Family Child Care Contracts and Policies

Presented by Tom Copeland
for the Office of Child Care's National Center on Early Childhood Quality Assurance

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Learning Objectives

After completing this course, you will be able to:

- Establish a business relationship with parents.
- Create a contract and policies.
- Make changes in your contract and policies.
- Enforce your contract and policies.
- End your contract with parents.

Meet Your Instructor – Tom Copeland

Tom Copeland is a lawyer and has been the nation's leading trainer, author, and advocate on business issues for family child care providers since 1981.

Tom is happy to answer your questions about this course at no charge. Your question might be addressed on Tom's website, www.tomcopelandblog.com, or you can email him at tomcopeland@live.com.

Beginning and Pretest

Pretest

- Let’s start off with a Contracts and Policies Pretest/Posttest!
- Don’t worry, there will be no grading.
- Do your best to try to answer these questions now, and you’ll have another chance to answer them at the end of the class.
- If you don’t know the answer, you can guess or check off “I don’t know.”
- Give it a go!

Contracts and Policies: Pretest

1) As a family child care provider, you can refuse to offer care to a family because of the family's religion.

a. True
b. False
c. I don't know

2) Providers are free to offer a lot of religious activities in your own program.

a. True
b. False
c. I don't know

Contracts and Policies: Pretest

3) If you care for toddlers, you must charge the same rates to all parents of toddlers.

a. True
b. False
c. I don't know

4) A written contract must be signed by both you and the parents before it can be enforced in court.

a. True
b. False
c. I don't know

Contracts and Policies: Pretest

5) Providers can require private pay parents to pay a week in advance.
   a. True
   b. False
   c. I don't know

6) Providers can include in their contract that they can terminate it" at will."
   a. True
   b. False
   c. I don't know

Contracts and Policies: Pretest

7) A provider can have as many or as few policies as they want about how they will operate their business.

a. True
b. False
c. I don't know

8) Provider policies must be the same for all parents.

a. True
b. False
c. I don't know

Contracts and Policies: Pretest

9) The best way to enforce a contract is to have a consequence for a parent who does not follow the rules.

a. True
b. False
c. I don't know

10) To enforce your contract, you can tell the parent they must pay you more money if they won't follow your rules.

a. True
b. False
c. I don't know

Section 1

Establish a Business Relationship With Parents

Being Businesslike in a Caring Profession

- Anyone can love a child, but it requires more than love to properly take care of children. It takes special skills and commitment to care for a group of young children. This is the job of today's family child care provider.
- You are a businessperson who has many responsibilities – caring for children, dealing with parents, and managing a business – all while caring for your own family. Your job is a unique one and far from simple.

Balancing Caring and Business

- To be successful, you will need to establish a professional, businesslike relationship with the parents of the children in your care. This means you will need to take yourself and your work seriously and treat the parents of the children in your care as business clients, even if they are also friends or relatives.
- You will be most successful if you are able to distinguish and find a balance between the caring attention required to care for children and the businesslike focus required for managing your business.
- This class will help you find that balance by explaining how to use written contracts and policies to communicate more clearly and manage your business more effectively.

Parents Aren't Your "Friends"

- Often family child care providers are uncomfortable thinking about themselves as a business. This is because the service you offer is so personal.
- It is best, however, not to think of the parents in your program as "friends." That is, parents expect you to care for their child, not to be their friend. Although you can be friends with parents outside of child care hours, the time you spend caring for children for money is a business activity, not a personal one.
- You can still have a professional, businesslike relationship with parents while providing a caring, warm, and loving atmosphere for children.

Being a Professional

- Being businesslike doesn’t mean you have to be rude or unsympathetic in order to deal successfully with parents. There is no conflict between being a warm, caring person and presenting yourself in an organized, businesslike manner.
- When negotiating or enforcing a contract with a parent, you can be tough without being cold-blooded. Being businesslike simply means sticking to your own rules and setting healthy limits. It is always appropriate to use assertive (rather than aggressive) behavior to state your policies and enforce your contract. Although you can’t please everyone, most of your parents will come to trust you because you are a caring, thoughtful person.

You Can Set Your Own Rules!

- One of the main benefits of being a family child care provider is that you are the boss! You can set your own rules.
  - You can have a highly structured program, or an informal program.
  - You can conduct a lot of religious activities, or no religious activities.
  - You can care for infants only, or no infants.
  - You can conduct many field trips, conduct dramatic play every day, only serve vegetarian food, and so on.
- It's all up to you. You are in charge.

There Are a Few Limitations

- However, there are some limitations in how you can run your business:
  - You must follow your state's child care licensing rules.
  - You must follow your state's child care subsidy program rules.
  - You must follow the Food Program regulations.
  - You cannot discriminate against children or parents based on race, religion, color, sex, age, national origin, or disability. Your state may have additional protected classes.
- Other than these limitations, you can do what you want!

You Must Set Your Own Rules

- As the owner of your own business, it's up to you to define your program. You must create your own contract and policies. This is at the heart of establishing a business relationship with parents. It's not the job of the parents to tell you how to run your program.
- In fact, because you are the boss of your own business, you don't have to listen to or agree with what I will cover in this class! I will be offering a number of ideas and suggestions, but you will make the final decision about what is best for your program.

From Personal to Business

- If a parent is not treating you like a business, it could be that you are not acting like a business.
- It's up to you to act like a business first.
- Once you do this, you can present your program to parents and invite them to enroll their children. If the parent doesn't like what your program offers, they can go elsewhere. It's not the role of the parent to tell you what to do.
- Once you start acting like a business, parents will treat you like a business. This may be difficult to do for some providers. But you can do it!

