administration.
www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/Desk_Guide_R2E-c11-i_0Z5RDZ-i34K-pR.pdf
- ◆ *Child Care Center Financial Planning and Facilities Development Manual* (2003), by the National Economic Development and Law Center.
www.buildingcc.org/uploads/pdfs/CCCMANUALFINAL07.pdf
- ◆ *The Business Side of Child Care: A Reference Manual for Child Care Advocates and Lenders* (2002), by Self-Help.
www.self-help.org/business-and-nonprofit-loans/business-and-nonprofit-files/business-nonprofit-technical-assistance-resources/Business.Side.of.Child.Care.Manual.pdf
- ◆ *Child Care Center Business Plan Workbook* (May 2001), by the Michigan Small Business & Technology Development Center.
www.gvsu.edu/misbtdc/images/BPWORKBK.pdf
- ◆ *Dollars and Sense: Planning for Profit in Your Child Care Business* (2001), by Janet Bush. This resource is available for purchase through Redleaf Press at www.redleafpress.org/productdetails.cfm?PC=70.
- ◆ *How To Start a Child Care Business* (n.d.), by the U.S. Small Business Administration.
www.sba.gov/idc/groups/public/documents/sba_homepage/pub_mp29.pdf

Family Child Care Homes

- ◆ *Family Child Care Financial Planning and Facilities Development Manual* (2003), by the National Economic Development and Law Center, www.buildingcc.org/uploads/pdfs/FCC-Manual-FINAL.pdf. This resource is available in Spanish at www.buildingcc.org/uploads/pdfs/Family-Child-Care-Center-Manual-Spanish.pdf and Chinese at www.buildingcc.org/uploads/pdfs/FCCmanualchinese.pdf.
- ◆ *Getting Started in the Business of Family Child Care* (2002), by the Redleaf National Institute, www.redleafinstitute.org/pdfs/gettingstarted.pdf. This resource is available in Spanish at www.redleafinstitute.org/pdfs/gettingstartedspan.pdf.
- ◆ *Family Child Care Provider Guide* (2002), by the Redleaf National Institute. www.redleafinstitute.org/pdfs/fccguide.pdf

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How do I market my business?

Developing a thorough marketing plan for your business may be critical for success. Marketing covers various aspects of your business and involves much more than just advertising. Marketing tips from successful child care businesses are included in *50 Tips for Success! Impact Marketing*, by Local Investment in Child Care at wwwstatic.kern.org/gems/cccc/LINCCMarketingTips.pdf.

Community Connection for Child Care Impact Marketing Tips for Child Care Providers offers additional ideas for effective marketing at wwwstatic.kern.org/gems/rrc7/CCCCImpactMarketing.pdf.

Are there collective management opportunities for child care businesses?

Child care businesses can streamline administrative costs and promote their sustainability by coordinating administrative functions, sharing support services, purchasing commonly used products, and negotiating employee benefits. Collective management strategies, also known as shared services or cooperatives, allow providers to buy or offer products and/or services at lower cost. Savings are captured in lower administrative costs, quantity purchasing discounts, and ensured levels of business with vendors and suppliers. You might want to look for opportunities to share administrative costs with other child care businesses in your community.

- ◆ The report *Collective Management of Early Childhood Programs: Approaches That Aim to Maximize Efficiency, Help Improve Quality and Stabilize the Industry* (2003), by Louise Stoney, for the Cornell University Linking Economic Development and Child Care Project, Smart Start National Technical Assistance Center, profiles 17 collective management approaches that are used by child care businesses across the United States. This report is available at www.earlychildhoodfinance.org/handouts/CollectiveManagementfullreport.pdf.

Additional resources related to collective management opportunities are available via the NCCIC Online Library at <http://nccic.acf.hhs.gov/library/index.cfm?do=oll.search>.

Family Child Care Provider Networks

In some areas, family child care providers join networks that offer training and resources to help reduce the burden of administrative costs. The networks may also offer group benefits such as health and liability insurance. To find a local group, contact the National Association for Family Child Care at 801-269-9338 or visit www.nafcc.org/include/default.asp. Your local CCR&R agency may also have information about family child care provider networks. To locate a CCR&R agency in your area, visit the NCCIC Web site at <http://nccic.acf.hhs.gov/statedata/dirs/display.cfm?title=ccrr>.

