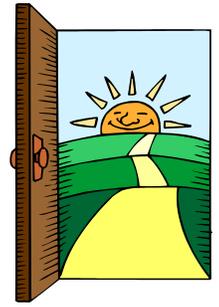


A Small Business - - Family Child Care



This material introduces some important topics that every child care provider should know in order to run a successful business.

Getting Started

1. *Find out what the child care regulations are for your area, and follow them.* Solano County must contact Department of Social Services/Community Care Licensing at (707) 588-5026. The regulations that you must follow are entitled Title 22, covering several chapters for FCC Homes – see www.cclcd.ca.gov. DSS/CCL governs health and safety issues and the basic standards. They regulate how many children you can care for, and more. If you do not follow these regulations, you could be held liable for any injuries to the children in your care, you will be cited, and have your reputation tarnished. There are benefits to taking part in Solano Family & Children’s Services activities and joining their food program. You will also find it beneficial to serve all children, including those receiving Subsidized vouchers. Having your name on the Resource & Referral program is not automatic, so be sure to contact us when you get your license.
2. *Solano County has a family child care association entitled Solano County Licensed Family Child Care Association, which is governed by California Association for Family Child Care.* It is operated locally by providers and for providers, and may offer training, networking and more. Solano Napa Association for the Education of Young Children is an organization for anyone working with children 0 – 8 and governed by NAEYC.



Promoting Your Business

Marketing is much more than passing out paper flyers and business cards. If you offer a safe high quality program you may have friends and family that will share your business information, but as providers face others in the field that have become more creative in the marketing aspect, you will have to work very hard to get your business off to a good start. A good marketing strategy continually promotes your program to parents who might use your services.

Start by making a list of the benefits of your program. *Benefits* are the things about your program that make a difference to the parent or the child, such as child-centered curriculum with planned learning activities; an enclosed yard for safe, fun outdoor activities; individual care and attention to help children learn quickly; an energetic provider who supports families; accreditation by the National Association for Family Child Care; or educational background.

Ask those that know you best to tell you why they might choose you over someone else who offers similar services. For example: What are the characteristics about YOU that make you a great candidate to care for another person’s child? Add these characteristics to the list of benefits, and perhaps even make a letter describing your benefits, education, and characteristics of you and your program. Place this letter at the top of your child care contract, or on your web page under “who is the owner/operator? When considering BENEFITS, choose three or four benefits that you will tell families about over the phone when they call. You may only have 2 minutes over the phone to express your business knowledge and plan, so this is something that will require practice in front of the mirror and with a “guinea pig”...that same friend that helped you with your characteristics may be a good candidate to help with this!



- Create a positive, professional message on your telephone. Identify your-self and your business. Indicate that you can't answer the phone because you are with the children. Families are NOT impressed by someone that has several businesses mentioned in their voicemail. They want to know that your primary goal is to serve them and their child.
- Teach other family members how to answer the phone and take a message.
- When a perspective client calls, identify yourself FIRST – Then ask: “How did you hear about my childcare home?” Offer a “*Finders Fee*” to anyone who refers a family to your business and actually uses your service for a specific amount of time.
- Stress the benefits of your program and fill out the family inquiry, noting any information that they may have given you about their needs (this is called the screening process). Emphasize health/safety aspects of your program, along with any advantages.
- Don't try to offer the cheapest care or get into the habit of quoting rates over the phone. Describe how the care is affordable within the rates in your area. Discuss how rates are set once the care needs are determined.
- Set up a time for the family to come for an interview. This means, you are interviewing them, and considering if it is a “good match”. This doesn't mean that you have ...sealed the deal. Note: Making quick decisions can be detrimental to your business and to the family. Remember, you want a happy family, so take your time and consider many factors prior to accepting the family.
- Prior to the first interview, do a run through with that friend. Tell them to give you an appraisal of the homes odor, the environment - inside and out, how it feels, professional touches, etc. Practice what you will say, including the difficult topic of RATES.
- Keep your home clean and uncluttered. Mow the lawn, clean the front windows, and plant flowers. Create a welcome feeling in the foyer or entry by putting children's items at a child's level. Eliminate bad odors. Post credentials, and an activity schedule on a Family Bulletin board. Create a portfolio.
- When interviewing a prospective client, offer written materials describing the benefits of your program. Give the family a tour of your home. Point out things that make it a safe, fun, and a creative place for children to learn. Introduce your own family members by showing a photo of who they may see that lives with you and has been cleared by licensing.
- Keep track of the children after they leave your care. Contact them with notes and possible holiday greetings. Post any letters or photos you receive (with permission) on your bulletin board or in your portfolio. Staying connected makes you more marketable.
- Register a fictitious business name with the county clerk's office. This can all be done online for a fee!
- Offer discounts, such as ‘third week free’, or 50% off the 2nd week. Make a coupon book that you may offer to families... Pay monthly, prior to service, and receive “lasagna dinner to for 4” on the 3rd Thursday of the month. Think about it, everyone loves free stuff, and how difficult is it to prepare an extra pan of lasagna? Everybody wins. The family knows they will have home cooked food one day a month, and you receive payment 1 month in advance.
- Distribute flyers at your business community grocery stores, Laundromats, elementary school, hospitals, real estate agencies, pediatrician's offices, and other work places.
- Never stop attending workshops at SFCS. Attend conferences and other educational events at the local college, small business center, chamber of commerce (join the chamber), and more.
- Attend family events, including elementary school carnivals, fall festivals, spring egg hunts, and more; where you can distribute cards, or even offer a craft table displaying your business material.
- Set up a 12 month Marketing Calendar. Every month will offer some form of marketing, whether it is free, or costly. You must saturate the business with your business in order for families to hear, and read your name.