Parents Don’t Understand Family Child Care

- Many parents have little experience with child care. They may not have been in child care as children. You may be the first family child care provider they know.
- As a result, some parents may have difficulty understanding child care as a business. Therefore, you will have to explain your business to them.

Home versus Center

- If a new parent walked into a child care center for the first time, they would see children of the same age in a classroom with a teacher. They would quickly understand that it's a school for small children. Therefore, parents usually have an easier time relating to a center as a business.
- However, if a new parent walked into your home for the first time, what would they see that would help them understand your business? There is no cashier, no instructions on the wall, nothing to describe your business. As a result, you need to work harder than a center to explain your business to parents.

Parent Enrollment

- You are not required to accept all children who want to enroll in your program. If you are talking to a prospective parent on the phone or conducting an in-person interview, make it clear that you both must agree to enroll their child.
- You want to have a long-term relationship with the family. You want to ask questions to ensure that the child and parents are a good fit for your program.

References

- If the child has not had a previous caregiver, ask the parent for a personal reference. Some parents may ask you for references before enrolling their child. Ask a couple of your current or past parents if they would be willing to let you give their name and contact information as a reference.
- You may want to ask prospective parents for a reference. Ask for the name of the previous caregiver for their child. You want to know:
  - How long did they care for the child?
  - Would they do it again? Why or why not?
- If the parent won't give you a reference, you probably don't want to care for the child.

How Do You Say No?

If you have a feeling that the child/family is not a good fit for your program, how do you say no?

- The best way is to say, “I don’t think this is the best place for your child at this time.” You don’t want to say anything that is critical of the parent or the child.
- If the parent presses you to explain your answer, tell the parent that you base your decisions on your feelings. Tell them, “I don’t feel that I’m the best caregiver for your child. It’s not the child’s fault or your fault. I want what is best for your child, and I don’t think your child will do their best in my program.”

Don’t Put Your Reasons in Writing

- When turning down a family, do not put in writing the reasons why you are refusing to provide care.
- If you do, the parent may not agree with your reasons and may be insulted by what you wrote. In addition, it’s possible the parent may believe you are discriminating against their child or their family.
- Putting your reasons in writing can only upset the parent and increase the chances that the parent may make a complaint against you.

Trial Period

- Many providers establish a trial period with parents before signing a contract. A trial period is a limited period of time (usually one or two weeks) that the child is in your care. During that time either party may end the relationship at any time. You would only charge for the days you provided care. It’s an opportunity to see if it’s a good match for everyone.
- If there are no major problems, ask the parent to sign your contract and discuss your policies.

Communicating With Parents

- Creating a long-term, successful business relationship with parents starts with clear communication. This can include:
  - Having daily discussions at drop-off and pick-up times
  - Posting notes on a bulletin board
  - Sharing information through emails
  - Receiving feedback through annual written/verbal evaluations
- However, the most important communication vehicle is through your contract and policies.
- So, let's start discussing what a contract is and what policies are.

Section 1 Quiz

1) You can refuse to enroll a child if the child's parents are gay.
   a. True
   b. False
2) You must follow all of the advice given in this class.
   a. True
   b. False
3) If parents want to enroll their child in your program, you must agree to enroll the child.
   a. True
   b. False

Section 1 Quiz Answers

1) False
2) False
3) False

Section 2

How to Create a Contract and Policies

Section 2, Part 1
What Is a Contract?

What Is a Contract?

- A contract is a legally enforceable agreement between two parties. The terms of a contract that can be enforced in court are your hours of operation and your fees.
- The purpose of a contract is to:
  - Put parents on notice of their legal responsibilities.
  - Help remind both you and the parents of what you agreed to.
  - Help reduce the chances of later conflicts.

What Are the Basic Elements of a Contract?

All written contracts should include four basic elements:

1. The names of all parties to the contract
2. The legally enforceable terms: hours of operation and fees
3. Termination procedure: how the contract will end
4. Signatures of all parties

Names on a Contract

- You should list on your contract your name (identify your business name if you have one), the name(s) of the child(ren), and the names of the parents/guardians who will be signing the contract.
- If you are caring for more than one child from the same family, it's not necessary to create two contracts.
- If the parents are separated or divorced and each parent is paying you individually, get each parent to sign a separate contract.

Legally Enforceable Terms - Hours

Your contract should spell out your hours of operation.

- What days and hours are you open?
- Are you open on holidays? Which ones?
- Do you take vacation days or sick days?
- Do you offer part-time care, drop-in care, school age care?

Legally Enforceable Terms - Fees

- Your contract should spell out in detail the fees for your services. These can include:
  - Tuition: Do you charge by the hour, day, week, or month? What day is tuition due? Do you require payment for the last two weeks or more in advance?
  - Fees: Do you charge a late pick-up fee, field trip fee, supply fee, holding fee, registration fee, bounced check fee, and so on? Is there a late payment fee?
  - Other: Do you offer a sibling discount? Do you charge if the child is ill, or if you are closed because you are ill? Do you charge for parent vacations or your vacations?

Automated Bank Transfers/Credit Card Payments

- Increasingly, providers are using automated bank transfers to collect money from parents. You can set this up between your bank and the parent's bank, so that money is transferred electronically. There are also a number of private bank apps such as Brightwheel, GooglePay, KidKare, PayPal, Venmo, and Zelle.
- Some providers also accept credit card payments from parents. Contact your local bank about setting this up. You can pass on the transaction fees to parents if you want.

Raising Rates

- Many providers find it difficult to raise their rates, especially for existing clients. Some start new clients at a higher rate. The best way to increase rates is to include it in your contract. Some examples are:
  - “Your rate will go up __% each year on the anniversary date of signing this contract.”
  - “Your rate will go up $___ per week every September/January.”
- Including an annual rate increase in your contract reduces the stress of raising this issue with parents. You can raise your rates only for one age group or you can increase fees instead of raising rates.