Administrative Support through CCR&R Agencies

Child care programs can subcontract administrative services and other “back office” support from CCR&R agencies. These services include human resources management, health insurance, accounting, fundraising, and financial management. Contact your CCR&R agency for more information.

Are there resources for starting and managing a nonprofit child care program?

There are advantages and disadvantages to being either a for-profit or nonprofit child care program. Factors that may be considered when making the decision to become a nonprofit child care provider are the management model, establishment of a board of directors, income distribution, tax implications, funding options, and access to government programs. The following resources have information about for-profit child care and nonprofit child care programs:

- ◆ *Starting a Nonprofit Organization* (2007), by Carter McNamara, Authenticity Consulting, LLC.
www.managementhelp.org/strt_org/strt_np/strt_np.htm
- ◆ *Thinking About Starting a Non-Profit?* (October 2003), by Cecilia Garcia, Connect for Kids.
www.connectforkids.org/node/512
- ◆ *Making the Decision to Become a Nonprofit Child Care Provider or a For-Profit Provider is Not Easy* (April 2002), by Self-Help.
www.self-help.org/business-and-nonprofit-loans/business-and-nonprofit-files/business-nonprofit-technical-assistance-resources/Nonprofit.vs.ForProfit.Childcare.Facilities.doc
- ◆ *How Alike Are Nonprofits and For-Profit Businesses?* (2001), by Robert D. Shriner, published by the Internet Nonprofit Center.
www.idealists.org/if/idealists/en/FAQ/QuestionViewer/default?section=18&item=82
- ◆ *Get Ready, Get Set: What You Need to Know Before Starting a Nonprofit* (2001), by Peter B. Manzo and Alice Espey, published by the Center for Nonprofit Management.
www.cnmsocal.org/images/downloads/startinganonprofit_getreadygetset.pdf

Establishing a Nonprofit Board of Directors

- ◆ *Board of Directors Child Care Resource Book* (2005), by the Child Care Operations Center of Expertise, U.S. General Services Administration.
www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/boardbook_R2E-c-oN_0Z5RDZ-i34K-pR.pdf
- ◆ *Why Boards Don't Work: How They Should Work* (2005), by Roger Neugebauer.
www.childcareexchange.com/library/5000118.pdf

The following national organizations may provide resources and/or training on business management for child care businesses, including sample budgets, sample business plans, and other tools:

BoardSource

877-892-6273

www.boardsource.org

BoardSource is a resource for practical information, tools and best practices, training, and leadership development for board members of nonprofit organizations worldwide.

Family Child Care Clearinghouse Project

www.cwla.org/programs/daycare/clearinghouse.htm

This project of the Child Welfare League of America, funded by the Surdna Foundation, identifies resources that can be used by programs that support family child care providers.

Local Initiatives Support Corporation (LISC)

212-455-9800

www.lisc.org/

LISC resources for child care professionals are available at www.lisc.org/section/goals/education1/child.

Low Income Investment Fund (LIIF)

415-772-9094

www.liifund.org

LIIF resources for child care businesses are available at www.liifund.org/PROGRAMS-NEW/CHILDCARE/ChildCareOverview.htm.

Resources for Child Caring Learning Center

800-423-8309

www.rcclearningcenter.org/

This organization offers online business courses for family child care providers.

U.S. Small Business Administration (SBA)

800-827-5722

www.sba.gov/index.html

www.sba.gov/espanol/ (Spanish)

The SBA provides online training to meet the information needs of prospective and existing small business owners. Information about the training is available at www.sba.gov/services/training/index.html. Information in Spanish is available at www.sba.gov/espanol/Biblioteca_en_Linea/.

Facility Design

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Children and adults are affected by the environment where they spend their day. Careful design of a child care facility may improve the safety, effectiveness, and quality of programming in new facilities or remodeled buildings and outdoor areas. Child care centers and family child care programs may consider different aspects of design that are appropriate for each type of business. Most resources on facility design focus on child care centers; however, some may help family child care business owners adapt their homes to provide a healthy and safe learning environment.

