

# More Bucks For Your Bang

Maximizing Revenue for Your Child Care Business

*Presented at Elevate22*

*June 4, 2022*

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# Slide Title



## Objectives

What and why?



## Definitions

What is "access to capital"?



## Applying Information

Putting new knowledge to use!

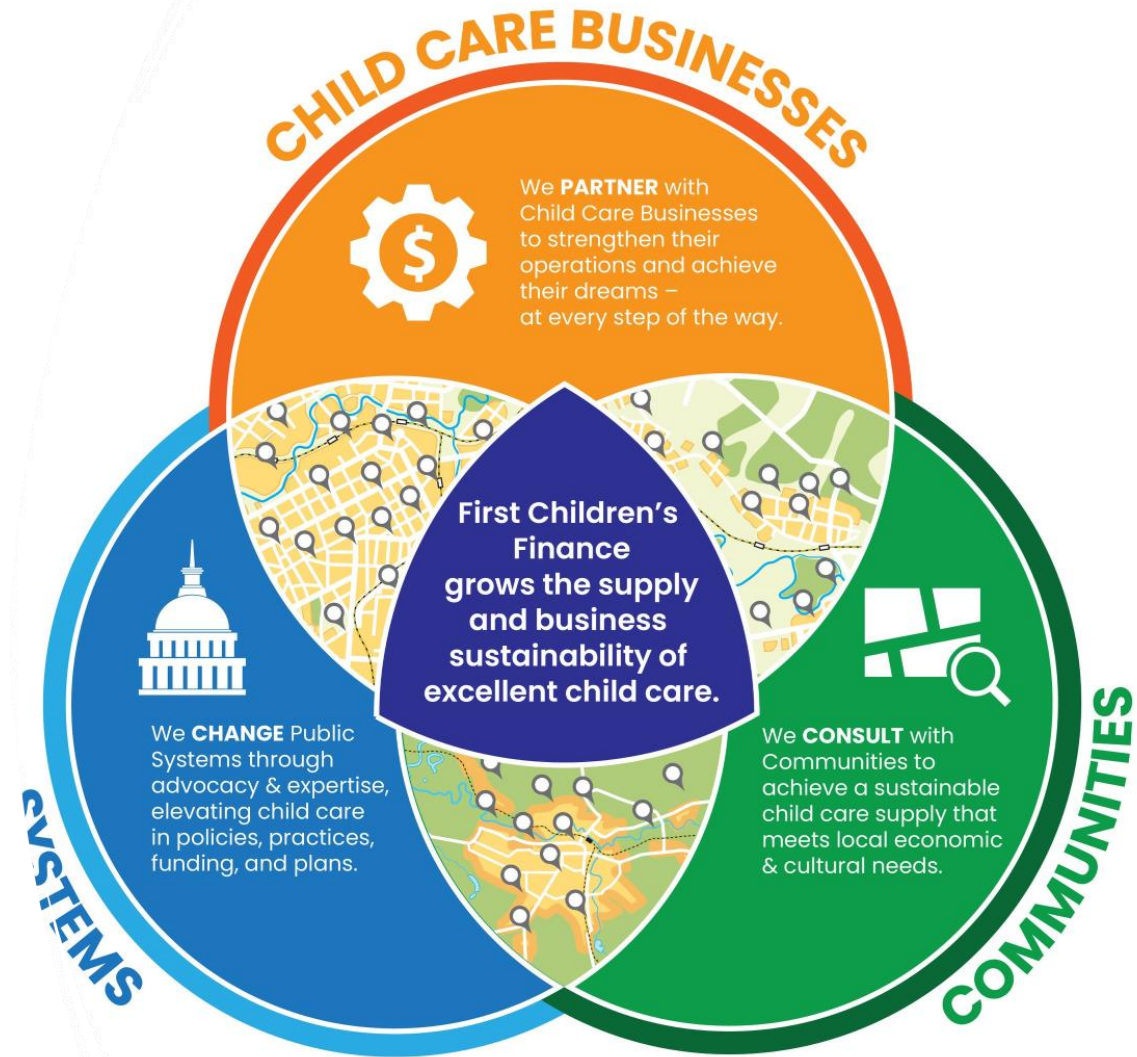


# Objectives

1. Define "access to capital"
2. Discuss forms of capital available for child care businesses
3. Discuss benefits and challenges of the processes of accessing that capital
4. Empower you as a child care business owner with the information you need
5. Share guidance on how you can prepare for financing



# First Children's Finance





# What does "access to capital" mean?

The ability to get money or resources to start or grow your business or continue your business through an emergency.

