

## Contracts and Policies

Your policies are the foundation of your business. They tell parents how you run both the service and the financial sides of the operation. Policies are worth a lot of research and thought because they are the key to profitability. You can ask other providers, or the local CCR&R agency, to find out what policies are used by successful child care businesses in your area.

Your written policy statement should include:

- Description of program philosophy
- Behavior guidance policy statement
- Basic daily schedule
- Supplies that parents will bring
- Your specific expectations of parents (children will arrive fed and fully dressed)
- Plans or procedures for parent/provider meetings or conferences
- Regularly scheduled special events (Library Story Hour)
- Transportation of children to school and/or classes
- Special activities and costs (swimming class, dance class)

Contracts should clarify the expectations that providers and parents have of each other. Here are some "best practices" used by successful child care providers.

- List adults who are parties to the contract
  - Require the signature of parents and/or guardians who share primary custody of the child and/or responsibility for payment.
  - List names of other adults authorized to drop off or pick up the child.
- List days and hours of reserved care - Charge parents for all of the hours of care that they reserve, even if they do not use them. Parents are paying for the "slot" that you hold for their child.
- List rates and fees and payment schedule
  - State the time period that the quoted rates will apply. Many providers adjust rates September 1 of each year, regardless of the date a child enters the daycare.
  - List Fees
    - Late pick up fee by the minute or quarter hour
    - Hourly rate for hours worked in addition to reserved hours. This can be higher than your rate for reserved hours.
    - Service fee for late payment or bounced checks.
    - Supplemental fees - You may charge an additional fee for costly extra features of your service, such as transportation, arts and crafts supplies, music lessons, and field trips; for an annual cost such as liability insurance; or a one-time registration fee to new families.

- Specify weekly, bi-monthly or monthly payment schedules.
  - You may require payment in advance for each period.
  - You may require a "last month's daycare" deposit.
  - List any third-party payers, such as grandparents, employers, or state programs. Will they pay the entire rate or will parents make a co-payment? When will payment be made?
  - For any state child care payment programs, be aware of your documentation responsibilities, program co-payment requirements, and eligibility requirements
- Describe expectations for scheduled and unscheduled child absences
  - Number of days per year which a child may miss, free of charge. Any additional days will be charged.
  - How and when you expect to be informed that a child will be absent
- List your termination of contract policy
  - How much advance notice do you need, i.e. two weeks or one month?
  - Build a "get acquainted" period into your contract; for example, two to six weeks. This allows you and the parents time to determine if this child care arrangement is best for the child. Either you or the parents may terminate the contract without penalty during this time.
- Specify provider leave days
  - List holidays during which your business will not be open. These are paid holidays, included in your fee structure.
  - List the days during which you will take your vacation leave this year. State whether you will provide a substitute or if parents are responsible for finding alternative care.
  - State what you will do when you are sick (ie. You will call the parents the night before).
  - Specify substitute care arrangements - Will you arrange substitute care for your vacation and sick days OR will parents?
- Attach emergency medical information/release form and any required forms needed for compliance with third-party payer requirements.
- Attach a sick child exclusion policy - Clearly state that you cannot care for children with communicable disease.