

Tips on Tuition and Fees Policies



DECAL
Thriving Child Care
Business Academy

Learn how to create and implement these important policies

For child care businesses, establishing clear tuition and fees policies isn't just about setting rules around when and how you are collecting revenue; it's about fostering trust, transparency, and stability between your child care business and the families you serve. These policies serve as the backbone of your business practices, ensuring steady financial and revenue streams while also fostering understanding, clear expectations, and cooperation among families. This guide will review how you can set up your policies as well as effectively communicate, enforce, and troubleshoot them as needed.

Why is it Important to Have Tuition and Fees Policies?

Establishing clear tuition and fees policies is vital for several reasons:

- 1. Financial Planning:** Having set policies around tuition and fees provides you with a clearer understanding of what to expect in terms of payments — and, therefore, clearer understanding of expected revenue. This insight better positions you to plan ahead financially, enabling more accurate budgeting for operating expenses, staff salaries, facility maintenance, and other essential aspects of your business.
- 2. Transparency and Trust:** Clear policies promote transparency and trust between your business and the families in your care. By setting clear expectations around tuition and fees, these policies reduce the likelihood of misunderstandings or disputes.
- 3. Compliance and Professionalism:** Tuition and fees policies help ensure compliance with legal and regulatory requirements and foster fairness and equity in fee management. The ability to point to clear, consistent policies around tuition and fees that apply to all families in your care will help to enhance the professionalism and reputation of your child care service within the community and ensure everyone is being treated fairly. Make sure you are aware of and follow all licensing rules about written policies and procedures.

How can I get started?

Getting started is simpler than you may think:

Step 1: Set Up Your Policies

When establishing your tuition and fees policies, consider both the needs of your child care business and the families you serve. Some commonly included tuition and fees policies include:

1. Tuition Structure: How and when will you collect tuition?

Childcare businesses typically offer tuition structures based on weekly or monthly rates, with options for full-time or part-time enrollment to accommodate varying needs and schedules of families. Another common tuition structure includes hourly fees, where parents pay based on the number of hours their child attends the childcare facility, providing flexibility for families with irregular schedules.

2. Additional Fees: What supplementary fees should be disclosed to families in advance?

Additional fees commonly implemented at childcare businesses may include registration fees to cover administrative costs associated with enrolling a child in the program. Other typical additional fees may include charges for special activities such as field trips, extracurricular programs, or materials, offering enriched experiences for children but requiring supplemental funding from parents or guardians.

3. Sibling Discounts: Will there be financial incentives or benefits for families enrolling multiple children?

Consider offering discounts for families with multiple children enrolled in your program. You may wish to offer a percentage reduction in tuition fees for each additional sibling enrolled, or a flat rate for the number of children enrolled. Either way, sibling discounts can incentivize families to enroll multiple children and promote loyalty to your child care business.

4. Deposit Requirements: How do you secure commitments from enrolled families?

Childcare businesses commonly implement deposit requirements by requesting a non-refundable deposit or registration fee upon enrollment, securing a child's placement and ensuring commitment from families. These deposits mitigate the risk of last-minute cancellations or no-shows, providing stability in enrollment numbers and allowing the childcare facility to effectively plan resources and staffing.

5. Discounts for Prepayment: Will you incentivize early prepayment of tuition?

Childcare businesses often provide discounts for prepayment of tuition by offering reduced rates for families who pay for an extended period upfront, such as a semester or academic year, incentivizing early commitment and providing a steady source of revenue. These discounts benefit both the business, ensuring consistent cash flow, and families, who may enjoy savings and financial planning certainty over the long term.

- 6. Financial Assistance:** How will you structure financial assistance for families in need?

Childcare businesses typically offer financial assistance by establishing transparent criteria, such as income levels or specific family circumstances, and may provide sliding-scale discounts or scholarships to eligible families, ensuring accessibility to quality child care while supporting those facing financial challenges within the community. Additionally, some childcare businesses collaborate with local organizations or government agencies to expand their financial assistance programs and reach a broader range of families in need.

- 7. Late Payments:** How will you discourage late payments from families?

Childcare businesses include late payment policies to establish clear guidelines for handling overdue payments, often incorporating penalties or late fees to encourage timely payments and maintain cash flow stability. Businesses may choose to issue a percentage of the cost owed, a flat rate, or an amount that increases the more overdue the payment.

- 8. Withdrawals and Refunds:** How will your business handle withdrawals and refunds?

Define procedures for handling withdrawals from your child care program, including any refund policies for unused tuition or registration fees. Specify any notice periods required and outline refund eligibility criteria for unused tuition or registration fees. Including a tiered refund structure, where refunds increase with the amount of notice received, can incentivize families to communicate their withdrawal as soon as possible, facilitating timely re-enrollment and ensuring the spot can be filled promptly.