- Personal savings or checking account
- Loans
- Grants
- Donations
- Credit cards



# Access to Capital Sectors



FINANCIAL  
INSTITUTIONS



DEPARTMENT OF  
HEALTH & HUMAN  
SERVICES GRANTS



PHILANTHROPY



ECONOMIC  
DEVELOPMENT



# How do child care owners access capital?

Personal savings

Private loan from a friend/family member

Gift from a friend or family member

Nebraska DHHS Start Up Grant

Small Business Administration (SBA) loan

Loan from a Community Development Financial Institution (CDFI) (example: Nebraska Enterprise Fund)

Loan from a traditional bank

Crowdsource fundraising (example: GoFundMe or Kickstarter)

Grant from a foundation

Grant from the City

Grant from the County

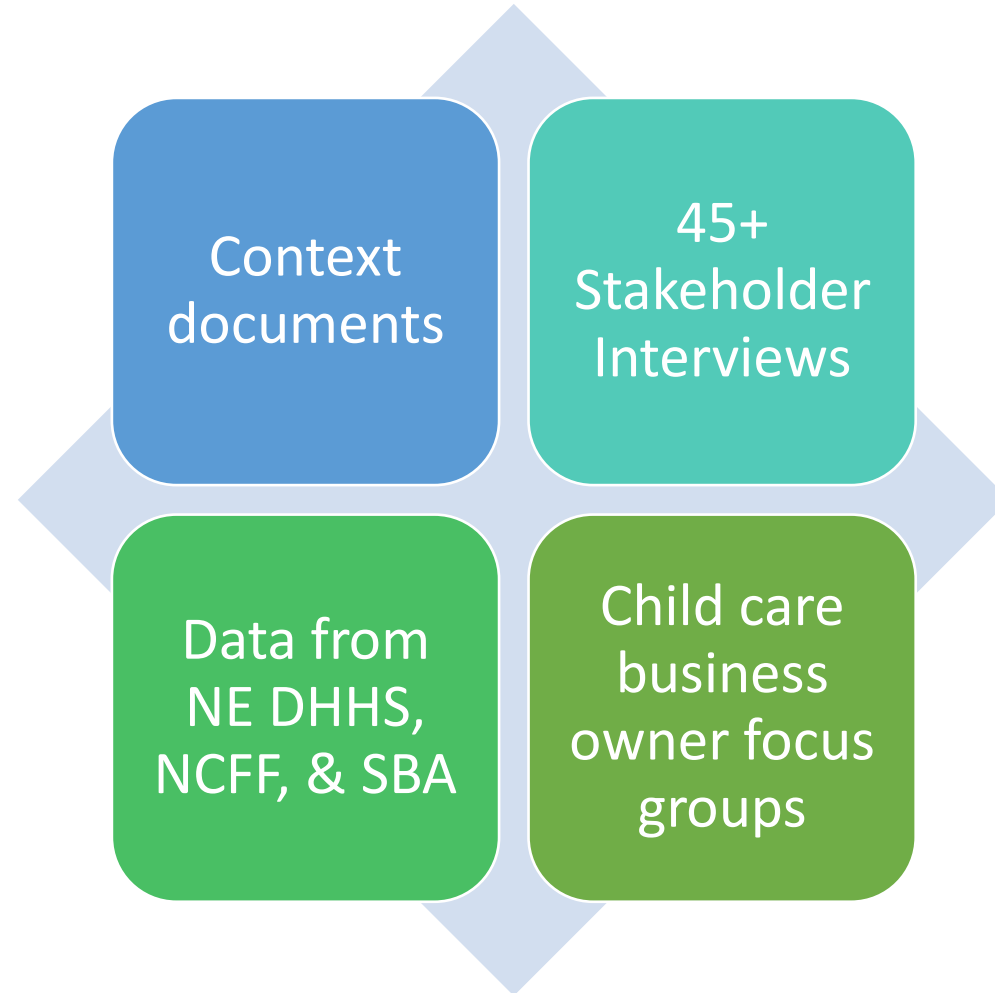
Grants from the State of Nebraska

Credit card

Other?



# FCF's Work in Nebraska







# Child Care Funding Challenges Observed in 2020

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Complexity of different programs for child care businesses

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Un-banked or large-banked

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Understanding eligibility and terms

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Documentation

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Self-employed child care business complexities



# Access to capital for FCC providers

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Most FCC businesses “go it alone”/“make do” starting and operating their business

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Savings, family contributions, and 401k withdrawals

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Lack of banking relationships

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Challenges finding a suitable rental unit

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Some FCCs have maxed out credit cards and depleted savings during the pandemic

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# Access to capital for child care centers

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Some centers are doing well and are able to get the financing they need to expand

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Small, underfinanced centers can struggle

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Finding the right real estate is a big challenge and there may not be any suitable options outside of major cities



