

Resource Guide for Starting and Operating a Child Care Business

Child care can be an exciting and rewarding profession. Child care provides a wonderful opportunity to make a difference in the lives of children and their families. Regardless of a person's individual motivation for entering early care and education, starting and operating a child care business is a personal decision and a business decision.

Like all small business owners, prospective child care providers must take the right steps to ensure their business is profitable and sustainable. Providers must follow federal, state, and local regulations and standards, and they must ensure they have healthy and safe environments for children. In addition to meeting children's basic needs, providers encourage children's development by providing activities that stimulate children's physical, emotional, intellectual, and social growth.

This resource guide presents 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 encompassing. The guide includes additional resources to help you explore child care as a business opportunity. You may need to take additional steps for your specific type of business, depending on your local requirements and regulations.

The information and selected resources in this guide relate to starting and operating a center-based or family child care (FCC) business. The information is divided into the following sections:

- **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 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 best suits your goals and capabilities?
- **Licensing Requirements:** How do you establish a legally operating 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 business?
- **Managing a Successful Business:** What is a business plan and how can it help ensure the ultimate success of your new business?
- **Facility Design:** How can you ensure your child care facility design includes indoor and outdoor spaces that are safe and encourage the development of children in your care?



- **Financial Assistance:** How do you learn about federal, state, or private funding that may be available for your business?
- **Essential Health and Safety Standards:** What health and safety standards for your 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 Providers:** What organizations have information about health benefits for caregivers and their families?
- **State Information about Starting a Child Care Business:** What public and private organizations in states have resources available to help aspiring business owners with the process of starting and operating a business?

Child Care and Your Community

When starting a child care program, you may want your child care business, capabilities, and goals to align so your work is personally rewarding. You also want your business to match the needs of your community, so it is financially viable. As a potential business owner, you want to know 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 Assistance Agency

The state child care assistance agency is responsible for administering and implementing the state child care assistance program funded through the federal Child Care and Development Fund (CCDF). The state child care assistance agency may also be responsible for a variety of quality initiatives that support start-up activities. Contact information for all CCDF Lead Agencies is available on ChildCare.gov's [See State and Territory Resources](#) page and the Office of Child Care's [State and Territory Child Care and Development Fund Administrators](#) page.

Child Care Licensing Agency

In some states, the child care licensing agency and the child care assistance agency are housed in the same department. The [National Database of Child Care Licensing Regulations](#) contains direct links to state child care licensing regulation documents and licensing agency contact information. Users can access, download, and search state child care licensing regulations that apply to child care centers, FCC homes, and other licensed child care programs.

In some states, additional county or municipal licensing requirements may exist that differ from the state regulations. For more information about licensing, see [“Licensing Requirements”](#) in this resource guide.

Child and Adult Care Food Program (CACFP)

State agencies administering child nutrition programs funded by the U.S. Department of Agriculture (USDA) 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 FCC homes. Information about CACFP participation guidelines and program administration is available from USDA’s [Child and Adult Care Food Program](#) page. Information in Spanish is available from the [National CACFP Association](#). Contact information for all state agencies administering the programs is available on USDA’s [Food and Nutrition Service Contacts](#) page.

How Can I Identify Child Care Needs in My Community?

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

An assessment of your specific community will involve looking at the child care needs of the community (demand) and the child care currently available (supply). A close look at the child care market in your community may help you decide whether to open a business and answer the following questions:

- What will families be willing to pay for child care?
- If you hire staff to help with your business, what salary will they expect?

Many community, state, and national resources are available to help you answer these and other questions.

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 the following:

- 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 about child development and early education
- Training opportunities for child care professionals

CCR&R agencies often serve as an entry point for new child care professionals. CCR&R agencies also may help you spread the word about your services to families in your community. Child Care Aware of America offers a [CCR&R Search](#) that provides contact information for all state and local CCR&R agencies.

