



Start Licensed Child Care Center License

Caring for 19 children or more in a facility





Developing a Licensed Child Care Center

Start Licensed Child Care | Center License outlines the steps to open a licensed child care center in North Dakota. Prospective child care center owners and planners can use this guide to direct their efforts during each stage of development – from initial planning discussions to facility design.


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Contact Us for Help Along the Way

The Department of Human Services contracts with Child Care Aware® of North Dakota to provide prospective child care owners with free start-up consultation and guidance to meet licensing requirements and inspections.

In general, center planners will connect with inspectors for building, fire, health and child care licensing at least two times during the start-up process. Child Care Aware® can point out obstacles that may prevent your center from meeting requirements and, as you prepare to purchase or lease, can alert you to potential design challenges.

Consider contacting Child Care Aware® before moving forward with any contractual arrangement related to building designs or purchase agreements.

 800-997-8515

 StartChildCare@ndchildcare.org

 www.ndchildcare.org

Understand License Requirements

Child care centers can provide care for 19 or more children in a public/private building.

The actual licensed capacity of a child care center is determined by available space, staff to child ratios, and sometimes local ordinances.

Learn more about North Dakota child care licenses: <http://www.nd.gov/dhs/services/childcare/info/>

The following list identifies some of the basic state requirements to become a licensed child care center. Refer to the Child Care Center Compliance Checklist (SFN 1423) or a complete list of requirements.

Center Director Qualifications

A center director must meet these qualifications:

- Be an adult of good physical, cognitive, social and emotional health, and shall use mature judgment when making decisions impacting the quality of child care
- Possess knowledge or experience in management and interpersonal relationships
- Have at least **ONE** of the following degree/certification requirements:

OPTION ONE:

A bachelor's degree in the field of early childhood education or child development

OPTION TWO:

A bachelor's degree with at least six months experience in a child care center or similar setting and one of the following:

- Eight semester hours or twelve quarter hours in early childhood education or child development
- One hundred twenty hours of department-approved early childhood training
- A director's credential approved by the department

OPTION THREE:

An associate's degree in the field of early childhood education or child development with at least 6 months of experience in a child care center or similar setting

OPTION FOUR:

An associate's degree with at least one year experience in a child care center or similar setting and one of the following:

- Eight semester hours or twelve quarter hours in early childhood education or child development
- One hundred twenty hours of department-approved early childhood training
- A director's credential approved by the department

OPTION FIVE:

A teaching certificate in elementary education with at least six months of experience in a child care center or similar setting

OPTION SIX:

A current certification as a child development associate or successful completion of a department approved diploma program with emphasis in early childhood or child care, with at least one year of experience in a child care center or similar setting

OPTION SEVEN:

Certification from a Montessori teacher training program with at least one year of experience in a Montessori school, child care center, or similar setting and at least one of the following:

- Eight semester hours or twelve quarter hours in early childhood education or child development
- One hundred twenty hours of department-approved early childhood training
- A director's credential approved by the department



Understand Licensing Requirements - continued from page 3

Staff Requirements

- One staff person with current CPR and first aid training is on duty whenever children are present.
- Qualified director be present at least 60% of the time
- Center must be sufficiently staffed at all times to meet the child to staff ratios for children in attendance and that no more children than the licensed capacity are served at any one time
- All staff must complete a Criminal History Background Check (SFN 831)
- All staff members must complete an Authorized Background Check (SFN 508)
- All staff members must complete a Childcare Training Documentation (SFN 343)

Facility Requirements

- Fire Inspection. Contact your local fire inspector for fire codes that may apply to your area.
- Minimum of 35 sq. ft. per child of usable play space indoors
- Minimum of 75 sq. ft. per child of usable play space outdoors OR 75 sq ft of usable indoor recreational space
- Child care environment provides an adequate supply of safe play equipment, toys, materials for indoor/outdoor activity
- Meets sanitation and safety requirements.
- Adequate heating, ventilation, humidity, and lighting
- A minimum of one sink and one flush toilet per 15 children, excluding those not toilet trained
- Hot and cold running water (hot water is 120 degrees Fahrenheit or less)
- Sanitary hand drying equipment, individual cloth or paper towels and safe step stools available
- An approved first aid kit
- An emergency disaster plan is developed and posted
- Fenced outdoor play area
- Napping areas for undisturbed rest
- Smoke-free environment and signage posted
- Covered or inaccessible garbage containers

Understand Licensing Requirements - continued on page 4

Policy, Procedure and Contract Requirements

- Written daily schedule that includes age appropriate activities and intervals of stimulation/relaxation/active/quiet/rest times
- Meal plans posted that meet Child and Adult Care Food Program guidelines <http://www.dpi.state.nd.us/child/cacfp/index.shtm>
- Parent Handbook
- Staff Handbook
- Written plan for guidance and discipline of the children
- Reporting procedure if parents or staff wish to file a complaint, suspected licensing violation, or suspected child abuse or neglect
- Written plans to respond to illness and emergencies
- Posted Evacuation Disaster Plan (SFN 517) that includes plans/procedures for
 - Emergency food, water
 - First aid supplies
 - Pickup/relocation information
- Accountability procedure when a child fails to arrive
- Transportation policy if applicable
- Written agreements regarding fees and payments
- Written policies on employment

Business File Requirements

- A copy of regulations
- A copy of Application to be Licensed (SFN 832)
- Individual files for each child that contain:
 - Child Information Sheet (SFN 845) form that includes the child's name, birth date, and current home address
 - Parent Statement of Health (SFN 847) that lists medical and health information for each child
 - Immunization Records (SFN 16038), except for school age children/drop in or valid exemption
 - Written emergency medical care authorization
 - Release of information form for each child
 - Health care plan for individuals diagnosed with a special need
 - Infant Sleep Permission Form for infants under 12 months
- Individual files for each staff person that contain:
 - Documentation to verify qualifications
 - Documentation of CPR Cards
 - Documentation of First Aid Cards
 - Background Check (SFN 508)
 - Personal Authorization (SFN 831)
 - Childcare Training Document (SFN 343)

Get Information on Local Ordinances

County social services licenses and inspects child care programs to ensure compliance with North Dakota child care rules and regulations. They also provide information on local ordinances.

