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## Basic Guide for Starting a Licensed Family Childcare Business in Your Home

This guide is intended to be used in conjunction with one-on-one mentorship with a seasoned licensed family childcare provider, who will provide more resources and helpful tools, or, if reading on one's own, as a quick guide. There are also several resources and helpful hints available on the Internet and through your local library.

Family childcare is a rewarding career. You have the luxury of running your own business without ever leaving home. It is emotionally rewarding when children respond to you by showing how excited they are to see you, or are disappointed when parents come to retrieve them at the end of the shift. It is also financially rewarding, as the need for family childcare is very high, especially in rural areas.

Our definition of a successful licensed family childcare provider is to help you receive the most benefits awarded in this career. Along with financial benefits, it is rewarding to nurture young children. Your successful interaction with them will grow your reputation among your community as a quality caregiver.

### So, let's get started...

We will be covering basic topics of licensing, drafting a policy, contracts, environment, how much to charge and what makes you a standout from other programs or childcare programs.

**Licensing** ~ The first step is to request a licensing packet from the Department of Human Services from the county where you live. You can find that online or by calling the government section from your local phone directory. Once you reach the licensor for family childcare, you request a packet. Once you receive it, go through carefully and fill out the information and send it back to the licensor as quickly as possible to get the process going. The licensor will then contact you with more information on orientation, fees, and other items. Be sure to save all receipts as these are tax-deductible business expenses AND many Child and Adult Care Food Program Sponsors may be able to reimburse you for these expenses up to \$300 if you are income eligible.

**Policies & Contracts** ~ The following paragraphs (Childcare Policies & Procedures and Childcare Contracts) are excerpts from Childcare Aware:

### Childcare Policies & Procedures

There are a number of topics that may be covered in a childcare program's policies and procedures. Some things that you should include:

- **Open door policy:** Parents should be allowed to visit you any time care is offered. This includes unannounced drop in visits by parents.
- **Program hours of operation**
- **Drop-off and pick-up policies:** who can pick up the child from your home and how is it monitored. It also may include information about fees for late pick-ups.
- **Holidays, inclement weather procedures, emergency closings, etc.:** Create your closing policies for holidays, vacations or for inclement weather that may be common to your area. It's also important to know how you will notify parents for unplanned closures as they occur.

- **Sick child policies:** What will your policy be when a child is sick. This may be outlined in the licensing packet, but parents need to know what happens if their child develops a fever or is vomiting.
- **Fees and payment arrangements:** Parents need to know how much to pay you when their child is there, or if you have fees to hold their slot if their child doesn't attend several days in a row.
- **Forms required for enrollment:** These may include registration forms, emergency contact information, permission for field trips, physicals, etc.
- **Disenrollment/Termination procedures**
- **Daily schedule:** You don't have to have a set schedule, but it is helpful to let parents know what your day looks like. Things like nap times, meals and snacks, outdoor play, circle time and free play are typically included in the daily schedule.
- **Curriculum:** A provider may follow a specific learning/teaching philosophy or curriculum. Parents love to know that their child is learning something every day.
- **Communication:** Do you text parents? Do you have conferences periodically? Pick up and drop off times are hard times to communicate, yet doing it in person, face to face is a great way to be on the same team with the parents regarding concerns you might have about the child's development and progress. To learn more about monitoring your child's development, [see resources from the Centers for Disease Control and Prevention \(CDC\) here.](#)
- **Alternate Care/Substitutes:** What is the policy for substitutes or alternate care when you are not able to be there?
- **Discipline and guidance:** Policies should be listed that encourage positive guidance. This means that the guidance is fitting for the child's development. It is also geared towards teaching appropriate behaviors rather than punishing bad behavior.
- **Food and nutrition:** Licensed providers really should participate in the Child and Adult Care Food Program (CACFP). This program specifies which food groups must be served for each meal/snack and limits the amount of sweets that can be served. It is mandated in state law that a provider must follow the USDA meal pattern guidelines.
- **Allergies:** Make sure you ask about allergies a child may have and what special care needs to be taken.
- **Required immunizations**
- **Medication administration:** Providers should have written policies about how and when they give any medication. This should include the steps that they will take to ensure that medication is given correctly.
- **Parent involvement:** What kind of involvement do you want your parents to have? Parent involvement can build a better relationship and supports a child's learning and growth.
- **Emergency preparedness plans:** Emergencies such as a natural disaster may cause childcare programs to close down for a period of time. An emergency closure can take place during the time children are in care. Share this in your policies with parents.
- **Fire drills:** Show parents your practices for regular fire drills. These drills are necessary to be sure that you and the children know how to safely get out in case of a fire.
- **Transportation policies:** If you are approved for transporting children, share those policies with parents.
- **Field trips:** See above.
- **Safe sleep practices:** Parents will be re-assured that you are following the safe sleep practices prescribed by Minnesota Department of Human Services. This is also a good place to discuss with parents how you handle a fussy baby when you have other children in care. To learn the latest information about safe sleep environments, [see these resources from the American Academy of Pediatrics.](#)