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. The 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, chambers 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 business. The following national groups may help you connect with key organizations in your community:

Afterschool Alliance

866-KIDS-TODAY

<http://afterschoolalliance.org>

The Afterschool Alliance is dedicated to raising awareness of the importance of afterschool programs and advocating for more afterschool investments. Its website includes information about marketing afterschool programs and finding funding, among other resources.

National AfterSchool Association (NAA)

<http://naaweb.org/>

NAA is a national membership organization representing all public, private, and community-based providers of afterschool programs.

National Association for the Education of Young Children (NAEYC)

800-424-2460

<http://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)

<http://nafcc.org/>

NAFCC is a national membership organization of FCC providers and local and state FCC associations.

National Child Care Association (NCCA)

877-537-6222

<http://www.nccanet.org/>

NCCA is a professional association that represents private, licensed early childhood care and education businesses.

Types of Child Care Businesses

Among the first considerations for prospective child care business owners is deciding which type of business to operate. Keep in mind 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 your goal to run a large child care center with many children of various ages?
- 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 state licensing regulations, legally operated child care businesses generally are included in one of the following categories:

- **Child care centers** are facilities where care is typically provided to children in a nonresidential building with classrooms of children in different age groups. Care is provided for fewer than 24 hours per day. State child care licensing regulations include definitions of the types of child care centers that must meet licensing requirements. The definitions often include a minimum number of children and a minimum number of hours the facility operates to determine whether it must be licensed.



- **FCC homes** are facilities where care typically is provided to children in the provider's residence. FCC 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 FCC homes that must be licensed. The definitions are usually based on the number of children in care. For example, several states require FCC homes to be licensed if the provider cares for at least one unrelated child or the children all from one family. However, many states also allow homes with varying numbers of children to operate without a license. Many states license two types of FCC homes: small homes with a small number of children and usually one care provider, and large or group homes that usually have a larger number of children and a provider and assistant.



Licensing Requirements

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 FCC homes must comply with and policies to support enforcement of the regulations. The 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 following:

- Child-to-staff ratio and maximum group size
- Building and physical premises safety
- Prevention and control of infectious disease
- Qualifications and training

Licensing regulations vary for child care centers and FCC homes. Most states have separate regulations for each type of child care business. In some states, the child care licensing agency and the child care assistance agency are housed in the same department.

Child care consumers and the general public can ask questions about the licensing status of programs. They can also file complaints with their state child care licensing agency about programs’ suspected noncompliance with state regulations. Additional information about health and safety licensing requirements is available under [“Essential Health and Safety Standards”](#) in this resource guide.

Do Licensing Exemptions Exist 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 the following: 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 club programs; programs that operate only part of the day or for a limited number of hours per day or week; and preschool programs operated by public schools or public school systems. Some states also exempt child care centers operated by religious organizations.

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.



What Insurance Requirements Exist for Child Care Businesses?

Liability insurance is a standard consideration for any business. Liability insurance covers the center or FCC 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 an FCC business. If the provider rents the home, the landlord may need to be listed on the FCC business liability policy. Contact an insurance provider for more complete information.

Some states require child care centers and FCC 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. In some states, the child care licensing agency and the child care assistance agency are housed in the same department.

The CCR&R agency in your community may have a list of companies that provide insurance for child care businesses. Child Care Aware of America offers a [CCR&R Search](#) that provides contact information for all state and local CCR&R agencies.

Other Laws and Ordinances

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 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:

- Nonprofit community organizations operating child care programs may be exempt from taxes.
- Owners of child care centers, as employers, must comply with employee tax and benefit regulations.
- FCC businesses must comply with tax regulations for sole business proprietors.

