

BANANAS HANDOUT

Family Child Care Providers as Employers

Many family child care providers consider getting licensed to care for 12 to 14 children. But expanding one's license also means increased responsibilities. Hiring a full-time assistant turns family child care providers into employers. This handout seeks to help you take on this new role. It covers many of the steps of employing an assistant, from writing a job announcement, to legal requirements of being an employer to how to terminate an employee.

STEP ONE: Finding an Employee

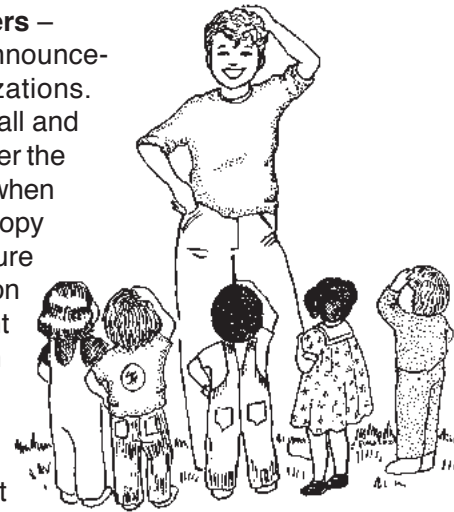
Job Announcements – Think about what kind of person you want to hire and what kind of work they will do in your family child care home. Then write your job announcement, describing the job you are offering. For example, you might say that you want a child care assistant who will supervise the children, do some cleaning and cooking and assist the school-age children with their homework. You would indicate the rate of pay and the hours you want the person to work. State if you want the worker to have some experience working with children. You should also state how to contact you. Following is a checklist of items to include in a job announcement:

- Your name and location – when listing with BANANAS, there's no need to put your exact address unless you want the applicants to contact you by mail. Simply state the general area like North Oakland or Central Alameda.
- Position wanted – full-time or part-time assistant, etc.
- Job description – list the major jobs of the assistant.
- Qualifications necessary – state if you wish the assistant to have experience working with children, infant CPR/ first aid and what education level you require.
- Hours and days of work – list specific times.
- Rate of pay – state how much you pay, for example: \$10 - \$14 per hour, depending on experience.
- Application deadline – state the last day you will consider job applications or indicate that it is open until filled.
- Contact information – if you give your phone number, specify a time when you can take calls.
- Date the job announcement was released.

You can type the job description on stationery or plain paper or else use a post card. Any simple, easy-to-read format that clearly states what you are looking for, what you are offering the employee and how to contact you, will work.

Where to Look for Workers –

You can list your job announcement with many organizations. Sometimes, you can just call and read the announcement over the phone; but it is a good idea (when possible) to mail or fax a copy or go in person to make sure that all necessary information gets recorded. You might also want to place an ad in a local newspaper or on the internet. However, we suggest you first try listing with the following agencies, most of which provide the service free of charge.



BANANAS
5232 Claremont Ave.
Oakland 94618
658-7353 (fax: 658-8354)

Berkeley Worksource
1947 Center St., basement
Berkeley, 94704
981-7550 (fax: 981-7560)

www.Craigslist.org (choose education/teaching jobs) (\$75 listing fee)

College of Alameda
555 Ralph Appezato Memorial Parkway
Alameda, 94501
748-2208 (fax: 814-8302)

California College of the Arts
5212 Broadway
Oakland, 94618
594-3666 (fax: 428-1346)

East Oakland Switchboard
1909 73rd Ave.
Oakland 94621
569-6369 (fax: 569-7486)

Holy Names University
3500 Mountain Blvd.
Oakland, 94619
436-1580 (fax: 436-1217)

Laney College
900 Fallon St.
Oakland, 94607
464-3124 (fax: 464-3559)

Merritt College
12500 Campus Drive
Oakland 94619
436-2445 (fax: 434-3825)

Mills College
5000 MacArthur Blvd.
Oakland 94613
430-2069 (fax: 430-3235)

Oakland Career Center
1212 Broadway Suite 100
Oakland 94612
768-4473 (fax: 891-9968)
(multi-lingual services)

Oakland Career Ctr., East
675 Hegenberger Road,
3rd Floor
Oakland, 94621
563-5283 (fax: 563-5347)
(www.caljobs.ca.gov)

UC Berkeley
Student Employment
www.monstertrak.com
(\$30 listing fee)

Screening Applicants – When applicants call, ask a few questions to find out whether you want to consider them for the job. If callers lack experience or another quality important to you, tell them politely that they are not quite what you are looking for. This way you save yourself and the applicants time and energy. Another way to screen applicants is to ask for a written resume with an employment and training history, as well as two or three references. Be sure to tell applicants that you will call them by a given date if you are interested in interviewing them.