Child Care Centers

If you plan to design or renovate an existing child care facility, you may want to consider:

- ◆ Ensuring the location of the facility is adequate for the type of business you plan to develop;

- ◆ Conducting a feasibility study to make sure all elements of the design are within your budget;
- ◆ Working with an engineer/architect to design the floor plan for the facility;
- ◆ Establishing the key features for indoor and outdoor areas that are appropriate for a healthy and safe learning environment; and
- ◆ Acquiring the appropriate equipment and materials for your business.

The following resources have information about child care center design guidelines:

- ◆ *Developing Early Childhood Facilities, Volume 1* (August 2006), by the Local Initiatives Support Corporation.
www.lisc.org/content/publications/detail/3518
- ◆ *Designing Early Childhood Facilities, Volume 2* (August 2006), by the Local Initiatives Support Corporation.
www.lisc.org/content/publications/detail/3520
- ◆ *Equipping and Furnishing Early Childhood Facilities* (June 2005), by the Local Initiatives Support Corporation.
www.lisc.org/content/publications/detail/813
- ◆ *Child Care Center Design Guide* (July 2003), by the U.S. General Services Administration.
www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/Design%20Guide_R2FD38_OZ5RDZ-i34K-pR.pdf

Family Child Care Homes

If you plan to run a child care business in your home, several design guidelines may help you prepare your home:

- ◆ Define the areas in your home that will be used for your child care business;
- ◆ Place all breakable items out of the reach of the children in your care;
- ◆ Make sure all indoor and outdoor areas are safely child-proofed;
- ◆ Establish a good system to display and store the toys and supplies; and
- ◆ Check the toys, supplies, furniture, and outdoor equipment regularly to reduce the risk of exposure to hazardous materials.



The following resources have child care home design guidelines:

- ◆ *Child Care Home: Preparing Your Home* (1993), National Network for Child Care. www.ncc.org/Business/cch.preparing.html

- ◆ *Setting Up Your Day Care Home* (1991), National Network for Child Care.
www.nccc.org/Curriculum/setting.up.home.html

What should I consider when designing a play area?

If you plan to design a play area or use an existing playground, you may want to ensure the following:

- ◆ Equipment is designed for safety and in good condition;
- ◆ Equipment is age-appropriate, with separate sections for infants, toddlers, preschoolers, and school-age children;
- ◆ Equipment is accessible to all children, regardless of their ability level;
- ◆ Playground surfaces have materials that cushion falls from playground equipment; and
- ◆ Playground arrangements allow for visual supervision of all equipment.

The following resources feature information about designing play areas:

- ◆ *Playground Design and Equipment* (Updated June 2008), Whole Building Design Guide.
www.wbdg.org/resources/playground.php
- ◆ *Creating Playgrounds for Early Childhood Facilities* (July 2005), Community Investment Collaborative for Kids Resource Guide, Vol. 4.
www.lisc.org/content/publications/detail/814
- ◆ *Guide to ADA Accessibility: Guidelines for Play Areas* (May 2001), U.S. Access Board.
www.access-board.gov/play/guide/guide.pdf

The following organizations provide additional information about designing play areas:

Child Care Information Exchange (CCIE)

800-221-2864

www.ccie.com

CCIE is a publishing company that focuses on the needs of child care center administrators. It has produced several books and articles on child care center environment and design.

Enterprise Foundation

410-964-1230

www.enterprisecommunity.org/

This organization provides a number of resources for child care professionals on developing and running a business. A list of free publications is available at www.practitionerresources.org/documents.html?c=234.

National Association for the Education of Young Children (NAEYC)

800-424-2460

www.naeyc.org

NAEYC produces several publications that offer background information and details on resources for early childhood facilities planning and design.

National Children's Facilities Network

www.ncfn.org/

The network's information on children's facilities includes design and development. Resources on facility design are available at www.ncfn.org/cqf.htm.

Financial Assistance

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Financial resources to support child care businesses are limited. However, in many States, multiple sources of small grants and low-interest loans are available to providers under certain conditions. The CCR&R agency near you might have information about the main sources of funding in your State and/or local area. To locate a CCR&R agency in your area, visit the NCCIC Web site at <http://nccic.acf.hhs.gov/statedata/dirs/display.cfm?title=ccrr>.

Are there government grants for child care businesses?