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

The [Small Business and Self-Employed Tax Center](#) of the Internal Revenue Service (IRS) provides information about business startup, recordkeeping, trends, and statistics and provides tax tips for small child care businesses. [Information is available in Spanish.](#)

Key resources from the IRS include the following:

- IRS rule 26 C.F.R. 601.105 is a tax deduction that allows FCC providers to deduct the cost of food provided to eligible children in their care. <http://www.irs.gov/pub/irs-drop/rp-03-22.pdf>

- *Charities & Non-Profits A–Z Site Index* (n.d.) [web page], presents tax information for child care programs. <https://www.irs.gov/charities-non-profits/charities-non-profits-a-z-site-index>
- *Operating a Business* (n.d.) [web page], contains information you need to operate a business with employees, including information about business deductions and tax credits, filing and paying taxes, recordkeeping, and choosing an accounting method. <https://www.irs.gov/businesses/small-businesses-self-employed/operating-a-business>
- *Self-Employed Individuals Tax Center* (n.d.) [web page], answers questions related to being a self-employed individual or independent contractor. <https://www.irs.gov/businesses/small-businesses-self-employed/self-employed-individuals-tax-center>
- *Starting a Business* (n.d.) [web page], provides links to basic federal tax information for those starting a business. <https://www.irs.gov/businesses/small-businesses-self-employed/starting-a-business>

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' [FTA Members](#) page.

Managing a Successful Business

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 developing a business plan and a marketing plan. Prospective child care business owners can also look for opportunities in their community to decrease the administrative costs of running a business through collective management systems. A collective management system involves child care businesses working together to pool resources and share costs.

Do I Need to Develop a Business Plan?

Preparing a business plan should be an important step for those interested in opening a child care business. You may incur many costs as you set up and run your business. A business plan may allow for the operational costs of toys, equipment, paper goods, art supplies, food, home or 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 FCC home. The resources also provide information about recordkeeping, billing practices, working with government programs to maintain a healthy financial status, and personnel management, including finding and keeping qualified staff.

Child Care Centers

- *Opening a Child Care Program* (n.d.) [web page], Child Care Aware of America. <https://www.childcareaware.org/opening-a-child-care-program/>

- *Property Managers Child Care Desk Guide* (2010), Child Care Division, Office of Facilities Management and Services, U.S. General Services Administration.
https://www.gsa.gov/cdnstatic/property_managers_guide_revised_9_2016.pdf

FCC Homes

- *Opening & Running a Family Child Care* (n.d.) [web page], Child Care Aware of America.
<https://www.childcareaware.org/providers/opening-running-family-child-care-home/>

Additional Resources

- *For Businesses: Child Care Is a Small Business with Big Impact* (n.d.) [web page], First Children's Finance.
<https://www.firstchildrensfinance.org/for-businesses/>
- *The Art of Leadership: Promoting Early Childhood Services* (2017), Exchange Press. [This book is available for a fee.] <https://hub.exchangepress.com/shop/promoting-services/>

The following organizations provide additional resources about management for child care businesses:

First Children's Finance

866-562-6801

<http://www.firstchildrensfinance.org>

First Children's Finance promotes children's readiness through the improvement of high-quality and financially viable child care and early education businesses in homes, centers, and schools.

MySBA Learning

<https://learning.sba.gov/>

The U.S. Small Business Administration created a free learning platform for entrepreneurs with in-depth information to help you grow your business.

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. The following web pages provide information about marketing strategies and how to market a child care program:

- *Marketing Your Program* (n.d.) [web page], Child Care Council of Westchester.
<http://www.childcarewestchester.org/services/child-care-professionals/business-of-child-care/marketing-your-program>
- "Market Your Program" (n.d.), on *Opening a Family Child Care Home: Action Steps* [web page], Child Care Aware of America. <https://www.childcareaware.org/providers/opening-running-family-child-care-home/opening-family-child-care-home-action-steps/>

Do Collective Management Opportunities Exist 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 services at a lower cost, which can lead to lower administrative costs and quantity purchasing discounts. You may want to look for opportunities to share administrative costs with other child care businesses in your community.

The CCR&R agency in your community may have a shared services alliance for child care businesses. Child Care Aware of America offers a [CCR&R Search](#) that provides contact information for all state and local CCR&R agencies.

FCC Provider Networks

In some areas, FCC 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 202-796-5700.

Your local CCR&R agency may also have information about FCC provider networks. Child Care Aware of America offers a [CCR&R Search](#) that provides contact information for all state and local CCR&R agencies.

