



Virginia's ARPA Child Care Stabilization Grant Program

Documenting Expenses & Grant Spending Strategies

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About the Child Care Stabilization Grant Program

Virginia received \$488 million from the American Rescue Plan Act (ARPA) to develop and implement a Child Care Stabilization Grant Program. Virginia will distribute funding to help child care businesses address the impacts of COVID-19, including the statewide staffing crisis. The funds will allow child care providers to make strategic investments in their programs to strengthen their operations and sustain services for our children and families that are furthest from opportunity.

Eligible providers will receive up to three payments on a quarterly basis to cover a 9-month period, September 2021 through May 2022. Applications will be accepted on a rolling basis, starting November 1, 2021, and will be reviewed each quarter until March 2022.

AWARD SCHEDULE

AWARD	PERIOD COVERED
First Quarter	September 2021 – November 2021
Second Quarter	December 2021 – February 2022
Third Quarter	March 2022 – May 2022

This guide will help you to better understand what types of expenses are considered allowable for coverage by the stabilization grants, how to make sure you have proper documentation of these expenses, and ideas for spending strategies that are allowable and provide ways to strengthen your program both in the near- and long-term.

The Virginia Department of Education (VDOE) will monitor providers for compliance with the grant requirements. All providers are encouraged to maintain documentation of expenses with receipts, paid invoices or other documentation that shows how the funds were used and maintain these on file for five years.



Approved Uses of Funding

How can I use my funds?

Generally, grant funds can be used to support maintaining child care business and program operations. Funds may be used for allowable expenses incurred prior to the grant period (i.e., you can reimburse yourself for allowable expenses that you already had prior to receiving the grant). There is no time frame for spending grant funds. Understanding that the grant can cover past and future expenses, it is best to use the funds in accordance with what is allowable and will help you remain in operation.

While the list of specific expenses may vary depending on what is considered necessary for each individual operation, the following business-related costs are generally considered allowable for reimbursement under the Stabilization Grant:

- Payroll (including self-pay and owner's draws for sole proprietorships)
- Staff benefits (including paid leave and supports to access COVID-19 vaccines, appointments and manage side effects)
- Employment and Personnel Costs (including bonuses, temporary or permanent increases in compensation, hazard pay)
- Rent (see below for calculating this for family day homes)
- Mortgage (see below for calculating this for family day homes)
- Utility Costs (see below for calculating this for family day homes)
- Property Taxes (see below for calculating this for family day homes)
- Insurance (related to the business or employee benefits)
- Personal Protective Equipment (PPE)
- Cleaning Supplies
- Classroom Supplies
- Indoor and Outdoor equipment
- Business software and technology upgrades
- Office Supplies
- Transportation
- *Minor* repairs (construction and major renovations are not considered allowable)
- Food
- Staff development or training costs
- Mental health consultation services and supports for children and staff

Calculating costs for Family Day Homes

Family Day Home providers can use funds towards the above listed allowable expenses. However, some expenses have both a business use and personal use associated with them (i.e., your monthly mortgage or rent for your home). For those expenses, family providers are encouraged to use the Time/Space calculation to determine what percentage of those expenses can be considered business expenses. Here is a **helpful worksheet** that can guide you through this calculation. If you already have your time/space percentage calculated from last year's taxes, you can use that.

Why is a spending strategy important?

Having a spending strategy is key to investing your grant funds effectively and properly. While the investment provides an opportunity to sustain and strengthen your business, it also needs to be spent in compliance with the funding requirements. It's best to perform a brief needs assessment for your program, asking the following key questions:

Investment Area 1: Financial Resiliency

- What past expenses do I have documentation for that also fall into the allowable spending categories for the grant?
- What expenses have I put off because I could not afford to pay them?
- What are the main threats to my businesses' sustainability and how can I use these funds to mitigate them?
- Am I prepared to respond to financial emergencies? Does my budget allow me to contribute to an emergency savings fund?

Investment Area 2: Staffing

- Staffing is the engine that keeps the program running. How do I reward my staff so that my business can continue to operate?
- How can I provide ways help staff continue their education or receive training?

Investment Area 3: Enrollment

- Am I having difficulty maintaining or boosting enrollment at my program? How can I use these funds to support marketing efforts?