Developing Contracts and Policies

As a family child care provider, you get to be your own boss. You set the rules for your business. You must establish clear rules and communicate effectively by using a WRITTEN contract.

1. *Set rules and policies.* You are not required to provide care for every family that approaches you, and you can and should work with families who will follow your rules. Question parents carefully at an interview about what they want. Trust your instincts about whether the family is a good fit for your program. If you enroll a family and then end the relationship after six months, that is not good for the children. Don't admit any children beyond the number you feel comfort-able with. Many providers set up a two-week trial period when the care begins. This allows either party to walk away without a penalty.

Use a written contract to describe your financial payment obligations, hours of care, and any other financially binding information. See the contract components for a list of topics to be included in you're your contract.

Use written policies that are separate from your contract to spell out the rules in your program. Don't adopt a policy unless you are willing to enforce it. See suggested policies.

Consider including two key rules: Parents will pay for the care in advance; and parents must give two weeks notice before leaving your program. Let's say the parent normally pays you on Friday. If so, ask to be paid a little extra each Friday until you have one full week of payment in advance. If the parent receives government help and is paying a co-payment, require that the co-payment be paid up front. Require parents to pay you up front for the final two weeks that you will provide services, whenever that time comes. If parents can't afford to pay it all at once, have the family pay you in installments. If you participate in a subsidy program, their rules may prevent you from adopting this policy.

2. *Communicate the rules to the parents.* Review each term in your contract and policies with the parents at least yearly to make sure everyone understands them. Use a bulletin board, a parent newsletter, daily notes to parents, e-mails, and regular parent meetings to communicate the rules about your business.

Take notes if there is a conflict with a parent or a problem concerning the care of their child. If you have trouble resolving the problem with the parent, seek outside help from local regulators, providers, and other community resources. Don't hesitate to try to negotiate a solution with the parent to solve the problem. You can adopt different policies with different parents.

3. *Enforce the rules.* Any change to your written contract must be put in writing; otherwise it's not enforceable. You can have the parents sign a note that you attach to your current contract. Or you can rewrite your contract and have the parents sign it again. It is up to you to set the limits of what parents and children can do in your program.

To enforce your rules you must establish consequences if they are not followed. The consequences can include additional fees or the ending of care. You can charge a late fee if the parent doesn't pick up her child on time. If the parent fails to bring an extra set of clothes, you can buy the clothes and bill the parent. You can end the contract with a parent who does not follow your rules.

➡ Attend the Business of Family Child Care, a two part, free course at Solano Family & Children's Services (SFCS). This course is offered on a quarterly basis.

Business Recordkeeping

- Attend a Financial Management course at SFCS, and go to classes held at your bank, or Solano Small Business Development Center. Consult a trusted financial advisor, tax preparer or other financial guides to assist you in making long term goals, saving for annual taxes, and more.
- Track business mileage and get in the habit of tracking all mileage, as this may be in question, if you are audited.
- If you hire an assistant they are legally an employee...not contracted or self-employed. YOU MUST withhold federal and state payroll taxes. Too many providers have been fined thousands of dollars for skipping this vital requirement! Don't think that your employee will continue to accept "payment under the table". The moment they become angry with you, they will call the Fair Labor Board, and the legal issues will all be on your shoulders.
- Check out the Recordkeeping requirements at www.cclid.ca.gov, and also refer to the Document attached to provider forms, on our website. Family Child Care Providers are Required to post items, retain a facility file, files for each child and staff/assistant files.



Tools to help you PLAN for the Future

Learning to manage your money is vital. Planning ahead will make a difference.

- Educate yourself about money. Again, attend local classes through the senior center, local college, or small business center.
- Planning for retirement is a long-term goal. Before making long-term goals, make sure you have a plan to meet your short-term goals (one to five years). Short-term goals would be buying a car, making a down payment on a house, and so on. Also, plan how you will pay for your own children's college education. Figure out how much you will need to retire, and make that your goal. Here are two Web sites that will help you estimate this: www.financialengines.com; www.quicken.com. *Note: We do not recommend one program over any other, or suggest that these are the only options, but simply share what other providers have stated were helpful to their success.*

Saving money and planning for retirement is not simple. But you can educate yourself about finances. Doing this will give you more control over your future.

