ECE Center Financial Management
Coaching Companion

SECTION 1: IRON TRIANGLE

Full Enrollment Coaching Checklist

☐ Conduct internet search with providers to see how quickly and frequently their programs appear.

☐ Review all electronic and hard copy marketing materials to ensure that they are clear, professional, informative, and helpful in communicating the providers' unique niche. This should include the website and social media profiles, and any brochures, flyers, or other printed materials.

☐ Review templates, how-to guides, and other resources available on the ECESR Platform: Successful Program Management/Marketing Your Program.

☐ Create provider entries on online directories to help the center listing appear when parents conduct online searches for child care.

☐ Support the provider in creating a simple website through linked technology tools like Wonderschool or Leg Up, or the resource available on ECESR Platform: web.com

☐ Review the waiting list. Confirm that the provider has a process and procedure for staying in contact with families on the waiting list – whose job is this to do and how frequently is it performed? Encourage providers to use a CCMS with an embedded Customer Relationship Management system that essentially operates as a waiting list.

☐ Review procedures for conducting tours – in person and virtually. Support the provider in using technology and generating a script, as necessary to conduct virtual tours.

☐ Review availability of tour data (does provider keep records on number of tours offered and subsequent enrollment?); create reports to determine frequency and efficacy of tours.

☐ Review provider policies regarding part-time schedules and ensure that prospective parents are aware of any and all part-time options available. (see "calculating part-time rates" box on page 2)

☐ As appropriate, review provider part-time pricing to ensure revenue maximization. Refer to the ECESR Platform: Successful Program Management/Financial Management/Budget Planning & Preparation/Revenue Covers Per-Child Cost/Part-Timers

☐ Review provider enrollment trends. If historical enrollment data are not available, support the provider in creating means by which to track enrollment over time. Review the information on the ECESR Platform: Successful Program Management/Financial Management/Budget Planning & Preparation/ Full Enrollment Best Practices.

☐ Review current enrollment by date of birth to analyze the impact of kindergarten enrollment and children 'aging up' from one classroom to another; develop marketing strategies to fill anticipated vacancies.

☐ Review the enrollment referral incentive program and ensure that the audiences are aware of the program. Have staff/parents been explicitly told about the program? How frequently? In what language(s)? Through what means – social media, flyers, etc.?

☐ Confirm that the provider is implementing the referral incentive program. In the example, below, this would require: a field on the application that asks for the name of the individual referring; a process of tracking new enrollments to confirm two-month requirement; process/confirmation that incentive is paid.

$25 incentive for new referrals.

Individual referring family must be named on the application.

Child must be enrolled for at least two months.

☐ If provider does not have a program, support the creation and implementation of a referral incentive program

☐ Review the center's parent fee agreement and ensure that it describes an adequate and reasonable withdrawal notification process and period.

Calculating part time rates

Providers need to take the daily rate for full time, and multiply that by approximately 20% to 40% (depending on the number of days in care) to get a part time daily rate. The fewer days in care, the higher the add-on percentage and resulting daily rate.

For example, if the daily rate for infants is $46.86, multiply that by 20% to get a part time daily rate of $56.23 for parents seeking three days of infant care. For two days, multiply it by approximately 40% to calculate $65.50. This ensures that a provider can fill one slot with two children without losing money.

If two infants want to attend a center for just two days per week, the provider would earn $131.20 per child per week. For two infants attending two days per week, the provider earns $263.40 for the week. This is slightly greater than the $234.30 ($46.86 x 5) that the provider earns weekly for a full time infant.

Full Fee Collection Coaching Checklist

☐ Review parent handbook to confirm:

- ✓ Parent vacation credits are minimized and payment for non-attendance explained

- ✓ Parent withdrawal notification period is maximized and a penalty for early withdrawal is clearly stated

- ✓ Parent payment deadlines are clear and financial penalties for late payments are outlined

- ✓ Multiple means of payment (including credit cards and ACH) are offered

☐ Examples of best practice policies can be found on the ECESR Platform: Successful Program Management/Financial Management/Budget Planning & Preparation/ Tuition and Full Fee Collection.

☐ Review tuition full-time and part-time rates.

☐ Ensure that providers have set up invoicing in CCMS accurately (including fees as outlined in policies) and encourage providers to move all families to online payment.

☐ Review provider invoicing processes for each funding source listed on the assessment. Confirm that invoices are generated in a consistent and timely way. Who creates the invoices? Are they paper or electronic?

