

# Financial Support and Sustainability



## Supporting Your Child Care Business Financially



**Grants:** *money given by a government or other organization to be used for a specific purpose; does not need to be paid back*

- a. Ask your local CCR&R if there are grants for child care programs in your area.
- b. Look for local and state grants on [GrantWatch](#) or [USA Grant Applications](#).

Find a grant writer. You will need someone with the training to present data-driven grant proposals with information on how your business adds value to your community. Ask your local CCR&R if there are ways that they can support you through the grant-writing process.



**Loans and other funding opportunities:** *money borrowed from a bank or other lender to be used for planned or unplanned costs; must be paid back, typically with interest*

- a. Visit the U.S. SBA's web page on [Funding Programs](#) for small businesses.
- b. Talk with a financial expert, bank or credit union about options to fund your small business.

To apply for a loan, you may need a written business plan. Visit [Write your business plan](#) or contact your local CCR&R for guidance and information when writing your business plan.



### Community Development Financial Institutions (CDFIs):

*banks, loan funds, credit unions, and other financial institutions working toward community development*

- a. CDFIs may offer grants, loans, and financial education to small businesses and community-based projects.

Contact a CDFI to learn if they can help you support your business. Search for CDFIs in your area using the [Opportunity Finance Network CDFI Locator](#) or the [U.S. Department of the Treasury CDFI Fund](#).



### Federal and state child care programs: *federally- or state-funded supports for families and child care programs*

- a. Apply to accept state child care subsidy for the care of eligible children.
- b. Check out the Child and Adult Care Food Program (CACFP) which reimburses child care providers a set rate for serving healthy meals and snacks to children in care.
- c. See if your state or local area has a [Quality Rating and Improvement System \(QRIS\)](#). Some states offer financial benefits for participating and receiving high quality ratings.

Find information on these programs by visiting our [State by State Resource Map](#) and clicking on your state.

## Tips for Running a Financially Sustainable Child Care Business

- Open a business bank account to keep your personal and business finances separate.
- Learn about and work toward the principles of the [Iron Triangle of Early Care and Education](#): Reach and maintain full enrollment, collect all fees in full and on time, and ensure that revenues cover cost-per-child.
- Create and carry out a marketing plan. Stick to this plan even when you are open and enrollment is full.
- Consider using a [Child Care Management Software \(CCMS\)](#) to automate time-consuming tasks, like billing and fee collection, attendance, waitlist management, and staff payroll. [Find webinars and information on child care business automation here.](#)
- Work with a tax expert to ensure you know which expenses you can claim on your taxes. (For example, if you use a [CCMS](#) [see above], you should be able to claim the expense for the software on your taxes!)
- Include important fee information in your family handbook. Make sure families read, understand, and sign your tuition and fee agreement. Follow what you put in writing. Include:
  - Tuition amount and when it is due
  - Late fee amounts and when they will be collected
  - Any other fees charged and when they are due
- Consider charging an annual or biannual supply fee. This will help you replace materials as needed.
- Work with a small business financial advisor to create or review your budget.
- Participate in [Shared Services](#) (if available) to reduce costs on needed services and materials for your business.