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

- Ask your local CCR&R if there are grants for child care programs in your area.
- 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

- Visit the U.S. SBA’s web page on Funding Programs for small businesses.
- 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

- 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.