Connect with the child care licenser for your area by contacting your county social services office.

<http://www.nd.gov/dhs/locations/countysocialserv/>

Determine Business Type

Sole Proprietorship

This is a situation in which one person owns and manages the business and is the sole person financially responsible. In other words, this person receives all the money from the business but is also legally responsible for all its debts. If you are a sole proprietorship, you are responsible for the income tax of the business.

Aside from the financial responsibilities and licensing regulations, the sole owner of a business has no obligation to an outside authority. This person can make the decisions on curriculum, fees, philosophy, policies, and related matters without having to answer to anyone else, as long as it stays within the limits of licensing regulations, state law and financial responsibilities.

Partnership

If two or more persons get together to operate a business, they form a partnership, drawing up an agreement with help from an attorney that states each person's share in the business. These persons make decisions and receive monies as would an individual, dividing income according to each person's share. They are also responsible for the debts incurred by the business, again dividing that responsibility according to each person's share in the business. Partnerships do not pay income taxes. Rather, each partner is taxed on his or her proportionate share of the business.

The partnership, like the sole proprietorship, is responsible only to itself, making all decisions related to the operation of the facility, as long as it stays within the limits of licensing regulations, state law and financial responsibilities.

Corporation (For profit)

Usually a corporation is formed when there is more than one person involved in a business, although in some states individuals may also become incorporated. Corporations are organized under state laws and therefore may differ somewhat from state to state. A corporation still needs to stay within the limits of licensing regulations and legal financial responsibilities. Basically, a corporation operates as though it were an individual. The corporation assumes the responsibility of the business, receives all monies, and assumes all debts.

Members of the corporation are not held personally responsible for debts of the business, but only for the share of the business that they own. You will need legal assistance to set up a corporation and may need additional legal assistance for its continuation, should problems arise. Unlike the partnership form of a business, a corporation pays income taxes on its profit, while the members of the corporation pay income tax on their share of the profits.

It is conceivable that family members can become a simple corporation and function as the Board of Directors and officers. The Board, in turn, hires the facility director, and sets his/her salary.

Nonprofit Corporation

To enter the nonprofit field, an organization must become incorporated. This assures those who contribute to the facility that all monies received will go into the project and will not be of benefit to any individual. Nonprofit corporations receive some tax exemptions, since they don't profit. All monies earned must be put back into their business.

Child care businesses who decide to incorporate as a nonprofit are regulated by federal and state law. Nonprofit incorporation is best handled by an attorney in consultation with a certified public accountant. It is important to understand the advantages and disadvantages of being a nonprofit before a decision is made.

Nonprofits are required by law to have a Board of Directors. Those members should be chosen very carefully as the duties of board members are significant. For most nonprofits that find themselves in financial or organizational difficulty, the reason(s) can be traced to inadequate board member recruitment and training.

If the facility is operated by a religious organization, a community service organization, or some type of incorporated group, the facility is considered to be nonprofit. It operates under the sponsors' nonprofit incorporation papers (501c3). Tuition income may be supplemented by the sponsoring group either through fund raising or grants. Often the sponsoring body will just underwrite one or more aspects of the program, such as providing facilities free of charge.

Create a Budget

Vision Determines Budget

Begin by outlining a vision for the center. The following questions will help you determine the center's services and frame the basis for the start-up and operating budgets.

- What is the demand for child care services in the area?
- What are the current market rates for child care services?
- What are the desired financial outcomes?
- What are the desired programmatic outcomes?
- Are adequate levels of qualified center management and staff available for hire?
- What is the average salary of child care staff in the area?
- How many children will the center serve? What are their ages?
- How will the exterior look? Will the center portray a positive street appeal?
- How will the interior look? What messages will the interior design features convey?
- Why should families choose this center?
- What will set the center apart from existing child care centers in the area?

Who should develop the budget?

Budgets represent the future. A center director, the person who enrolls families, manages staff, and plans for the facility's future, typically develops the budgets and, for non-profit entities, works in collaboration with their parent advisory board or board members (if these have already been established). Budget development should not be the responsibility of the facility's accountant or the bookkeeper.

Possible Income

Consider Child and Adult Care Food Program (CACFP) reimbursements when estimating cost of meals and snacks for eligible children. To participate in the CACFP, a facility must be a public institution, a private non-profit (501(c) 3) institution, or a for-profit facility in which 25% or more of the children receive Child Care Assistance or meet the requirement for free or reduced price meal benefits.

www.dpi.state.nd.us/child/cacfp

New projects require the preparation of two budgets:

- **Start-up budget** (See page 7 for worksheet) that projects start-up income/expenses
- **Operational budget** (See page 8 for worksheet) that projects daily income/expenses.

The goal of both budgets is to balance expenses by projected income or other revenue sources.

Start-Up Budget

Estimate initial start-up project costs to get a sense of how much money will be needed and whether it's feasible to proceed. Building, labor and material costs change constantly, so adjust your budget accordingly when

- A site is selected
- A purchase or rental cost is known
- Architectural and construction (plumbing, carpentry, electrical) bids are submitted
- Furniture and equipment needs are identified

Annual Operating Budget

List all anticipated expenses that will occur once your child care program is operating at desired capacity.

A financially healthy for-profit or nonprofit child care facility can expect a 5-7% profit or surplus after expenses.

It is best to estimate expenses higher and project income lower as you create a budget.