Special Rules for a Pandemic

- Your contract should address these issues raised by a pandemic:
  - If you are closed during a pandemic, what will you charge? You are free to charge your full rate, half your rate, any rate you want, or choose not to charge.
  - If you are open during a pandemic, but parents are reluctant to bring their child to your care, what will you do? You can charge your full rate, half your rate, any rate you want, or choose not to charge.
  - Once you set your rule, you are free to negotiate with parents to offer a different rate.

Termination Procedure - Parent

- Your contract should be clear about how the parents can end the contract. “Parent shall give a two-week written notice to end the contract. Payment is due for the notice period whether or not the parent brings the child to care during the notice period.”
- You can require a longer notice period if you want.
- You want to require a written notice from the parent so there will be no confusion about this, and you have the documentation.

Termination Procedure - Provider

- Many providers require in their contract that they will give the parents a notice before they terminate the agreement. I don't recommend this. Instead, I suggest using the following language: "Provider may terminate at will."
- I recommend this because you need to be able to terminate your contract immediately if you, your family, or the children in your care are at risk. This could happen if a child is out of control, a parent threatens you, or a parent makes a false complaint against you. Also, you may need to terminate the contract if a parent is behind on their payments or won't cooperate.
- You can still give parents a notice if you want.

Contract Signatures

- A written contract is not enforceable unless it is signed by both parties. You can enforce your contract against whomever signs it. If both parents are living with the child, you want both parents to sign your contract. You shouldn't agree to provide care until they have signed the contract.
- Give a copy of the signed contract to the parents and keep the original for your own records.

What About a Verbal Contract?

- A verbal contract is when a provider and a parent verbally agree to an arrangement. The provider promises to provide care for certain days and hours and the parent promises to pay a certain amount for the care.
- Such a verbal contract is technically legally enforceable, but it will be extremely difficult for either party to enforce it. That's because it will be hard to prove what a person agreed to if the other person won't honor the verbal agreement.
- Don't rely on a verbal contract. Put your agreement in writing and get it signed!

Ending Date or Start Date?

- You should have a start date to your contract:
  - “The first date of care for the child under our agreement will be _____ (date).”
- I do not recommend including an ending date. If you add an ending date, it doesn’t help you and it can hurt you. If the contract ends on December 31 and you don’t get the parent to sign a new contract before then, the contract has expired, and you can’t enforce it. In addition, if you have an ending date, the parent might think you can’t make any changes in your contract between the starting and ending dates.

Two Key Rules

- A common problem in family child care is a parent who leaves owing the provider money. To avoid this problem, adopt these two key rules in your contract:
  - "Client will pay at least one week in advance."
  - "Client will pay in advance for the last two weeks of care."
- Including these two rules will make it almost impossible for a parent to leave owing you money.

Pay at Least One Week in Advance

- It’s good advice to never provide care unless it has already been paid for at least one week in advance. Many providers require a month’s payment in advance.
- You can justify this by explaining that you have expenses during the week (food, supplies). You can accept payment on Monday morning for that week or on Friday for the next week. Give the parent a few months’ notice if this is a change in your contract.
- If a parent can’t afford this right away, they can pay a little extra per week until you have a week’s or month’s payment in advance.

Pay Last Two Weeks in Advance

- Most providers require parents to give at least a two-week notice before leaving. However, too often parents leave without paying for this notice period.
- To solve this problem, require parents to pay for the last two weeks in advance. If parents can't pay the full amount right away, ask them to pay a little extra each week until you are paid for the two weeks.
- If parents leave without giving a proper notice, you can keep their money. This advance payment should cover as payment for the notice period even if your rates have gone up later.
- Requiring an advance payment of at least one week and payment for the last two weeks will make it easier to enforce your other rules. That's because you will worry less that parents will leave.

When Should You Refund Money?

- You should refund money to a parent if you are refusing to provide care they have paid for.
- In other words, if the parent has paid you $300 for the last two weeks of care, and you give the parent a one-week notice to leave, you should refund $150 representing the week you are refusing to provide care. It's only fair.

Holding Fees

- If you are going to hold a spot for a parent who wants to enroll in your program at a future date, you should charge a nonrefundable holding fee. If the parent doesn't show up at the agreed-upon date, you can keep the money.
- Do not use the word "deposit" because it can imply to a parent that they can get a refund in the future.
- The amount you charge as a holding fee can be a flat amount or a percentage of your regular rate. I don't recommend applying the holding fee to the first or last weeks of care. You are being paid to hold the spot and turn down other families who might want care during that time. Applying the holding fee to care later means you didn't get paid to hold the spot.

What if a Parent Can't Pay the Holding Fee?

- Let's say a parent wants to enroll in your program three months from now and says they can't afford your $500 holding fee. What can you do?
- Tell the parent you will continue to look to fill the spot. But if you can't fill it before the three months are up, you will promise to enroll their child. They won't pay a holding fee and you haven't lost any money.
- If another parent does want to enroll their child in two months, you can call the first parent and tell them you will still hold the spot for them if they pay a much smaller holding fee representing one month.

Copyright and Notaries

- Providers often share their contract and policies with other providers. If you are concerned about protecting your contract or policies (curriculum, lesson plans, etc.) you may want to put “©” or “copyright” on your documents. This may discourage other providers from copying your materials.
- In fact, your documents immediately receive some copyright protection without this designation. If you want to copy language from another provider’s contract or policies, first ask for permission.
- It is not necessary to have your contract or policies notarized by a notary. This is only needed when you must prove who you are.

