

ECE Center Financial Management 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?):
-
-

- 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 and staff?
- Do you respond to inquiry calls right away?
- What agencies, people, advertising, and strategies help you fill slots?
- 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?

- What are your hours of operation?
- What days of the week are you open?

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 know what tuition other providers in your region charge?
- Are your rates in alignment with other centers in your area?
- When did you last review your tuition rates?
- When did you last raise your tuition rates?
- Do you accept part-day schedules?
- Do you accept part-week schedules?
- How do you calculate rates for less than fulltime care?

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) from families as well as government and other third-party funders?
- 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 have policies around writing off bad debt based on the aging of the receivables in place?
- 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: REVENUE

Check the sources of revenue that you receive:

- Private pay tuition
- Parent co-pay
- 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)

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?
- What other types of insurance do you have?
- Do you have an insurance broker/agent?
- If so, please provide their name and contact information: _____

SECTION 4: HUMAN RESOURCES

- Do staff sign in/out using an automated system?
- Is paid leave time tracked via your payroll system?
- Are all of your teaching positions filled right now?
- What is your teacher turnover rate?
- What is the average length of time for you to fill a teaching position?
- What is your average cost per position to recruit staff?
- Do you use performance evaluation tools on a regular schedule?
- Do you have a standard interview guide?
- Do you observe teacher candidates interacting with children?
- Do you have a personnel manual?
 - If so, when was the last time it was reviewed/updated?
- Do you have a salary scale?
- How do you know if your compensation is competitive?
- Do you have a benefits summary?
- How long have the current staff been employed by you, on average?
- Do all your staff have current position descriptions that accurately reflect the expectations of their jobs?

SECTION 5: 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, mortgage, and 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?

SECTION 6: 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
 - Procure
 - KidKare
 - Alliance CORE
 - Wonderschool
 - Smartcare
 - Other _____

- Do you use any accounting software?
 - QuickBooks ____
 - Excel ____
 - Wave ____
 - 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