# Overcoming Challenges with Information





# Nebraska Department of Health and Human Services Grants

Grant award amount for family child care providers goes much further than the grant award amount for child care centers

Business owners struggle to complete grant application(s)

Urban child care businesses underrepresented



# Philanthropy

For-profit child care businesses do not report accessing philanthropic dollars

Businesses/communities come together through community planning processes may have additional opportunities to fundraise



# Economic Development

Nebraska Advantage Micro-Enterprise Tax Credits

LB 840



# Preparing your business for funding!





# Preparation Activities

1. Assess the opportunity.
2. Gather information to determine eligibility/fit.
3. Apply.
4. Be a determined advocate!
5. Establish and maintain financial tracking systems.





# Considerations

Administrative  
Capacity/ Burden

Cost of  
Materials/Equipment

Enrollment/Eligibility  
Criteria

Meeting Attendance

Monitoring  
Requirements

Quality Measures

Reimbursement  
Procedures

Reporting Requirements

Staffing Costs

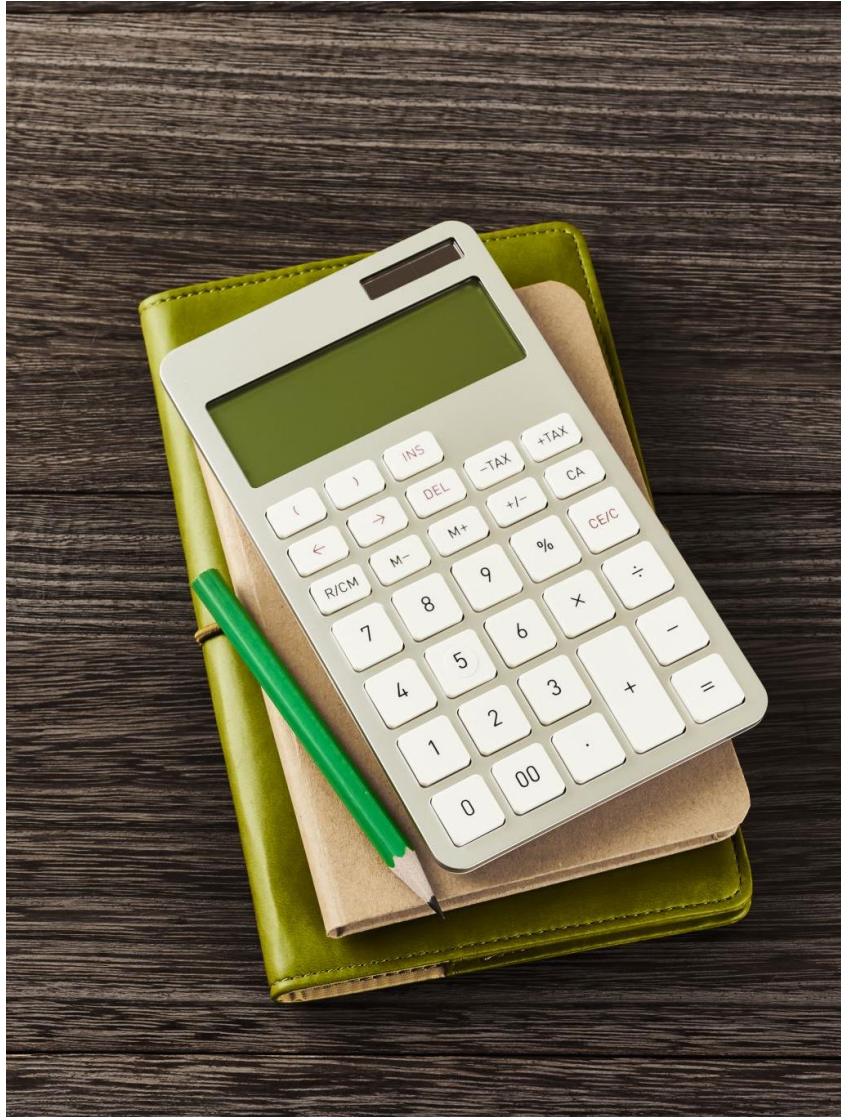
Cost Allocation

Grants vs. Loans



# Starter Gathering List for Eligibility & Applications

- Business budget
- Corporate tax returns from 2021
- W-9 forms
- Cash flow report
- Bank account number and routing numbers for business checking accounts
- Federal tax ID #
- Receipts
- Legal name and contact information





# ACTION YOU CAN TAKE TO STAY IN THE KNOW!

Sign up for alerts from the Small Business Administration in your area!

Visit [www.sba.gov/updates](http://www.sba.gov/updates) and enter the zip code for the location of your child care business.