☐ Review provider reconciliation process (with all payors, including government) to ensure that actual payments are equal to expected payments. Who confirms payment from the various funding programs and payors? Who reviews if only partial payment was received and investigates the discrepancy? Does the provider know how to contest an incorrect payment with state subsidy agency, and are they aware of the time frame in which payment discrepancy must be addressed? (See Revenue checklist, which follows, for more details on subsidy reconciliation.)

☐ Review provider re-billing process to ensure full revenue is earned.

☐ Review the amount of money currently owed from each funding source. Help the provider (and/or her accountant) group the debt by aging – 30, 60, and 90 days. Review the amount owed over a period of time to assess what is typical and to determine a reasonable goal for reducing the amount of bad debt as a percentage of revenue.

☐ Confirm that the provider (and/or her accountant) has a process for writing off bad debt.

SECTION 2: REVENUE

Revenue Coaching Checklist

☐ Ensure that providers are participating in all publicly funded child care programs for which they are eligible.

☐ Help providers understand the requirements and the benefits of Child and Adult Care Food Program (CACFP) participation as well as how the use of a CCMS can ease the burden of reporting requirements

☐ Ensure that provider has access to CACFP policies and procedures. CACFP information can be accessed on the ECESR Platform. Go to Successful Program Management/Financial Management/Financial Best Practices & Reporting/Compliance.

☐ Confirm how providers track and report meal and snack consumption for CACFP compliance.

☐ Connect providers to food program vendors and sponsors, as needed.

☐ Verify that the provider has an annual process to review tuition rates for each age group and any fees (e.g., application, field trips, late pick-up, late payment, diapers) in the context of rates and fees charged by other comparable programs and actual costs.

☐ If needed, help the provider in reviewing rates and creating a plan for ongoing review and revision.

☐ The child care subsidy includes two components – the state payment and the parent share or co-pay. Make sure that the provider understands that the parent co-pay will be subtracted from the subsidy rate when the state reimburses for care. Some states pay providers based on attendance (with a specified number of absences allowed) while a few states pay providers based on enrollment. There are several issues related to full payment for providers with which coaches can assist:

☐ Supporting providers in consistently collecting the parent portion (co-payment) of the reimbursement rate. fThis can be collected electronically, just like regular tuition, via a CCMS or other technology tool.

☐ Helping the provider establish processes for checking expected payment with actual payment from the subsidy system. Reasons for non/under payment include:

  ✓ Families fail to sign-in/out to verify attendance each and every day; corrections may be made within a small window of time (varies by state)

  ✓ Families may lose eligibility and either not know, or not notify the provider in a timely way

  ✓ Families may have used the maximum number of sick days per year that state regulation allows

☐ Tuition rates for each age group and any fees (e.g. application, field trips, late pick-up, late payment, diapers) should be reviewed regularly by the provider in the context of rates and fees charged by other comparable programs and actual costs. Tuition rates should be raised as necessary and possible within the perceived limitation of what parents can afford.

☐ Coaches can assist the provider in reviewing rates and creating a plan for ongoing review and revision

SECTION 3: RISK MANAGEMENT

Risk Management Coaching Checklist

☐ Access the ECE Platform: Successful Program Management/Reducing Risks, to review the 60-page *Child Care Risk Management Guide*. Review the guide with the provider and implement any changes needed based on the content.

☐ Review documentation of fire and disaster drills to:
- ✓ Check drill dates to ensure drills are conducted with the recommended frequency
- ✓ Check drill start and end times to ensure that drill are conducted within the expected time frame
- ✓ Confirm the name and contact information for the provider's insurance agent.

☐ If the provider doesn't have an insurance agent, refer her to at least two brokers that are known to work with ECE providers in the region and ensure that she contacts them. Go to the ECE Platform: Successful Program Management/Business Insurance to find contact information brokers

☐ Ensure that the provider understands what insurance coverage she has, the terms of the coverage and the cost of that coverage each year. ECE Platform: Successful Program Management/Business Insurance has resources about insurance terms and types.

☐ Review any recent licensing violations that providers have had and confirm that deficiencies have been addressed.

SECTION 4: HUMAN RESOURCES

Human Resources Coaching Checklist

HR (Personnel) Manual

☐ Review the HR manual to look for clarity in language and presentation. Ask directors about any areas that are unclear or confusing – if you can't understand what the employer is trying to communicate then staff will also likely struggle to do so.

☐ If a provider does not have an HR manual, help the provider access HR templates located on the ECE Platform: Successful Program Management/Becoming an HR Expert/Employee Handbook to get started.

