FAMILY CHILD CARE
PLANNING CHECKLIST

When thinking about expanding, improving, or starting a family or group child care business, it is essential to think through the entire process by breaking activities down into four stages: **planning, pre-development, development, and start-up**.

Although this document lists the steps in order, not every step will apply to every project. Some steps may happen at the same time, while others may not be needed, depending on the size and type of project. This document outlines many common activities involved in developing an in-home daycare, but every project is different. Be sure to consider whether there are additional steps specific to your situation.

NevadaCCSC.org has many useful tools to support you during your journey. Create a free login so you can access the resource links below.

For personalized one-on-one support with opening your child care business, contact the Provider Success team at ProviderSupport@ChildrensCabinet.org or 702-915-6906.

PLANNING STAGE

The planning stage is one of the most important parts of opening or expanding a business. **Investing time and attention early on helps reduce the risk of costly mistakes later**. This stage also helps you determine early whether you and your business are prepared to take on the financial risks involved in a development project.

MONEY NEEDED DURING THIS STAGE: Equity (planning grants, internal resources) and limited Debt (soft loans)

Market Analysis

- ☐ If you already own a home, then this analysis will be of your surrounding neighborhood. If you rent your home, you will need written authorization from your landlord. If you are in the process of looking for a home to operate your program, you should analyze targeted areas by reviewing demand indicators: population of young children, workforce demographics, zoning, and HOA restrictions.
- ☐ Estimate the number of families demanding services in your area and the rate to be charged. Note: this is not an estimate of those who just need services, but of those who demand the services and can pay your rates or can use parent vouchers.
  - *Resource: 2025 Early Education & Care Fact Sheet*
  - *Resource: Nevada Census Data*
  - *Resource: Find Child Care*
- ☐ Decide whether your services will target low-income, middle-income, and/or affluent families. This decision will affect both the rates you charge and your eligibility for subsidy programs. Most of your clients will probably come from your surrounding neighborhood, take that into consideration.
  - *Resource: Guide to Starting or Expanding a Child Care Business*

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☐ Decide what age group(s) your services will cater to. This will affect your assessment of local supply and demand. Keep in mind that different age groups have different requirements of staff ratios and required equipment, which will impact your operational budget.

- *Resource: Defining a Business Model*

☐ Assess whether the rates you intend to charge will generate enough revenue to meet the costs of operating expenses and the debt incurred at start-up.

- *Resource: Financial Planning*
- *Resource: Revenue & Setting Competitive Rates*

☐ Begin to write a business plan that addresses the issues above.

- *Resource: Defining a Business Model*
- *Resource: Contact your Small Business Administration to find out what local resources are available to you (e.g. Small Business Development Centers, Women's Business Centers, and/or Service Corps of Retired Executives advisors). This information can be found at 1-800-8-ASK-SBA, or online at www.sba.gov.*

Financial Feasibility

☐ Estimate the overall start-up or capital cost of renovation. A contractor can help you with these estimates. Divide the overall costs into:

- Soft costs (design, permits, legal, and financing fees) Will you require home renovations?
- Hard costs (acquisition, construction, equipment) Will you being using your current home or moving to a new location? Do you need to install a play structure?
- Hidden cost (your time)
- Contingency costs (a portion of construction costs set aside to cover unexpected costs)
- Lost income (if the program has to close for any period of time during construction).
  - *Resource: Financial Planning*

☐ Design, or update, an operating budget for your child care business. In identifying your expected revenue (incoming money from parent fees and vouchers, state subsidies, etc.) you should not project that your program will be more than 85% full because it usually takes at minimum six months to reach full capacity and even then it is quite common for enrollments to fluctuate throughout the year.

- *Resource: Financial Planning*
- *Resource: Revenues Cover Per-Child Cost*
- *Resource: Cost of Care Calculator*

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☐ Identify the financing you will need to cover your start-up and operating expenses.

  - *Resource:* *Financial Planning*

☐ Analyze your ability to apply for financing (i.e. loans) by determining debt capacity, or debt service coverage.

  - *Resource:* *Financial Planning*
  - *Resource:* *Access Community Capital*

☐ Ensure that you will have enough working capital (cash available to fill in the gap between revenue and expenses) at the end of the facility development process to cover at minimum 3 months of operating expenses because revenue takes time to come in as enrollment builds. It is best to have a larger cash reserve if possible, to prepare for any cash flow problems that may occur, especially for new programs.

☐ Identify donor relationships and look into new ones for development grants and for donations of toys, equipment, furniture, dress-up clothes, building supplies, etc. You should also identify potential partnerships with other community organizations like churches, hospitals, and schools that might be able to collaborate with you to provide certain services and share some expenses.