Contact Nebraska's Department of Health and Human Services to ask about possible state grant opportunities.

Contact information:  
301 Centennial Mall South,  
Lincoln, Nebraska 68509  
(402) 471-3121

[Child Care for Providers \(ne.gov\)](http://ne.gov)



# Be a Determined Advocate!

Once you apply for funding, speak up for yourself.

1. Email and call the lending contact until you receive confirmation that the application has been successfully submitted.
2. Prepare copies of all materials so that items can be easily resubmitted should anything be lost.
3. Contact state offices representing SBA, CCDF, GEERS, and other funding sources to inquire about loans and grants for child care businesses.



**Thank you!**



nebraska early childhood

COLLABORATIVE

Presented at Elevate22

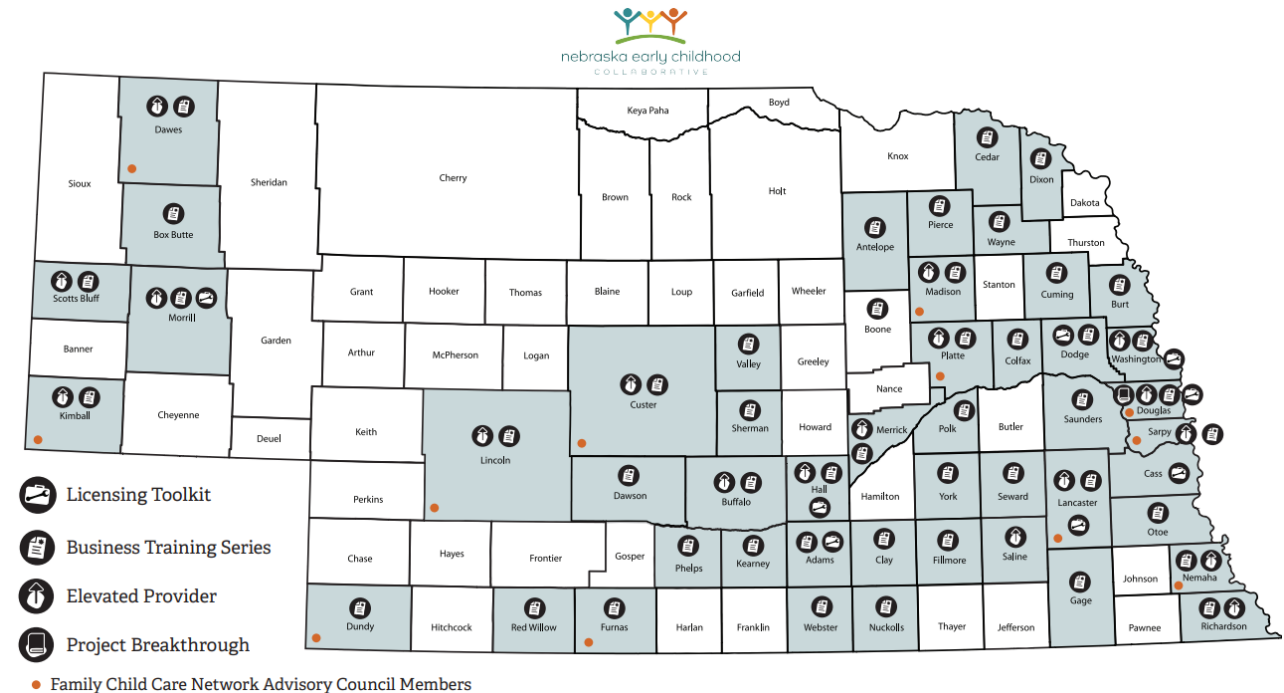
# **More Bucks for Your Bang: Maximizing Revenue for Your Child Care Business Part II**

June 4<sup>th</sup>, 2022



# Nebraska Early Childhood Collaborative

- Quality Child Care Partnerships & Family Child Care Network
- History
- Scope of Services/Context
- Nebraska Exchange
- Business Training Series
- Elevated Network
- FREE



# Policies, Recordkeeping and Taxes

- Business vs. Personal
- Budget
  - Projected vs. Actual
- Taxes
  - Paid Tax Preparer
  - It's ok to show a profit!
- Time is Money
  - Paid Vacation Days, Sick Days, Professional Leave, **and/or** Paid Time Off (PTO)
  - Reduce the number of hours you work daily/weekly/monthly

