

Child Care Services Start-Up Grants assist child care providers and programs who are soon-to-be licensed or have been licensed for less than six months with purchasing items or making improvements that are required by licensing or the Fire Marshall.

Start-up efforts are enhanced by comprehensive support from Child Care Wayfinder. Visit ChildCareWayfinder.org to learn about the one-stop navigation network for starting and growing child care programs in Minnesota.

FREQUENTLY ASKED QUESTIONS

1. Who can apply for Start-Up Grants?

Any program that is actively providing early learning services to children ranging in age from birth to school-age and was licensed for the first time within the past six months OR

- Is soon-to-be licensed with the Minnesota Department of Human Services (DHS) or Tribal Government and has been in contact with a licensor OR
- Is a new program (less than six months in operation) that is licensed or is licensed-exempt OR
- Is an existing program that is expanding to take more children as indicated on the license as an increase in licensed capacity or if the program is relocating

If licensed by DHS, a program must have no current negative actions. Licensing violations, such as a temporary immediate suspension or revocation, will prevent the issuance of a grant and/or cause withdrawal of a grant.

You may receive only one Start-Up Grant. A program cannot receive both a Start-Up Grant and a Regional Grant in the same fiscal year (July 1 – June 30).

2. How much money can my program apply for?

The limit for Start-Up Grants is \$2,000 for Family Child Care programs and \$3,000 for Child Care Centers.

3. What items can my program apply for?

Programs may apply for funds to support the start-up and expansion of child care and school-age care services. Please refer to the Grants Spending Categories and Eligible Items list included in this guide. All materials must be new and must be purchased from a retail company, an early childhood supplier such as Lakeshore, and not a private individual.

Any items purchased with this grant must be used in accordance with licensing requirements. Please contact your licensor if you have questions about a particular item meeting licensing requirements.

Child product safety information to guide expenditure eligibility or ineligibility can be found at these government resources:

www.cpsc.gov/Recalls

www.cpsc.gov/SafeSleep

playgroundsafety.org/wp-content/uploads/2025/10/NPPAS_PlaygroundSurfacing.pdf

www.cdc.gov/injury/features/child-passenger-safety/index.html

Minor Construction Projects: Grants may be used towards the cost of materials for outdoor play area fencing or other minor construction or renovations to the spaces used for child care as required by licensing to ensure child safety or meet other program standards.

In the event that a child care program wishes to have the cost of assembly and/or installation covered by a grant, the labor must be performed by a contractor following applicable state and local laws and regulations regarding registration and licensure. See dli.mn.gov/business/residential-contractors-remodelers-roofers for more information.

Technology: Programs may use grants for technology equipment, software to create, enhance and maintain business management systems, and related one-time subscription fees. This includes costs associated with accessing the internet, such as installation or equipment, and website start-up, maintenance, or ongoing subscription fees.

Eligible items for 100% business use will be funded at 100%. Items that are shared with a household or organization (such as a church) will be funded at 50%. The reimbursement rate depends on how the item is used and not the item itself. For example, in one program a refrigerator may be used only for child care food (business use only); and in another program it may be used for child care food and a family's food (shared).

4. What items are not eligible?

Due to a federal rule, Start-Up Grants may not be used for the following:

Major Construction or Renovations: Major renovation means structural changes to the foundation, roof, floor, exterior or load-bearing walls of a facility, or the extension of a facility to increase its floor area; or extensive alteration of a facility such as to significantly change its function and purpose, even if such renovation does not include any structural change. Funds may be expended for minor remodeling of the designated child care space and for upgrading the designated child care space to assure that providers meet state and local child care standards, including applicable health and safety requirements.

Religious-based Curricula, Activities, Materials, or Counseling: Child care programs are allowed to purchase and/or use religious-based curricula or items in their program if they choose, but they must use their own funds; they cannot use Child Care Services Grants.

Expendable Supplies: Expendable supplies (diapers, wipes, soap, paper products), except as it pertains to Personal Protective Equipment (cleaning products, hand sanitizer, masks) used for recommendations from the Minnesota Department of Health to keep children and staff healthy and safe.

Office supplies that are not directly used for early childhood quality improvement activities: Ink and paper used to print invoices for families would not be an allowed use of grants. Ink and paper used to print curriculum, worksheets, or a newsletter for families in the program would be allowed.

