



Starting a Childcare Co-operative: A Guidebook

Prepared by:

Russell Christianson, Rhythm Communications

Catherine Lang, C. Lang Consulting'

With the assistance of:

Nancy Bradley, Parent Co-operative Preschools Corporation

Jen Heneberry, Co-op Development Manager, On Co-op

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Introduction

This document is intended to help parents decide whether a childcare co-operative may be a good way to fulfill their childcare needs, and if it is, how to go about starting one. It was written by two co-operative developers with more than fifty years of combined experience. Catherine Lang works as a consultant with co-operatives, not-for-profit organizations and social enterprises. Cathy is also a founding member of the Contemporary Textile Studio Co-operative in Toronto. Russ Christianson is a co-operative developer who specializes in co-operative start-ups. He has worked together with over one hundred and twenty co-op start-ups over the past twenty-five years.

The writers are very grateful for the assistance and information provided by Nancy Bradley, Executive Director, Parent Co-operative Preschool Corporation (PCPC - www.pcpcontario.org) and Jen Heneberry, Manager of Co-operative Development, On Co-op (www.ontario.coop).

1. Co-operative Basics

What is a co-operative?

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise. (ICA Statement of Co-operative Values and Principles) More simply put, a co-op is an enterprise that is owned and democratically directed by the people who use its services.

Co-operative Principles and Values

All co-ops, including childcare, are organized in accordance with internationally recognized co-operative values and principles (please refer to Appendix 1). Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

The seven internationally recognized co-operative principles are:

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Co-operation Among Co-operatives
7. Concern for Community

Why form a Childcare Co-operative?

People form co-ops to improve their quality of life and enhance their economic and social opportunities through self-help. Co-ops are most often developed to fill a gap in the marketplace where the goods or services needed by a specific group are not available at affordable prices, within an acceptable standard of quality, or delivered in a way that the group desires.

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There are a number of reasons that motivate groups of parents to set up a childcare co-op:

- When they see a need in their community and a lack of affordable childcare spaces.
- When they want to participate in their children's care, but cannot afford to be full-time, stay at home parents.
- When they want the support of other parents and educators in childcare and early childhood education.
- When they find a gap in availability or an opportunity to introduce a particular kind of childcare programming. For example, introducing a particular educational philosophy or green childcare practices in their community.

Childcare co-ops are one of our best kept secrets. They include some of the earliest co-ops to have been formed in Ontario, some having been in operation for over seventy years. There are approximately 216 childcare and nursery school co-operatives in Ontario with over 14,500 member families. They exist in urban and rural locations, with diverse programs, in a wide variety of premises: churches, community halls, apartments, recreation centers, elementary and secondary schools, and purpose-built facilities. (Learning Co-operatively, OPPCEO, revised 2009, On Co-op Census 2006)

What are the advantages of a co-operative childcare?

There are a number of advantages that co-operatively organized childcare facilities have for parents and children.

1. Co-operative childcare delivers flexibility and responsiveness. The close relationship between the Early Childhood Educator (commonly referred to as a Registered Early Childhood Educator, or RECE) and parents that is built into the co-operative approach means the co-op is very responsive to the changing needs of the children and parent members.
2. Co-operative childcare delivers value for money. Any surpluses generated by a childcare co-op are reinvested in the Centre for the benefit of members and their children and in the local community. This keeps the cost of operating as low as possible.
3. Co-operative childcare offers a cost effective solution. Childcare co-ops in Ontario have an added value due to their philosophy and practice of parent participation. While a trained RECE must be hired and onsite to fulfill licensing requirements for initial adult/child ratios, childcare co-operatives have the option of having two parent volunteers in the classroom to equal one staff for the next set of ratios. This option helps reduce the costs of operating a co-op compared to not-for-profit or for-profit private operators, particularly in an economic downturn or when enrollment is low.
4. Co-operative childcare delivers quality and accountability. The partnership between educators and parents in shaping childrens' learning experiences and care, and sustaining the business, leads to better quality of care and sustainable, community based organizations.

2. Your Children's Needs and Your Needs as Parents

You and other parents in your community may need childcare for infants, toddlers, pre-school aged and/or school age children. Childcare co-ops can provide a range of care from full-time day care centres for working parents to half-day nursery co-ops with a high degree of parent involvement. The age ranges for care that are commonly referred to are:

- Infant: 0-18 months;
- Toddler: 18 months-2.5 years;
- Preschool: 2.5 years-5 years;
- School age: 6 years-10 years

Development of a childcare co-op requires a detailed assessment of the needs of prospective parents in your neighbourhood or area and their interest in participating in a co-op. This includes the age ranges for care needed, how many children they are seeking care for, how far they will travel to seek care, and how much they can afford. A childcare needs assessment that outlines these questions is included in Appendix 2. The results of the needs assessment should be checked against the financial feasibility and the results of documented research on local gaps in care and other childcare competitors in the area.

Childcare programs are viewed as developmental services, and therefore should be based on accepted principles of child development such as:

- each child's growth follows a universal developmental sequence with individual differences in rate and timing
- play is a child's natural way of learning
- children learn best through active involvement with their environment

Given these principles, high-quality programs for young children must provide:

- equal opportunities for children to participate and benefit from their experiences in ways that promote individual development and learning
- appropriate learning experiences based on the interests, strengths, abilities and needs of the individual child
- opportunities for growth in all areas—emotional, social, physical and intellectual
- a rich environment that offers continuous opportunities for exploration, discovery, choice and decision-making
- a nurturing and secure environment

There are many studies documenting the gains children can make from participating in quality early childhood education. There is also significant research supporting parent participation in early childhood education (for example, *Reversing The Real Brain Drain: Early Years Study, Final Report*. Margaret Norrie McCain and J. Fraser Mustard, April 1999).