Personnel	75-80%
Occupancy	8-15%
Meals/snacks	4-8%
Supplies	2-5%
Equipment	2-5%
Insurance	2-3%
Other services	2-4%
Profit/surplus	5-7%

Contact Child Care Aware for an Excel spreadsheet template that is formatted specifically for a center budget. Simply add your fees, enrollment, staff salaries, etc. and figures will calculate automatically.

Start-up Budget Worksheet | Facilities

Income Items	Description	Income
Bank Loan		
Grants, Gifts and Contributions		
Fund Raising Events		
Other		
TOTAL INCOME		\$

Expense Items	Description	Expense
Personnel Expenses		
Program Director	Staff who plan and implement start-up period which could be as long as 6-12 months	
Staff	Staff employed up to 2 months before children are enrolled	
Staff Training	An intensive multi-day all-staff orientation should be conducted before opening. (# staff * training cost *hour wage)	
Professional Services	Architect, attorney, contractors, etc.	
Staff Recruitment	Signs, classified ads, etc.	
Landscaping	Consider doing natural playscapes, possible fencing, outside water sources and maintenance to the yard	
Building	Deposits, hook-up cost, zoning fees, rent, and signage	
Renovations	Water sources, plumbing, ADA updates, sprinkler or fire alarm system, fire doors, exits, egress windows, heating & cooling	
Furniture/Equipment		
	Calculate: \$2000*child + \$200/ classroom for consumables	
Infant/Toddler		
Preschool		
School-age		
Outdoor Play Space	Fencing, landscaping, and storage	
Office/Recordkeeping	Computer, software, accounting & payroll system, printer, copier, telephone, intercom, security system, keypad entry, business registration, 501c3 status, marketing, Business Liability and Personal Property Insurance	
Kitchen	Commercial kitchen equipment might be required, contact your local health inspector for more information in your area	
Office Supplies	(Consumables: goods that have to be purchased regularly because they wear out or are used up. Ex. paper, tape, etc.)	
Cleaning Supplies/ Paper Products	(Consumables: goods that have to be purchased regularly because they wear out or are used up. Ex. paper towels, toilet paper, cleaning products, etc.)	
Other		
Kitchen/Food	Plan for bulk storage and supplies (Approx. \$5.19/day/child)	
Advertising/Marketing	Money spent on making the program visible such as signage and attractive landscaping will be worth the investment	
Licensing Fees/ Inspections	Approximately \$250/year	
Transportation	Will you be providing transportation? (To and from school/field trips etc.) Consider purchasing a safe transportation vehicle to accommodate a large group along with proper insurance and safety restraints, also budget for license requirement expenses	
TOTAL EXPENSES		\$

Annual Operational Budget Worksheet | Center

Income Items		Description	Income
Tuition		Consider a reduced utilization rate (85-95%)	
	Infant		
	Toddler		
	Preschool		
	School-age		
USDA Food Program			
Fundraising			
Grants			
Other			
TOTAL INCOME			\$

Expense Items		Description	Expense
Salaries			
	Infant Staff		
	Toddler Staff		
	Preschool Staff		
	School-age Staff		
	Admin/Support Staff/ Subs		
Professional Services		Attorney fees, accounting services, debt collection, etc.	
Staff Training/Resources		Include workshop fees, staff library, (# staff * training cost *hr wage). Should include substitutes	
Occupancy		All costs arising from use of a building and land: such as rent, mortgage, real estate taxes, snow removal, lawn services, mechanical maintenance, etc.	
Utilities		Contact utility provider about projected fees	
Phone/Internet Access		Contact utility provider about projected fees	
Loan Payment/Bank Fees			
Insurance		Secure commercial (business) liability insurance. In addition, non-profits require errors and omissions or directors and officer's liability insurance.	
Supplies			
	Classroom	Adequate supplies are critical for a quality program (children need to paint, draw, and create.) Calculate \$200/classroom/month	
	Cleaning/Paper/Kitchen	Consumables	
	Office	Consumables & printing	
	Parent Education	Calculate: \$50.00/month	
Replacement of Equipment			
	Classroom	Calculate: \$150 to \$200 per child for furniture replacement costs/yr	
	Playground	Calculate: \$2400/yr	
	Administrative		
Repair/Maintenance		Building repair, parking lot upkeep	
Food		Calculate: \$5.19/day/child	
Advertising		Staff / child openings or special events.	
Licensing Fees/Inspections		Approximately \$50/yr	
Transportation		Licenses, vehicle insurance, repairs, and/or gas	
TOTAL EXPENSES			\$



Budget conservatively the first year

Use a realistic enrollment utilization rate when writing the first year's operational budget. A program rarely enrolls to 100% of licensed capacity within the first year. Budget conservatively for year one by estimating enrollment at 85% to 95% of capacity. The following scenarios compare budget projections at 100% and 85% utilization for a facility licensed for 50 children and charging \$5,000 per year (50 weeks x \$100 per week). It shows a dramatic shortfall of \$35,000 when enrollment fell short by 15%.

Hopefully, the utilization rate will be higher than 85%. If so, the additional revenue can be used to increase program quality or

Annual income projections of a facility using 100% utilization

50 children (100% enrollment) x \$5,000 = \$250,000

Annual income projections of a facility using 85% utilization

50 children (85% enrollment) x \$5,000 = \$215,000

to cover unexpected expenses. After 2-3 years of operation, the facility enrollment will have stabilized giving a more accurate utilization rate and more accurate budget projections.

Policies impact the budget

Absence Policy

Will the program require families pay all or part of the fee for days their child does not attend because of illness or vacation?

Absences due to illness, visits from grandparents, vacations, or school holidays impact on monthly income. Many programs hesitate to charge families for these times, even though expenses remain constant. Budgets need to accommodate absences by projecting income based on less than full attendance OR require payment for days that are missed.