☐ Ensure that the manual has been reviewed for compliance with local/state regulations; support the provider in accessing legal services

Position (Job) Descriptions

☐ Review all position descriptions. Look at the similarities and differences between the position descriptions to ensure consistency and differentiation.

☐ Compare the set of position descriptions to the employee list to verify that position descriptions are available for each staff member and that the format is consistent.

☐ If providers need help creating position descriptions, help them access samples and templates on the ECE Platform – Successful Program Management/Becoming an HR Expert/Job Descriptions.

Salary Scale

☐ Confirm that the center's salary scale includes a date – as the document should be reviewed and updated annually.

☐ Confirm that there is internal logic within the salary scale. This would mean, for instance, that an assistant teacher would never earn more than a lead teacher, regardless of steps or qualifications.

☐ Confirm that the percentage increases from step to step are consistent within and across lanes and that the owner/director can justify any exceptions.

☐ Review the list of current employees (listing name, highest degree, credential, number of ECE credits, number of years in the field, and title) and ensure that each employee's salary is consistent with the salary scale.

☐ If the provider does not have a salary scale, help her to understand the need for one and to create one for immediate implementation. The ECE Platform: Successful Program Management/Becoming an HR Expert/ Compensation & Benefits/Compensation includes a sample salary scale and a salary scale template.

Benefits and Benefits Summary

☐ Encourage the provider to use benefits as a strategy for staff recruitment and retention and to price additional benefits in order to assess the feasibility of adding more. A benefits summary is a key tool for providers to use in recruiting staff and in treating staff equitably. This information should also be available within the HR Manual.

☐ Assist providers to create a Benefits Summary by listing the information needed for the summary document. An example of a data collection tool is below. With data from the list, help providers write the information in a clear, descriptive narrative format.

☐ Ensure that the provider is aware of health insurance benefits available on the state or federal Affordable Care Act Health Care Exchange, and knows how to apply for insurance on the Exchange or to access a Health Care Navigator for assistance.

Benefit	Description	Only full-time staff eligible	Full- and part-time staff eligible	Percentage cost (if any) to employee
Health insurance				
Dental insurance				
Vision insurance				
Prescription coverage				
Life insurance				
Paid time off				
On-site child care at a discount				
Short-term disability insurance				
Long-term disability insurance				
401(k) plan				
Flexible spending plan				
Retirement plan				

Opportunities Exchange

Sample Employee Benefit Summary

Please Note: All employees must complete a 90-day probationary period. After 90 days staff are entitled to the following benefits.

PAID SICK LEAVE

Staff accrue one paid hour paid sick leave for every 40 hours worked, up to a maximum of 5 paid sick days per year. Upon return from three consecutive days of sick leave, employees must submit a sick note.

PAID TIME OFF (PTO)

In addition, staff accrue one paid hour time off (PTO) for every 40 hours worked, up to a maximum of 5 PTO days per year. In order to schedule PTO, employees must complete and submit the Employee Time Off Request Form at least 7 days in advance of the date of PTO requested.

BEREAVEMENT LEAVE

Staff are eligible for one paid bereavement day per year. In order to receive payment for a bereavement day, employees must submit a funeral card to their supervisor upon their return to work.

The PTO and bereavement benefits are for one calendar year, and they do not roll over.

PAID HOLIDAYS

Each year, all employees that have completed their 90-day probationary period are also eligible for 8 paid holidays listed below. These are days that the center will be closed. Eligible employees receive payment for the holiday based on the average of the number of hours that they worked on the day before and the day after the holiday.

Independence Day – July 4th; Labor Day; Thanksgiving; Friday after Thanksgiving; Christmas Day; New Year's Day; Martin Luther King, Jr. Day; Memorial Day

ADDITIONAL BENEFITS FOR TENURED EMPLOYEES

Those employees that have been employed for more than two years earn PTO at the rate of 1.2 hours paid PTO for every 40 hours worked, up to a maximum of 6 paid days PTO leave per year.

Those employees that have been employed for more than two years earn life insurance at the expense of the employer.

Those employees that have been employed for more than five years earn PTO at the rate of 1.4 hours paid PTO for every 40 hours worked, up to a maximum of 9 paid days PTO leave per year.

☐ Confirm that the benefits summary is clearly written. For instance, is it obvious how part-time staff earn benefits or when staff become eligible for benefits? If insurance (health, dental, vision, life) is offered, is the cost to the employee (if any) clearly stated? Is it clear if the coverage is just for the employee or if it is also available for the employee's family?