The State child care agency responsible for subsidizing child care for low-income families may have funds to help increase the availability of quality child care. These funds may include loans or grants to open or expand a child care business or to replace old equipment to make your home or center safer for children. To learn more, contact the State or local agency that administers the child care assistance program. To learn how to locate the child care office in your State, visit the NCCIC Web site at <http://nccic.acf.hhs.gov/statedata/dirs/display.cfm?title=ccdf>.

U.S. Small Business Administration (SBA)

800-827-5722

www.sba.gov/services/financialassistance/index.html

The SBA may provide financial assistance, including grants and loans, for small businesses. Contact the SBA at or visit.

Rural Housing Service (RHS), U.S. Department of Agriculture

800-414-1226

www.rurdev.usda.gov/rhs/Admin/contact.htm

In some States and local areas, the Community Facilities Program, administered by RHS, may offer financial support to expand the availability of community facilities (such as child care facilities) for public use in rural areas.

Community Development Block Grant (CDBG), U.S. Department of Housing and Urban Development

The CDBG program provides States with annual grants to help expand affordable housing and economic opportunities and/or improve community facilities and services such as child care programs. In some States, grantees may use the funding to provide grants for persons starting or operating a child care business. Contact information for State and local CDBG grantees is available at www.hud.gov/offices/cpd/communitydevelopment/programs/contacts/.

Tribal Child Care and Development Fund (CCDF)

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 allowed Tribes to use CCDF funds for construction or renovation of child care facilities. A Tribe must first request and receive approval from the Administration for Children and Families before using

CCDF funds for construction or major renovation. For more information, visit <http://nccic.acf.hhs.gov/tribal/construction/tribintro.html>.

Are there tax credits for child care businesses?

Some States provide tax credits for small businesses. A few States have specific tax credits for child care businesses. Your State revenue and tax department may have information about this. Links to State revenue and tax departments are available on the Federation of Tax Administrators Web site at www.taxadmin.org/fta/link/default.html.

How do I learn about private funds that support child care businesses?

Several national, State, and local private organizations offer funding for child care businesses. The National Children's Facilities Network (NCFN) is a coalition of nonprofit financial and technical assistance organizations involved in planning, developing, and financing facilities for low-income child care and Head Start programs. The Financing Facilities section of the NCFN Web site at www.ncfn.org/ff.htm provides a list of national and State organizations that offer grants and loans for child care facilities. Additional information about NCFN is available at www.ncfn.org.

Are there any compilations of resources or publications with information on financing strategies for child care businesses?

The following resources have information about financing approaches for child care businesses:

- ◆ *Fundraising, Grants, and Grant Writing* (Updated November 2008), compiled by NCCIC. <http://nccic.acf.hhs.gov/poptopics/fundraising.html>
- ◆ *Fundraising for Board Members: How to Capture Every Dollar* (February 2006), an Experts Online Webcast Series, featuring Christian Miller, Virginia Tranchik, Terri Mueller, and Diane Patrick, presented by the Local Initiatives Support Corporation. www.lisc.org/docs/experts/2006/eo_02_22_2006.pdf
- ◆ *Financing Family Child Care* (2004), by the Enterprise Foundation. www.practitionerresources.org/cache/documents/197/19701.pdf
- ◆ *Finding Funding: A Guide to Federal Sources for Out-of-School Time and Community School Initiatives* (Updated January 2003), by The Finance Project. <http://76.12.61.196/publications/FundingGuide2003.pdf>

Essential Health and Safety Standards

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While there are no Federal regulations for child care businesses, the Maternal and Child Health Bureau of the U.S. Department of Health and Human Services established the National Resource Center for Health and Safety in Child Care and Early Education (NRC) to provide a national hub for information, training, and technical assistance on child care health and safety.