Administrative Support Through CCR&R Agencies

Child care programs can subcontract administrative services and other support from CCR&R agencies. Such services include human resources management, health insurance, accounting, fundraising, and financial management. Contact your local CCR&R agency to see whether it offers these kinds of services.

Are Resources Available on Starting and Managing a Nonprofit Child Care Program?

Advantages and disadvantages exist to being a for-profit or nonprofit child care program. Consider the following factors when deciding whether to become a nonprofit child care provider: your management model, the 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 and nonprofit child care programs:

- “For-Profit or Nonprofit?” (2024) on *Resources* [web page], First Children’s Finance. <https://www.firstchildrensfinance.org/for-businesses/resources/>
- *Thinking of Forming a Nonprofit? What to Consider Before You Begin* (2021), New Jersey Center for Nonprofits. <https://njnonprofits.org/wp-content/uploads/2021/10/ThinkingOfForming.pdf>

The following resources have information about establishing a nonprofit board of directors:

- *Setting Up Your Nonprofit Board of Directors* (2016) [blog post], Greg McRay, Foundation Group. <https://www.501c3.org/setting-up-your-nonprofit/>

- *Staying on Course: The Early Childhood Board's Guide to Success* (2010), Syretha O. Storey, Barbara McCreedy, and Helen Stine. [This book is available for a fee.] <https://hub.exchangepress.com/shop/staying-on-course>

The following organizations provide additional resources about nonprofit child care businesses:

BoardSource

877-892-6273

<http://www.boardsource.org>

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

Local Initiatives Support Corporation (LISC)

212-455-9800

<http://www.lisc.org>

LISC Child Care & Early Learning developed [a series of guides](#) to help providers, partners, and communities navigate the complexities of building high-quality early learning environments.

Low Income Investment Fund (LIIF)

415-772-9094

<http://www.liifund.org>

LIIF has [resources for child care businesses](#).

U.S. Small Business Administration (SBA)

800-827-5722

<http://www.sba.gov>

SBA provides online resources to meet the information needs of prospective and existing small business owners. [Counseling and training for small business owners](#) is also available.

Facility Design

Children and adults are affected by their daily environments. Careful design of child care facilities may improve the safety, effectiveness, and quality of programming in new and remodeled buildings and outdoor areas. Child care centers and FCC 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 FCC 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, consider the following:

- Ensuring the location of the facility is adequate for the type of business you plan to develop
- Determining whether all design elements are within your budget
- Working with an engineer or 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
- Getting the appropriate equipment and materials for your business

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

- *Child Care Center Design Guide* (2003), U.S. General Services Administration. <https://www.gsa.gov/system/files/designguidesmall.pdf>
- *Quality Environments for Children: A Design and Development Guide for Child Care and Early Education Facilities* (n.d.), Tara J. Siegel. https://www.earlychildhoodkern.org/wp-content/uploads/2015/07/LIIF_Quality-Environments-for-Children.pdf

Family Child Care Homes

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

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

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.
- Playground arrangements allow for visual supervision of all equipment.



The following resources have information about designing play areas and issues to consider when designing your program's play area:

- *Playground Design and Equipment* (2017, March 15), Linda Cain Ruth.
<https://www.creativesystems.com/PDFs/industryresources/Playground%20Design%20and%20Equipment%20%20Whole%20Building%20Design%20Guide.pdf>
- *Provisioning the Environment: Supporting High Quality Early Learning* (2019), Beverly Falk.
<http://www.communityplaythings.com/resources/articles/2019/high-quality-early-learning-environments>
- *Public Playground Safety Handbook* (2015), U.S. Consumer Product Safety Commission.
<https://www.cpsc.gov/s3fs-public/325.pdf>
- *A Summary of Accessibility Guidelines for Play Areas* (2007) [web page], U.S. Access Board.
<https://www.access-board.gov/guidelines-and-standards/recreation-facilities/guides/play-areas>

The following organizations provide additional information about designing play areas:

Exchange Press

800-221-2864

<https://hub.exchangepress.com/>

Exchange Press is a publishing company that focuses on the needs of child care center administrators. It has several books and articles about child care center environments and designs.