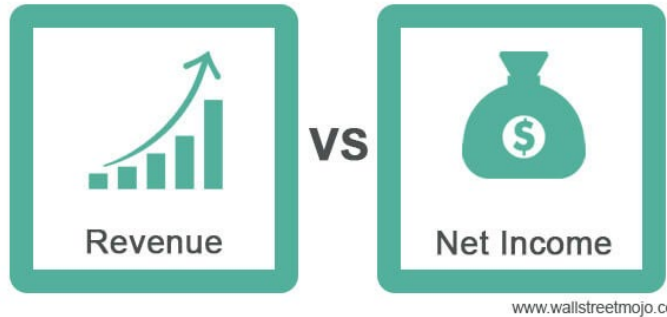


# Expenses & Overhead

- Increase/Decrease Expenses
- Marketing and Cultivating Your Waiting List
- Time Space Percentage
- Mileage
- Food



# Revenue, Grants & Gifts



- Reduce and/or Eliminate Bad Debt
- Initiatives and Professional Development
  - Training
  - Higher Ed (T.E.A.C.H., Pell)
  - WAGE\$

- Fundraisers
  - Children's Artwork
  - Amazon Wish List
- Grants
- Increase Your Capacity
- Diversify Your Income
  - CACFP
  - Teachers Pay Teachers/Etsy Shop
  - Social Media
  - Child Care Subsidy

# Brandee Lengel

VP Quality Child Care Partnerships

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[blengel@nebraskaeearly.org](mailto:blengel@nebraskaeearly.org)

[www.nebraskaeearly.org](http://www.nebraskaeearly.org)



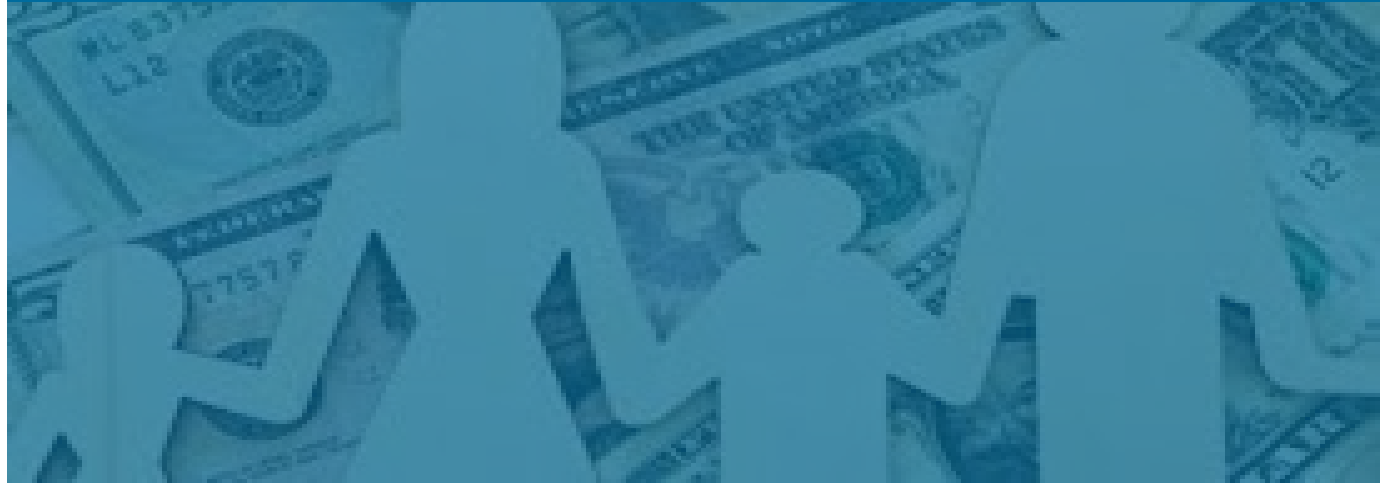
nebraska early childhood  
COLLABORATIVE



# Elevate22

June 4, 2022

## Maximizing Revenue with the Childcare Subsidy



# About Us

## MISSION

Pie for Providers builds human-centered technology to unlock billions of dollars for childcare providers across fragmented government funding streams.

## VISION

A world in which all child care providers operate thriving small businesses that anchor their communities, and in which providers feel supported and powerful in navigating government programs.

## ORGANIZATION

Open source technology nonprofit founded in Chicago, January 2021



# The Problem: Billions of dollars remain unclaimed

Head Start &  
Early Head  
Start: \$10.7B  
annual  
budget  
23% of  
eligible  
children  
participate

Subsidies  
(CCDF):  
\$5.9B annual  
budget  
12% of eligible  
children &  
49% of  
providers  
participate

Food  
Program  
(CACFP):  
\$3.7B  
annual  
budget  
53% of  
providers  
participate

COVID relief:  
\$50B  
budget

Build Back  
Better: TBD

Local  
programs:  
public  
preschool;  
state, city  
and county  
subsidies





# A Broken System



- ◆ The \$5.9 billion childcare subsidy program is our country's primary government childcare support for working families
- ◆ In NE only 8.4% of eligible children access the funding
- ◆ NOT a budget OR licensing issue



# Home-based Childcare Providers

- ◆ Only 12.21% of HBCCPs participate in subsidy
- ◆ ~79% of HBCCPs could potentially benefit



# The Process is a Major Challenge

- ◆ Time-consuming, tedious paperwork every month
- ◆ Complex rules
- ◆ Fear of making mistakes leading to audit or financial penalty



# In Providers' Own Words



“The [biggest] reason [people don't accept government funding] is because of the **paperwork**. Everyone complains. **Our jobs would be so much easier** if it was just us and the kids and we had no paperwork.”