Investment Area 4: Facility Improvements, Technology, or Equipment

- Do I need to make minor improvements to my Home or Center?
- Do I need to make minor improvements to my playground or outdoor area?
- Am I prepared to carry out an emergency disaster plan? *(If you are on a corrective action plan with the Office of Child Care Health and Safety, think about whether you can incorporate additional resources to help you come into compliance on key health and safety standards.)*
- Are there pieces of equipment or technology that would improve my program operations?

Once you've answered these questions, you may have a good idea of how you wish to allocate your grant funds. To insert your responses to these questions and guide your strategy, we have provided a simple worksheet, [Developing Your Spending Strategy](#).

The next section of this guide will provide you with the actions to consider to execute your strategy.



Spending Strategies

Investment Area 1: Financial Resiliency

Do you need to make up for lost revenue?

The financial impact of the pandemic on child care businesses cannot be understated. Many programs have grappled with closures, decreased enrollment and inconsistent attendance rates which contributed to a significant loss in revenue. Many child care business owners took out loans, dipped into savings, and paused paying themselves to manage. Grant funds can support your recovery from those losses and help restore wages.

Many businesses took on debt to survive the pandemic. Regardless of the source of the debt – the Small Business Administration’s Economic Injury Disaster Loan (EIDL), or other commercial debt - accumulated debt makes it significantly harder for your business to recover. Typically, your monthly debt payments consist of a percentage of your remaining loan principal balance. The higher this balance, the higher the interest you pay each month. Prioritizing paying down this debt is a sound strategy that will help you continue to serve families and reposition your business’s ability to make a profit by reducing your monthly costs. This strategy will help free up revenue to use on other necessary expenses your program needs to operate.

In addition to paying down debt, funds can be used to keep up with other routine payments while you get back on your feet. For example, if you are having trouble affording regular expenses such as utilities or home payments (mortgage or rent), you may be able to use these funds to keep operations going until conditions have stabilized for you.

Are you prepared for financial emergencies?

Certainly, the pandemic has driven up costs of existing expenses, created new expenses, and has contributed to less income for you. This makes budgeting for your new reality a key feature of your plan for continued operations. Not planning or accounting for these new expenses, and upcoming emergencies, could put your business in jeopardy of permanent closure.

A **monthly budget** may be a good place to start for a smaller operation, like a home-based child care. Once you’re comfortable with the process of budgeting, a **six-month cash flow** may be the next level option for tracking incoming and outgoing funds.

Once you have an idea of what your budget will allow, you should consider putting aside funds for a rainy day. It’s recommended that businesses have three months’ worth of expenses available in an emergency fund, so that you can continue to meet your routine bills during times of financial challenges.

Do you have the systems in place to manage your financial and other recordkeeping responsibilities?

Having a defined way of tracking your revenue and expenses will make it easier to follow through with your decision to follow a budget. Having accurate information to inform your budget will strengthen your ability to bounce back. Many providers can track their finances with a basic bookkeeping system and a business bank account. Initially, this tracking can be as simple as having a method to log weekly revenues from tuition and payments, the expenses that you’ve had to pay, and store records of those transactions, or receipts.

Once you have those business basics down, you may consider the use of electronic systems to track these with more ease. Online systems such as FreshBooks, QuickBooks, and Gusto can help with bookkeeping and payroll. These systems can give you real-time information on your financial outlook and help you make necessary decisions. These systems will also aid you during tax time, so that you are able to complete an accurate tax return.

Keeping good records is essential to managing your business in general. In addition to the standard accounting tools we mentioned, you need to track child and staff data, attendance rates, meals and more. Be sure to also consider child care management systems (CCMS) for these needs. Systems such as Brightwheel, Wonderschool, Procare, or EZCare can help with billing, attendance, etc.

Family child care homes and small centers serving fewer than 50 children can access free resources by sending a quick text. Text “Wonder” to 474747 to learn about a free subscription to Wonderschool, an online software that assists with your payables, enrollment, and marketing, and includes an app for communications with families. For more information or to join the 100+ Virginia providers already participating, text “Wonder” to 474747.

For more information on the benefits of a CCMS, check out [Frequently Asked Questions](#).

Investment Area 2: Staffing

Are you having difficulty maintaining staff, recruiting new staff or looking for ways to reward your staff?

A staple feature of the Child Care Stabilization Grant Program is that the funds can be used to meet the pressing challenges that the staffing crisis has presented. Now more than ever, staffing is an integral component of the child care business model. Without the necessary staffing in place, other components of the business's ability to operate are at risk. Using grant funds for temporary pay increases and bonuses is a great way to push much needed funding into the child care labor force and reward your hard-working employees.