Organizational Capacity

☐ Establish a development team of individuals to lead the renovation project. Seek volunteer, pro bono, or in-kind assistance before hiring paid consultants.

☐ Evaluate your financial readiness by identifying red and green flags:

Red flags: difficulty paying bills, deficits in recent years, large amounts of uncollected receivables such as parent fees, and a lack of any cushion or cash reserve.

Green flags: services are constrained by a lack of space, you are in a financially strong and growing position, and there is a clear demand for your services

  - *Resource:* *Go/No Go Workshop*

☐ Identify local support - know the community and the demand for services; have relationships beyond just the early care and education field; and make sure the community knows what you have to offer.

PRE-DEVELOPMENT STAGE

MONEY NEEDED DURING THIS STAGE: Equity (planning grants, internal resources) and limited debt (soft loans)

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Site Feasibility

- ☐ The child care provider must live in the home they are providing care in. The care must be provided on the first floor of the home and have an attached play area for the children.
    - *Resource: Becoming Licensed*
- ☐ If you do not own your home, you will need written permission from your landlord to operate a child care business.
- ☐ The home must be zoned by the city appropriately. Some locations may require additional permits in order to operate a child care facility.
    - *Resource: Check with your local planning department for specifics on your location.*
    - *Resource: City Childcare Toolkits*
- ☐ If you belong to a Homeowners Association, check to make sure that you can operate a child care business at your residence.

Approval Process

- ☐ Complete the Licensing Application Process (LAP) training offer by Child Care Licensing.
    - *Resource:* Child Care Licensing LAP Training
- ☐ Contact your local Child Care Licensing surveyor to advise you on licensing requirements.
    - *Resource: Contact List*
- ☐ Seek information about required public approvals (e.g. land use/zoning; building code, health, safety; community care licensing requirements; fire clearance, insurance) and find out if your identified site will have any problems obtaining these approvals once the facility development process is complete. Work with your local planning department.
    - *Resource: Contact List*

Project Design

- ☐ Discuss the renovation with a contractor or architect to translate the project concept into a physical design that meets your goals and budget constraints, and that satisfies public approval requirements. Include input from parents, children and your staff when designing the project.
- ☐ Review required vs. recommended elements of design for the project.
    - *Resource: Whole Building Design Guide*
- ☐ Visit other similar facilities in and around your community and talk with other child care providers to identify successful designs and mistakes to avoid.
- ☐ Research cost-effective design options, taking into account the initial costs and the long-term quality and maintenance consequences of using certain materials and equipment.

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Securing a Contractor

- ☐ Solicit and review at least three bids from qualified contractors. Note: funders may have requirements.
- ☐ Check license, references, qualifications and insurance.
- ☐ Negotiate a contract that includes a scope of work, a work schedule, a payment schedule, a cancellation policy, and agreement about what happens if there are cost overruns or delay. Also specify a payment type, either lump sum or guaranteed maximum price.

Obtaining Financing for the Development Process

- ☐ Finalize the business plan with the following components: an executive summary of the plan, the objective of the project, a market analysis, a marketing plan, an operations plan, a financial management plan, and supporting documents.
  - *Resource: Financial Planning*
- ☐ Determine the startup/capital budget for the project including: facility related costs and deposits, personnel costs prior to opening, supplies and equipment costs, and other costs like insurance, advertising, legal, professional and licensing fees, and contingency costs to cover unexpected expenses).
  - *Resource: Saving Money*
- ☐ Identify likely funding sources (e.g. public, philanthropic, nonprofit, and commercial sources). Look first to financial institutions where you already have a relationship. If there are none, think about local community lenders, and be sure to price shop for the best overall terms.
  - *Resource: Early Learning Grants & Resources*
- ☐ Apply for funding, secure commitments, close loans and have cash in hand.

DEVELOPMENT STAGE

MONEY NEEDED DURING THIS STAGE: Debt (loans) and Equity (internal resources, grants)

Construction or Renovation of the Site

- ☐ Identify the key person responsible for overseeing all site and design developments.
- ☐ Ensure that the construction process is conducted according to the arranged design, budget, and timeline.
- ☐ Develop a "punch list" of corrections that need to be made after the final inspection.

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☐ Release the final payment (the "retention") only after the punch list is completed. e. Clarify call back and warranty procedures.

☐ Prepare a maintenance schedule for the facility.

Equipping the Classroom

☐ Purchase appropriate furniture and curriculum specific materials for the classroom(s). Make sure your furniture aligns with child care licensing requirements. Verify the timing of this step correlates with the timeline established for developing and opening the facility.

- *Resource: Saving Money*

☐ Develop a plan for receiving, installing, and taking inventory of all supplies and equipment.