Interviewing – Review the applications and set up interviews, if possible with several people qualified for the job. Here are some things you can do to get a clearer picture of the applicant during an interview:

1. Set up a time when you can give your full attention to the interview (probably when there are no children present).
2. If you have not requested a resume before the interview, ask the applicant to bring a written list of experiences working with children and the names and phone numbers of references to the interview.
3. Make the applicant feel comfortable and explain briefly what the job will be like – what hours, duties, pay, etc.
4. Ask questions which will give you a good idea of the applicant: What do you like to do with children? Have you had any classes in child development? How do you get along with adults? What kinds of things do you like to do in your spare time? How do you feel about discipline? What would you do if a child said something you didn't like? What would you do if a child hit you? What would you say to a parent who was unhappy about something you did with their child? What ages of children do you like best? How do you potty train children? How do you get children to eat healthy food?
5. Describe your program: what you do with the children, what you believe is good for children, what a normal day is like, how many children you care for, etc.
6. Pay attention to your feelings. Do you like the person? Are you comfortable with him or her? If you like the applicant, ask them to observe the program for at least an hour some day. If both sides are still interested, ask the applicant to work a day, or one or two half days to see how they fit into your program. Pay for that time.
7. At the end of the interview, thank applicants for their interest in the job and tell them when and how you will contact them to let them know whether they got the job.

After the Interview

1. Make sure to call the references of applicants you consider hiring. Ask questions which require more than a simple yes or no answer, for example: What did you like best about the way Sara did child care? In what areas could they improve their skills with children?
2. Don't forget to contact applicants you don't want to hire. It is often easiest to mail a short letter or postcard. It can be brief, like the following:

Dear _____,

Thank you for coming to my home for an interview. I enjoyed meeting you, but I am unable to offer you employment. I wish you good luck in your job search.

Using Substitutes – If you know in advance that you will switch from a small to a large family child care home or that your current assistant will quit the job, you can ask potential employees to substitute in your program. This is a good way for you to get first-hand experience working with an applicant before you make any hiring decision. Substitutes should go through an interview process like the one described above.

STEP TWO: Hiring and Employment Forms

Once you have selected an applicant, the hiring process can get underway. Your new employee will need to complete a **W-4** form indicating their withholding status. You will need this information to withhold the correct amount of tax from the employee's paychecks. You are also required to complete an **Employee Eligibility Verification (I-9)** form to keep on file for the Federal government. This form establishes that the employee is eligible to work in the United States. These forms are available by calling the IRS at (800) 829-3676 or by downloading at www.irs.gov/businesses/small.

In addition, you must give your new employee a copy of the **Notice of Employee Rights (Lic 9052)**. This form is required by the Department of Social Services, which licenses family child care. A signed, dated copy of this form must be maintained in the employee's personnel file. You can obtain a copy from the local licensing office, 622-2602. Copies can also be downloaded at www.cclld.ca.gov.



STEP THREE: Contracts

Should You Use A Contract?

Yes! Contracts help both parties agree on their expectations. Contracts can prevent problems because responsibilities are discussed *before* the employee starts work, not once problems arise later. A written contract is usually safer and clearer than an oral one because it provides "proof" of what you agreed upon should disagreements arise about duties, pay, benefits etc. A written contract is also "provable" in court; a verbal agreement is difficult, sometimes impossible, to prove before a judge or an unemployment hearing officer. In short, contracts can give both employer and employee peace of mind and free both to do the important work of caring for the children.

What Should You Put in a Contract?

A contract does not have to be long or written in “legalese” to be legally binding. What is required is **mutual agreement** and an **exchange** between you and the employee. In this case, the exchange is the work the employee performs in return for the salary you provide. The contract is legally binding on you, the employer, just as it is binding on the employee. To be legally binding, the contract must contain **each** of the following items:

- **Full name** of the employer and the employee.
- **Time and place of employment:** date the employment begins (optional: a provision stating that start of employment will depend on adequate enrollment); length of time of employment, including a probationary period if you choose to have one; where the work will be done.
- **Compensation:** for example \$12/hour paid bimonthly
- **Job duties:** it is often easier for the contract to refer to a separate job description, which outlines the responsibilities of the employee, rather than to include the job duties in the contract itself (see our enclosed sample contract).