☐ Review the ECE Platform: Successful Program Management/Becoming an HR Expert/Compensation & Benefits to review the benefits programs and ideas offered there.

☐ Ask for the name and contact information of the provider's benefits broker.

☐ If the provider doesn't have a broker, provide her with at least two referrals and ensure that she contacts the brokers to price additional staff benefits.

Hiring & Onboarding

☐ Review the hiring process. If the provider has an employment application, review the application questions and ancillary information requested.

☐ If your state ECE Platform includes the Acquire4Hire job support services, make sure providers understand the value of this tool and how to use it.

☐ If the provider is not using the acquire4hire job support tools, encourage use of their website to recruit staff as well as children, including making the application available. Review recent job postings or ads and provide feedback.

☐ Encourage the provider to screen qualified candidates by phone or zoom prior to an in-person interview.

☐ Review the phone screening guide that the provider uses. If she doesn't have one, refer to the ECE Platform: Successful Program Management/Becoming an HR Expert/Interview Guides.

☐ Review the interview guide and process the provider uses. Ensure that candidates working with children spend time in classrooms or submit video of their teaching. Review the guides and other materials on the ECE Platform: Successful Program Management/becoming an HR Expert/Interview Guides.

☐ Review the process for onboarding staff to ensure that it is stream-lined and that all the required documentation and pre-employment training is completed. Note: The ECE platform includes a detailed, step-by-step Employee Orientation Toolkit.

   ✓ Who at the center is responsible for onboarding? What tools do they use (spreadsheets, CCMS, etc.)?

✓ Are there clear instructions for the new hire to follow in order to submit the required documentation as quickly and completely as possible?

Orientation

☐ Ask providers who is responsible for orienting new staff and check that this responsibility in included in that position description.

☐ Ask providers to explain their orientation process and confirm that the orientation includes multiple levels – general orientation to meet licensing guidelines, center-level orientation to review policies and procedures, and job-specific orientation.

☐ If the orientation process seems incomplete, review the tools and resources on the ECE Platform: Successful Program Management/Becoming an HR Expert/Employee Orientation Toolkit.

☐ Confirm that new staff are paid for the time they spend in orientation.

☐ Confirm how providers deem orientation complete.

☐ Confirm how providers ensure that teaching staff can participate in classroom orientation without counting in ratio.

Performance Evaluation

☐ Review the performance evaluation process in place. How frequently is staff performance reviewed and on what basis? Is the performance evaluation process noted in the HR manual?

☐ If providers need assistance in revising or creating performance evaluation tools review materials on the ECE Platform: Successful Program Management/Becoming an HR Expert/Employee Orientation Toolkit/Resources/Performance Appraisals

Timekeeping and Payroll

☐ Review the timekeeping process and recommend improvements to ensure accuracy.

☐ Assist providers to price automation timekeeping options if the current process relies on paper.

☐ Ensure that the automated timekeeping system supports payroll and tracks paid time off balances.

☐ Review the information on the ECE Platform: Successful Program Management/Becoming an HR Expert/Payroll Practices.

HR Data

☐ Ask providers for their turnover rate – by year and by teaching position.

☐ Ask providers for the average tenure of all staff, of lead teachers, and of assistant teachers.

☐ Discuss HR successes and challenges revealed by the data.

☐ If turnover rates are not available, support providers in creating or using systems for tracking and reporting HR data. A spreadsheet, CCMS, reports from the payroll system, or other tool might be helpful for tracking key data such as employment start/end dates; reason for departure; changes in position; salary changes; and, date of performance evaluation. These data will allow providers to calculate turnover, average years of employment, and other metrics.

SECTION 5: DEBT & LIQUIDITY

Debt & Liquidity Coaching Checklist

☐ Confirm how many months of cash on hand the business has by totaling cash in the business bank account and dividing that amount by the monthly cost of operations. The monthly cost of operations (or expenses) should be available on the current center annual budget.

☐ Confirm the current banking arrangement that the provider has, her use of online banking, and her access to a line of credit.

☐ If the provider does not have a line of credit, encourage her to work with her bank to secure one and to understand how it can be accessed.

☐ If the provider is not satisfied with her current bank, assist her to find a bank that can fully meet her business needs. Issues such as monthly fees and interest rates should be discussed, along with the possibility of securing a bank line of credit. Review the information on the ECE Platform: Successful Program Management/Financial Management/Business Credit/Using Credit.

