

FCC Financial Management Self-Assessment Tool

SECTION 1: IRON TRIANGLE

Marketing

- How do you differentiate your program from others? What is unique about your program?
 - Please describe in 2 or 3 sentences the benefits of your program (how do you describe to interested families how their children will learn in your program?):
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- Do you have a website?
- Do you have a social media presence?
- On which online directories are you listed?
- Do you collect information on how currently enrolled families heard about the program?
- Do you have a referral incentive program for current families?
- What agencies, people, advertising, and strategies help you fill slots?
- How long does it typically take for you to respond to inquiry calls?
- Do you offer virtual tours?
- Can parents schedule a (virtual) tour online?
- What percentage of parents that tour eventually enroll a child?
- How do you stay in contact with families on the waiting list?

Enrollment

- Do you monitor enrollment on a regular basis to see when you will have openings? How do you monitor enrollment?
- Are parents able to apply and enroll online?
- Are parents able to access the schedule that they need?
- What are your hours of operation?
- What days of the week are you open?

Collection

- Describe these elements of your parent written enrollment agreement:
 - The start date of tuition

 - How often tuition is due (weekly, bi-weekly, monthly – IN ADVANCE OF THE SERVICE)

 - Policy on payment for non-attendance (including holidays and vacations, unexpected closures, insufficient funds, emergency closures, absences, illnesses, contagious illnesses, public health emergency)

 - Any deposit due (i.e., last two weeks of care, refundable, non-refundable)

 - Late payment fees

 - Late pick-up fees

 - A withdrawal notification process and period

- How do you invoice/bill? (For example, by verbal notice, written bill, electronic invoice, etc.)
- How often do you invoice/bill?
- Do you track expected payments (or the amount you expect to be paid)?
- Do you compare actual payments to expected payments?
- Do you have written policies around late/non-payment?
 - Do you issue tuition reminders?
 - Do you have a policy for re-invoicing for unpaid amounts?
 - Do you end services to families that have not paid?
 - How do you decide when to end services – based on the amount owed, the length of time owed, etc.?

- Do you uniformly implement these policies?
- Do you accept multiple means of payment - e.g., ACH payment from bank account, credit or debit cards, Venmo, Zelle, or PayPal?
- Do you use a collections agency? If so, is information regarding the process included in the parent handbook?

SECTION 2: COMPENSATION

Check the sources of revenue that you receive:

- Private pay tuition
- Parent co-pay for child care subsidy
- Subsidized child care payments
- State grants/stipends
- Public PreK
- Head Start/Early Head Start
- Food program (CACFP)
- Small Business Administration forgivable loans
- Other (please describe)

Rates & Fees

- Do you charge an application fee?
- Have you waived your application fee to any parents in the past year?
- Do you charge supply fees?
- Have you waived your supply fees in the past year?
- Do you charge a late pick-up fee?
- Have you waived your late pick-up fee in the past year?
- Do you charge a late payment fee?
- Have you waived your late payment fee in the past year?
- Do you know what tuition other providers in your region charge?
- Are your rates in alignment with other homes and centers in your area?
- Alternative questions:
 - Do you know your cost per child? How does this compare to the tuition you charge? Can you calculate the per child revenue loss or profit? How does this align with what other homes/centers in your area charge?

- Do you waive fees when children are sick or parents are on vacation? If so, do you build the cost of these revenue losses into your per-child rate?
- When did you last review your tuition rates?
- When did you last raise your tuition rates?
- Part-time rates
 - Do you accept part-day schedules?
 - Do you accept part-week schedules?
 - How do you calculate rates for less than fulltime care?

Benefits

- Do you have health insurance for yourself or your assistant?
- How many paid holidays do you and your assistant earn per year?
- When did you or your assistant last contribute to a qualified retirement plan (IRA)?
- Do you have disability income insurance?

SECTION 3: RISK MANAGEMENT

- How many fire drills did you conduct in the past 12 months?
- How many disaster drills did you conduct in the past 12 months?
- Do you have business liability insurance?
 - If so, provide the annual cost \$_____
 - Is it claims or occurrence?
 - What are the limits for occurrence and aggregate?
- Do you have business property insurance?
- Do you have commercial auto insurance?
- Do you have an insurance agent?
- If so, please provide their name and contact information: _____

SECTION 4: BUSINESS STRUCTURE

- Do you have an EIN?

- What is the legal structure of your business?
 - Sole proprietorship
 - Single person LLC
 - LLC (partnership)
 - LLC (corporation)
 - C corporation
 - S corporation
 - Other (describe)
- Are you self-employed or an employee of the business?
- Do you have assistants? If so, do you issue a weekly or bi-weekly paycheck and deduct & pay payroll taxes (e.g., they are employees) or pay them as consultants and issue a 1099 at the end of the year?

SECTION 5: TAX LIABILITY

- Do you keep track of business-related expenses? By what system/method?
- Do you keep track of expenses associated with the business use of the home? By what system/method?
- Do you keep track of caregiving hours in the home? By what system/method?
- Do you keep track of irregular or unscheduled caregiving hours in the home? By what system/method?
- Do you keep track of business conducted and hours worked in the home when children are not present? By what system/method?
- Do you report the hours you worked and the space you used in your home for entry on IRS Form 8829 Expenses for Business Use of Your Home? This form is for sole proprietors (self-employed) and single person LLCs.
- Do you prepare your own tax return?
- If not, provide the name and contact information for your tax preparer:

- How much do you pay your tax preparer for this service?
- Would you be willing to share the two most recent Form 8829s and Schedule Cs with this project?

SECTION 6: DEBT & LIQUIDITY

- What is the amount and type of debt that your business has? This should include business credit card debt, personal credit card debt, student loans, mortgage, home equity loan, and car loan.
 - What interest **rates** do you pay?
 - What **amount** of interest do you pay monthly? Annually?
- How many months of cash on hand do you have to pay for your essential monthly expenses?
- Do you have a line of credit with your local bank?

SECTION 7: FISCAL MANAGEMENT

Do you use anyone (paid or unpaid) to help manage finances for your business?

- Do you use an accountant? Yes ___ No ___
 - If yes, name and annual cost: _____
- Do you use a bookkeeper? Yes ___ No ___
 - If yes, name and annual cost: _____
- Who completes the following tasks:
 - budget creation _____
 - fiscal reporting _____
 - accounts payable (paying invoices for business expenses) _____
 - accounts receivable (tracking down payment that the business is owed) _____
 - bank reconciliation (comparing bank statements to checkbook ledger) _____

Do you use any software to help manage your finance and operations?

- Do you use a Child Care Management Software solution? If yes, which system?
 - Brightwheel
 - Procare

- KidKare
 - Alliance CORE
 - Smartcare
 - Other _____
- Wonderschool
 - Do you use any accounting software?
 - QuickBooks ____
 - Wave ____
 - Excel ____
 - Other (please name) ____
 - Do you (or anyone who assists you with business management) create reports or look at data to understand your business standing?
 - Do you have a separate bank account for your business?
 - Do you invoice/collect tuition via electronic transactions?
 - Do you charge credit card/electronic transaction fees to families?
 - Do you have a current annual budget for your business?
 - What is the most recent financial report that you have?
 - What is the report type?
 - budget to actual (profit and loss statement)
 - cash flow statement
 - balance sheet
 - What period does the report cover?