If you don't use a job description to detail the grounds for termination and the notice required, you should include a section on termination in your contract. The contract should be dated and signed by both parties and both should keep a signed copy.

Labor Codes Governing Employers and Employees

1. Under California law, an employee is required to obey the employer's directions about performing their work unless the directions create new or unreasonable burdens on the employee (Cal. Labor Code, Section 2856). This is true with or without a written contract. If a written contract is used, the employee can refuse to perform duties that are substantially different from the employment contract or are of an inferior or less important nature, but the employee must do all work that is necessary or reasonably incidental to the job for which they were hired.
2. The employer can terminate (fire) an employee before the end of the term specified in the contract only if the employee either (1) deliberately fails to comply with the contract's terms, (2) makes a habit of neglecting their duties, or (3) becomes incapable of performing their duties (Cal. Labor Code, Section 2924).
3. If an employee is fired, the employer must pay all wages earned and unpaid immediately upon terminating the employee (Cal. Labor Code, Section 201).

Put Changes in Writing – If you have a contract in writing, you should *change it in writing*. Oral changes to the contract probably won't be enforceable in court. So, for example, if you want the employee to increase their hours after the contract is signed, both you and the employee must have a **signed** and **dated** agreement stating the new hours. The revised agreement should be attached to the original contract. If you have a job description which goes

into greater detail about the employee's duties, that should also be attached to the contract.

STEP FOUR: Job Description

With or without a contract, it is a good idea to have a written job description explaining the employee's duties. The clearer you are about the job duties from the beginning, the fewer problems will arise later. A job description should include:

Days and hours to be worked – Be specific. Give the exact days and hours the employee is to work (for example: 8:30 am to 6:00 pm, Monday-Thursday or 9 am to 5:30 pm, Mon., Wed. and Friday). If the worker is expected to work at night (attending parent meetings, doing preparation), include that in the job description. State whether or not the employee will be paid for such work.

Specific job responsibilities – This should describe exactly what the employee is expected to do. Include as much information as possible about each major duty. The section dealing with the supervision of the children (actually doing the child care) should be very specific:

- State whether or not you want the employee to work with just one group of children (just the infants or schoolage children) or if you want the employee to assist with the group as a whole.
- Spell out exactly what duties you expect the employee to perform (for example: driving or walking the children to school, planning and supervising projects, assisting children with homework, changing infants' diapers, etc.).
- Include tasks you want the employee to do that go beyond caring for children. For example, if you also want the employee to prepare and serve lunch, you should state that and list the specific tasks involved: menu planning, cooking of food, eating with the children, cleaning up the lunch area, doing the dishes.
- State if you want the employee to help with home maintenance and list specific duties, for example: setting up and putting away equipment, daily mopping of kitchen and bathroom, vacuuming, etc.

Lunch time and breaks – State clearly when the employee can eat lunch and when they will have breaks. (See section IV for your legal obligations in this area.) Spell out whether you expect the employee to provide their own food or to eat the meals you serve the children.

Sick days & vacations – Specify whether or not sick days and vacations will be paid and spell out the length of each. For instance, you might allow one sick day per month and two weeks vacation per year. You should also discuss in advance how long an employee can take off from work unpaid. Specify how much notice you want prior to an em-

ployee taking a vacation and how you want the employee to notify you if they are ill and won't be able to work.

Termination – Include both the grounds and the procedure you will use to terminate an employee, as well as the procedure that you want the employee to use if they decide to quit, for example:

- The employee will receive a two-week layoff notice if they are:
 - is consistently late for work
 - fails repeatedly to perform job duties
 - fails to pass the probationary period
- The employee can be immediately terminated for hitting or abusing a child. No notice will be given in this instance. **It is against the law to use corporal punishment in child care!**
- The employee must give two weeks notice if they plan to leave the job.
- The employer will give an employee a two-week period to correct specific problems (second chance provision).

These are just suggestions for points to include in a job description. No doubt you will have many ideas of your own. If you don't use a contract you will also want to include (1) the date the employment begins, (2) the length of time of the employment, including a mention of a probationary period if you choose to have one, and (3) the rate of pay including when the employee can expect to be paid. If you do use a contract, be sure to attach the job description to it. In either case, it is important to go over the job description with a new employee before they begin working.