Section 2, Part 1 Quiz – Contracts

1) If you require parents to give you a two-week notice to end your contract, you must give the parents the same two-week notice if you want to end the contract.
   a. True
   b. False
2) You should have a start and ending date on your contract.
   a. True
   b. False
3) If you terminate your contract because the parent violated your policies, you don't have to refund any money they paid in advance.
   a. True
   b. False

Section 2, Part 1 Quiz Answers–Contracts

1) False
2) False
3) False

Section 2, Part 2
What Are Policies?

What Is the Purpose of Policies?

- Written policies can serve many purposes:
  - They can help set clear standards for the care of children.
  - They can clarify your program procedures to help meet parent expectations.
  - They can help you organize your business and offer more consistent, quality care.
- Some providers use the phrase “parent handbook” instead of “policies.” We will use the word “policies” in this class.

What Are Policies?

- Policies include everything that is not in a contract. They are rules that spell out “how” care will be provided. They are not enforceable in court.
  - So, if a parent doesn’t bring an extra change of clothes, you don’t take the parent to court for money damages.
  - And if you don’t take a scheduled field trip, the parent can’t sue you.
- If the parent is dissatisfied with how you are operating your business, they can leave. If you are dissatisfied with how the parent is following your policies, you can terminate your contract.
- Your policies can be simple or extensive. They can be one page or 50+ pages long. It’s up to you.

Key Policy Terms

- Your state may require you to include specific language in your policies. Besides these requirements, you can include whatever else you want in your own policies. You can include information about:
  - Your background and qualifications (philosophy, mission statement)
  - Detailed client responsibilities
  - A description of your child care program
  - Health policy
  - Privacy policy
  - Grievance policy
  - And more
- In general, you are free to design your own policies.

Health Policy

- You may establish your own rules to keep children safe in your program. Your health policies may cover:
  - If you administer medications, you should follow explicit directions from a doctor.
  - Whether you allow children to attend who are not vaccinated. It is not illegal to refuse to provide care for nonvaccinated children.
  - Emergency policy in the case of fire, storm damage, etc.
  - What to do when a child is injured or becomes ill while in your care.

Public Health Emergency

- You should establish a policy for how you will handle a public health emergency, such as a pandemic. Your policy should describe the procedures you will take to keep children safe if you are open. This may include requiring masks, gloves, social distancing with parents, and the use of various ways you might sanitize your home. Carefully follow the Centers for Disease Control and Prevention (CDC) and your state's health department guidelines. You can set your own health standards that are higher than government standards.
- You should set a policy about parents and children having to quarantine if they are exposed to a virus.

Privacy Policy

- Parents have a high expectation of privacy from their child care provider. You can reassure them by adopting a formal privacy policy. Here's a sample policy:
  - "I will do all that I can to protect your family's privacy. I will keep private all information about your child and your family, unless I have your written permission to reveal specific information."
- Because of the enhanced concerns about privacy with social media, make sure you get written permission from parents before sharing any photographs of children on Facebook, your website, or other social media.

Transportation Policy

- What happens if a parent shows up to pick up their child smelling of alcohol or marijuana, or without a car seat, and the child is later injured on the way home? You face two major risks in these situations.
  - First, as a mandated reporter, you could possibly lose your license.
  - Second, the parent could sue you for money damages and you would probably end up owing the parent some money.
- Yikes! What can you do to protect the child and yourself in these situations?

Transportation Policy

- You want to establish a transportation policy that reduces these risks. If you believe the parent cannot safely transport the child, you should take one of the following steps:
  - Ask the parent not to transport the child and call someone from a list of emergency backup people.
  - Call a cab or service such as Uber and have the cab or service transport the child.
  - If the parent doesn't bring a car seat, tell the parent to go home and get one.
  - If the parent refuses to follow any of your suggestions and takes the child, you should call 911 and report the parent.

Transportation Policy

- Because this situation is a serious one, you should not hesitate to call 911 if the parent won't listen to you. If you have this policy in place and explain it to the parents, it's unlikely that you'll have to call the police.
- This policy does not mean that you have to inspect each car before it leaves your program. If you don't know the parent has been drinking or is not using a car seat, you are not in trouble if there is an accident on the way home.

Section 2, Part 2 Quiz - Policies

1) Which of the following is true about policies?

a. They must be signed by the parent to be enforced.

b. They should include language about how you will handle illnesses and injuries.

c. They must include a privacy policy.

2) You must get written permission from parents before sharing children's photographs on:

a. Facebook

b. Your website

c. Your refrigerator

d. Your business photo album

e. All of the above

3) Which of the following is true?

a. If you don't know that a parent is drunk when picking up their child, you are not responsible if the child is injured on the way home.

b. You can refuse to allow a parent to pick up their child if they are drunk.

c. You should help put a child into the car seat.

Section 2, Part 2 Quiz Answers – Policies

1) b
2) e
3) a

Exercise #1

Put the following into either your contract or policies.

	Contract	Policies
Tuition		
Emergency procedure		
Your credentials		
Hours of operation		
Registration fee		
Behavior guidance		
Program description		

Exercise #1 Exercise Answers

Tuition – Contract

Emergency procedure – Policies

Your credentials – Policies

Hours of operation – Contract

Registration fee – Contract

Behavior guidance – Policies

Program description – Policies

Section 3

How to Make Changes in Your Contract and Policies

Review Your Contract and Policies Regularly

- Before parents sign your contract, you should review in detail what your contract and policies say. Ask parents if they have any questions about them. Since the primary purpose of the contract is to facilitate communication, this is an opportunity to ensure you are both on the same page.
- At least once a year, sit down with parents and review your contract and policies. This is a good time to make any changes you want. Listen to any suggestions parents might have. It’s up to you if you want to make any changes.