National Association for the Education of Young Children (NAEYC)

800-424-2460

<http://www.naeyc.org>

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

National Children's Facilities Network

<http://www.ncfn.org>

The network's information about children's facilities includes design and development.

Financial Assistance

Financial resources to support child care businesses are limited. However, in many states, multiple small grants and low-interest loans are available to providers under certain conditions.

The CCR&R agency near you may have information about the main sources of funding in your state or local area. Child Care Aware of America offers a [CCR&R Search](#) that provides contact information for all state and local CCR&R agencies.



Are Government Grants Available for Child Care Businesses?

The state child care agency responsible for subsidizing child care for families with low incomes may have funds to help increase the availability of quality child care. The 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. Contact information for all CCDF Lead Agencies is available from the Office of Child Care's [State and Territory Child Care and Development Fund Administrators](#) page.

The following organizations and resources may provide additional funding sources, including grants or loans:

Community Development Block Grant (CDBG)

U.S. Department of Housing and Urban Development

<http://www.hud.gov>

The CDBG program provides states with annual grants to help expand affordable housing and economic opportunities or improve community facilities and services, such as child care programs. In some states, grantees may use the funding to provide grants for those starting or operating a child care business.

Grants.gov

<http://www.grants.gov>

Grants.gov provides information about grant opportunities available from 26 federal agencies. The site also offers various tools, such as *Find Grant Opportunities* and *Apply for Grants*, to help applicants find potential funding opportunities and simplify the application process. A [frequently asked questions](#) section is available on the "Applicant Resources" section of the site.

Rural Housing Service (RHS)

U.S. Department of Agriculture

800-414-1226

<http://www.rd.usda.gov/contact-us/national-office/rhs>

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.

U.S. Small Business Administration (SBA)

800-827-5722

<http://www.sba.gov>

SBA may provide financial assistance, including grants and loans, for small businesses. For more information, visit SBA's [Funding Programs](#) page, contact SBA, or email SBA's [Answer Desk](#).

Youth.gov

<https://youth.gov>

The Youth.gov website has information about federal resources, including grants, to support children and youth during out-of-school time. The [Finding and Applying for Federal Grants](#) web page provides information about federal funding sources.

Are Tax Credits Available 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 such credits. Links to state revenue and tax departments are available on the [Federation of Tax Administrators website](#).

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 child care for families with low incomes and for Head Start programs.

Where Can I Find Compilations of Resources or Publications with Information about Financing Strategies for Child Care Businesses?

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

- *Financing and Budgeting for Early Care and Education Facilities* (2017), National Center on Program Management and Fiscal Operations. <https://eclkc.ohs.acf.hhs.gov/sites/default/files/pdf/financing-budgeting-guidebook-for-early-care-facilities.pdf>
- “Prepare a Budget” (n.d.) on *Opening a Family Child Care Home: Action Steps* [web page], Child Care Aware of America. <https://www.childcareaware.org/providers/opening-running-family-child-care-home/opening-family-child-care-home-action-steps/>

Essential Health and Safety Standards

Compiled by the American Academy of Pediatrics, the American Public Health Association, and the National Resource Center for Health and Safety in Child Care and Early Education, [Caring for Our Children: National Health and Safety Performance Standards; Guidelines for Early Care and Education Programs](#), 4th edition (2019) is a collection of 686 national standards that represent the best evidence, expertise, and experience in the country on quality health and safety practices and policies early care and education settings should follow. Print copies of *Caring for Our Children* are available from the [American Academy of Pediatrics](#) for a fee.

Are All Child Care Businesses Required to Develop an Emergency Preparedness Plan?



Preparing for a disaster or emergency that occurs while you are caring for children is an important part of being a child care professional. Although some states require providers to have a formal emergency plan, every child care business owner may want to have a plan that includes emergency contact information for each child’s family and procedures for evacuating or protecting the safety of 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 can threaten the safety of children in their care. Such emergencies include fires in nearby buildings, accidents with chemical spills, and electrical blackouts.