STEP FIVE: Personal Issues

After going over a detailed job description with your new employee, it's a good idea to discuss personal issues as well – especially since the employee will work in your home. You may or may not want to put this discussion in writing. Here are some suggestions for issues to discuss:

- Dress – Do you require “professional clothing” – no miniskirts, sheer blouses, etc.?
- Food – Do you want the worker to provide their own food, including coffee or tea? Do you have certain rules in your house, such as no sweets, no junk food, etc.?
- Speech – If you disapprove of swearing or slang, don't hesitate to say so.
- Hygiene and Health – Make it clear that you don't want the children around an employee with a contagious disease.
- Respect for Property – How do you want your personal possessions treated? Are there appliances or areas in your home you don't want used, etc.?



- Your Family – What should the relationship be between your family and the employee? For example, do you want the employee to discipline your own children?
- Friends at Work – Can the employee's friends visit the family child care home during the work day?
- Smoking – Make clear that smoking is not permitted in family child care homes.
- Physical Environment – Is the worker free to rearrange the furniture, the play space?
- Employee's Children – Can they come to work? This is important to consider since they will be included in your licensed capacity. If they come to work, do you want the employee to pay something for the care?
- Children's Activities – Are there activities you don't want children to do, such as watching TV?
- Relationship to Other Workers – If you have more than one employee, what relationship do you want to exist between the workers? Does one employee become the “boss” in your absence?
- Relationship to Parents – Do you want the employee to deal directly with parents or do you want them to pass on only the “good things” and let you deal with problems?

There may also be personal issues that your employee feels strongly about. Encourage the employee to share them with you. Discussing these issues before an employee starts the job will help you both get off to a good start.

STEP SIX: A Probationary Period

A probationary period gives you and the worker time to get to know each other and each other's work and to decide whether or not you want to continue on a long-term basis. The period should be short (two or three months) and should have a definite cutoff time (i.e. the first 60 days of employment or by a specific date).

You should agree that, during the probationary period, you cannot fire the worker without notice and, likewise, the worker cannot quit without giving notice. Be specific about the time frame of the notice – two or three weeks, etc. Explain that the employee will be evaluated during this time and should not consider themselves a long-term employee until this trial period is successfully completed.

Job Evaluations – Make sure to write a job evaluation that covers the job performance areas that are important to you. Review this form with the prospective employee *before* they begin working for you. It should be clear to both of you what areas you will evaluate. Make up your own evaluation form, or use all or parts of our sample form on the following page. Set a definite time for evaluation (i.e. bi-weekly or monthly on a set day). Try to find a “child-free” time (before or after work,



during nap time, etc.) to discuss the evaluation with the employee. The purpose of an evaluation is to strengthen an employee's performance. You should discuss the positive as well as the negative. Offer specific suggestions on what an employee might do to correct problems (for example: if an employee has difficulty getting the children to calm down at the lunch table, you might suggest they use a finger play or song to get the kids' attention). This is a good time for you to pass on your skills and knowledge to a less experienced employee.

At the end of the probationary period, you can decide to work together on a long-term basis, you can let the employee go or the worker can quit. If you decide to lay off the worker or if the worker decides to quit, the agreed-upon notice period should be respected.

Sample Evaluation Form

Score: 1. Very Good 2. Good 3. Satisfactory
4. Needs Improvement

- 1. Punctuality (comes to work on time)
- 2. Attitude
- 3. Uses tact; ~~patience with adults and children~~
- 4. Performs duties as outlined in job description
- 5. Is sensitive and listens to parent concerns
- 6. Plans and carries out activities with children
- 7. Follows good discipline techniques with children
- 8. Brings in new ideas for children to use
- 9. Is attentive to all the needs of children
- 10. Is physically capable to perform job duties
- 11. Follows directions well
- 12. Responds well in crisis situations
- 13. Is cooperative
- 14. Is flexible

Employee Signature _____

Date _____

Comments: _____

Employer Signature _____

Date _____

Comments: _____

STEP SEVEN: Your Reporting Responsibilities – Without Employees

Family child care providers licensed for six or eight children with NO employees, have these reporting obligations:

I. Federal

- A. Social Security – if the net profit you make after taking all your allowable deductions is more than \$400/year, your profits are subject to a Social Security Self-Employment tax. You pay this tax at the same time and on the same form you use to pay your regular income taxes.
- B. Federal Income Tax – your profits are also subject to Federal Income Taxes. If you owe \$1,000 or more in income taxes at the end of the year (including the Self-Employment taxes discussed above), you must file estimated taxes for the following year. (You would take this year's taxes and divide by four – pay quarterly using **Schedule 1040ES**.) **Note:** if you are married and your spouse is working with taxes withheld from their wages, you will not have to pay estimated taxes if your spouse is having enough taken from their pay to cover 90% of your joint tax liability for the year.