How to Make a Change in Your Contract

- You may make a change to your contract anytime you want. To enforce a change, you and the parent must sign off on the change.
- You can make a change in one of three ways:
  - Strike out a word, number, or paragraph in your contract, and you and the parent initial the change.
  - Write an addendum to your contract (a paragraph or more). You and the parent must sign it. Then staple it to your contract.
  - Revise your contract and print out a new copy for you and the parent to sign.

How to Make a Change in Your Policies

- You can make a change in your policies anytime you want. Since your policies cannot be enforced legally, you don't need parents to sign off on them. Some providers have parents initial each page of their policies to help reinforce their importance.
- Review your policies at least once a year. If you are not following one of your own policies, either start following it or take it out! You don't have to give parents any notice before changing your policies, but it's a good idea to give some notice.

Exercise #2

Match up the contract changes with what you and the parent need to do.

Contract Change	Action
1) Write an addendum	a) Print out a new copy of the contract
2) Revise the entire contract	b) You and the parent initial the page
3) Strike out a word	c) You and the parent sign it

Exercise #2 Answer

1) c
2) a
3) b

Two Separate Documents

- It makes sense for your contract and policies to be two separate documents. That's because a contract can only be changed with a parent signature, while you can change your policies at will.
- If you combine them into one document, you will need a parent signature to make any changes. This gives you less flexibility in changing your policies.
- Put in your contract, "By signing this contract, parent agrees to follow all of my written policies."

Can You Have Different Rules for Different Parents?

- The short answer is, yes! Your contract and policies do not have to be the same for each parent. Remember, however, it's illegal to discriminate against children or parents based on race, color, national origin, gender, sex, sexual orientation, religion, pregnancy, disability, or status as a parent.
- But you can have different rules that don't fall under these protected classes. You can have different drop-off and pick-up times. You can have different rates. You can have different policies. But the reason for these differences can't be based on any of these protected classes.

What Can You Do?

- Let’s assume you are not illegally discriminating against a parent.
- If your pick-up time is 6:00 p.m., can you require a new family to pick up their child at 5:00 p.m. and charge them the same full rate? Yes. You may want to do this because you are getting tired at the end of the day.
- Can you charge a higher rate for a new family? Yes.
- Can you charge a higher late pick-up fee to a family that is regularly late? Yes.

How to Talk to Parents About Your Different Rules

- There are many reasons why you might have a different contract or policies with parents. It could be because the child is a different age, the parent has been with you longer, the parent is a relative, or the parent makes a special request.
- If you do have different rules for different parents, it's unrealistic to expect the parents to keep it secret. Everyone will know. In some cases, it's not a problem if your reason is public: Your rates are based on the child's age, parents who have been with you for more than five years won't have their rates increased, and so on.

Special Circumstances

- However, the reason you are treating a parent differently might be private. For example, one parent might ask you for an earlier drop-off time because they need to go to an early doctor's appointment once a week.
- If a parent asks you why another parent is being treated differently, answer by saying it's confidential and that the parent has "special circumstances."
- Any parent can ask you to bend your rules. You are free to allow this or not. If you allow one parent a "special circumstance," it doesn't mean you have to offer the same deal to the next parent who asks.

What if It's Not Covered in Your Contract or Policies?

- No matter how carefully you write your contract and policies, unanticipated situations will arise that aren't covered in your agreement.
- For example, you close for two days to attend a family funeral. If your contract doesn't say if parents must pay in this situation, you can't require them to pay. You can try to negotiate this and, if parents agree, the problem is solved.

When a Parent Wants to Make a Change and You Don't

- Let's say your contract requires parents to pay if their child is sick. A parent wants you to not charge because they can't afford to pay you and another person to care for the sick child. What can you do?
  - You can choose to not enforce your rule and not charge the parent. Or you can insist that the parent follow your contract. If the parent refuses to pay, you can terminate the contract.
  - When faced with the prospect of the contract being terminated, most parents will agree to follow your rules.

Section 3 Quiz

1) You can make a change in your contract without a parent signature.
   a. True
   b. False
2) You can have a different policy for relatives and nonrelatives.
   a. True
   b. False
3) If you are going to bend a rule for one parent, you have to bend the same rule for all other parents.
   a. True
   b. False

Section 3 Quiz Answers

1) False
2) True
3) False

Section 4

How to Enforce Your Contract and Policies

Preventing Problems

- Enforcing your contract and policies is primarily about communication with parents. Here are some steps you can take to avoid problems later.
  - Set a regular time for discussions about business issues.
  - Take notes as problems develop.
  - Review your contract and policies with parents annually.
  - Conduct a parent evaluation once a year.
  - Keep your licensor informed of potential problems to reduce the chances that your licensor will later take a parent complaint as seriously.

Consequences

- You are always responsible for enforcing your contract and policies. It's part of your job. You are free to enforce your rules, renegotiate them, or ignore them. However, if you regularly decide not to enforce a rule, you should take it out of your contract or policies.
- To enforce your agreement, you must set a consequence for the parent. The most effective consequence will either be that the parent pays you more money for violating your agreement, or that you end your agreement.
- Without a consequence, you can't expect parents to follow your rules!

The Consequences of Late Pick-Up

- Let's say a parent is regularly late in picking up a child. What consequence can you adopt? You have options.
  - You could have a late pick-up fee that is waived if a parent calls you at least an hour before the regular pick-up time.
  - You could give parents a 15-minute grace period before charging your late pick-up fee.
  - You could charge $1 a minute, or $2 a minute, or whatever you want.
  - You could terminate the contract if the parent is late more than three times a month.
  - Or, set whatever other consequence you want. ("Parent will be immediately terminated if late!" Harsh, but you can do it.)