Finding ways to increase staff retention may require multiple approaches. There could be some quick actions that you can implement to aid in retention such as offering a bonus or a temporary pay differential, pay substitutes to give your staff some additional time off, and other ways to acknowledge and reward staff. There are also longer-term approaches such as increasing your pay scale, staff benefits and paid time off, and supporting staff career development. Most of these strategies will have budget implications; it is advised that you plan for them in your budget to understand what you can afford.

For more information on structuring and offering these incentives, see [How Can I Financially Reward My Staff?](#)

The same strategies can be applied in your pursuit of attracting qualified staff. In a highly competitive employee market, you should consider using grant funds to offer a sign-on bonus for new employees and offer employee referral incentives to existing staff. The bonus can be structured in a way that aids in retention for your new staff, for example a new staff member will receive their bonus after six months on the job with satisfactory performance.

VDOE is committed to easing staffing shortages and reducing turnover in child care programs.

- Programs that participate in the Child Care Subsidy Program (CCSP) will receive a 20 percent addition to their base ARPA Child Care Stabilization grant.
- Eligible educators in programs participating in the PDG B-5 initiative will receive up to a \$2,000 Teacher Recognition Grant from VDOE.

While compensation is likely the number one factor in someone choosing to enter and stay in a job, benefits are also a critical piece of their decision.

There are many reasons why you should offer benefits, and here are a few of them:

- **Improved staff satisfaction which aids in increased staff retention.** Happy and healthy employees are more engaged employees!
- **Makes the employer more competitive in a tight labor market.** This is what could separate you from another program offering similar pay.
- **Lets staff know that they are valued and that you're supportive of their needs.** The pandemic has brought on different needs and considerations for employees, and they need a place of work that can meet those needs.

Providing benefits does not have to be an all or nothing concept. There are different benefits that can be offered, with varying price points (some may be little to no cost, some may be more significant). Even small increases can make a big difference in a tight labor market. You may be wondering where to start and what your options are. Most importantly, you want to be sure that regardless of what is being offered, your employees are able to 1) see the value in them and 2) easily understand them and 3) easily access them.

While this is not a complete list, here are some of the common benefits that a company can offer employees:

- Paid Time Off (PTO)
- Health Insurance
- Retirement
- Supplemental Insurance (including Employee Assistance Programs)
- Tuition Assistance and Staff Development
- Child Care

To learn more about these offerings, you can begin by researching traditional insurance providers. You may find that your existing payroll company or other online payroll service providers like Gusto or Zenefits can provide you with certain benefits. There are also Professional Employer Organizations and shared services networks and other platforms for collaboration such as your local chamber of commerce may offer other ways to provide benefits for your staff or discounts to do so. Outside of offering company sponsored health insurance, you can still support your employees on an individual basis in accessing low cost or free health insurance through the Affordable Care Act marketplace. Ensure that employees are aware of what they may qualify for and facilitate a connection for them to

work with a free Health Care Navigator who can walk them through their options. For more affordable health care options, [click here](#).

Do you pay yourself?

As a staff person of the child care program, you can, and should, pay yourself regularly. While this may be the last thing on your mind when it comes to your list of expenses, it should not be neglected and should be treated as any other payroll obligation.

To determine how much you should pay yourself, you could begin by drafting a monthly budget and tracking your actual revenue and expenses to understand how much you typically take in and pay out in expenses for the month. This will allow you to see what a reasonable wage may be, noting that if you are a sole proprietor, your pay cannot exceed your revenue.

Any payments to owners should be treated as you would any other regular payroll. If you receive pay as a W-2 employee, then you would use the same documentation as you would for any paid employee. You will need to record payments to yourself and having a business bank account can help you in this process. This will allow you to separate personal from business funds and help you track your payments.

Would you like to continue education or training for staff?

Staff benefits range from pay to benefits that impact career satisfaction. Providing opportunities to invest in your staff and advance their skills will benefit the quality of your program while possibly aiding in the retention of qualified staff. An investment in your staff can pave the way for new art, music and reading programs, as well as new child learning techniques. These programs can also make your child care business more appealing to families and help stabilize enrollment over time.