Child Care Development Fund (CCDF) federal restrictions can be reviewed online in the National Archives Code of Federal Regulations: Title 45 Subtitle A Subchapter A Part 98 Subpart F § 98.56(b)(1) Restrictions of the use of funds at [eCFR :: 45 CFR 98.56 -- Restrictions on the use of funds](https://www.ecfr.gov/current/title-45/subtitle-a/subchapter-a/part-98/subpart-f/section-98.56).

Grants are not allowed to be spent on items considered to be part of the cost of doing business (such as rent, utilities, taxes, bank service fees, and down payments).

In addition, grant funds are not allowed to be spent on child care tuition (scholarships), nor items prohibited by licensing.

Items are ineligible if someone employed by the program, or a relative of theirs, will benefit financially from the purchase. For example, purchasing toys from an employee who is a Discovery Toys representative.

5. If my program receives a grant, what requirements do I have to meet?

Your program will need to sign and follow the requirements of a Participation Agreement. Please read the agreement carefully before signing.

6. If my program receives a grant, how will my program receive the money?

All grants are paid on a reimbursement basis and after all requirements are completed.

7. When is this grant available?

It is available on an ongoing basis, subject to available funds.

8. How does my program apply for this grant?

Please contact your local Child Care Aware of Minnesota Grants Administrator for additional guidance about this grant funding. You must fill out the application form and mail it to the address listed at the end of this document.

APPLYING FOR A START-UP GRANT

Before Applying: Below is a list of steps to complete prior to completing your application.

- Create a Develop Membership ID (see www.developtoolmn.org for directions).
- If you are already licensed, be sure to link your Develop Membership ID with your program's Organization ID and list yourself as an employee.
- Please contact your local Grant Administer with questions or concerns.

Participation Agreement: Your program will need to sign a Participation Agreement that details all requirements. The agreement lays out the responsibilities of programs receiving grants. Please read the agreement carefully before signing

Expenditures: Be specific on your expenditure pages. Only items that were approved on your application will be reimbursed. If any substitution needs to occur, this **must** be approved by your local Grant Administrator, prior to making the purchase. A budget change can only occur once in a grant cycle.

Grant Application Review Process: Once you submit an application, it will be reviewed by a review committee. Each application is reviewed by three review committee members who recommend the items and the amount to be considered for final approval. A denial or award letter will be sent to you via email or U.S mail.

Training Requirement: Participate in 12 hours of training, approved by Achieve, which can be found on Develop (www.developtoolmn.org). All required training must be completed before receiving reimbursement. The cost of participating in this required training is your responsibility. However, you may choose to include the cost of the required training as part of the grant application by applying for dollars within the Professional Development category.

Two-Year Requirement: If you are awarded a grant, your program will be required to provide active licensed or license-exempt child care services in Minnesota for a minimum of two years from the date of your award letter. If for any reason your program ceases to provide active child care services within the required timeframe, you will be required to repay grant dollars on a prorated basis.

Reimbursement Timeline: All documents required for requesting reimbursement must be submitted by the date indicated on your award letter for Grant Administrator review. Grant Administrators have the right to:

- Ask for clarification (or pictures) of any grant item before approving AND
- Refuse reimbursement for any purchase that doesn't match the original request or intended purpose

Grant Payment Information: All Start-Up Grants are paid on a reimbursement basis after all requirements are completed.

SUBMITTING YOUR APPLICATION

Fill out your application form completely in ink. Your application should be neat and easy to read and stapled together in order. Do not submit grant applications in folders or binders, professionally bound or store-bought.

1. Send in one complete packet, including the application with all required attachments stapled to it.
2. Keep one copy of the completed application form and all required attachments for your records. You will need to refer back to your application if you are awarded a grant.
3. Mail or email the original completed application packet to:

Families First Of MN
Attn: Grant Administrator
126 Woodlake Drive NW
Rochester MN 55904

Checklist

Your application packet must include:

- ☐ The application form, including the participation agreement, with all questions completed.
- ☐ Copy of your current child care license (*if applicable*).
- ☐ Estimate or bid (*if applicable*). This is required for the installation of fences, windows, or construction, as required by licensing, or equipment assembly projects. If a child care program wishes to have the cost of assembly and/or installation covered by a grant, the labor must be performed by a contractor following applicable state and local laws and regulations regarding registration and licensure. See www.dli.mn.gov/business/residential-contractors-remodelers-roofers for more information.
- ☐ Pictures (*if applicable*). A picture of the current item and a picture of the proposed replacement item from a catalog or online source. The two items must be comparable.