Some programs compromise by limiting the number of “no charge days” for absences, but will collect fees for days when children are absent beyond the set limit. This policy shows consideration for families but also allows child care programs to accurately predict expected income and build stability into the budget.

Reduced Rate Policy

Will the program plan on offering reduced rates for siblings and/or children of staff?

Most centers charge full rates for families with multiple children and for staff's children who are in attendance.

Part-Time Fee Policy

Will the program offer full time and part time care?

For some families, part-day or part-week care may make the most sense, especially for very young children whose parents are not working or studying full time. Consider charging more for part-time enrollment. Generally, fees for part-time care need to be higher since matching part-time children with another to equal a full-time child becomes challenging.

Staff Expenses

Staff salaries and benefits will be the single, largest expense for the facility running 75%-85% of the facility's total expenses. Carefully plan staffing needs and schedules to adequately accommodate state mandated child-to-staff ratios and classroom group sizes.

Adult-to-Child Ratio and Group Size for Child Care Center Licenses

AGE OF CHILDREN	STAFF:CHILD RATIO	MAXIMUM GROUP SIZE *
0 thru 17 mo.	1:4	10
18 thru 35 mo.	1:5	15
3 years	1:7	20
4 years	1:10	25
5 years	1:12	30
6 to 12 years	1:20	40

* If mixed ages are grouped in the classroom, group size must be consistent with the age of the majority of the children. **EXCEPTION:** If children under 18 months of age are part of the mixed age group, the group size for their age group must be maintained.

Contact Child Care Aware® for a Coverage Planner Center worksheet that will help you easily and accurately calculate ratios with just a few key strokes.

Staffing Patterns

Consider the following recommendations for staffing patterns and budgeting.

- Overlap staff schedules to allow enough time for staff to communicate about children in their care.
- Maintain appropriate ratios and group sizes when scheduling staff breaks and time for activity planning and preparation.
- Include time for meetings with parents, staff meetings, and trainings. Fair wage and hour standards require that wages be paid during meetings and trainings.
- Budget for substitutes if offering sick, vacation and holiday pay for staff who receive those benefits.
- Budget for possible health, dental, vision, maternity leave, additional insurance, retirement packages, etc.
- Consider creating a pay scale which links pay to training and experience
- Always have two or more staff scheduled while children are present to help reduce the risk of false allegations or the risk of one staff person unable to manage a crisis situation.



Find the Right Facility

Child care facilities become a “home away from home.” Planning a “home away from home” that accommodates children of various ages, interests and energy levels can be a daunting task. Focus on these tried and true design features used by successful center developers.

- Plan for enough space
- Bring plumbing to the right places
- Design the facility to maximize health and safety, comfort and convenience, play and learning

“Child behavior tends to be more constructive when sufficient space is organized to promote developmentally appropriate skills. Crowding has been shown to be associated with increased risk of developing upper respiratory infections. Also, having sufficient space will reduce the risk of injury from simultaneous activities.”

- Caring for Our Children: National Health and Safety Performance Standards

Plan for Enough Space

North Dakota requires a minimum of 35 square feet per child of usable space per child (this does not include equipment, door swings, hallways, bathrooms, etc.).

Experts agree that at least 50 square feet of usable space should be allotted per child in each classroom, and even more for infant and toddler rooms to accommodate their cribs and other specialized, bulky equipment.

Square Foot Recommendations for Indoor Child Care Space

	Minimum	Better	Recommended
Primary play space for each classroom <i>(used for child activities and play)</i>	35 sq. ft /child	46 sq. ft /child	50 sq. ft /child
Secondary space in each classroom <i>(bathrooms, diapering areas, storage, kitchenettes, cubbies, and built in furniture)* **</i>	20 sq. ft /child	20 sq. ft /child	22 sq. ft /child
Adult and common space <i>(outside the classrooms: staff lounge, reception area, resource room)</i>	15 sq. ft /child	22 sq. ft /child	24 sq. ft /child
Non-assignable space <i>(essential architectural space such as entry ways, corridors, utility room and stairways)</i>	17.5 sq. ft /child	26 sq. ft /child	29 sq. ft /child
TOTAL BUILDING SQUARE FOOTAGE	88 sq. ft /child	115 sq. ft /child	125 sq. ft /child

*Infant rooms - an additional 30 sq. ft/child are needed for each crib as well as 2-3 foot spacing between cribs.

**Toddler rooms - an additional 3 sq. ft/child are recommended for both diapering and toileting areas.

Facility Design Features

Good space design makes care giving experiences convenient, comfortable and enjoyable for children and staff. Good design welcomes parents and children into the facility and sends a clear message that this will be a good place to spend the day.

Before putting pencil to paper to sketch the facility floor plan, consider the following design features and the specific enhancement each brings to the program. Integrating as many of these features as possible into the original facility plan will help program planners design the right facility from the start.

Features to enhance the health & safety

For all rooms

- 50 usable sq. ft./child (not to include nap space, bathrooms, and door swings)
- Phone in each room
- Windows or half walls in infant nap space
- Windows at child's level that open
- Sinks at child height with lever handles in each room (0-17 mo. at 16", 18-35 mo. at 18", 3-5 years at 22")
- Bathrooms with child-size toilets in each room

For preschool rooms

- One adult sink with lever handles in each room
- Water fountain in each room

For infant/toddler rooms

- Two adult sinks with lever handles (one for diapering, one for food prep)
- Space for two small tables (4-6 children per table) in food area (limit highchairs—children can be at appropriately sized tables when able to sit)
- Linoleum or laminate in room entrance, food area, diaper area, bathroom
- Space for adults and children to remove shoes before entering into rooms (floors are dirtiest space in child care)
- Refrigerator mounted overhead out of children's reach
- Heated floors