For Family Day Providers, scheduling time for professional development can be a challenge. You could use the additional funds to cover the cost or expenses associated with the time off or site closures for you to take professional development days or pay for the additional staff coverage you may need to attend trainings. Funds can also be used to cover any staff travel expenses or per diems associated with professional development.

Do you know...

Scholarships are available at no or low cost to early education professionals to take relevant courses at Virginia's colleges and universities to improve their competencies and achieve credentials:

- VDOE administers a scholarship program for child care providers. For more information, visit www.vaccscholarship.com.
- VECF administers a scholarship program, **Project Pathfinders**, designed to increase the skills of early childhood professionals in preschool and child care settings.
- Early childhood education is one of the in-demand professions included to qualify for access to the G3 (Get a skill. Get a job. Get ahead.) initiative in Virginia's community college system. See more at www.virginiag3.com.

In addition, early childhood education programs that participate in the PDG B-5 and/or **Unified Virginia Quality Birth to Five System (VQB5)** initiatives will also have access to free, quality classroom and teacher resources. To learn more about these resources, visit [VDOE's webpage](#) on building an early childhood system.

Investment Area 3: Enrollment

Are you having difficulty maintaining or boosting enrollment at your program?

The pandemic has spotlighted the need for child care businesses to rethink their marketing efforts, tools, and strategies to drive (or simply maintain) child enrollment. Typically, marketing efforts would be first expense cut from the already tight operating budget for most programs. However, now that securing enrollments is more critical than ever, it is wise to consider using this funding to conduct marketing activities. This could consist of designing and purchasing promotional materials such as fliers and brochures, starting or upgrading a program website, upgrading signage, offering parent incentives to enroll, and purchasing paid ads.

There are some no-cost activities that could be done to support your enrollment such as actively maintaining your waitlist and reaching out to those families as soon as you have an opening.

You may also find that a subscription to a shared services program, such as Wonderschool or the [Virginia Shared Services Network](#), could assist in expanding your network and offer marketing support, in addition to cost-savings opportunities.

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Investment Area 4: Facility Improvements, Technology, or Equipment

Do you need to make improvements to your Home or Center?

You may have a list of program quality or health and safety improvements that need to happen to your facility. Investing in your facility can help you meet different business goals and aid in a better overall experience for the children and adults that occupy the facility. In addition to the new health and safety needs that you may adapt for, grant funds can help you to finally address some of those much-needed, long-term investments. Some strategies include replacing your heating or cooling system, replacing your roof or your gutters, providing new bathroom fixtures and toilets, or even revamping the kitchen for more efficient and sanitary service.

A note on facility improvements

Just remember that stabilization funds may not be used for capital investments (i.e., new construction or major renovations to your facility). If you are planning to do (or recently completed) a major renovation, make sure that your stabilization grant funds are put toward other allowable expenses, such as rent or utilities, or wages for staff. Remember that your stabilization grant funds can also be used to reimburse yourself for allowable expenses incurred in the past. The unrestricted revenue sources you originally used or would use for these allowable expenses — such as parent tuition payments — can then cover costs associated with major capital expenses.

Navigating a facility improvement project and finding a good contractor can be challenging, so we have included some tips in [ATTACHMENT B](#).

Young children are very susceptible to their environments. It may be helpful to have a facility/home assessment done to learn how to improve the environmental health of your facility such as air quality and water quality:

- **Air quality improvement examples:** HVAC upgrade, duct cleaning, humidifier, and/or portable air cleaners (purifiers). Providers can contact an HVAC specialist to determine what can be done to improve air quality.
- **Water quality improvement examples:** replacing old, corroded pipes that may be subject to lead and copper contamination. Providers can contact their local health department for water testing.

Do you need to make playground or outdoor area improvements?

Another potential use for funds is to upgrade your playground and outdoor space for safety and quality purposes. Through these improvements, you can create an area that will be more developmentally appropriate and enjoyable for the children you serve.

Outdoor play spaces are often a big factor for families when choosing a program, so improved play space can also potentially impact your revenue by attracting new families as well as retaining the ones you have.

Here are a few ideas to consider for upgrades to your outdoor area:

- Play structures and equipment
- Rubber surfacing
- Pavement repair
- Updated fencing
- Additional riding toys
- Outdoor toys to push and pull
- Tunnels or structures to crawl through
- Upgraded water or sand play areas
- Materials for an outdoor creative arts or STEM area
- Updated tricycles, balance bikes, helmets or scooters
- Natural play space materials
- Children's garden
- Play tables
- Art station
- Additional outdoor seating or shaded areas for book reading and outdoor lessons
- Awning for outdoor waiting areas

Are there other purchases, pieces of equipment, or technology that would improve your program operations?

