



Business Standards for Quality Child Care

Policy Statement

First Children's Finance (FCF) believes that the management of the child care business in accordance with quality business practices provides the essential foundation for achieving and sustaining the higher levels of program quality which research correlates with excellent outcomes for children. Quality business practices, monitored and strengthened over time, create the organizational culture in which the pursuit of higher levels of program quality is most likely to succeed.

FINANCIAL HEALTH – Position

1. Income from all sources meets expenses on a regular basis.
2. Sources of income are varied and relatively stable.
3. Business has ready access to credit for capital projects, emergencies or cash flow.
4. Building reserves for operations and/or capital projects is an identified goal.
5. A risk assessment is conducted on a regular basis with internal capacity and insurance coverage adjusted to adequately protect the assets of the organization.
6. The organization has control of its site through ownership or a lease and budgets for and implements regular maintenance and improvement of the physical environment, as well as its information technology.

FINANCIAL HEALTH – Systems

1. An annual operating budget is in place and is used to guide and monitor income and expenses.
2. Financial policies have been developed and are used to guide internal operations.
3. An accounting system is used to track income and expenses by age groups, or programs by functions.
4. Financial reports are generated on a monthly or quarterly basis and are reviewed by the director and other management staff as well as by the Board of Directors.
5. If required by federal or state statute, an annual financial audit is conducted and/or annual tax returns are prepared and filed.
6. Internal controls are in place and more than one person is familiar with the financial details of the organization.

LEGAL

1. Licensing requirements are met and monitored internally for compliance.
2. The reporting and filing required to meet all legal standards and requirements as a corporation and an employer are in place.
3. The organization is protected against liability by purchasing adequate insurance.
4. The organization utilizes written contracts and policies and procedures to define the rights and responsibilities of parents, and it regularly reviews and updates them.

HUMAN RESOURCES

1. Personnel policies are in place and are updated regularly to reflect changes in practices and regulations. They include a staff grievance procedure and are reviewed regularly by the Personnel Committee of the Board and as necessary by legal counsel.
2. Job descriptions have been created for each position, regular performance evaluations are conducted and each employee has a development plan.
3. Staff development is a part of budgeted expenses and encouraged as a regular activity for all staff.
4. An overall plan for developing and maintaining a diverse, stable and quality group of employees is in place.

MARKETING

1. An active Marketing Plan is in place and is regularly modified and updated, with attention to regular adjustments of rates to maintain the competitive position of the organization while assuring income adequate to meet increasing program expenses.
2. Enrollment data are being collected and are used to track cycles and to project trends.
3. Marketing collateral, such as brochures, logo, business cards, signs and a website, are reviewed regularly for accuracy and currency.
4. Parents and other investors are surveyed regularly for feedback on the program and their perception of the organization.
5. Enrollment reflects the success of marketing and the awareness of the organization in its community.

LEADERSHIP – MANAGEMENT

1. Director and other key management staff are engaged in the community's child care leadership organizations as well as in other community and business associations.
2. Management structure reflects the delegation of responsibilities with the corresponding authority.
3. Evaluating programs and planning for the future are priorities, and are integrated into many aspects of daily work.
4. NAEYC Code of Ethics for Early Childhood Professionals has been adopted and is practiced.
5. Attention to quality of care is the highest priority, and the organization utilizes available community resources to engage in program assessment and program quality improvement.

LEADERSHIP – Governance [501(c)(3) tax exempt nonprofit corporations only]

1. Articles of Incorporation, bylaws, corporate minutes and a letter evidencing the exempt status of the organization are on file in the corporate office.
2. The Board of Directors operates in compliance with its by-laws and adopts and monitors the mission and strategic priorities of the organization.
3. The Board of Directors has a structure, policies and processes in place that assure it meets its fiscal, planning and governance responsibilities.
4. The Board of Directors recruits, seats, orients and develops its membership with the goal of embodying the skills, experience, and community diversity that will best serve the mission of the organization.
5. Board development is an on-going activity and includes training on current standards for nonprofits as well as governing roles and responsibilities.
6. The Board of Directors recruits, hires, develops and monitors the performance of the highest level staff leader.