



# 2022 Child Care Relief Fund

## FAMILY CHILD CARE TIPS & TOOLS FOR USING COVID RELIEF FUNDS EFFECTIVELY

### **Using COVID Relief Funds Effectively**

The 2022 Child Care Relief Fund can have a huge impact on your business and the children in your care. Though this one-time funding brings much needed relief, the challenge will be to balance your short-term and long-term business needs as you decide how to best utilize these funds. This informational resource is designed to help you think through ways that you can most effectively use this money to recover from the COVID-19 pandemic as well as to strengthen your family child care business in the future.

Though this money can be used in a wide variety of ways, there are some restrictions and other considerations for family child care businesses. For this reason, it will be important to plan how you use your funds so that you can ensure that it has a positive impact on your business while remaining in compliance with the terms and conditions associated with funding.

### **Relief money is on the way! Now what?**

The 2022 Child Care Relief Fund will be structured so that you receive your award across four equal quarterly payments. Because you can use your funds on expenses incurred between September 1, 2021, and May 23, 2023, we suggest spreading out your expenses over time.

**The investment ideas listed below can help you maximize the impact of your spending and ultimately, strengthen and revitalize your operations moving forward.**

## Investment idea #1: Compensate yourself

Too many family child care owners, operators, and directors don't see a regular income from their business. You work hard, but don't pay yourself regularly. Instead, your income sits in a checking account waiting until there's enough confidence (and sometimes enough money) to provide the pay that you earn, and that you and your family need and deserve.

But how should you pay yourself? If you are a **sole proprietor** paying yourself, you can do a payroll report or pay-by-check, bank transfer, or app payment where it documents that this was payroll for a given period in the memo section. Also, you should not have your pay exceed your program's revenue for the same time period. For example, if you took in \$1,000 for the month in revenue, you could not claim payroll of \$1,500.

If this is your **first time** formally paying yourself, you may be able to capture your typical owner/operator pay by dividing Line 31 of your most recent Schedule C by 260:

Line 31, Schedule C/260 days = historical owner/operator daily rate of pay

Ultimately, you will have to determine how much to pay yourself. For more strategies, view [Paying Yourself: A Guide for Sole Proprietors](#).

You may also want to consider a longer-term investment when it comes to your compensation and benefits. There are a variety of retirement plans available to small business owners. You could open a retirement account through your business and provide regular contributions.

If you have staff, there are several ways that you can use the 2022 Child Care Relief Fund to pay them. Learn more in the [How to Support Your Workforce with CCRF 2022 Guide](#).

## Investment idea #2: Improvements to your home

Do you have a list of program quality or health and safety improvements that need to happen? Although the 2022 CCRF is a one-time opportunity, it can help you to check off some of those long-term investments. Some ideas include **replacing your heating or cooling system, replacing your roof or your gutters, or updating flooring**.

You can also consider replacing appliances, such as laundry machines, a refrigerator or an extra freezer, or any other kind of equipment, which may help to make things more efficient and effective.

**Do keep in mind that if you use an appliance for personal and work use you need to be able to determine how much is for your business versus your personal life.**

The [time/space method](#) can help you in the process.

**With the added sanitation demands of the pandemic, you can also spend funds on items such as:**

- Portable sinks;
- Hand sanitizer dispensers;
- Touchless faucets and soap dispensers;
- Touch-free waste bin;
- Steam cleaner vacuums;
- Replacement classroom carpets or flooring;
- Dishwashers; and
- Upgraded sanitizer systems for cleaning toys and other materials.

**General improvements to your home may include:**

- Updating or upgrading home safety systems such as fire or carbon monoxide alarms;
- Updating security systems or camera systems for indoor and outdoor play areas; and
- Improving technology equipment (i.e., iPads, laptops, printers/copiers, electronic filing, bookkeeping, tuition or fee payment systems or child care management systems).