“I've had to **pay back money** because of messing up on my hours. I **want** to make sure I don't make those mistakes again.”

“**You're on edge**... until the end of the month, because you **don't know what's going to come in** until you do the billing.”

“[It's] nerve wracking. You know you're going to get [paid] something, but **you don't know what that will be exactly** ... You're **trying to calculate in your mind** paying bills, keeping food stocked for kids, meeting your own personal needs, and paying a part-time employee.”

-**Ashli Carlock**, Home-Based Provider in Nebraska



# The Opportunity



## Families

- ◆ Affordable, quality care
- ◆ Facilitates economic prosperity for women and mothers



# The Opportunity



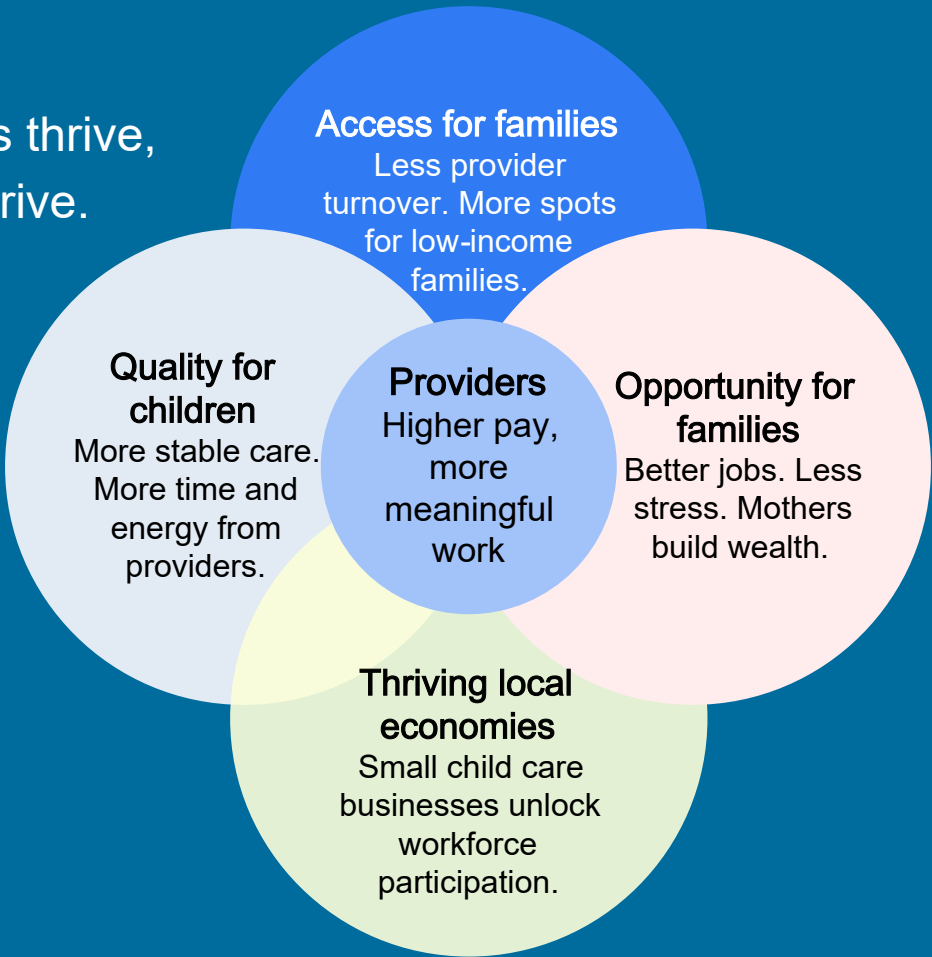
## Providers

- ◆ Reliable income
- ◆ Full enrollment



# The Impact

When providers thrive,  
communities thrive.



What Can  
We Do?





