

FCC Financial Management Coaching Companion

Full Enrollment Coaching Checklist

Marketing/Online Presence

- Conduct a search for the business name
- Review all electronic and hard copy marketing materials to ensure that they are clear, professional, informative, and helpful in communicating the providers' unique niche
- Review templates, how-to guides, and other resources available on the [ECESharedResources](#) – Successful Program Management/Marketing Your Program.
- Create FCC provider entries on online directories such as ____ (include some examples)
- Support the provider in creating a simple website through the resource available on the online knowledge hub: web.com
- Review the providers waiting list and waiting list policies/forms/procedures, (including use of a Customer Relationship Management software)
- Support the provider in using the technology tools necessary (and generating a script, as necessary) to conduct virtual tours
- Review available data on then number of tours conducted and how many resulted in enrollment to determine frequency and efficacy

Part-time Rate Setting

- Review provider enrollment policies regarding part-time schedules
- As appropriate, review provider part-time pricing to ensure revenue maximization

Staying on Top of Enrollments

- Review current enrollment by date of birth to analyze the impact of kindergarten enrollment and develop marketing strategies to fill anticipated vacancies

- Review any referral incentives and ensure that parents are aware of them. How often is this information shared? In what language(s)? Through what means – social media, flyers, etc.?
- Confirm that the provider is implementing referral incentives. In the example, below, this would require a field on the application that asks for the name of the individual that referred the family to the center. It would also require a process of tracking new enrollments to confirm that for those that stayed for at least two months, their applications were reviewed so that the referral source can be paid the \$25 referral incentive.
- If provider does not have a program, support the creation and implementation of a referral incentive program.

Referral Incentives: Example

\$25 incentive for new referrals.

Individual referring family must be named on the application.

Child must be enrolled for at least two months.

Full Fee Collection Coaching Checklist

- Review (or create) parent handbook to confirm:
 - Parent vacation credits are minimized
 - 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
 - Parent Handbook Template can be found on the [ECESharedResources](#) platform. < Successful Program Management/Family Child Care Toolkit/Meals & Nutrition >
- Review all tuition rates (full-time and part-time)
- Review provider invoicing processes for each family and third-party funder
- Review provider reconciliation process to ensure that actual payments (from families and third-party funders) are equal to expected payments. Reasons for non/under payment of subsidy 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
- Review provider re-billing process to ensure full revenue is earned
- Review current bad debt
- Review policy for terminating families if bad debt is not collected or payment plan established

Revenue Coaching Checklist

- Assist the provider in reviewing tuition rates and creating a plan for ongoing review and revision
- Ensure that providers are consistently collecting the parent share (co-payment) of the subsidy reimbursement rate
- Ensure that the provider applies for and participates in all funding streams for which they are eligible (e.g., CCDBG child care subsidy, CACFP, HS/EHS, PreK, state or local initiatives, and more)
- If the provider does not currently participate in CACFP:
 - Access information on CACFP from your state administrative agency, CCR&R or other intermediary.
 - There is substantive CACFP information on the [ECESharedResources](#) platform. < Successful Program Management/Family Child Care Toolkit/Meals & Nutrition >
 - Help the provider identify an appropriate food program sponsor. If your state CACFP administrative agency does not maintain a list of sponsors, check out the [National CACFP Sponsors directory](#).

Benefits Coaching Checklist

- Review parent handbook to ensure that all holidays/vacation days are listed and includes a clear statement that parent tuition is expected to be paid for these days/periods.
- Assist the provider in navigating the *Affordable Care Act Health Care Exchange* and/or identifying a *Health Care Navigator* or broker to evaluate private insurance options. Follow-up to determine what benefits were priced and which, if any, will be accessed

- Ensure that providers know about the resource: *Docs by Phone* available from the [ECESharedResources](#) For a low monthly fee, provider can access telehealth medicine for themselves and their families for routine medical needs.
- Help providers explore retirement plans, via the [ECESharedResources](#) or working with a mutual fund company, broker, financial adviser or a bank to gather information regarding retirement plans
 - The Business Basics & Professionalism section of the Family Child Care Toolkit in the [ECESharedResources](#) includes a retirement planning document in Resources, Templates & Tools.
- Encourage provider to budget retirement savings annually and inform the provider of the IRS savers credit for which she may be (income) eligible
- Confirm that the provider is contributing to a qualified retirement plan already in place. (For example – a SEP IRA (Simplified Employee Pension Individual Retirement Account) allows a self-employed individual to deduct contributions made toward retirement from their current tax liability.)

Risk Management Coaching Checklist

- Ensure that providers are meeting all licensing and other local/state requirements as a primary strategy for mitigating risk
- Review tools and resources available on the [ECESharedResources](#) with the provider. The Emergency Readiness Planning section of the site includes a host of helpful documents. (Go to Successful Program Management/Family Child Care Toolkit/Emergency Readiness.)
- Review providers documentation of fire and disaster drills to:
 - Check dates to ensure drills are conducted with the recommended frequency
 - Check start and end times to ensure that drill are conducted within the expected time frame
- Confirm that the provider has an insurance agent, and that all contact information is up-to-date
- If the provider doesn't have an agent, refer her to at least two agents that are known to work with FCC providers in the region and ensure that she contacts them