Your local CCR&R agency may have information about emergency preparedness. Child Care Aware of America offers a [CCR&R Search](#) that provides contact information for all state and local CCR&R agencies.

The following resources provide information about emergency preparedness:

- *Emergency Preparedness, Response, and Recovery* (n.d.) [web page], HeadStart.gov. <https://eclkc.ohs.acf.hhs.gov/safety-practices/article/emergency-preparedness-response-recovery>
- *Emergency Preparedness Manual for Early Childhood Programs* (2020), National Center on Early Childhood Health and Wellness. <https://eclkc.ohs.acf.hhs.gov/sites/default/files/pdf/emergency-preparedness-manual-early-childhood-programs.pdf>
- *Resources for Emergency Planners* (2022, December 29) [web page], Ready.gov. <https://www.ready.gov/kids/resources-for-emergency-planners>

The following resources provide samples and ideas for developing an emergency preparedness plan:

- *Emergency Supply Kit* (2021) [flier], Child Care Aware of America. <https://www.childcareaware.org/wp-content/uploads/2018/06/Emergency-Supply-Kit.pdf>
- *Child Care Emergency Preparedness Toolbox*. (2014), U.S. General Services Administration. https://www.gsa.gov/system/files/GSACChildCareEmergencyPreparednessToolbox_June_2014.pdf
- *Sample Childcare Emergency Action Plan* (2011), Federal Emergency Management Agency, U.S. Department of Homeland Security. https://training.fema.gov/emiweb/is/is36/handouts%20-sample%20plans/eap_sample.pdf

Are Resources Available to Help Child Care Business Owners Learn about Healthy Eating and Physical Activities for Children?

A child care professional's job includes ensuring children have access to healthy food and engage in developmentally appropriate physical activities.

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

- *Healthy Child Care Settings* (2024, March) [web page], Harvard School of Public Health. <http://www.hsph.harvard.edu/obesity-prevention-source/obesity-prevention/early-child-care/early-child-care-nutrition/>
- *Manage Nutrition and Physical Activity* (2024, August 29) [web page], Centers for Disease Control and Prevention. <https://www.cdc.gov/early-care/treatment/index.html>
- *Nutrition* (n.d.) [web page], Healthy Children.org, American Academy of Pediatrics. <https://www.healthychildren.org/English/healthy-living/nutrition/Pages/default.aspx>
- *Team Nutrition* (n.d.), Food and Nutrition Service. <http://www.fns.usda.gov/tn/>



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

Food and Nutrition Service, USDA

<http://www.fns.usda.gov>

The Food and Nutrition Service website provides information, resources, and trainings to child nutrition programs.

Nutrition and Physical Activity Self-Assessment for Child Care (NAP SACC)

Center for Health Promotion and Disease Prevention, University of North Carolina–Chapel Hill

919-966-3927

<https://gonapsacc.org/>

NAP SACC is an intervention program for child care centers that seeks to improve nutrition, physical activity, and policies and practices through targeted technical assistance and child care program self-assessments.

Policies and Procedures for Business Protection and Success

In the business of child care, the primary client is the parent. As a standard practice, child care business owners may want to establish contracts of caregiving with the parents of the children in care. A contract may help ensure the experience is positive for all involved. Child care business owners are responsible for developing policies and procedures that give families direction about enrollment, hours, payments, activities, and services.