# Family Childcare Networks & Support Orgs



- ◆ Sponsor subsidy management software for members
- ◆ Centralize Subsidy Administration
- ◆ Prepare their team to serve as a trusted resource for info about subsidy



# Home-Based Providers and Centers



- ◆ Consider accepting subsidy
- ◆ Ask childcare networks for help with checking rates and how to enroll
- ◆ Sign up for subsidy management software



# The Pie for Providers Solution

- ◆ Software that streamlines and automates the subsidy management process
- ◆ Accessible on any device with internet browser in English or Spanish



# What's in it for YOU



- ◆ Make revenue predictable
- ◆ Save dozens of hours per month on subsidy billing\*
- ◆ Reduce the risk of billing errors
- ◆ Redirect admin time to higher value work
- ◆ Maximize revenue from the state

*\*Potential time savings: 1,200 hours per year (roughly the equivalent of \$18,000)*



# How It Works

1

Securely **brings together data** from multiple sources:

- Daily attendance
- Family details
- Provider license

2

Performs the **complex math** :

- Payment rates
- Absence rules
- Full day definition
- Weekly limits
- Much more

3

**Displays customized** revenue projections & billing details for every county

Child	Jenny Wilson	
Full days	16	On track
Hours	12	
Absences	4 of 5	
Hours attended	40 of 45	
Hours remaining	79 of 180	
Days remaining	6 of 22	
Earned revenue	\$1,265	



# Your dashboard

Feb 2020

As of: Feb 27

Real-time revenue projections based on attendance data.

Earned revenue

**\$2,344.09**

Based on attendance to date. Does not include family fee.

Estimated revenue

**\$2,762.45**

If you have perfect attendance for the rest of the month. Does not include family fee.

Total approved **N/A**

Coming soon!

Total w/ family fee **\$4,700.00**

Total approved with family fee.

	Attendance				Revenue		
Child	Full days ?	Hours ?	Absences ?	Hours attended Mar 8 - Mar 14 ?	Earned revenue ?	Estimated revenue ?	Family fee ?
<b>Bessie Cooper</b> Lil Baby Ducklings • 282753	14 of 15 On track	1 of 6.5	1 of 5	15 of 25	\$1,266.5	\$1,888.47	\$150.00
<b>Jenny Wilson</b> Austin Community • 172922	17 of 15 Exceeded limit	0 of 7.5	0 of 5	0 of 50	\$1,873.13	\$2,047.52	\$300.00
<b>Brooklyn Simmons</b> Goslings Grow • 335946	17 of 20 On track	N/A	0 of 5	25 of 25	\$2,926.11	\$1,008.86	\$150.00
<b>Eleanor Peña</b> Austin Community • 363171	10 of 20 At risk	3 of 16.5	0 of 5	21 of 40	\$342.58	\$1,219.62	\$23.00



# Solution: Automate Subsidy Management



**Make revenue predictable:** Accurate, custom revenue projections, based on attendance and local rules



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fee

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## Revenue Projections

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Child	Full days ?	Hours ?	Absences ?	Hours attended Mar 8 - Mar 14 ?	Earned revenue ?	Estimated revenue ?	Family fee ?
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# Solution: Automate Subsidy Management

- 1 Make revenue predictable:** Accurate, custom revenue projections, based on attendance and local rules
- 2 Streamline billing:** All the information in one place, pre-calculated and organized



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**Billing details**

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# Solution: Automate Subsidy Management

- 1 Make revenue predictable:** Accurate, custom revenue projections, based on attendance and local rules
- 2 Streamline billing:** All the information in one place, pre-calculated and organized
- 3 Maximize revenue:** Receive actionable alerts for low attendance and unclaimed fees before revenue is lost



# Your dashboard

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## Attendance Tracking

	Attendance				Revenue		
Child	Full days ?	Hours ?	Absences ?	Hours attended Mar 8 - Mar 14 ?	Earned revenue ?	Estimated revenue ?	Family fee ?
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# 3 Options for Entering Attendance

- 1 **Wonderschool - Automatically Transfers**
- 2 **Spreadsheet Upload**
- 3 **Manual Entry**