For more information on Social Security, Federal Income Taxes and the filing of estimated taxes, contact the IRS, 1221 Broadway, Oakland, 94612, (800) 829-1040. Ask for a copy of **Publication 505**. Copies can be downloaded at www.irs.gov. Also see the BANANAS' Family Child Care Income Taxes Handout, available at our office or at www.bananasinc.org.



II. State

Your profits are subject to State Income Taxes. If you owe \$100 or more in State Income Taxes at the end of the year, you are required to file estimated taxes for the following year. Use **Schedule 540ES**, available from the **State Franchise Tax Board**, Suite 550, 1970 Broadway, Oakland, by calling (800) 852-5711 or by downloading at www.ftb.ca.gov/forms.

Note: You can elect to have State Disability and Unemployment Insurance coverage for yourself but it is not required. For more information, contact the EDD Employment Tax Office, 7700 Edgewater Drive, Suite 100, Oakland, 94621, 577-2396. Workers' Compensation is also not required for a self-employed provider with no employees. Check your homeowner's or renter's policy to see if it provides you some coverage in the event of an accident.

Your Reporting Responsibilities as an Employer

Once you hire an employee to work with you on a regular basis, you become an employer and have these additional reporting responsibilities:

I. Federal

- A. You need a Federal Employer Identification Number.
- B. You must pay Social Security on your employee's wages and withhold the employee's share from their paycheck (2008 rate: 7.65% – this includes 1.45% for Medicare)
- C. You must withhold Federal Income Taxes based on the employee's amount earned and their deductions.
- D. You must pay FUTA (Federal Unemployment Tax Act) taxes on the first \$7000 of wages paid.

For more information and to get the necessary forms, call the IRS Information Service, (800) 829-1040, or go to IRS, 1301 Clay St., Oakland, 94612, (510) 637-2487. Request an Employers Tax Guide, which contains all the required forms. Ask for a schedule of the IRS Small Business Seminars which are FREE workshops to answer the questions a new employer has about IRS requirements. Forms can also be downloaded at www.irs.gov.

II. State

Once you pay more than \$1,000 in a calendar quarter to an employee, you have the following requirements:

- A. You must report your new employee to California's New Employee Registry program no later than 20 days after the start of work date. For more information contact EDD or call the Registry Hotline at (916) 657-0529.
- B. You must get a State Employer Identification Number. Call (916) 654-7041 to get a registration form or go to www.edd.ca.gov.
- C. You must withhold State Income Taxes based on the employee's amount earned and their deductions.
- D. You must withhold 1.18% of the employee's wages for State Disability Insurance, which includes 0.08% for paid family leave.
- E. You must pay into State Unemployment Insurance (SUI) at the rate of approximately 3.5% (which includes a 0.1% Employment Training Tax) on the first \$7000 of wages paid.

For more information on the above requirements, contact the EDD Employment Tax Office, 7700 Edgewater Drive, #100, Oakland, 94621, 577-2396 or at www.edd.ca.gov.

- F. You must also buy a Workers' Compensation Policy which will cost approximately \$4.81 per \$100 of wages (2008). For employers with only a few employees, the least expensive minimum policy can be obtained from the State Compensation Insurance Fund, (925) 523-5100, www.scif.com

Summary of Federal and State Requirements:

As an employer you will have to pay:

7.65%	Employer's share of Social Security and Medicare (Fed.)
.8%	FUTA (Fed.)
3.50%	Approximate SUI (State)
4.81%	Workers' Compensation (estimated; State)
16.76%	

In planning a budget, you must budget actual salary plus approximately 15.96% to cover the benefits you are required to pay.