- Updating the sign-in and check-out systems used by families or caregivers (i.e., an electronic system that may work with a child care operations system)
- Updating security systems or camera systems for classrooms and common areas
- Improving technology equipment (i.e., iPads, laptops, printers/copiers, electronic filing, bookkeeping, tuition or fee payment systems or child care management systems)
- Purchasing a van or bus to facilitate transportation to and from school or other settings

You can also consider adding other physical improvements, such as new laundry machines, replacing a refrigerator or an extra freezer, or any other kind of equipment that may make things more efficient and effective for your program.

With the added sanitation demands of the pandemic, you can also add equipment like:

- Portable sinks;
- Hand sanitizer dispensers;
- Touchless faucets and soap dispensers;
- HVAC or ultraviolet air purifiers to improve indoor air quality;
- Automatic door opener and flusher toilet;
- Touch-free waste bin;
- Steam cleaner vacuum;
- Childcare waiting area with wall dividers;
- Tables with clear tabletop dividers or individual student desks;
- Replacement classroom carpets or flooring;
- Dishwasher; and
- Upgrade sanitizer systems for cleaning toys and other materials in the center.

Are you prepared to carry out an emergency disaster plan?

While most programs are required to have emergency preparedness plans, have you thought about whether you have the necessary resources, equipment, and materials to effectively carry out your emergency plan?

Here are a few ideas to consider in executing your risk management plan:

- Establishing or contributing to an emergency fund to cover expenses associated with emergencies, such as insurance deductibles;
- Emergency supplies, including portable kits for evacuations and 72-hour supply kits for sheltering in place; and
- Text messaging services/parent communication apps to be used for emergency notifications.

Gathering Your Documentation

What do I need documentation for?

Grant funds are provided up front, so you don't have to demonstrate need to submit documentation showing that you've already incurred expenses in order to apply for a Child Care Stabilization Grant or receive payments. However, VDOE will conduct random monitoring to ensure compliance with grant conditions and approved expenses. Whether you think you will be monitored or not, we highly recommend keeping record of and compiling documentation of your expenses along the way. This way, you will have your records in one place and will be ready to respond to any request for monitoring of these funds.

To keep records of your expenses, you could create a digital file and save or scan them there or get a large manila envelope ready for your receipts. It is very important that you hold onto them for five years, so you will want to have a way to keep the receipts safe until you need them. Programs using a Child Care Management (CCMS) system such as Wonderschool, can use those platforms to easily store and track their receipts and expenses.

How do I make sure I have everything I need if I am randomly selected for monitoring?

The Child Care Stabilization Grant Program offers financial relief to child care providers across the state to support strategic rebuilding investments and help with expenses incurred because of the pandemic. Gathering information about expenses and documenting grant spending can seem daunting but breaking down the steps can help make the process more manageable.

Step 1: Figure Out Previous Pandemic-Related Expenses

First, go month by month through your recent records to review:

- Receipts you have already collected
- Your credit card bills
- App-based system payments (such as Venmo, Zelle, PayPal, and Square Cash)
- Bank statements and canceled checks
- Third-party payroll systems (like ADP, Gusto, or Paychex)

Collect proof of payment for every cost you want to cover with the grant funds, such as a receipt, or an invoice marked "paid." Unless the purpose is clear (such as a payment to the local electric company), you will need to show exactly what

you purchased. Generally, allowable expenses must be *necessary to maintain or resume operations*. Assemble information about the following common business expenses for each month:

- **Rent, Mortgage, Property Taxes, and Insurance:** The actual amount you paid for mortgage or rent, insurance, and property taxes. (*Family day home providers can cover a portion for business use*).
- **Utility Costs:** The actual amount you paid for utilities (must be clearly for business use), including gas, electricity, telephone, and internet. (*Family day home providers will need to use the Time/Space Calculation for utilities like gas and electricity to determine how much qualifies as business use*).
- **Payroll, Employment & Personnel Costs:** This includes those for W-2 employees, including yourself, and employer payments for benefits (i.e., retirement and healthcare).
 - If you are a **sole proprietor** paying yourself, you need proof of payment like a payroll report or pay-by-check, bank transfer, or app payment documenting in the memo that this was payroll for a given period, and (2) it does not exceed revenue for the same period. For example, if you took in \$1,000 for the month in revenue, you could not claim payroll of \$1,500.
 - **Contractors** (often called "1099 employees") can be included in your costs but make sure they are classified appropriately as contractors.
 - **Employer benefit costs** may also be included for company-sponsored programs offered to all employees, and employer payroll taxes for unemployment insurance and other programs.
- **Personal Protective Equipment (PPE) & Cleaning Supplies:** Including masks, gloves, janitorial services, deep cleaning, and supplies (disinfectants, hand sanitizer, soap, etc.).
- **Classroom and Office Supplies:** Includes items necessary for your child care business such as paper products, children's toys, or books.
- **Classroom and Playground Equipment:** Includes items necessary for your program's operations such as children's cubbies, age-appropriate climbing structures, etc.
- **Food:** Includes appropriate food/beverage purchases for children in care that have not been covered by the Child and Adult Care Food Program (CACFP).

- **Facility Improvements:** Includes minor renovations and repairs for health and safety, and security upgrades to your facility. Be sure that the costs for the renovation is properly documented and justified.

It is important to know you cannot claim expenses already paid for by:

- Past rounds of Child Care Stabilization Grants from the CARES Act
- the Paycheck Protection Program (PPP),
- Employee Retention Tax Credit (ERTC),
- Families First Coronavirus Response Act Emergency or Family Leave (FFCRA), or
- Any other stimulus and relief funding program.

SHARED EXPENSES

In some cases, such as with your telephone or your home, items are used for a mix of personal and business reasons. There are tools and methods available to help determine how much of shared personal and business costs can be reimbursed through the Child Care Stabilization Grants.

Business Use of Phone

For phones (cell or home), you can determine what percentage of the time has been used for business by adding the number of minutes used for business. This should only be for the business owner's or employee's part of the bill.

As an example:

Jasmine's phone bill is \$250 per month in total. She made 40 calls that totaled 200 minutes, and the 30 calls that were for business totaled 120 minutes. Using the minutes, she could claim business use of 120 minutes divided by 200 which is 60%. If she multiplies the bill of \$250 by 60%, that means she can report \$150 in business costs for the Stabilization Grant.

$$120 \text{ minutes} \div 200 \text{ minutes} = 0.6 \text{ (x } 100 = 60\%)$$

$$0.6 \text{ (60\%)} \times \$250 = \$150$$

Business Use of Home

For family day home providers that regularly use their home for business and are licensed or registered, you can be reimbursed for the cost of your home and other related expenses that you typically claim on your federal tax returns. Home-based family day providers can

determine the business use of their home using the **Time/Space Calculation**. This will enable you to calculate the percentage of your rent, mortgage, property taxes, insurance, and utility costs that can be covered by grant funding.

Whether you rent or own your home, there are two steps you need to take to prepare for reimbursement of these costs (they are the same as the ones you use for your tax return):

- 1 Determine the space and time of your home used for child care, and
- 2 Determine allowable expenses related to providing care in your home

Step 2: Find Your Receipts

Now that you have a clear picture of the relevant expenses incurred, make sure that you have proper documentation for each expense. A receipt or other proof of payment should show:

- That you paid the expense
- What you paid for, unless it is very clear (like a utility company payment)
- The amount you paid
- The date you paid it
- A description of the item purchased, or service received

Examples of valid receipts or proofs of payment are:

- An itemized receipt from Target, Wal-Mart, or Costco
- A payment confirmation from the electric company or a canceled check for payment to a utility
- A summary report from your payroll company

Tip

Search for your larger allowable expenses first to help to streamline the process. These larger expenses, like rent or payroll, will take less time pulling together than finding multiple individual receipts for smaller expenses, like classroom supplies.

Each worksheet in **ATTACHMENT A** can help you organize your records and costs.

Step 3: Managing Your Files

Even if you decide to keep a manila folder for your receipts, you may want to consider creating a digital backup of your receipts and proofs of payment by taking pictures or scanning the documents. You are required to keep receipts for five years, so this will provide a backup in case something happens to the original hardcopies of your receipts.

Need Help?

Please visit [VECF's ARPA Child Care Stabilization Grant Program webpage](#) for resources to help strengthen your business. Resources include: easy-to-read written guides, webinars, recorded tutorials, and more.