- Review Tom Copeland's article [Ten Questions to Ask Before Purchasing Business Liability Insurance](#)
- Ensure that the provider understands what coverage she has, the terms of the coverage and the cost of that coverage each year
- Ensure that the provider deducts the full cost of her business liability insurance on her taxes and any portion of other insurance policies that may be allowable

Business Structure Coaching Checklist

- Confirm the legal structure of the business
 - Coaches need to understand the business structure of the FCC provider and the reasons that structure was chosen.
 - If the provider is considering a new structure, the coach can advise as to where the provider might find the professional consultation needed to make a sound decision.
- Confirm that the provider has an EIN
 - If the provider does not have an EIN, help the provider complete Form SS-4 Application for Employer Identification Number (<https://www.irs.gov/pub/irs-pdf/fss4.pdf>) or call the IRS at 800-829-1040 for individuals and 800-829-4933 for businesses

Tax Liability Coaching Checklist

- Review the provider's method of tracking expenses by category and ensure the method is consistently used.
- Review the provider's method of tracking caregiving hours in the home and business hours worked in the home when children are not present, and ensure the method is consistently used. (Child Care Management Software can support this if a provider uses it to log-in whenever engaged in business related activity)
- Assistance with Time-Space Percentage
 - Review the provider's list of the square footage in her home, if any, *exclusively* used for the business.
 - Review the provider's list of the square footage in her home *regularly* used for the business.
 - Confirm that the provider has totaled the square footage in her home.

- Confirm that the provider is aware that for higher value shared expenses she can use an actual calculation of use (rather than apply the time-space percentage) if this yields a larger deduction.
- Review the provider's method to track actual use of such items over a two-month period to generate the percentage used.
- Confirm that the provider reports the time-space percentage on IRS Form 8829 Expenses for Business Use of Your Home.
- Support the provider in identifying a tax preparer with deep knowledge of FCC tax law. (National Association of Family Child Care keeps a directory that is available for members)

Debt & Liquidity Coaching Checklist

- If the provider does not have a business bank account or is not satisfied with her current bank, assist her to find a bank that can fully meet her business needs.
- Confirm the current banking arrangement that the provider has, her use of on-line 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
- Confirm how many months of cash on hand the provider 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 annual budget.
- Support the provider in creating a list of the amount and type of debt that she has and calculating the cost of that debt each year.
- If the provider has substantial debt, connect her to a NFCC certified counselor <https://www.nfcc.org> or organization/service in the region.
- Encourage the provider to meet with the counselor and follow-up regarding the outcome of that work.
- If the provider has current loans – for facility improvements or operating capital – connect the provider to her local CDFI to discuss alternative loan options.

Fiscal Management Coaching Checklist

- *Review the chart of accounts*

- If the provider does not have a chart of accounts, review the OppEx template: [FCC Chart of Accounts](#) and work with provider to modify based on the specifics of the business, the funding sources, Generally Accepted Accounting Principles, and IRS guidelines.
- Once the chart of accounts is finalized, review the provider mechanisms for coding revenues and expenses to these categories of accounts.
- *Review the current budget.*
 - Ask who created the budget.
 - Ask what assumptions were used to create the budget – historical data, projections based on actual at the time the budget was created, etc.
 - Confirm the time period covered by the budget (it should be 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 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 (perhaps even higher, given the impact of COVID-19) 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 (perhaps even higher, given the impact of COVID-19) is incorporated into the revenue estimation.
 - Ensure that the budget is balanced – revenues should at least equal expenses.
- *Creating a budget*
 - If the provider does not have a current budget, you can consider using the [FCC Budget Template | Provider](#) (for those who operate as a single provider) or [FCC Budget Template | Group](#) (for providers with a Group or Extended setting). This spreadsheet walks the

provider through each step of creating an annual budget, demonstrating how each component of the Iron Triangle impacts the overall revenue projections for the provider. Tabs within the document include:

- Child Tuition Data – allows providers to set the rate for each individual child
 - Monthly Enrollment Forecast – allows providers to anticipate likely enrollment patterns and revenue patterns associate with fluctuating enrollment
 - Profit & Loss – Provides a template for all anticipated revenue and expense, and categorized by IRS Schedule C categories
 - Time-Space Percentage – Step by Step calculation of the time space percentage for all indirect expenses and use of home
- The spreadsheet is designed to help the provider generate an annual budget, AND to demonstrate the financial impact of enrollment and collection rates, as well as the impact of rate setting. Worksheets are inter-connected so that any change in one tab, flows through the entire document to show fiscal impact
- Review the most current set of financial reports
 - Descriptions of various financial reports are available on the [ECESharedResources](#). <Successful Program Management/Financial Management/ Financial Best Practices & Reporting/About Financial Reporting>
 - A cash flow worksheet, budget worksheet, information on a profit and loss statement, and a financial terms glossary are available on the [ECESharedResources](#). <Family Child Care Toolkit/Business Basics & Professionalism/Resources, Templates & Tools>
 - Review the arrangement that the provider has 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.
 - Information about various fiscal roles, how to hire the appropriate consultant(s) needed, and information about accounting software is available on the [ECESharedResources](#). <Successful Program Management/Financial Management/ Financial Best Practices & Reporting/Bookkeeper/Accountant>

- Supporting the use of business software
 - Child Care Management Software – if the provider is not participating in a cohort using a pre-selected CCMS, one of the most important things a coach can do is to help the provider select and on board a CCMS solution. Opportunities Exchange has created the following resources to support this work:
 - [Selecting a CCMS for FCC Network](#)