# Attendance View

Dashboard Attendance
Español U

Input attendance

<

May 1 - May 7, 2022

>

Name	mon May 01	tues May 02	weds May 03	thurs May 04	Fri
Teresa Webb	<b>7 hrs 18 mins</b> <span style="font-size: 18px;">✎</span> <small>10:00am - 1:00 pm, 3:00pm - 4:45pm</small> <span style="background-color: #e8f5e9; padding: 2px;">full day</span>	<b>7 hrs 18 mins</b> <span style="font-size: 18px;">✎</span> <small>10:00am - 1:00 pm, 3:00pm - 4:45pm</small> <span style="background-color: #e8f5e9; padding: 2px;">full day</span>	<b>7 hrs 18 mins</b> <span style="font-size: 18px;">✎</span> <small>10:00am - 1:00 pm, 3:00pm - 4:45pm</small> <span style="background-color: #e8f5e9; padding: 2px;">full day</span>	<b>7 hrs 18 mins</b> <span style="font-size: 18px;">✎</span> <small>10:00am - 1:00 pm, 3:00pm - 4:45pm</small> <span style="background-color: #e8f5e9; padding: 2px;">full day</span>	<b>7 hrs</b> <small>10:00am - 1:00 p</small> <span style="background-color: #e8f5e9; padding: 2px;">ful</span>
Georgette Strobel	<span style="background-color: #ffe0b2; padding: 2px;">absent</span> <span style="font-size: 18px;">✎</span>	<b>7 hrs 18 mins</b> <span style="font-size: 18px;">✎</span> <small>10:00am - 1:00 pm, 3:00pm - 4:45pm</small> <span style="background-color: #e8f5e9; padding: 2px;">hours</span>	<span style="background-color: #e8f5e9; padding: 2px;">no info</span> <span style="font-size: 18px;">✎</span>	<span style="background-color: #e8f5e9; padding: 2px;">no info</span> <span style="font-size: 18px;">✎</span>	<b>7 hrs</b> <small>10:00am - 1:00 p</small> <span style="background-color: #e8f5e9; padding: 2px;">ful</span>
Augustina Midgett	<span style="background-color: #ffe0b2; padding: 2px;">absent</span> <span style="font-size: 18px;">✎</span>	<b>9 hrs 30 mins</b> <span style="font-size: 18px;">✎</span> <small>10:00am - 1:00 pm, 3:00pm - 4:45pm</small> <span style="background-color: #e8f5e9; padding: 2px;">full day hours</span>	<b>7 hrs 18 mins</b> <span style="font-size: 18px;">✎</span> <small>10:00am - 1:00 pm, 3:00pm - 4:45pm</small> <span style="background-color: #e8f5e9; padding: 2px;">full day</span>	<b>7 hrs 18 mins</b> <span style="font-size: 18px;">✎</span> <small>10:00am - 1:00 pm, 3:00pm - 4:45pm</small> <span style="background-color: #e8f5e9; padding: 2px;">full day</span>	<b>7 hrs</b> <small>10:00am - 1:00 p</small> <span style="background-color: #e8f5e9; padding: 2px;">ful</span>
Tynisha Obey	<span style="background-color: #ffe0b2; padding: 2px;">absent</span> <span style="font-size: 18px;">✎</span>	<span style="background-color: #ffe0b2; padding: 2px;">absent</span> <span style="font-size: 18px;">✎</span>	<span style="background-color: #ffe0b2; padding: 2px;">absent</span> <span style="font-size: 18px;">✎</span>	<b>7 hrs 18 mins</b> <span style="font-size: 18px;">✎</span> <small>10:00am - 1:00 pm, 3:00pm - 4:45pm</small> <span style="background-color: #e8f5e9; padding: 2px;">full day</span>	<b>7 hrs</b> <small>10:00am - 1:00 p</small> <span style="background-color: #e8f5e9; padding: 2px;">ful</span>
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# Max Hours Per Authorization Period

Total approval period		
Authorized period <span>?</span>	Total hours remaining <span>?</span>	Total daily units remaining <span>?</span>
12/1/20 to 2/28/21	45 (of 125 total)	35 (of 248 total)
12/15/20 to 12/15/21	10 (of 390 total)	2 (of 248 total)
unknown	17 (of 100 total)	35 (of 248 total)
12/1/20 to 2/28/21	17 (of 100 total)	35 (of 248 total)



# Max Hours Per Week

Hours attended Mar 8 - Mar 14 
15 of 25
0 of 50
25 of 25
21 of 40





# What Nebraska Users are Saying

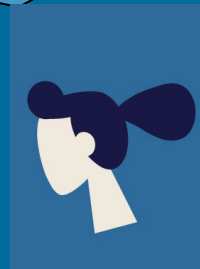
75% of users  
have  
recommended  
P4P to another  
provider.

“[There’s] not so much worry , if I didn’t get [all the attendance details] written down.”

“It helps me make sure I am getting the money owed to me.”

“I... love to have everything in one place. Less paperwork on the business side is always welcome!! Thank you!”

“Makes monthly subsidy billing less stressful”



## Next steps

- ◆ Sign up TODAY and receive a \$20 Amazon gift card!
- ◆ Signup link: [bit.ly/p4p\\_elevate22](https://bit.ly/p4p_elevate22)





**THANK YOU!**

CONTACT: Geeta Surti  
[geeta@pieforproviders.com](mailto:geeta@pieforproviders.com)  
(917) 7485722