What Do You Want?

- When setting consequences for parents, focus on what is important to you.
- If you don’t want parents picking up late because you want your personal time, set a high enough consequence to change a parent’s behavior. Is that $2 a minute, $5 a minute? There is no upper limit you can charge. You can also raise your late pick-up fee just to a parent who is often late.
- If you want to make more money by working later, set your late pick-up fee so it is reasonable enough that parents won’t mind paying.

Negotiation

- Since it is your business, you must set your own rules. It also means you are free to negotiate with parents to change your rules, if you want.
- If a parent wants you to reduce your late pick-up fee on Wednesday because they have a late staff meeting, what can you do?
  - You can agree not to charge a late pick-up fee on Wednesday.
  - You can agree to push back the pick-up time on Wednesday another half hour.
  - You can refuse to change your rule.

What's the Worst Thing That Can Happen?

- Providers are often worried that parents will leave if they put their foot down and enforce their rules. It can happen. Sometimes parents do leave, but when it does happen it's not the end of the world.

- Providers rarely, if ever, regret a parent leaving when they do enforce their rules. Providers who set clear rules and enforce them consistently hardly ever have a problem with parents. When there is a serious problem, it's usually best that a parent does leave. You can't make every parent happy, no matter how hard you try.

Conflict Resolution

- In most cases, the main conflicts that providers have are with parents, not the children. Too often providers feel stuck in trying to resolve a conflict with parents.
- A tool you can use to resolve most conflicts with parents is called The Three Choices of Life.
  - Find a coach to help you deal with parent conflicts (spouse, another provider, etc.).
  - The job of the coach is to get you to choose one of The Three Choices of Life to resolve the conflict.

The Three Choices of Life

- You should explain to your coach the conflict you are having with a parent. Your coach should take you through these three choices and ask you to choose one that will resolve your conflict.

- Choice #1: “I am happy and will let the parent do what they want.”
- Choice #2: “I am not happy, and I will tell the parent they must change, or I will end our contract.”
- Choice #3: “I will quit my business.”

The Three Choices of Life Explained

- Choice #1: “I am happy.”
  - Life is too short to worry about every little thing. Most providers have at one time or another bent their rules and not worried about it. Let the parent do what they want.
- Choice #2: “I am not happy.”
  - Tell the parent what they must do to make you happy. If the parent won’t follow your rules, end your agreement. Give the parent fair warning, but don’t continue to be unhappy with the parent’s actions.
- Choice #3: “I quit my business.”
  - If you are not happy and can’t confront the parent or deal with the stress, you should go out of business.

Deciding What to Do

- It’s acceptable for you to choose any one of The Three Choices of Life to resolve conflicts with parents. Most providers remain happy despite coping with small problems with parents. Things tend to work out.
- It’s also okay to confront parents about their behavior or actions and let the parent know they must change their behavior, or you will end the contract.
- If you are not able to be happy and aren’t willing to confront parents to change their behavior, it may be time for you to move on to another job. Why would you want to continue doing a job that makes you unhappy, particularly if you are not earning a lot of money?
- If you are not happy, you need to take action.

One Provider's Story

- A provider had been in business for many years when she thought about going out of business. Before doing so she asked herself, "What would it take for me to stay in business?" Her answer was to charge $30 more per week. She thought that if the parents didn't pay, she would be happy to go out of business.
- Three of the four parents paid the higher rate, and she found another family to fill the other spot.
- The moral of the story is about acting on what you want so that you make yourself happy. You may not always get what you want, but you first must ask for what you want.

Exercise #3

1) Here are some examples of a pick-up policy.
   a. No late pick-up fee
   b. $0.50 a minute
   c. $1.00 a minute
   d. $5.00 a minute

What's yours? _____

Exercise #3

2) A parent is calling you 10 times a day to check up on their child. Here are some possible responses:

a. “It’s okay. I’m happy to take your calls.”
b. “You need to limit your calls to me to five times a day. If you can’t do this, I’ll have to terminate our contract.”
c. “ I’m too stressed out to deal with you, so I am closing down my business.”

What would be your response? _____

What if You Haven't Been Enforcing Your Contract or Policies?

- It's not unusual for providers to have a contract and policies that they don't always enforce. Sometimes it's not easy to enforce them. If you haven't been consistent in the past, is it too late to start doing so now?
- No! Start enforcing them now. You may want to give parents a written notice telling them you will start enforcing them from now on. Give them another copy of your contract and policies to emphasize this.
- Remember, providers who consistently enforce their contract and policies have fewer problems than providers who don't.

Section 5

How to End Your Contract

Why End Your Contract?

- There can be many reasons why you would want to end your contract with parents. It may be because of:
  - Disruptive behavior by a child
  - A parent who violates your contract
  - Your own high levels of stress
  - Any reason

- Before terminating your contract, you should ask yourself, “Is there anything the parent could do that would change my mind?” If there is, tell the parent what they must do.

Before Ending Your Contract

- You want to maintain a long-term relationship with your families. You don't want to end your contract unless it's a last resort. Therefore, before ending your agreement, clearly state the problem to the parent and and explain the consequences: "I need you to pay me on time or I will have no choice but to terminate our contract."
- Next, you may want to give the parent a written warning: "The next time you pay me late, I will have to terminate our contract."
- Finally, when all else has failed, give the parent a termination notice.
- Taking these steps will give the parent plenty of warning and won't be a surprise.