Also, you must withhold from the employee's paycheck:

7.65 %	Employee's share of Social Security/Medical
1.18 %	Employee's State Disability Insurance (up to \$159)
varies	Employee's Fed. withholding of Income Taxes
varies	Employee's State withholding of Income Taxes

As an employer you are responsible for reporting and forwarding to the proper agencies both the money you must pay as the employer AND the money you are required to withhold from an employee's paycheck. You are also responsible for giving an employee a **W-2** at the end of the tax year (no later than January 31 of the following year). The **W-2** tells the employee the total wages you paid their for the year and how much you withheld for the various taxes discussed above. Copies of the **W-2** also go to the State and Federal governments.

III. Minimum Wage:



You are required to pay at least minimum wage to your employees. The state minimum wage is \$8.00/hour (2008) and this rate applies to employees in your family child care home. But you may have to pay your employee considerable more to keep your caregiver for any length of time.

Note: These rates are subject to change. Check with the responsible agency for the current rates if you are using this booklet after 2009. Also, given the complexity of the reporting requirements, one alternative to figuring out the taxes yourself is to seek help from a professional. Please call BANANAS for more info and referrals to tax specialists.

IV. State Labor Commission Requirements For Employees:

- A. A paid 10-minute break period for every 4 hours worked.
- B. When the employee starts the 5th hour of work, the employee is required to have a 30-minute lunch. This lunch break can be unpaid if the employee is free to leave the facility or if the employer provides a "break room" away from the children. If the employee is required to eat with the children, then the lunch break must be paid at the regular rate of pay.
- C. If the workday is six hours or less, the 30-minute lunch period can be eliminated by mutual consent of the employee and the employer.

For more information, contact the State Labor Commissioner, (415) 703-5070. Ask them to send you a copy of **Industrial Order No. 5-2001** which covers "child nursery" and "child care institution" employees. The form can be downloaded at www.dir.ca.gov/dlse.

V. Licensing Requirements for an Assistant:

- A. They must be fingerprinted for a Child Abuse Index check form for submission to the Justice Department.
- B. They must sign a statement that they have no convictions other than minor traffic violations.
- C. They must file evidence of a current negative tuberculosis test.
- D. If the assistant will be left alone with children, the assistant also needs a current infant first aid and CPR certificate.

The forms necessary to meet these requirements are available from the licensing office, 622-2602. As the employer, you are responsible for obtaining the completed forms from your assistant and mailing them to your licensing analyst. To get fingerprinted, your assistant can call Livescan, an automated fingerprint process, at (800) 315-4507 for an appointment.

VI. Checklist of Forms Required from Employee:

- Application
- Emergency Information
- Fingerprint Clearance Cards from Justice Department
- Child Abuse Index Check Form
- Physical/ TB Clearance
- W-4 Withholding Statement
- Proof of Citizenship or Legal Alien Status (**Form I-9**)
- Transcripts and/or Verification of Work Experience (if required by you)

STEP EIGHT: Firing

Protect Yourself – No one wants to fire an employee, but sometimes it must be done. Use a contract with all employees. If you have a contract or job description that states the grounds for termination, you have some protection against any disagreement which might arise around firing. Make sure the employee knows when they are hired exactly what is expected of them and then do not change your expectations without discussion! You should have a written agreement about notice given – including how much time you will give the employee before laying them off.

The agreement should also state if you will give a "second chance." This can all be included in your contract or job description.



Communicate with the Employee – Be honest with the employee and give them every chance to explain themselves. If you give periodic evaluations and tell the employee when they are not performing well, you give them a chance to improve. You also help relieve yourself of the frustration and anger you may feel if you are not pleased with your assistant's performance. (If you are pleased with the employee's performance, be sure to communicate that, too.)

When you fire an employee, you should make it clear whether or not you would be willing to give them a reference for another job and whether you will challenge an unemployment claim. (Bear in mind that the employee has the right to apply for unemployment regardless of your position about the claim.) In extreme cases, you may not want the employee to continue working through the notice period. You may simply want to pay them for that period but lay them off immediately. Remember, this should be a well-reasoned decision.

Document Problems – If nothing seems to help and you cannot continue working with your employee, document all areas in which the worker is not performing well. Write down and date specific problems ("worker late 15 minutes on 3/3, 3/9, 3/11") and keep those notes. If an employee challenges you on a firing, you will have written evidence stating the reasons. This can be especially important if a worker decides to try to collect unemployment. You must decide in advance whether or not you will challenge such an application. If you choose to challenge it, you will be asked to give specific reasons why you fired the employee. Simply "not getting along with an employee" is not enough to challenge an unemployment claim. If you don't follow the proper termination procedure, you could end up paying

unemployment compensation to the fired employee.