- 9. Tuition Adjustments:** What rules exist around changes in costs over time?

Typically, businesses periodically review and adjust tuition rates based on factors like inflation and operational costs. Your policy may outline the process for reviewing and modifying your rates and can also specify how and when adjustments will be communicated to families in advance to minimize surprise and allow for planning.

Step 2: Communicate Your Policies

Once you've decided on the policies you want to include and how they will be structured, it is important to communicate them to families and staff. Include copies of your policies in enrollment packets and handbooks as well as verbally through orientation sessions or staff meetings. Ensure that everyone has the opportunity to ask questions about your policies and that they know where to turn for more clarification.

In addition to these proactive measures, regular email updates can serve as gentle reminders of upcoming tuition payments, deadlines, or any changes to the policy. Finding ways to constantly refer to existing policies will help to make sure that everyone is on the same page. Whatever methods of communication you use, ensure that you're

communicating the purpose of your policies to ensure fairness both to families in your care and to your business as a whole.

Step 3: Enforce Your Policies

After families and staff are aware of your policies, you will need to make sure that they are fully enforced. This will mean that both you and your staff will need to be disciplined about following the rules you have outlined so that everyone is clear that they must be followed. Make sure that you clarify that enforcing your tuition policies is about more than just collecting payments—it's about upholding the standards and expectations you've set for your business. If deviations from policies occur, communicate transparently and promptly with families and staff to correct the issues and further explain the reasons behind the decision.

Step 4: Review and Adjust Policies as Needed

Routinely review your policies to ensure they remain relevant and achieve the intended impact on families. Consider factors such as changing economic conditions, feedback from families, and shifts in industry standards. Adjust policies accordingly to better meet the evolving needs of your childcare business and the families you serve. Regularly seeking input from families and staff can provide valuable insights into the effectiveness of your policies and help identify areas for improvement. By staying proactive in policy review and adjustment, you can maintain a responsive and adaptive approach to childcare management, fostering trust and satisfaction among your clientele.

What are some important things to keep in mind?

While managing your child care business, it's essential to remain mindful of certain key considerations to navigate challenges effectively and maintain positive relationships with families. Here are some important things to keep in mind:

- **Be proactive about communicating policy changes.** Keep parents informed of any changes to tuition policies, such as fee increases, well in advance. Providing clear explanations for these changes and offering payment plans or financial assistance options can help mitigate any potential concerns or financial strain for families. Make sure policies are shared in writing and worked into routine communications to ensure clarity and consistency.
- **Address instances of non-compliance with tuition policies promptly and professionally.** Clearly communicate the consequences of non-compliance, such as late fees or suspension of services, while also providing opportunities for families to address any underlying concerns or challenges they may be facing.
- **Recognize that families may experience unforeseen circumstances or financial difficulties that impact their ability to adhere to tuition policies.** Approach these situations with empathy and a willingness to explore flexible solutions, such as extended payment deadlines or alternative payment arrangements, to support families during challenging times.

- **Maintain thorough documentation of all correspondence and interactions related to tuition policies, including emails, newsletters, and meetings.** This ensures clarity and accountability for both you and the families you serve, should any disputes or discrepancies arise in the future.
- **Whenever possible, minimize the need for person-to-person confrontation.** For example, consider using electronic payment methods which can streamline processes and improve efficiency in collecting payments, while simultaneously enforcing your tuition policies. Aim to communicate your policies up front – both with new families enrolling and also with existing families when policies change. Providing them in writing, referring to them regularly, and posting them in clear view will help to minimize confusion and therefore, conflict.
- **Regularly review and evaluate your tuition policies to ensure they remain fair, equitable, and responsive to the evolving needs of your business and the families you serve.** Solicit feedback from parents and staff members to identify areas for improvement and implement changes as needed to enhance the effectiveness and transparency of your policies.

Having clear and transparent tuition policies and fees is essential for the success of your child care business; and they can be easily set up, communicated, and implemented. Decide what works best for your business and the families you serve, and consistently enforce policies to build trust with parents and ensure financial stability. If you need additional support, be sure to connect with a business coach for assistance.

Additional Resources

If you have questions or need help, assistance is available.

[GaPDS Website](#)

[DECAL Thriving Child Care Business Academy Website](#)

To Find Other Study Guides: Click on [Resources](#) on the Academy home page

To Find Training: Click on [Trainings](#) on the Academy home page

To Register for Training: Click on [Schedules & Registration](#) on the Academy home page

To Sign Up for Study Groups: Fill out the [Intake Assessment](#)

For questions about coaching or study groups: Email GAcoaching@civstrat.com

To Find Other ECE Resources: Visit the [DECAL Website](#)

For General Questions about the Academy: Email thriving@decals.ga.gov

For More Information:

[Family Child Care Learning Home Rules and Regulations](#)

[Child Care Learning Center Rules and Regulations](#)

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