Termination Notice

- Keep your termination notice simple:
  - “Your last day of care will be _____ (date). Under our agreement you are required to pay for my services until then, whether your child attends my program or not.”
- Don’t explain your reasons for termination in this notice. Parents will likely not agree with your reasons, and you may say something that will cause the parent to make a complaint about you.

If a Parent Won't Pay

- If a parent leaves owing you money, you can either let it go or take legal action. Note: If you had already required parents to pay in advance for the last weeks of care, you would not have to worry about collecting fees now.
- Your first step in taking legal action is to send parents a "Demand Letter." Such a letter would include how much the parent owes, a copy of your contract that indicates this, a deadline for the parent to pay, and a threat that you will go to court if they don't pay.
- If you are going to take this step, keep your child care licensor informed of your actions.

Before Going to Court

- Some parents may pay you after they receive your Demand Letter. If they don't, you can always drop the matter at that time.
- If the parent can't afford to pay you in full, you can always set up a payment plan for them to pay over time. "Parent will pay provider $50 a week for 10 weeks, starting July _____." Get the parent to sign the payment plan.
- If you do decide to go to small claims court, you may or may not win. If your contract is clear that the parent owes you money, you should win, but there is no guarantee.

Going to Court

- To take a parent to court, go to the small claims court office in the county where the parent lives. You will fill out a form for breach of contract and pay a small filing fee. You can add the filing fee to what the parent owes you.
- The court will send you and the parent a letter indicating when you must appear in court. If the parent doesn't show up, you will win.
- You don't need a lawyer to represent you. You will have a few minutes to present your case. Give a copy of your contract and Demand Letter to the judge and explain why the parent owes you money. The judge will ask a few questions and you will receive a notice in the mail indicating if you won. If you win, the parent will have 30 days to pay you.

Collection Agency or Small Claims Court?

- Some providers are reluctant to go to court. Instead, you could use a collection agency. What are the benefits of each option?
- If you use a collection agency, the agency will take a percentage of what they collect from the parent. To find one, Google “Collection Agency” in your town. There is no guarantee they will collect from the parent.
- If you go to court, there is also no guarantee you will win. It will take your time to appear in court and you must pay the filing fee.

Section 5 Quiz

1) There are three steps to take to end your contract. Put the steps below in the correct order.

    a. Give the parent a written warning.

    b. State the problem to the parent and explain the consequences for them not following your rule.

    c. Give the parent a termination notice.

Step 1 ___

Step 2 ___

Step 3 ___

Section 5 Quiz

2) Choose where each statement belongs.

Contract/Termination Notice/Neither

a. You are required to pay for my services until the last day of care.

b. Your last day of care will be ____(date).

c. I am terminating you because you are not paying me on time.

d. You must pay me every Friday.

Section 5 Quiz Answer

1) b, a, c
2) a. Termination Notice
   b. Termination Notice
   c. Neither
   d. Contract

Summary and Posttest

Summary

- Here are the key points that this class has covered:
  - You are your own boss! Set your own rules to create the type of program you want.
  - Your contract is a legal document that contains terms of time and money. Your policies contain all your rules about how you will provide care.
  - You can enforce your contract and policies by implementing consequences when your rules are not followed.
- Good luck!

Posttest

- It’s time to take the Contracts and Policies Pretest/Posttest again!
- Answer the questions once more.
- By this time, you should have learned a lot and will get more answers correct.
- But don’t worry if you get some of your answers wrong the second time around. It can take time to absorb everything this class covered.
- If you pace yourself and learn a little more about contracts and policies each year, you will do fine.

Contracts and Policies: Posttest

1) As a family child care provider, you can refuse to offer care to a family because of their religion.

a. True
b. False
c. I don't know

2) Providers are free to offer a lot of religious activities in their own program.

a. True
b. False
c. I don't know

Contracts and Policies: Posttest

3) If you care for toddlers, you must charge the same rates to all parents of toddlers.

a. True
b. False
c. I don't know

4) A written contract must be signed by both you and the parents before it can be enforced in court.

a. True
b. False
c. I don't know

Contracts and Policies: Posttest

5) Providers can require private pay parents to pay a week in advance.

a. True
b. False
c. I don't know

6) Providers can include in their contract that they can terminate it "at will."

a. True
b. False
c. I don't know

Contracts and Policies: Posttest

7) A provider can have as many or as few policies as they want about how they will operate their business.

a. True
b. False
c. I don't know

8) Provider policies must be the same for all parents.

a. True
b. False
c. I don't know

Contracts and Policies: Posttest

9) The best way to enforce a contract is to have a consequence for a parent who does not follow the rules.

a. True
b. False
c. I don't know

10) To enforce your contract, you can tell the parent they must pay you more money if they won't follow your rules.

a. True
b. False
c. I don't know

Contracts and Policies: Pretest/Posttest Answers

1) False
2) True
3) False
4) True
5) True
6) True
7) True
8) False
9) True
10) True