- **Breastfeeding support:** Include policies on supporting breastfeeding. The CACFP supports mothers breastfeeding on site and claiming the meals/snacks for reimbursement. If that is an option, remember to include it in policies. [see information from the Centers for Disease Control and Prevention \(CDC\) here.](#)
- **TRAINING!** As a licensed family childcare provider, you are required to receive training prior to licensing and annually to keep your licensed current. Let parents know that you are a professional who receives ongoing accountable learning for best practices in offering care to their children.

## **Childcare Contracts**

A contract provides details that are important to the partnership between parents and the childcare provider. Contracts, just like written policies and procedures, can help prevent many misunderstandings. Some items you find in a childcare contract may also be included in the childcare provider's policies and procedures.

Here are some things that you can expect to see in your childcare contract:

- **Costs:** Your rate, frequency of payment (weekly, monthly, bi-weekly, etc.), and any additional required fees should be specified
- When payment is due and acceptable forms of payment
- Late fees
- Hours of operation
- Days the program may be closed, and whether or not payment is required for those days
- **Termination policy:** You should agree on how much notice is required if you or the provider should choose to terminate your childcare agreement.
- Parent and provider signatures

**Environment** ~ Working with your space. One of the most challenging parts of providing in home childcare is managing personal family space with flexibility of a comfortable play and learning areas for your business. There are many ideas on the Internet, but here are a few suggestions:

- At the most used entrance/exit door place a bulletin board with upcoming information, notes, events, etc (post a child's upcoming birthday). This will help with the communication piece.
- Create cubicles for the child's boots, jackets, etc. If you make things to send home during the day, that can go into the cubicle and each child learns where their things are and can put away in the morning or retrieve at end of the day.
- If possible, a child sized table and chairs are more comfortable for children doing crafts or eating meals. With adult sized tables and chairs, a child can't place their feet on a solid surface. It is amazing how much more comfortable it is to sit with feet firmly on the floor. So, consider eat/craft space when planning your childcare.
- Frustrations can arise when older children are involved in play and the younger ones tend to ingratiate themselves into the activity. They may not always be welcome and a 1-1/2 year old doesn't understand why he/she can't have everything the 4 year old is playing with. Separating space that older children can play in and keeping out toddlers might be very easily accomplished by moving some large furniture around that the four year olds can penetrate, but too high for the one-year olds. It is amazing how something so simple can ease lots of tension among the group.
- Equipment. As stated in the Rule, providers must have equipment in adequate amounts for the number and ages of children in care. Equipment may be new, used, commercial, or homemade, as long as it is safe and in good condition. Your licenser will give you a list of what is recommended per age of the child, but investing in equipment is a great way to make your home a fun, rewarding experience for the children in your care.