Stick to Your Decision – Once you have made a final, well-thought-out decision to fire an employee – DO IT. Continuing to give second chances to an employee whom you know you will eventually fire is unfair to you and the employee. Be as straightforward as possible and respect the employee’s privacy by informing him or them in private. If your contract or job description requires written notice, be sure to comply.

How to Tell the Children – Even an irresponsible employee may have built up a relationship with the children and their parents and should have the opportunity to say good-bye and leave with dignity. Except in extreme cases, children should have some advance knowledge of the changes. Provide information without going into details. The goal is to reassure the children that they are safe and they won’t be abandoned. Say something like “Mary is going to be leaving in about two weeks. We’ll have a little farewell party for her.” If you must fire someone on the spot or if an employee terminates without warning, tell the children something to the effect of “Tammy had to leave and won’t be here any more. She’ll be working somewhere else/she’ll be staying home with her kids, etc.”

Evaluate Yourself – Firing an employee may be the most difficult task any employer faces. It takes courage to tell someone that they can no longer work for you, but it is a mistake to continue a relationship that isn’t working for you or your program. Try to come out of the experience with your self-respect intact. Take time to evaluate the situation and try to avoid reacting out of anger. And, finally, if you find you are firing every employee you hire, then you should realize that something is wrong – maybe it is your expectations of employees, or your method of handling problems, or maybe it is simply that you don’t really want to have a larger program which requires working with another adult. Remember, you can always return to working with a smaller group of children. No matter what you decide, families will always need your services.

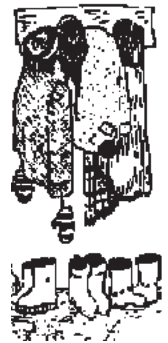
FINAL STEP: Conclusion

Family child care offers a valuable service to families, but it is also a business. It becomes even more like a regular business once you begin hiring employees. Keeping accurate records, following state and federal requirements for employers and resolving personnel issues go hand in hand with being an employer. Expanding your license to serve 12 to 14 children could cost you money if you don’t take care of the business side of your program.

Potential Problems – Both the State and Federal governments charge penalties to employers who fail to meet their reporting responsibilities. You could also end up paying unemployment compensation if you don’t follow the proper procedures when terminating an employee who has not lived

up to the contract. Keep in mind that it may take some time before you can build your enrollment to 12 or 14 children. Start looking for new families while the licensing office is processing the paperwork for your expanded license. When you first begin operating a large family child care home, you could make less money than you did when you were only licensed for six. That’s because the expense of your new assistant won’t really be fully covered until you are at or near full enrollment.

Rules to Remember – If you don’t care for schoolage children, you **must always** have your assistant present whenever you care for more than **six** children. If you care for schoolage children, your assistant must be present whenever you care for more than **eight** children. Don’t try to cut corners by being out of compliance with your new license. Build this transition period into the budget for your expanded program. If you are part of the federally funded child care food program, remember to inform the program that you are caring for more children. Also inform your insurance agent.



Marketing Your Program – Some outreach ideas might include designing and distributing a new flyer and/or letting your existing families and friends know you are looking for additional children to serve. Keep a waiting list of interested families and contact them while you’re waiting to receive your expanded license. Call BANANAS once you have your expanded license so we can update our files. Our “*Selling Your Family Child Care Program to Parents*” Handout has more ideas.

Getting Help – Talk to someone who has already been through this process. You can get the names and phone numbers of providers who have expanded their programs from BANANAS or your local family child care association. Call them for information about possible pitfalls. If you use professionals to help you in your business, consult with your accountant and/or tax preparer before you hire your first employee.

Feel free to call us at BANANAS with your questions or concerns. If we don’t know the answer, we will help you find someone who does. BANANAS has many other resources for Family Child Care providers, including our *Family Child Care Resource List*. Check our website and our *Publication* and *Video Lending lists* to view our many other handouts and videos on a wide range of topics – from child development to the business aspects of running a child care program. Handouts are available at our office, by mail or by downloading from www.bananasinc.org. For \$5 a year, you can also receive our bimonthly newsletter with workshop listings, legislative updates, an events calendar and more. Good luck in your new venture!