**SAVINGS ALERT!** There may be additional programs that provide incentives to support certain building improvements. This can help you leverage recovery funds even further. To find a listing of potential programs in your state, visit the [U.S. Department of Energy — Office of Energy Saver](#).

Learn more about [finding a contractor](#) below.

### **Investment idea #3: Play area improvements**

Another potential use for the 2022 CCRF is to upgrade your indoor and outdoor play space. Through these improvements, you can offer children an area that will be more developmentally appropriate and enjoyable. These can also allow for general safety and comfort of children you serve. Some ideas are listed below. Play spaces are often a big factor for families choosing a provider, so improved play space can also impact revenue by attracting new families as well as retaining the ones you have.

Keep in mind that the new federal guidelines consider pools a high-risk activity and there are special regulations associated with that kind of offering.

#### **Here are a few ideas to consider for upgrades to your play areas:**

- Additional riding toys;
- Toys to push and pull;
- Tunnels or structures to crawl through;
- Upgraded water or sand play areas;
- Slides;
- Updated fencing;
- Re-painting;
- Updated flooring;
- Materials for creative arts or STEM activities;
- Tricycles, balance bikes, helmets or scooters;
- Rubber surfacing;
- Natural play space materials;
- Children's garden;
- Portable shades for outdoor lessons and play;
- Pavement repair;
- Awning for outdoor waiting areas; and
- Fencing for a pool if you have one (pool covering also).

Remember that some improvements to areas that are used for your child care business as well as your personal activities may need to be adjusted using the [time/space calculation](#).

## **Investment idea #4: Continuing education or training**

The 2022 Child Care Relief Fund can also present you with a great opportunity to advance your skills and pave the way for new art, music and reading programs, as well as new child learning techniques can serve children better. These programs can also make you a more sought-after provider for families and help to combat reduced enrollment over time.

For Family Child Care Providers, scheduling time for professional development can be a challenge. You could use the additional funds to cover the cost or expenses associated with the time off or site closures for the professional development days or additional staff coverage you may need to use in order to attend the training.

## **Investment idea #5: Shared services program**

Operating on tight margins, family child care owners may not typically budget funds to invest in marketing their program to attract new families and boost enrollment. Now that securing enrollments is more critical than ever, it is wise to consider using incoming funding to conduct marketing activities. This could consist of designing and purchasing promotional materials such as fliers and brochures, starting or upgrading a program website, and purchasing paid ads.

You may also find that a subscription to a shared services program could be a strong investment for your child care program. There are a number of benefits for family child care providers who join a shared services network. Joining a shared services network can help you expand your network and provide marketing support, in addition to giving you access to many cost-savings opportunities. A shared services network is an organization comprised of child care providers who use a centralized method of shared access to services which can include accounting and bookkeeping, professional development and training, and purchasing options for members. Additionally, members can often access supports for their businesses including business strengthening resources, peer-support, or up-to-date information on local grant opportunities.

A shared services program can be especially useful for family child care providers as it allows for providers to access services that may be too expensive when purchased individually but becomes possible when the cost is shared across the network. This means that members can access services that may not otherwise be feasible and that they can free up money that can be used elsewhere in their child care business such as program enhancements or increased wages for staff. Another advantage for family child care providers is that joining a network presents the opportunity to share administrative duties, marketing, enrollment challenges, or even recruitment of staff. Family child care providers often have many roles to fill

including bookkeeping, marketing, recruiting (and retaining!), training, and more, all in addition to caring for children. Shared services networks can alleviate some of this strain by distributing these responsibilities across a centralized team.

For more information, providers can contact their Local Workforce Development Board.

## **Investment idea #6: Prepare for the unexpected**

While most programs are required to have emergency preparedness plans, have you thought about whether you have the necessary resources, equipment, and materials to effectively carry out an emergency plan?

### **Here are a few ideas to consider to help you in executing your risk management plan:**

- Using surplus operational dollars to establish or contribute to an emergency fund to cover expenses associated with emergencies, such as insurance deductibles;
- Emergency supplies, including portable kits for evacuations and 72-hour supply kits for sheltering in place; and
- Text messaging services/parent communication apps to be used for emergency notifications.