Features to increase comfort for children & staff

- Climb-up changing tables for toddler rooms
- Carpeted space for cozy area
- Incandescent (not fluorescent) track lighting with dimmer switches (create pools of light)
- Well-functioning heating and cooling system with individual room controls
- Comfortable seating for caregivers
- No half walls or portable dividers separating groups of children
- Neutral paint and wood accessories (no plastics)
- Ceiling fans

Features to maximize convenience & efficiency

- Computerized check-in at front desk
- Parent area in each room
- Cubbies and coat hooks defining room entrance
- Overhead, adult-only, wall storage in every activity area (limit base cabinets)
- Storage for car seats in infant/toddler rooms
- Durable, cost effective materials that prevent maintenance hassles
- Overhead storage in nap room for blankets, sheets, etc.
- Storage for mats in toddler and preschool space
- Easily cleanable flooring for messy areas (art, sand, water, food)
- Washer/dryer centrally located
- Outdoor storage for wheeled toys, sand/water toys, etc.
- Access to water on playground for drinking water and water play

Features to encourage active play

- Platforms, steps, slides (indoor)
- Access to outside playground from each classroom
- Landscaped, fenced-in play area
- Indoor gross motor room

Features to enhance exploration

- Multi-level lofts for individualized/small-group play
- Space for reading, manipulative, construction, dramatic play, and motor exploration (including infant room)
- Low, open shelves accessible to children
- Windows, glass doors and peek-through windows facilitate exploration

Features to support staff

- Office space for staff work desks, computers, printers and copy machine
- Staff lounge and resource room
- Space for staff meetings and in some cases, community gatherings

The Importance of Lighting

The quantity, quality, and variety of light, shapes young children's experiences and their understanding of the world around them. Classrooms and other activity areas in the facility should incorporate a range of natural and artificial light from a variety of sources. Maximize the number of windows between rooms and to the outdoors. Individual classrooms should have the ability to control their own light, ideally with a dimmer switch and window coverings.



Plan for Intense Plumbing Needs

Child care facilities have intense plumbing needs and can be one of the largest fixed renovation or building costs for a child care facility. However, adequate plumbing is critical to the function of each room. If renovating an existing building, carefully explore the feasibility of adding bathrooms in a variety of locations.

Child-sized activity sinks used for washing after messy play, entry in the classroom and before meals/snacks are needed in group rooms separate from hand washing sinks related to toilets. In infant and toddler rooms, it is recommended there be two adult-height sinks – one for diapering and one for food preparation and other uses. In preschool and school age rooms one adult sink is recommended. Keep in mind the importance of water play for children and design an area to accommodate a water play table.

Plumbing Considerations

Infant Rooms	1 child-sized handwashing sink - 16 inches high 2 adult sinks, one for diapering and one for food preparation
Toddler Rooms	1 child-sized toilet per 5 toddlers, 11 inches high 1 child-sized handwashing sink per 5 toddlers - 18 inches high 2 adult sinks, one for diapering and one for food preparation Water fountain
Preschool Rooms	1 child-sized toilet per 10 children, 11 inches high 1 child-sized handwashing sink per 5 toddlers - 18 inches high 2 adult sinks, one for diapering and one for food preparation Water fountain
School-Age Rooms	1 child-sized toilet per 20 children - 1 for males, 1 for females 1 child hand washing sink per 10 children 1 adult sink Water fountain
Adult Needs	1 toilet per 10 adults 1 fully accessible toilet per building or floor 1 hand washing sink per 10 adults 3 kitchen sinks (wash, rinse, sanitize)

Learn More About Center Design

- *Designing Early Childhood Facilities: Resource Guide 2* <http://www.gsa.gov/graphics/pbs/designguidesmall.pdf>
- *Creating Playgrounds for Early Childhood Facilities: Resource Guide 4* for help planning the facility's outdoor play space to achieve a successful environment for young children. It begins by considering the types of activities that children can enjoy outdoors and suggests equipment and materials that support that play. http://www.lisc.org/media/filer_public/c6/c8/c6c8b045-d3c9-46ad-ab6d-65d6b807a666/2005_cick_guide_vol4_playgrounds.pdf

Potential Site Assessment

	YES	NO	NOTES
Zoning allows for a child care facility.			
Site conveniently located for the project's targeted families.			
Outdoor space accommodates an outdoor play area that is well located (<i>Minimum of 75 square feet per child of usable outdoor play space with a separate play area for infants/toddlers and preschoolers is recommended</i>).			
Entrance to facility safe and secure. Building lends itself to designing a welcoming entrance that can be secured from the public.			
Building exterior attractive, clean, well maintained and welcoming.			
Building accessible to those with disabilities.			
Parking area safe and convenient.			
Entry to the building lends itself to designing a welcoming atmosphere for the space.			
Building free of environmental hazards such as lead, radon, asbestos, and mold. Check for lead paint in buildings built before 1978.			
Flooring and walls clean, durable and in good repair. Multiple classroom spaces can be created where all groups of children are in distinct classroom spaces acoustically separated by walls (<i>Early childhood experts agree that more than the minimal licensing requirement of 35 sq.-ft. per child is needed to support a high quality environment. Optimal square footage is generally considered 50+ sq ft. per child depending on the age and the number of children.</i>			
Building has ample windows or the ability to create additional windows, especially windows that are low to the floor.			
Indoor space available for running and active play.			
Layout of the building allows each classroom to have direct or easy access to the outdoors.			
Separate office spaces dedicated for staff outside the classroom. Site has an area that can be dedicated for staff breaks with comfortable adult furnishings away from the children. Secure and accessible storage space for staff available in offices, closets, classrooms or other storage areas.			
Building provides space for confidential conversations with parents and staff.			
Bathrooms and sinks can be incorporated into each classroom that are suitable for children. Adult bathrooms sufficient and conveniently located.			
Diaper changing area accessible, hygienic and allows for clear supervision of children.			
Kitchen safe and appropriately equipped (possibly commercial and contain appropriate sinks or dishwasher) for the type of food services planned. Include closed storage for dishes, utensils, bulk foods, including locked storage for any potentially hazardous materials/items.			
Laundry area well designed and centrally located.			
Telephone system which provides phone access in each room.			
Existing building systems (plumbing, sprinkler system, electricity, heating, ventilation and air conditioning, etc.) in good condition and able to support high volume use in a child care facility.			