Here, child care providers can also register for free one-on-one or group coaching sessions on topics of interest.



Attachment A: Cost Worksheets

While these are not required to complete, you may find these worksheets helpful to keep your spending organized.

Each worksheet is broken out by expense categories. You can use as many as you need based on your costs.

You can take the totals from each worksheet and enter them here to get the total cost for your projected or actual spending.

Category	Total
Rent, Mortgage, Property Taxes, and Insurance	
Utility Costs	
Payroll, Employment, and Personnel Costs	
Personal protective equipment (PPE) and cleaning supplies	
Other	
Total of all categories	

Worksheet 3: Payroll, Employment, and Personnel Costs

Costs to look for:

- Payroll system documents
- Pay by check, bank transfer, or app payment where it documents that this was payroll for a given period in the memo section and it does not exceed revenue for the same period. For example, if you took in \$1,000 for the month in revenue, you could not claim payroll of \$1,500.
- Payments for benefits including retirement and health (employer costs only)
- Staff development trainings

Note: you can use reports from your payroll company – this can save you time and effort.

MONTH	COST	AMOUNT	HAVE RECEIPT?
TOTAL (add up all the costs)			

Worksheet 4: Personal Protective Equipment (PPE) & Cleaning Supplies

Costs to look for:

- Cleaning supplies like disinfectants
- Paper towels
- Cleaning services
- Masks
- Gloves
- Safety glasses

MONTH	COST	AMOUNT	HAVE RECEIPT?
TOTAL (add up all the costs)			

Attachment B: How to Find a Good Contractor

You may find that even though you do have the cash to invest in improvements to your home or center, it is difficult to find a good, fairly priced, reliable contractor to complete the work. Here are some general suggestions on ways to find and vet a contractor that you can be confident will meet the needs of the job.

1 Ask those closest to you for recommendations

Start with people you know and consider to be trusted contacts and ask about their previous experiences with contractors. You can even post on social media within your friend network to get referrals and recommendations.

You may also want to consider approaching home improvement stores or other vendors that you are familiar with. The employees of those establishments may be able to provide recommendations on trusted contractors that they personally know or that they have heard others compliment.

2 Do your research

Whether someone comes to you with glowing recommendations or not, you should conduct your own search for contractors online. Through this process, you can research those that were recommended and find others.

Some of the more popular and reliable sites to perform this search include:

- Angie's List – angieslist.com
- checkbook.org
- homeadvisor.com
- houzz.com
- porch.com

Many of these sites are free or low-cost and will give you access to not only contractors but also reviews from actual the users of their services. You may also want to check with your local Chamber of Commerce or the Better Business Bureau.

3 Conduct a phone interview

Once you have secured a few referrals, ask the contractor some questions over the phone. Ask:

- If they are licensed and insured and can provide proof.
- If they typically do projects that are your size.
- For references on not only their work, but also from suppliers and subcontractors (those who work with them).
- For a list of a few past clients, the size of their project, and how it aligns with your needs (it's a plus if they are familiar with renovating child care facilities).
- How many projects they have going on at the time. Too many projects might mean they won't have the time to do your project in a quality or timely manner. If they have no projects, that may make you wonder why. Be sure to ask follow up questions.

4 Meet in person

After the phone interview, have a face-to-face meeting with three or four of your top candidates. It can be difficult to find the time to meet with more than one contractor, but this is a great way to truly understand what they can offer and to get quotes for the work you need done. Talk about your project and timeline making sure they understand the magnitude and complexity of it.

- Ask them questions about what will happen if there are unforeseen issues that come up.
- Ask them when they will be able to start your project, and how long they think it will take.
- Consider the hours that the contractor will need to complete your project. Will they need to work outside of your normal business hours as not to disrupt programming?
- If they are working in children's areas, how are they securing the space and ensuring the safety of children and adults in the facility?

5 Call references

After meeting in person, call the former clients of those contractors you felt most comfortable with and offered competitive quotes. Ask past clients about their finished product, how long it took, how satisfied they were and how close the final price was to the original estimate.

If there is a previous client who is willing, schedule a time to go look at the completed work. Make sure it's something that really is comparable with the quality and size of the project that you would like to undertake.

Note

This can be tricky since most individuals may not want to receive calls. It may be equally useful if the contractor has a website, pictures, or testimonials that they can share with you instead.