The NRC supports State health and licensing agencies, child care providers, health care professionals, parents, and child advocates in promoting health and safety in child care settings. The NRC, in partnership with the American Academy of Pediatrics and American Public Health Association, has established more than 650 standards on health and safety issues for child care programs. The standards include rationales based on research and comments on their importance to the healthy development of children. These standards are outlined in the following publications:

- ◆ *Stepping Stones to Using Caring for Our Children, 2nd Edition (2003)*, at <http://nrc.uchsc.edu/STEPPING/index.htm>. You may also order a print copy of this publication in English or Spanish by calling 800-591-2884.
- ◆ *Caring for Our Children: National Health and Safety Performance Standards Guidelines for Out-of-Home Child Care Programs, 2nd Edition (2002)*, at <http://nrc.uchsc.edu/CFOC/index.html>. You may also order a print copy of this report from the American Academy of Pediatrics at 888-227-1770 or the American Public Health Association at 888-320-2742.

Child Welfare League of America (CWLA) has developed several resources with information about the quality of child care. CWLA's Child Care and Development Program published the following quality standards:

- ◆ *Standards of Excellence for Child Care, Development, and Education Services (revised 2007)*, at www.cwla.org/programs/standards/cwsstandardschilddaycare.htm.

Do all child care businesses need to develop an emergency preparedness plan?

Preparing for a disaster that occurs while you are caring for children may be an important part of being a child care professional. All child care business owners may want to have a plan that includes emergency contact information for the child's family and procedures for evacuating or protecting the safety of the children in care. Establishing a plan for major disasters, such as an earthquake, hurricane, or terrorist attack, may be extremely important. But providers may also want to plan for small-scale emergencies that may threaten the safety of children in their care, including fires in nearby buildings, accidents with chemical spills, and electrical blackouts.

Information about emergency preparedness for child care professionals is available in the Child Care Resources for Disasters and Emergencies section of the NCCIC Web site at <http://nccic.acf.hhs.gov/emergency/index.cfm>. A list of selected resources on disaster preparedness is available at http://nccic.acf.hhs.gov/emergency/user_provider.cfm.

The National Association of Child Care Resource and Referral Agencies (NACCRRRA) offers several resources with information about emergency preparedness to help CCR&R agencies, child care providers, and parents plan for and establish procedures to ensure the safety of children in child care settings. NACCRRRA resources on disaster preparedness are available at www.naccrra.org/disaster/.

Your local CCR&R agency may also have information about emergency preparedness. To locate a CCR&R agency in your area, visit <http://nccic.acf.hhs.gov/statedata/dirs/display.cfm?title=ccrr>.

Are there resources to help child care business owners learn about healthy eating and physical activities for children?

A child care professional's job includes ensuring that children have access to nourishing food that is clean and safe and that children engage in physical activities that are developmentally appropriate.

The following resources provide information about food safety, nutrition, and physical activities:

- ◆ **Team Nutrition**, of the U.S. Department of Agriculture, provides information for child care professionals on nutrition and food safety, including recipes, resources, and preparing nutritious/healthy meals.
http://healthymeals.nal.usda.gov/nal_display/index.php?tax_level=1&info_center=14&ax_subject=264
- ◆ **Fit Source**, a Web directory for providers, offers links to a variety of physical activity and nutrition resources, searchable by topic and age group of children.
<http://nccic.acf.hhs.gov/fitsource/>. Information in Spanish is available at <http://nccic.acf.hhs.gov/fitsource/fitsource.cfm?search=Spanish%20Resources&subSearch=Spanish%20Resources>.

The following organizations provide additional information about food safety, nutrition, and physical activities:

Food and Nutrition Services

U.S. Department of Agriculture
www.fns.usda.gov/fns/default.htm

National Resource Center for Health and Safety in Child Care and Early Education

University of Colorado Health Services Center at Fitzsimons
800-598-KIDS
<http://nrc.uchsc.edu>

Nutrition and Physical Activity Self Assessment for Child Care

Center for Health Promotion and Disease Prevention
University of North Carolina, Chapel Hill
919-966-3927
www.napsacc.org/

Policies and Procedures for Business Protection and Success

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In the business of child care, the primary client is the parent. As a standard practice, child care business owners may want to establish a contract of caregiving with the parents of the children in care. A contract may help ensure the experience is positive for all involved; it is the responsibility of a business owner to develop policies and procedures that give the clients direction about enrollment, hours, payments, activities, and services.

In addition to contracts with parents, child care center owners may also want to consider contractual agreements with the employees hired/contracted to work for the business.