Write a Business Plan

Why develop a business plan?

Writing a business plan is an important step towards managing your business more effectively and efficiently.

- A business plan encourages strategic thinking in an objective manner. A completed business plan also provides a road map for a business to follow for future organizational and financial developments.
- A business plan communicates a business' mission and goals to potential funders. It explains how the proposed funding will further the business' goals and establish a viable business. Business plans are commonly required when applying for small business loans or financing from a commercial bank.

What is in a business plan?

Every business plan should include the following sections:

Cover sheet

Table of Contents

1. Executive Summary
2. Company Overview
3. Service Description
4. Market and Industry Analysis
5. Marketing Plan
6. Operations Plan
7. Financial Analysis
8. Evaluation
9. Supporting Documents

Contact Child Care Aware® for assistance in developing your child care business plan, center operational budget, etc.

General Tips for Developing a Business Plan

- **Presentation matters.** Never underestimate the value of a professional-looking document. Bank and grant officers look at hundreds of business plans and appreciate a plan that is easy to read and well presented. A professional looking business plan shows that the management is serious about the business.
- To make the document easy to read:
- Use headers
- Leave plenty of white space on each page
- Include a table of contents
- **Be concise.** A short, well-written plan presents better than a long, drawn out one. Write in easy-to-understand terms.
- **Be honest.** Don't try to hide limitations and weaknesses. In addition to highlighting the strengths of a child care business, a business plan should demonstrate an understanding of the challenges a business faces. After a challenge has been identified, be sure to discuss a plan for overcoming it.
- **Seek professional assistance.** There is nothing more valuable in the process of writing a business plan than receiving assistance from an expert in the field. Child Care Aware® consultants can provide feedback on all aspects of business plan.
- Contact North Dakota Small Business Development Center for information on possible funding opportunities and loan packages. www.ndsbdc.org



Business Plan Outline

Cover Sheet (Sample provided at right)

Table of Contents

Section One: Executive Summary (one page or less)

1. Brief description of the child care business
2. Mission statement
3. Brief description of the proposed project

Section Two: Company Overview

1. Type of business structure; stand alone or part of an umbrella organization
2. History of the business/organization; years of operation
3. Description of services currently offered (or planned), number and ages of children served, and target market, number and qualifications of staff
4. Programmatic success (e.g. National Association of the Education of Young Children accreditation or environmental rating scale assessments)
5. Future (two-year) business goals and needs

Section Three: Service Description

1. Program
2. Description of the expansion project:
 - Whether a new site is being acquired or an existing site is being expanded
 - The attributes of the business location that make it appropriate for child care
 - Number and age-mix of children to be cared for
 - The hours of operation
 - Services to be offered
 - Required equipment and furnishings
 - Room design and arrangement
3. Plan for managing the facility development process
 - Which consultants have already been hired (e.g. project manager, architect)
 - How and when additional consultants will be hired
 - The level of involvement of the board (if non-profit)

Section Four: Market and Industry Analysis

Child Care Aware® has current data to assist you with your analysis: www.ndchildcare.org/data-pub

1. Demographics of working families in your county or in the target group you plan to serve.
2. Child care demand information
3. Child care supply information
 - Number of other child care programs in the community or geographic area
 - Number of child care spaces already provided in the area
 - Child care vacancies in the area
 - Average cost of care
 - Length of current waiting list
 - Age groups that are being served (infants, toddlers, preschoolers, school-age, or a combination) or that are NOT being served by other programs
 - Locations of existing child care businesses in your vicinity
 - Types of services offered by existing child care businesses

Section Five: Marketing Plan

1. Why will customers come to you and not to the competitors--price, quality of care?
2. What are your marketing goals?
3. What strategies are you going to use to reach potential customers?

Cozyland Child Care Center Business Plan

123 Main Street
Anytown, ND 51111

701-000-0000
Cozyland@email.com

Jane Doe, Director
701-000-0000

January 1, 2015

Business Plan Outline- Continued

Section Six: Operations Plan

1. Description of management team with staff qualifications
2. Organization chart
3. Staff training practices and staff training needs
4. If non-profit, identify board compositions and provide list of board members
5. If for profit consider adding information of a potential parent advisory board and their role.

Section Seven: Financial Analysis*

1. Start-up budget (if project is new or expanding)
2. Annual operating budget
3. Financial projections for three years including assumptions and comments
 - Three Year Income Statement
 - Three Year Balance Sheet
 - Three Year Revenue Model
4. Current revenue and expense statement

**Contact Child Care Aware for model Excel spreadsheets formatted specifically for center budgeting. Simply add you projected fees, staff salaries, etc. and the program will calculate automatically.*

Section Eight: Evaluation

Describe the outcomes to be accomplished. Identify benchmarks that will be measured during implementation to demonstrate successful implementation of the project.

Section Nine: Supporting Documents

- Budgets and current revenue and expenses
- Financial projections for three years including assumptions and comments
- Staff/child ratio information sheet, worksheet and staff credentials
- Resumes of key people (board chair, owner/operator)
- Consultant contracts
- Letters of support
- Legal documents (articles of incorporation, child care license, property deed)
- Other relevant information (e.g. waiting lists, commitment letters from funders, etc.)
- Letters of support (three)
- Any other relevant information

Purchase Furnishings

When selecting classroom equipment and materials, many factors should be considered along with cost.

