



Guidance for Contracts

Licensed child care programs in North Dakota are required to establish contracts and policies with the families they serve. While contracts and policies are two separate items, you should include a clause in your contract that requires parents to abide by your policies.

Contracts are legally binding documents. If you have concerns about your contract, have it reviewed by an attorney.

Child care contracts should include the following:

- **Identification of the child and parent(s)/guardian**
Include information on both parents when identifying the parent/guardian unless one parent can offer a court document showing sole custody.
- **Hours of Operation**
This is the time period covered by the contract. Include the starting date and the hours you will provide care each day. Clearly state what periods of time the family is paying for. If not stated clearly, the family may expect that you will provide care as long as you are open for business. Describe your payment terms and include the terms for any exceptions or absences (parent's vacation) that occur during those times. Do not put an ending date on your contract.
- **Payment Information**
Every time you change rates a new contract must be signed. Include tuition and when it is due, overtime rates, if advance payment is due, deposits required and in what amount. Also include payment regarding holidays, vacations, absences, registration fees, holding fees, activity fees, late fees, NSF fees and damage replacement rules in case a child breaks something.
- **Termination Procedure**
Two weeks should be an accepted length of time for the notice period. The contract should specifically state that the parents must pay for the last two weeks of care at time of enrollment and that the amount is non-refundable whether or not their child was present. The provider can terminate the contract without notice for failure to receive payment for care.
- **Signatures on the Contract**
It is very important that both parents or legal guardians sign the contract before you accept their child, and that you sign the contract only after they have signed. Give the parents/guardians a copy and you keep the original on file. If caring for the child of a minor, you will need a co-signer. Make sure the co-signer can cover the debt of the minor if the minor does not pay. If you are in business with a partner, both of you should sign separate contracts with each parent unless one of you is working under the direction of the other.
- **Holding Fees**
A non-refundable amount charged to hold a spot in your program. It may be used for someone expecting a new child, extended illness, if someone has been laid off from work or for the gap between the time the parent signs the contract and the time the child actually starts. Set an expiration date but be willing to renegotiate if the date gets close.
- **Payment Due Dates**
Be specific when payments are due.
- **Subsidized Clients**
You may ask for written confirmation that a customer (parent/guardian) is eligible for financial assistance and has completed the required paperwork. Your contract should state that the subsidized customer is responsible for paying the full amount if, for some reason, the subsidy program doesn't pay. Know the deadlines of the subsidy program. If possible, try to get all parents/guardians to pay at least a week in advance. For subsidized parents, the subsidy program can pay them, instead of you having to wait for your payment from the subsidy program.
- **Advance Payment for Last 2 Weeks of Care**
This payment is due at the start of care. It will cover the final 2 weeks of care for a child.
- **Scheduled/Unscheduled Time**
Think about: holidays, sick days, professional development, family absence, vacation, weather closures, etc.