License Approval for the Facility

☐ Submit a completed application and pay fees to the Child Care Licensing Office.

- *Resource: Becoming Licensed*

☐ Submit copies of work cards, TB tests, required classes, and director application to child care licensing.

☐ Set up appointments with your state and/or local fire and local health department for an inspection to obtain approval permits.

- *Resource: Contact List*

☐ Obtain a Business License from The State of Nevada and your local municipality.

- *Resource: SilverFlume*

☐ Make sure that you have obtained all required public approvals (refer back to the Predevelopment Stage).

☐ Set up an appointment with Child Care Licensing to come inspect the facility, and they will either approve or deny your license. If they deny it you will have the opportunity to make the necessary changes and re-apply.

Hiring Personnel

☐ Identify how many staff members you will need. Family Child Care providers (FCC) care for 1-6 children and do not have additional staff. Group Family Child Care Providers (GFCC) care for 7-12 children and often have at least one additional staff. Identify when staff will work, what their responsibilities will be, and how much they will be paid, including benefits and staff training opportunities.

- *Resource: Compensation & Benefits*

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☐ Begin advertising for staff at least 60 days in advance of your anticipated start date by contacting local teachers, college placement offices, vocational high schools, and the local employment agency. Also, place job advertisements on Job Boards. Include the job title, a brief job description, required qualifications, application deadline, resume request, your telephone number, address of center and name on the job advertisement.

- *Resource: Recruitment & Hiring*
- *Resource: Job Ads*
- *Resource: Nevada Registry Job Board*

☐ Review applications, conduct interviews, contact references, and notify all candidates of your decisions.

- *Resource: Interview Guides*

☐ Clearly define personnel expectations and responsibilities for your staff.

- *Resource: Job Descriptions*
- *Resource: Employee Handbook*
- *Resource: Staff Training – Nevada Registry*

☐ Recruit volunteers who can help with clerical and administrative tasks in order to save staff time. All adults in the home and volunteers are required to be background checked and take a class on abuse and neglect.

☐ Contact The Children's Cabinet and The Nevada Registry to learn about public dollars that pay the salary of those needing job training and apprenticeship experience in child care settings.

Marketing the Program in the Community

☐ Create a unique message about the business that clearly and concisely describes what is special about your child care business.

- *Resource: Creating an Elevator Pitch*

☐ Start marketing your services at least three months before you open. Include the program's name, address, hours of operation, ages of children served, fees, contact information, your unique message, and expected opening date on all advertising materials.

- *Resource: Marketing you Program*

☐ Devise an effective plan to promote your services and message. This plan will depend on your community and the type of organization you are promoting, but will most likely include a number of different techniques, such as word of mouth networking, creating a distinctive logo, distributing business cards, flyers, signs and brochures, participating in community events, seeking free media coverage, offering on-site workshops and lectures, creating a website, hosting an open house, and making a good first impression!

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- *Resource: Business Website*
- *Resource: Facebook Marketing*

☐ After you are licensed, make sure that your program is registered with The Children's Cabinet so that they can refer parents in need of care to any slots you have available.

- *Resource: Email: providersupport@childrenscabinet.org*

START-UP STAGE

MONEY NEEDED DURING THIS STAGE: Equity

Phase in Staffing and Children

☐ Remember that you need to build up to full capacity. You won't start with a full staff or full enrollment the day you open.

☐ Try to start up in either the early fall (August/September) or January, if possible because these are the times of year when parents are most likely to make changes in care arrangements since they correlate with breaks in the school schedule.

☐ Create parent/provider contracts in order to lay out in advance all expectations and responsibilities for both you and the parents whose children are enrolled in your child care program.

- *Resource: Family Handbook*
- *Resource: Enrollment Agreement*

☐ Maintain your image and publicity even after the facility is up and running. For example, bring business cards with you whenever you go out with the children, make T-shirts for the children to wear on field trips, make sure your services are well known throughout the community.

☐ Establish a waiting list if possible because child care enrollment can fluctuate easily and you will want to fill vacancies as quickly as you can to ensure regular cash flow.

- *Resource:* Enrollment Tracking

Program Sustainability

☐ Maintain relationships with funders and build new relationships with potential funders consistently, even when you don't need money because it is important to stay aware of funding opportunities.

☐ Establish an operating reserves budget so that you are prepared for unexpected expenses and cash flow inconsistencies.

☐ Be realistic about the fees you charge and adjust them over time as your expenses change, but always give parents advance warning of these changes.

- *Resource: Principals of the Iron triangle*

  - *Resource:* *Revenue* and Setting Competitive Rates

- ☐ Above all, balance your service obligations with your business obligations. If you don't attend to the business matters of your child care program you won't be able to provide high quality services!

The Children's Cabinet

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