

Governance Structure for Infant Toddler Family Day Care

The Organizational Structure:

Infant/Toddler Family Day Care (ITFDC) is a non-profit organization (501c3) and also a duly licensed Family Day Care System (under Chapter 10, title 63.1 of the Code of Virginia.) The relationship between ITFDC and providers in who participate in the IFDC network is governed by two contractual agreements. These include: 1) a Family Day Care Referral and Services Contract which is signed annually by ITFDC and participating family child care providers; and, 2) an Agency Agreement, which is signed annually by participating family child care providers and the elected Co-Agents of their Joint Venture. These agreements, taken together, clarify the responsibility of ITFDC and participating providers. Items covered by these agreements include the following:

ITFDC Responsibilities

- Recruit parents and refer them to providers. Providers decide whether to accept child, and arranges schedule with parent.
- Consult with providers regarding supervision, care and adjustment of children.
- Conduct regular provider training and workshops and publish newsletter.
- Maintain a provider substitute system. (Payments to substitutes are arranged by providers.)
- Monitor homes quarterly in accordance with VA child care standards.
- Upon request, assist provider in scheduling conferences with parents.
- Administer the Family Day Care Providers Account (described below).

Provider Responsibilities

- Plan each child's daily activities, be present at all times (unless an approved substitute is in the home), and release children only to authorized individuals.
- Attend at least 8 hours of professional development training each year.
- Comply with VA child care standards and IFDC policies.
- Assume responsibility for paying all required federal/state/local income, FICA and unemployment taxes.
- Agree not to accept an ITFDC referred child on an independent basis. (Providers also agree that they will not serve an ITFDC referred child outside the network' for a period of six months from the date of initial ITFDC referral or enrollment.)
- Agree to payment and fee collection policies (described below)

Financial Management

Participating providers agree to become members in a Joint Venture (which is considered a Partnership for tax purposes) which then contracts with ITFDC to handle fiscal management. This relationship is contractually structured, and operates as follows.

- A shared bank account (the Family Day Care Provider's Account) has been established for all family day care revenues and other such associated fees. Providers who participate in the network, and the families they serve, agree to

have all revenues deposited in this account. (This agreement is legally binding, and is included in the Family Day Care Referral and Services Contract signed by ITFDC and the providers as well as Policies and Procedures Contract signed by parents.)

- ITFDC agrees to administer the Family Day Care Providers Account (and is referred to as "the Agent" in the contract.) This responsibility includes collecting fees from parents and paying the providers bi-monthly. ITFDC is also responsible for collecting bad debts and encourages parents to use electronic debit options to pay fees.
- Two family child care providers, who are elected annually by the providers and agree to serve as Co-Agents in overseeing the Family Day Care Providers Account, act on behalf of all participating providers.
- ITFDC hires an accountant, and other staff to perform necessary fiscal management tasks.
- Participating providers agree to pay ITFDC an administrative fee. Currently this fee is 16% of the providers' parent fees.
- ITFDC is permitted to use any interest earned on deposits in the Family Day Care Providers Account to help defray administrative expenses. ITFDC raises additional third party funding to help cover the cost of the support services the offer to network providers.
- ITFDC annually prepares form 1065, *Return of Partnership Income*, with the IRS.

Decision-making:

ITFDC is governed by a Board of Directors. Two family child care providers participate as non-voting members of the Board. Providers who participate in the network collectively negotiate with ITFDC each year to set parent fees and determine the administrative fee.

Personnel Management:

IFDC is responsible for hiring and supervising administrative staff (accountant, bookkeeper, administrative assistants) as well as child care specialists, provider mentors, and other network staff. Providers are independent contractors, and are responsible for the educational, social and emotional well-being of the children in their care.