The following resources for child care centers and family child care homes address contracts, policies, and procedures:

Child Care Centers

- ◆ *Understanding Child Care Contracts and Rules* (2009), by the University of Minnesota Extension Service.
www.extension.umn.edu/distribution/familydevelopment/00161.html
- ◆ *Parent-Provider Contracts and Policies* (1993), by the National Network for Child Care (NNCC).
www.nncc.org/Business/p.contracts.policies.html
- ◆ *Contracts With Parents* (March 1992), by NNCC.
www.nncc.org/Families/fdc14_contracts_parents.html

Family Child Care Homes

- ◆ *Contracts and Policies*, a section of the Redleaf National Institute Web site.
www.resourcesforchildcaring.org/index.cfm?page=Contracts%20and%20Policies
- ◆ *Child Care Home: Partnerships and Policies* (December 1996), by NNCC.
www.nncc.org/Business/cch.partnership.html

The following organizations provide additional information about policies, procedures, and contracts:

Child Care Law Center (CCLC)

415-394-7144

www.childcarelaw.org

CCLC offers a series of resources on a wide range of legal issues related to child care businesses, including contract and policy information for child care centers and family child care homes. CCLC also offers an information and referral line at 415-394-7144 to help answer legal questions related to child care.

National Network for Child Care (NNCC)

www.nncc.org/

NNCC offers child care business management publications and resources, including sample contracts and forms and informational brochures.

Redleaf National Institute

651-641-0305

www.resourcesforchildcaring.org/index.cfm

The institute provides resources for family child care providers on business management, including contracts and policies.

Health Insurance Benefits for Early Childhood Care Providers

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Health benefits for caregivers and their families are part of a comprehensive benefits package, which may also include paid vacation days and holidays, dental care, and/or a retirement plan. The licensing agency or local CCR&R agency in your community might have a list of State and local organizations that provide support for child care businesses to obtain insurance coverage.

The following organizations provide information about health insurance benefits for child care professionals:

National Association for the Self-Employed (NASE)

800-232-6273

www.nase.org/Home.aspx

NASE is a resource for the self-employed and micro-businesses (up to 10 employees), providing a broad range of benefits and support to help the smallest businesses succeed.

Association for Childhood Education International (ACEI)

301-570-2111

800-423-3563

www.acei.org/

ACEI offers members a discount on many insurance programs. Information on personal, life, and health/accident insurance programs offered to ACEI members is available at www.udel.edu/bateman/acei/insuranc.htm. Additional information is available on the Forrest T. Jones & Company, Inc. Web site at www.ftj.com/. You may also call 800-265-9366.



National Association of Child Care Professionals (NACCP)

800-537-1118

www.naccp.org/

NACCP is a membership organization for child care service owners, directors, and administrators. Limited health, term life, and dental coverage for members and member employees are available at affordable rates. Information is available at www.naccp.org/displaycommon.cfm?an=14. For more information, call the Alford Company at 877-622-2705.

National Association for the Education of Young Children (NAEYC)

202-232-8777

800-424-2460

www.naeyc.org

NAEYC offers group insurance discounts to members. Major medical, short-term medical, hospitalization, and disability income insurance are available. For more information, contact NAEYC at 800-424-2460 or its insurance provider, Forrest T. Jones & Company, Inc. at 800-821-7303, or at www.ftj.com/.

State Information About How to Start a Child Care Business

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Several State public and private organizations have resources to help potential business owners with the process of starting and operating a child care business. The following State Web sites offer information about start up. These examples do not include all States' efforts, but represent a range of approaches and resources that can be useful for business owners anywhere in the country.

Alaska

Child Care Program Office

www.hss.state.ak.us/dpa/programs/ccare/providers.html

Arizona

Association for Supportive Child Care

www.asccaz.org/provider.html

California

Building Child Care Project

www.buildingchildcare.org/

Texas

Department of Family and Protective Services

www.dfps.state.tx.us/Child_Care/About_Child_Care_Licensing/start.asp

Washington

Child Care Resource & Referral Network

www.childcarenet.org/providers/

West Virginia

Department of Health and Human Resources, Bureau for Children and Families

www.wvdhhr.org/bcf/ece/earlycare/startcenter.asp

Wisconsin

Child Care Information Center

www.dpi.state.wi.us/ccic/ccicrgdc.html