- Focus on quality and durability, not on immediate cost savings. Selecting higher quality furnishings for the classroom may cost more initially but will undoubtedly reduce maintenance and replacement costs over time.
- Purchase items that will create a warm and inviting environment in your facility and classrooms. Well-designed and aesthetically pleasing furnishings and materials will support program quality by improving the overall classroom environment.
- Use natural wood tone furnishings and equipment. Avoid plastic furnishings.
- Work with vendors known for high quality and long-lasting products, and who provide warranties and replacement parts.
- Ask vendors about upcoming sales or discounts.

An annual operational budget, should include **\$50 to \$100 per child for new purchases and replacement of toys, books and curriculum materials.**

Helpful Resources








- Child Care Center Equipment and Furnishings lists recommended furniture and equipment and offers advice on how to prioritize your needs.
- Items that must be purchased for start-up
- Items can be requested as donations
- Items can be purchased as grants and fundraising dollars become available
- Items can be purchased as the facility's income allows

Things to consider when purchasing classroom furniture

- Plan an environment that encourages independence. Children of all ages - infants, toddlers and preschoolers - feel more competent and secure when they can handle their surroundings safely and independently.
- Staff can make better use of their time and energy when the environment is set up to promote self-help skills. For example, instead of lifting older toddlers and twos into highchairs, staff can encourage children to seat themselves on small chairs at low tables.



Considerations when purchasing classroom furniture

	AVOID	LIMIT	CHOOSE	CONSIDERATIONS
<p>Group feeding tables</p> 	●			Group-feeding tables are not comfortable or supportive because the child's legs can dangle and plastic seats are slippery. Children need to feel secure when they move around in their seats. The chance of spreading germs from one child to the next is also high, since group-feeding tables space children close together.
<p>Low, child-size tables and chairs and low high chairs</p> 			●	Child-size chairs around a low table encourage independence and increases their self-help skills. Toddler's feet should touch the floor while they are seated. Appropriate table height allows children to rest their elbows on the top of the table and tuck their legs comfortably underneath.
<p>Large toy boxes</p> 	●			Large toy boxes and crates do not allow play and learning material to be sorted and stored in an organized way for independent use. If dolls, rattles, music toys, blocks and cars are all stored together in a large box, children cannot see the different materials that have been heaped randomly on top of one another in the box.
<p>Low shelves</p> 			●	When toys are sorted and stored separately on open shelves, children can easily see the different types of toys and make choices about what they want to play with.
<p>Walkers</p> 	●			Infants continue to sustain injuries in walkers, even under supervision. Most of the injuries resulted from a fall down stairs or falls out of the walker. Other injuries, such as burns and poisonings, happen because infants are more mobile in walkers and able to reach objects that would be otherwise be out of reach. The Academy of Pediatrics states "walkers do not help children walk sooner and can actually delay normal muscle development."
<p>Exersaucers</p> 		●		Exersaucers are considered safe and are a better option than walkers because they allow children to spin, rock, bounce, and sit upright. However they should only be used for short periods of time. Some physicians feel that exersaucers hold a child's hip in an extended position, which is not good if a baby spends a lot of time in them. These devices also prevent a child from seeing their feet. Data on exersaucers suggests that this lack of visual feedback hinders a child's understanding of their own movements.
<p>Floor mats, pillows and blankets, on open floor space</p> 			●	Floor blankets, mats, pillows, hammocks, soft ottomans, plastic climb through tunnels, play rings and pull-up bars encourage children to move naturally and rely on their own creativity and initiative for locomotion.

Get more information about hazardous children's equipment

U.S. Consumer Product Safety Commission <http://www.cpsc.gov/>



Child Care Facility Equipment and Materials List

Prepared by the Childcare Consultant Team at Child Care Aware® of North Dakota

Preschool and School-Age Classrooms

Books and Pictures

Enough to rotate and at least three of each.

- Fantasy
- Factual
- People
- Animals
- Science
- Multiple cultures
- Diverse abilities

Encouraging children to communicate

Enough to rotate- choose from items below:

- Small figures in blocks
- Animals in block area
- Puppets in book area
- Flannel/feltboard
- Telephones
- Dramatic play props
- Dolls

Fine motor

Enough to rotate and at least three of each:

- Small building toys such as interlocking blocks, Lincoln logs
- Art materials such as crayons, scissors, etc.
- Manipulatives such as beads for stringing, pegs, pegboards, and sewing cards
- Puzzles - knobbed and knobless

Art

Some of each of the following:

- Drawing materials such as paper, crayons, nontoxic markers, thick pencils
- Paints
- Three-dimensional materials such as play dough, clay, wood gluing, carpentry
- Collage materials
- Tools such as scissors, staplers, hole punches, tape dispensers

Music/movement

Some of each:

- Instruments
- Tape/cd player
- Dance props, such as scarves, bean bags
- Variety of CDs or musical selections including:
 - Classical
 - Popular
 - Cultural
 - Different languages

Blocks

Enough for at least 3 children (300) and accessories – at least two types:

- Unit blocks-wood, plastic, foam including rectangles, squares, triangles, cylinders, etc.
- Homemade blocks
- Hollow blocks
- Toy people, animals, vehicles, and road signs

Sand/Water

Sand AND water, both indoors AND outdoors, variety of toys such as:

- Containers
- Spoons
- Funnels
- Scoops
- Shovels
- Pots & pans
- Molds
- Toy people, animals, and trucks

Dramatic play

Enough materials to rotate and some of each of the following:

- Housekeeping such as dolls, child-sized furniture, dress-up, kitchen utensils
- Different kinds of work props, such as office, construction, farm, store, fire fighting, transportation
- Fantasy, such as animals, dinosaurs, storybook characters
- Leisure such as camping, sports
- Multicultural items such as food, dress up, dolls, props