☐ Support the provider in creating a list of the amount and type of debt that she has and calculating the cost of that debt (interest paid) each year. If the provider has substantial debt, connect her to a NFCC certified counselor in the region.

☐ If the provider has current business loans, connect the provider to her local Community Development Financial Institution to discuss alternative loan options.

☐ Providers should be encouraged to use online banking and to link, as possible, data from their online banking system to their accounting system.

SECTION 6: FISCAL MANAGEMENT

Fiscal Management Coaching Checklist

☐ Review the chart of accounts. Make sure that the categories make sense – not too many, not too few, and that they match the rows on the current budget.

   ✓ If the provider does not have a chart of accounts, download the ECE Center Chart of Accounts from the OppEx website

☐ Review the current budget.

   ✓ Confirm that there is a date covering a 12-month period.

   ✓ Confirm that all the revenue sources listed on the assessment and the Chart of Accounts are listed as rows under INCOME.

   ✓ Confirm that all of the expenses listed in the Chart of Accounts are included as rows under EXPENSES

   ✓ Ask who created the budget and what assumptions were used to create the budget – historical data, projections based on actual at the time the budget was created, etc.

   ✓ Ask what bad debt factor was used – does the budget assume that 100% of revenue will be collected? This is overly optimistic and budgets should be conservative. Ensure that at least a 5-10% bad debt factor is incorporated into the revenue estimation.

   ✓ Ask what vacancy factor was used – does the budget assume that all seats will be filled at all times? This is overly optimistic and budgets should be conservative. Ensure that an 10-15% vacancy factor is incorporated into the revenue estimation.

   ✓ Ensure that the budget is balanced – revenues should at least equal expenses.

☐ If the provider does not have a current budget, use the ECE Center Budget Template on the OppEx website

☐ Review the most current set of financial reports.

   ✓ Confirm that they cover a period of at least the past 3 months.

   ✓ Confirm that there is an income (profit and loss) statement and that the revenue and expense lines are the same as that on the budget and chart of accounts.

   ✓ Discuss the statements(s) with the provider to reveal the story told and to consider next steps in light of the financial status of the business.

☐ Input data from the budget into various TABS on the ECE Center Budget Template. Using various scenarios for enrollment (the monthly enrollment forecast tab) you can show the provider the impact of enrollment and fee collection on her bottom line.

☐ Review the accounting software practices used by the provider/her fiscal team.

   ✓ Confirm the process used to code, track, and report fiscal data.
   ✓ Confirm how the CCMS and accounting software interact/align.

☐ Review the provider's arrangement with her accountant/tax preparer. Confirm that the rates are appropriate. If there is a written agreement, review the agreement's terms and ensure appropriateness.

☐ Review fiscal policies and procedures. These should, at a minimum, include:

   ✓ Whistle blower policy – this policy ensures that an employee that raises a concern about possible fraud, waste or abuse will not be penalized for so doing.

   ✓ Document destruction & retention policy – this policy describes how a center retains fiscal and other documentation and provides the schedule for destroying such records.

   ✓ Internal controls – this policy is designed to minimize the likelihood of malfeasance by establishing the various roles that are responsible for various fiscal tasks – i.e., the individual that makes the bank deposits cannot also perform the monthly bank reconciliation.

   ✓ Cash storage/petty cash – this policy establishes the who, how, when, and where of securing cash at the place of business.

✓ Signing checks/requisitioning checks – this policy establishes how employees request that a business check is written and what documentation they need to provide, and also documents the authorized signer(s) for checks.

✓ Preparing/submitting budgets – this policy outlines who at the business is authorized to create a budget and who is authorized to submit a budget to a (potential) funder to ensure accuracy and completeness.

✓ Conflict of interest – this policy defines conflicts of interest and outlines the process by which conflicted parties must notify the business/organization of conflicts and any required action beyond notification.

✓ Parent Fee Agreement – this is a licensing requirement serving multiple purposes. Fees, payment schedules, late fees, etc., as well as fiscally-oriented policies are spelled out for parents in this document. Providers should consistently implement all policies, including reviewing policies through staff training and parent communication.

☐ If fiscal policies are not in place, support provider in accessing templates and using them to create her own.

☐ Information about various fiscal roles, how to hire the appropriate consultant(s) needed, and information about accounting software can be found on the ECE Platform: Successful Program Management/Financial Management/ Financial Best Practices & Reporting/Bookkeeper/Accountant

☐ For information about financial reports, go to the ECE Platform: Successful Program Management/Financial Management/ Financial Best Practices & Reporting/About Financial Reporting