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

The following resources provide information about contracts, policies, and procedures:

- *Managing Legal Risks in Early Childhood Programs: How to Prevent Flare-Ups from Becoming Lawsuits* (2012, November 29), Tom Copeland and Holly Elissa Bruno. [This book is available for a fee.] <https://www.amazon.com/Managing-Legal-Risks-Childhood-Programs-ebook/dp/B00F2KNW58>
- *Model Child Care Health Policies*, 5th edition (2013), Susan S. Aronson (Ed.). <https://publications.aap.org/aapbooks/book/440/Model-Child-Care-Health-Policies>
- *Parent Aware* (n.d.) [web page], Child Care Aware of Minnesota. <http://childcareawaremn.org/families/learn>
- "Four Key Ingredients of an Effective Contract" (2011, August 16) [blog post], Tom Copeland. <http://tomcopelandblog.com/the-four-basic-contract-rules>
- *Taking Care of Business* (n.d.) [blog], Tom Copeland. <http://www.tomcopelandblog.com>

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

Child Care Law Center (CCLC)

415-558-8005

<http://childcarelaw.org>

CCLC offers a series of resources on a range of legal issues related to child care businesses, including contract and policy information for child care centers and FCC homes. CCLC also offers an [information and referral service](#) to help answer legal questions related to child care.

2-1-1 Child Care

800-505-1000

<https://resources.211childcare.org/>

The Connecticut CCR&R agency, 2-1-1 Child Care, offers [resources for providers](#).

Health Insurance Benefits for Providers

Health benefits for caregivers and their families are part of a comprehensive benefits package that may also include paid vacation days and holidays, dental care, and a retirement plan.

The licensing agency or local CCR&R agency in your community may have a list of state and local organizations that help child care businesses get insurance coverage. Child Care Aware of America offers a [CCR&R Search](#) that provides contact information for all state and local CCR&R agencies.

The following resource provides information about health insurance benefits for child care professionals:

- *The Affordable Care Act for Child Care Employers: A Basic Question and Answer Overview* (2013), Teacher Education and Compensation Helps (T.E.A.C.H.) Early Childhood National Technical Assistance and Quality Assurance Center. https://www.ncicdp.org/documents/FactSheet_ACA_NCEmployer_Alt8_19_13.pdf

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

Association for Early Learning Leaders

512-316-3679

<http://www.earlylearningleaders.org>

The Association for Early Learning Leaders is a [membership organization](#) for child care owners, directors, and administrators. Limited health, term life, and dental coverage for members and member employees is available at affordable rates.

Childhood Education International (CE International)

202-372-9986 or 800-423-3563

<http://acei.org>

CE International offers members a discount on many insurance programs. Additional information is available on the [Forrest T. Jones & Company website](#) or by calling 800-821-7303.

Health Insurance Marketplace

800-318-2596

<https://www.healthcare.gov/>

Compare health insurance plans, fill out an application, and enroll in health coverage through the U.S. Health Insurance Marketplace.

National Association for the Education of Young Children (NAEYC)

202-232-8777 or 800-424-2460

<http://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, at 800-821-7303.

National Association for the Self-Employed (NASE)

For residents of the continental United States: 800-649-6273

For residents of Alaska and Hawaii: 800-232-6273

<http://www.nase.org/Home.aspx>

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

State Information about Starting a Child Care Business

Several public and private organizations in states have resources to help potential business owners with the process of starting and operating a child care business. The following state-specific websites offer information about start up. The examples do not include all states' efforts but represent a range of approaches and resources that may be useful for business owners anywhere in the country.

California

Build Up California

<https://buildupca.org/>

Connecticut

2-1-1 Child Care

<https://resources.211childcare.org/provider-resources/>

Hawaii

PATCH—People Attentive to Children

<http://www.patchhawaii.org/providers/family/starting>

Maryland

Maryland Family Network

<https://www.marylandfamilynetwork.org/>

Resource Guide

Nebraska

Nebraska Early Childhood Collaborative

<https://toolkit.nebraskaeearly.org/>

New York

Office of Children and Family Services

<http://ocfs.ny.gov/main/childcare/becomeaprovider.asp>

Texas

Health and Human Services

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

Washington

Child Care Aware of Washington

<https://www.childcareaware.org/state/washington/>

West Virginia

Division of Early Care & Education

<https://dhhr.wv.gov/bfa/ece/Pages/default.aspx>

Wisconsin

Supporting Families Together Association

<http://supportingfamilies-together.org/>

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