Nature/science

At least some items in each of the following categories:

- Collections of natural objects such as rocks, insects, seed pods

- Living things such as non-toxic house plants, gardens, pets
- Nature/science books, games, or toys such as matching cards, sequence cards
- Nature/science activities such as cooking, experiments with magnets, magnifying glasses, sink and float

Math/number

Enough materials to rotate and at least 3-5 of the following types:

- Small objects to count
- Materials for measuring, such as spoons, cups, tapes, scales, etc.
- Materials for learning shapes & sizes
- Materials for recognizing numbers such as rulers, number puzzles, magnetic numbers, number games such as dominoes or number lotto, geometric shapes, parquetry blocks

Infant and Toddler Classrooms

Using books

At least 12 books including books about:

- People of varying races, ages, and abilities
- Animals
- Familiar objects
- Familiar routines

Fine motor

Enough to rotate and for children to use without excessive competition:

For infants:

- Grasping toys
- Busy boxes
- Nested cups
- Textured toys
- Containers to fill and dump
- Cradle gyms

For toddlers:

- Shape sorting games
- Large stringing beads
- Big pegs with peg boards
- Simple puzzles
- Pop beads
- Stacking rings
- Nesting toys
- Medium or large interlocking blocks
- Crayons

Active physical play

Ample materials and equipment so that children do not have to wait including:

For infants:

- Outdoor pad or blanket
- Crib gym
- Small push toys
- Balls
- Sturdy things to pull up on
- Ramps for crawling

For toddlers:

- Riding toys without pedals
- Large push-pull wheel toys
- Balls and bean bags
- Age-appropriate climbing equipment
- Slide
- Balance board
- Cushions or rugs for tumbling
- Tunnels
- Large cardboard boxes

Art

Some of each of the following:

- Drawing materials such as paper, crayons, nontoxic markers
- Brush & finger paints
- Play dough
- Collage materials

Note: edible materials should NOT be used!

Music/movement

Some of each:

- CD player
- Music boxes
- Musical toys & instruments
- Safe, home-made instruments such as shakers
- Variety of CDs and musical selections including:
 - Classical
 - Popular
 - Cultural
 - Different languages

Blocks

For children 12 months and up, at least 3 sets of blocks (10 or more per set) of different types as well as variety of accessories including:

- Soft blocks
- Light-weight blocks of various sizes, shapes, colors
- Large cardboard blocks
- Toy people, animals, vehicles
- Containers to fill & dump

Dramatic play

Enough materials to rotate and some of each of the following:

For infants:

- Dolls
- Soft animals
- Pots & pans
- Toy telephones

For toddlers:

- Dress-up clothes
- Child-sized house furniture
- Cooking/eating equipment
- Dolls
- Doll furnishings
- Soft animals
- Small play buildings with accessories
- Toy telephones

Sand/Water

For children 18 months and up. Sand/ water, both indoors and outdoors including a variety of toys such as:

- Kitchen utensils
- Shovels & buckets
- Small cars and trucks
- Floating toys
- Plastic containers

Nature/science


At least some items in each of the following categories:

- Living things such as nontoxic house plants, aquariums, classroom pets
- Nature/science books that represent nature realistically
- Nature/science toys that represent nature realistically

Schedule an Inspection

If you have completed all the licensing requirements (see pages 2-4) you are ready to schedule your licensing inspection. Call your [county child care licenser](#) to schedule an inspection and complete the licensing process.

Contact Child Care Aware® of North Dakota if you have questions or want to apply for technical assistance.

 800-997-8515

 StartChildCare@ndchildcare.org

 www.ndchildcare.org



Establish Your New Business

These steps are not required by licensing, but they will help you establish your new child care business.

- Prepare a Start-up and Operational budget (see pages 7 and 8)
- Obtain an Employer Identification Number (EIN) to identify a business entity: https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online?_ga=1.27781049.448401736.1476296998
- Establish a business checking account
- Register your business with the ND Secretary of State: <http://www.nd.gov/businessreg/>
- Find a tax accountant that is familiar with child care
- Consult your insurance agent about specific insurance coverage for child care
- Establish a financial record keeping system. Online record keeping systems are available.

Market Your Child Care Business

Child Care Aware of North Dakota's 24/7 online referral is a no-cost service that helps child care businesses promote their vacancies and parents connect to care.

Licensed child care providers can market their business through this service by completing a Business Profile. The information you provide about your child care services and vacancies is entered into the Child Care Aware® referral database.

Families in turn, can enter their criteria for care and the system will refer them to a list of child care providers that match their needs.

Over 5,000 families use the Child Care Aware® of North Dakota Referral Service each year. Your only responsibility is listing your vacancies and then let technology do the rest. Once licensed, complete your Business Profile form to participate in this no-charge service: <http://www.ndchildcare.org/providers/business-profile.html>



Documents & Forms

Find links to the state required forms referenced in this guide at <http://ndchildcare.org/start/center.html>

REQUIRED DOCUMENTS FOR LICENSING

- Child Care Center Compliance Checklist (SFN 1423)
- Criminal History Background Check (SFN 831)
- Authorized Background Check (SFN 508)
- Childcare Training Documentation (SFN 343)
- Evacuation Disaster Plan (SFN 517)
- Application to be Licensed (SFN 832)
- Child Information Sheet (SFN 845)
- Parent Statement of Health (SFN 847)
- Immunization Records (SFN 16038)
- Infant Sleep Permission Form

Find links to business management documents referenced in this guide at <http://ndchildcare.org/providers/>

BUSINESS MANAGEMENT - Contract, Policies and Leases

- Parent Handbook

STAFF MANAGEMENT

- Staff Coverage Planner - Centers
- Staff Handbook