**What to Charge** ~ The local Childcare Aware can give you an idea of the rates for care in your area.

**Child and Adult Care Food Program** ~ Once you are licensed, you are entitled to participate in the Child And Adult Care Food Program. This program is not open to legal unlicensed providers and it is an essential revenue generator and best business practice as it helps with record keeping that all business owners must have in order to successfully operate their program. There are four sponsors of the Child and Adult Care Food Program in Minnesota. It is very beneficial for a provider to interview all of the programs in your area to make sure you are choosing the best program for your needs. Each sponsor offers their own unique style of communicating regulations with you.

**Why should you join the CACFP?** ~ From Sharon Rasmussen, Executive Director, CCNI

- The reimbursement! You will receive a monthly income that helps purchase foods for the children in your care. I was a licensed provider who did not have access to the program back in the 1970's. I couldn't believe it when I heard the government actually cared enough about my small business to help me financially when it finally came available in my remote area in late 1979. I was thrilled to receive whatever help I could. At the dinner table, any milk that my 3 year olds might spill (no sippy cups in the 70's) was no longer a stressing point for me when I knew I would be reimbursed for it.
- There is paperwork involved, but that is true of ANY independent business person. From farmers to corporations all businesses need to be accountable for their income and expenses. So even without the program, you still need the records to claim the food expense on your taxes. IRS auditors understand this program because it deals with actual meals you serve the children and the IRS set up the guidelines allowing you to take the deduction based on tracking the meals. So, as long as you need to keep records you might as well turn them in for reimbursement and get paid for the time it takes to track those expenses.
- Parents like the fact that you care enough about their child to feed them the meals according to standards set by USDA. Not only are many of our providers proud of the great variety of meals they serve, they have used it as a selling point to recruit families for years.
- Free Develop approved training and resources given all the time. Through our newsletters with recipes, to our workshops with great information, and free recordkeeping calendars to name a few of the things we offer.
- Online claiming program. If you love computers, we make the paperwork disappear almost completely when you use Minute Menu's KidKare program for claiming meals and snacks free of charge. For an additional minimal fee there is also a comprehensive recordkeeping portion of KidKare, which will help you with all your billing and other expenses besides food. Excel generated forms are also available when sponsored by CCNI.

**Business Practice** ~ With your policies, contracts, food program recordkeeping, you have your business plan almost ready to go. Know or find help with other business related expenses and income and develop an easy plan to track your revenues and expenses through the year. The online program mentioned above is an excellent way to help. If that isn't an option, many providers contract with a Certified Public Accountant or other qualified tax preparer who helps them all year long.

**What do I have to offer? LOTS!** ~ The characteristics you possess will help you start and maintain this rewarding business for several years to come. Below is a quick checklist of the main characteristics that will show you if you are made of the "right stuff".

- Is fond of children
- Relates easily and spontaneously to others
- Is a patient, confident and caring individual
- Is a positive, happy individual

- Is dependable and reliable
- Makes friends easily
- Possesses a sense of humor
- Is flexible and adapts well to the requirements of others
- Is compassionate, accepting children's strong emotions such as anger, love and wonder
- Takes initiative in the childcare setting
- Has knowledge in curriculum child growth and development and child guidance
- Keeps abreast of changes in the field by reading, attending conferences, seminars and courses
- Desires continuous learning
- Enjoys challenges and problem solving
- Can juggle several activities at one time
- Feels rewarded by progress even if it is minimal

**Resources and curriculum** ~ CENTER FOR INCLUSIVE CHILDCARE: Our mentors for starting a childcare home/ ongoing support for providers as requested.

**Business related resources** ~ Are there local contacts that could help with some business related items? Local Economic Development Associations, Chambers of Commerce, etc might be helpful in welcoming your business and supporting your endeavors.

**Other providers in your area** ~ Make sure they are using the CACFP as they are already showing themselves as high quality smart resources! They can help with licensing and with questions you might have about the CACFP.