Closing Words

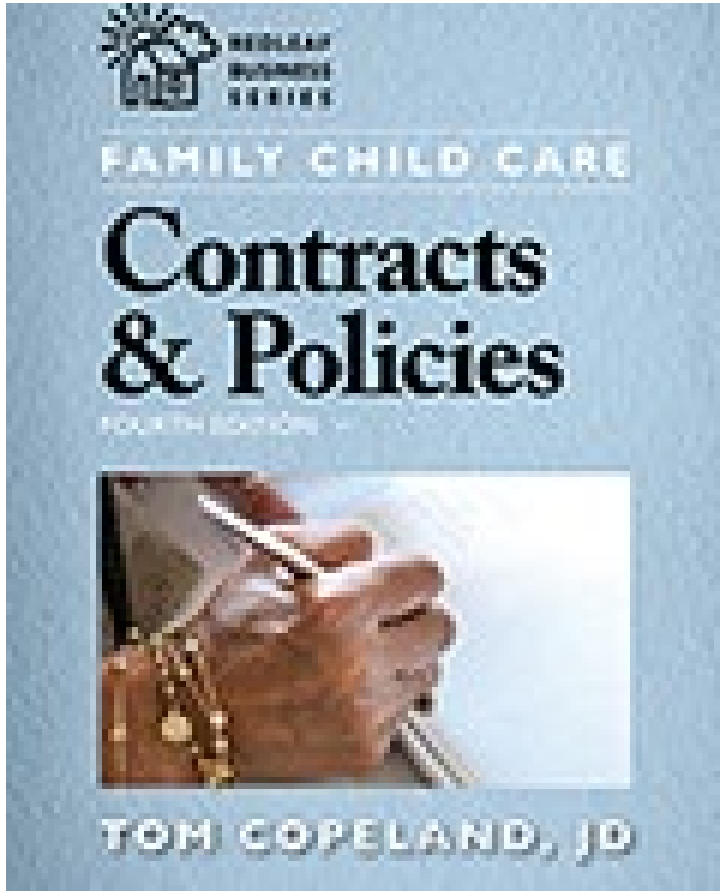
- Parents want their children to have high-quality care. They are looking for providers who are both sensitive and businesslike – and they see no contradiction between these two traits. Ultimately, if you establish a clear contract and policies, communicate with parents regularly, and consistently enforce your rules, you will attract and retain clients who will respect your business.
- The key to dealing with parents is setting limits and sticking to your agreement. You are running a business and must make the decisions that will enable you to provide high-quality care and support your family.

Good Luck!

- Thanks for taking the time to finish this class!
- I appreciate all the hard work you do caring for children.
- Although contracts and polices might not be your favorite thing to spend time on, it will be time well spent as it can reduce confusion and conflicts with parents.
- You can change your contract and policies to ensure they meet the needs of you, your family, and the families of the children in your care.

Resources

- Family Child Care Contracts & Policies, by Tom Copeland – Contains many examples of contract and policies and how to enforce them: http://tomcopelandblog.com/family-child-care-contracts-and-policies-3rd-edition
- www.tomcopelandblog.com – Contains hundreds of articles about family child care contracts and policies.
- www.daycare.com – A family child care forum where thousands of providers chat, ask questions and offer advice about contracts and policies.



Final Quiz

1) How much can you charge parents for a late pick-up fee?
   a. $0.50 a minute
   b. $1 a minute
   c. $5 a minute
   d. Any amount you want
2) Which of the following ways can you change a written contract?
   a. Cross out a number and get both parties to initial the change.
   b. Verbally agree to change the drop-off time.
   c. Print out a new contract and get both parties to sign the new contract.
   d. A and C

Final Quiz

3) Which of the following can you put in your contract?

a. “Parent cannot attend if they have AIDS.”

b. “Parent cannot attend if they are Muslim.”

c. “Parent cannot attend if they were born out of state.”

4) Which of the following ways can you discriminate against a parent?

a. New parents will pay 15% more than existing parents.

b. Parents from Haiti will pay 10% more.

c. Parents who are gay must pick up one hour earlier.

Final Quiz

5) Except for the limitations of your program described at the beginning of this course, how many of the ideas in the class must you follow?

a. All of them

b. None of them

c. Only the ones you want

6) If you go to small claims court to sue a parent, which of the following is true?

a) You will need a lawyer.

b) You will have to pay a filing fee.

c) You will not win unless the parent shows up in court.

Final Quiz

7) When terminating your contract with a parent, which of the following should you not do?

a) Keep your termination note short.

b) Explain your reasons for termination in your termination note.

c) Indicate the last day you will provide care for the child.

8) Which of the following are acceptable reasons for terminating your contract?

a) The parent owes you money.

b) The parent is not following one of your policies.

c) The parent is giving you a headache.

d) All of the above.

Final Quiz

9) If you have a conflict with a parent, which of the following options are acceptable for you to choose?

a) Let the parent do what they want.

b) Tell the parent they must change their behavior, or you will terminate the contract.

c) Go out of business.

d) All of the above.

10) If you have your contract and policies combined into one document, what can you do to make a change?

a) Cross out a word and get both parents to initial the change.

b) Add a new policy without a parent signature.

c) Give parents at least a day's notice before making a change.

Final Quiz

11) Which of the following policies can you adopt?

a) Your child care will have daily readings from the Bible.

b) Children whose family is from Mexico must bring two changes of clothes each day, while all other children need only bring one change of clothes.

c) Boys cannot bring toys from home, but girls can.

12) If you call a parent reference, what questions can you ask?

a) How long did you provide care?

b) Would you care for the child again?

c) What problems did you have in caring for the child?

d) All of the above

Final Quiz

13) Which of the following belongs in a contract?

a) Your daily schedule

b) Your rules about discipline

c) Your fees

14) If you require parents to give you a two-week written notice before ending your contract, which of the following can you do?

a) Require yourself to give a two-week notice.

b) Allow yourself to terminate without any notice.

c) Allow yourself to terminate without any notice or give any notice period you want.

d) All of the above.

Final Quiz

15) If you promise to hold a spot for a parent, you should:

a) Use the word “deposit” when describing the holding fee.

b) Apply the holding fee to the first week of care.

c) Apply the holding fee to the last week of care.

d) Not apply the holding fee to care and keep it if the parent does not show up for care at the agreed-upon date.

Final Quiz Answers

1) D
2) D
3) C
4) A
5) C
6) B
7) B
8) D
9) D
10) A
11) A
12) D
13) C
14) D
15) D

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