## **Additional Resources**

If you enjoyed these tips and tools on how to use your Child Care Relief Funding effectively, you may enjoy these other resources at [childcare.texas.gov](https://childcare.texas.gov):

- [Paying Yourself: A Guide for Sole Proprietors](#)
- [Time/Space Calculation](#)
- [How Do I Select and Offer Employee Benefits?](#)
- [How to Support Your Workforce with CCRF 2022 Guide](#)
- [How to Use CCRF Funding to Recruit and Retain Staff Webinar](#)
- [Pay Increases and Payroll Taxes](#)

## Conclusion

While the last two years have certainly been a challenge, the 2022 Child Care Relief Fund will help you recover from the losses your business experienced over the last year, easing the burden on you, your business, and your family. Take the time to sit down and create a plan for the use of your funds keeping in mind the variety of ways that they can be used. If you need more support, either acquiring the funds or creating a plan to spend them, please reach out to the [Texas Child Care Business Coaching Team](#).

## Questions?

If you have any questions, you can [register for a FREE call with a business coach](#) at [childcare.texas.gov](http://childcare.texas.gov).

# Appendix: Finding a Good Contractor

We often hear from providers that even when they do have the cash to invest in improvements to their home or center, it can often be difficult to find a good, reliable contractor to complete the work. Here are some general suggestions on ways to find and vet a contractor that you can be sure will meet the needs of the job.

## Ask trusted contacts for recommendations

Start with people you know and ask about their previous experiences with contractors. You can even post on social media within your friend network to get referrals and recommendations.

Additionally, you may want to consider approaching home improvement stores or other facilities that you know well. Their trusted employees may be able to provide recommendations on contractors that they personally know.

## Do your research

Whether someone comes to you with glowing recommendations or not, you may want to conduct your own search for contractors online.

Some of the more popular and reliable sites include:

- [Angie's List — angieslist.com](https://www.angieslist.com)
- [checkbook.org](https://www.checkbook.org)
- [homeadvisor.com](https://www.homeadvisor.com)
- [houzz.com](https://www.houzz.com)
- [porch.com](https://www.porch.com)

Many of these sites are free or low-cost and will give you access to not only contractors, but reviews of actual the users of their services. You may also want to check with your local Chamber of Commerce or the Better Business Bureau too.



## Conduct a phone interview

### Once you have secured a few referrals, ask them some questions over the phone. Ask:

- If they are licensed and insured, and can provide proof.
- If they typically do projects that are your size.
- For references on not only their work, but also from suppliers and subcontractors.
- For a list of some previous clients, the size of their project, and how it aligns with your particular needs.
- How many projects they typically have going on at the time. Too many projects might mean they won't have the time to do your project in a timely way. No projects may make you wonder why.

## Meet in person

After the phone interview, have a face-to-face meeting with three or four of your top candidates. It can be difficult to find the time to meet with more than one contractor, but this is a great way to truly understand what they can offer. Talk about your project and timeline making sure they understand the magnitude and complexity of it.

- Ask them questions about what will happen if there are unforeseen issues that come up.
- Ask them about when they will be able to handle your project, and how long they think it will take.

## Call references

After meeting in person, call the former clients of those contractors you most liked. Ask past clients about their finished product, how long it took, how satisfied they were and how close the final price was to the original estimate.

If there is a previous client who is willing, schedule a time to go look at the completed work. Make sure it's something that really is comparable with the quality and size of the project that you would like to undertake.

**NOTE** This can be tricky since most individuals may not want to receive calls. Perhaps the contractor has a website, pictures, or testimonials that they can share with you.

## **Get multiple bids**

For the contractors you like and have good references, get a bid from each one. Review the bid, including their timing (how long the project is going to take, when they'll start and end), and have them put that in writing. Be sure to minimize disruption to your daily programming — plan work around a scheduled program break or after-hours.