Some of the additional benefits that have been documented in other research include:

- Parents report improved relationships with their children and greater life satisfaction and psychological well-being resulting from the supportive social network of the early care and

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education community. These benefits extend beyond the enrolled child to the child's siblings. (www.cpcdheadstart.org. August 13, 2008)

- Individual parent involvement in the learning process leads to greater student achievement. (Fullan, 1991)
- There is good evidence that high quality ECE programs provide intellectual and social stimulation that promotes cognitive development and social competence that can establish a basis for later success in elementary school (Public Health Agency of Canada, summary of research, Espinoza, 2002; Andersson, 1994; Osborn and Millbank, 1987).
- A recent longitudinal study on outcomes for very low-income children in the U.S. found that:
 - In addition to better school performance and lower juvenile crime rates, participants in the program since infancy had much higher earnings as adults, and so did their mothers.
 - The study participants were also much less likely to be smokers (Masse and Barnett, 2003).

3. Membership Benefits and Responsibilities

The co-op structure gives parents a voice in, and accountability for, the operation of the childcare program and centre. This is an important positive motivation to consider the co-operative model. Parent participation means that parents can be involved in the board of directors and/or in committees that affect the operation of the co-op. Most co-ops also actively promote parent time in the classroom with the RECE. When parents work closely with professional staff they can be sure that their children receive care and education of the highest quality.

Some of the benefits of parent participation are:

- time to observe your child interacting with a consistent group of their peers
- guidance of a qualified RECE as role model and resource on child development
- the opportunity to meet, socialize, and work co-operatively with a diverse group of parents from the community
- emotional and practical support in parenting from other parents
- a chance to contribute existing skills and develop new ones

The co-op childcare experience gives parents increased parenting skills, peer networking/support, and self-confidence. Many parents active in childcare co-ops leverage this experience to become effective leaders in their schools, communities, service organizations and government.

However, with the benefits of membership also comes responsibility. As co-owners of the co-op, parents need to be well-informed and actively involved. Parent responsibilities at the co-op may include:

- assisting in the classroom on a pre-arranged rotational basis
- attending orientation sessions with other parents and the RECE
- paying a registration fee and reasonable monthly tuition that vary according to the expenses of each co-op
- participating in parent and member education workshops

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- participating in fundraising
- participating in governance – general members meetings, task forces, committees, and voting for, or sitting on, the board of directors

Co-ops are organized on a one member, one vote principle. This means that all parent members, regardless of how much time or resources they are able to invest in the co-op or how many children they have in care at the co-op, have an equal voice in the running of the co-op.

4. Co-operative Success Rate¹

It is instructive to look across our border to Quebec to learn about co-operative success rates. Over the past number of decades, the government of Quebec has created policies and programs that support co-ops. They have done this because they know that co-operatives are community-based, self-help organizations that build leadership, local economies and social fabric.

In 1999 and 2008, the Quebec Ministry of Economic Development completed studies of longitudinal data comparing the survival rate of co-operative businesses with private businesses across different sectors of the economy. The results are illuminating:

- The 1999 study demonstrated that the survival rate of co-operatives was 64% after five years and 46% after 10 years. The 2008 study reveals that little has changed, with 62% of co-ops surviving after 5 years and 44% after 10 years.
- When compared to the survival rate of private business enterprise, 35% after 5 years and 20% after 10 years, the co-ops are twice as successful.
- Four out of 10 co-ops survived after 10 years in operation, compared to two out of 10 private business enterprises.
- In particular, producer and consumer co-ops have better than double the survival rate over private business enterprises after 5 years of operation (76.2% and 75.6% respectively, as compared to 35%).
- In several cases, the survival rate of co-ops far surpassed that of private business enterprises, particularly in the following sectors:
 - housing (94.2 versus 22.4)
 - telecommunications (87.5 versus 16.5)
 - hotel and restaurant services (56.5 versus 13.5)
 - education (55 versus 18.3)
 - agriculture (51.9 versus 22)
 - forestry (50 versus 22)
- Among the co-ops employing less than 5 employees from start-up, the survival rate dropped from 73.9% after 3 years, to 62.4% after 5 years, and finally to 52.4% after 10 years. Small private businesses fared more poorly, with the survival rate dropping from 47.1% after 3 years, to 33.7% after 5 years, and finally to 18.4% after 10 years.

¹ *Survival Rate of Co-operatives in Québec*, Québec Ministry of Economic Development, Innovation and Export, 2008.

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- Among the co-ops employing 5 or more individuals from start-up, the survival rate dropped from 74.3% after 3 years, to 63% after 5 years, and finally to 38.2% after 10 years. Among private business enterprises employing 5 or more individuals from start-up, the survival rate dropped from 60.2% after 3 years, to 50.6% after 5 years, and finally to 33.8% after 10 years.
- The survival rate of co-ops employing less than five employees is higher than those employing five or more individuals. This is another distinguishing factor highlighting the advantage of the co-operative model, particularly for small enterprises.

The 1999 and 2008 studies identified key factors that contribute to the higher survival rate of co-operatives. These factors relate to the inherent structure of the co-op model:

1. The focus on member service as opposed to profit, which has an impact on business decisions.
2. The central role of the member, who is both investor and consumer in the co-op.
3. The democratic nature, the return of profits to members, and the open governance structure of co-ops.
4. The presence of a group of promoters rooted within the communities.

Three factors also show a historical advantage for co-op development, as well as the business environment of co-ops:

1. Strong representation in economic sectors that fulfill basic human needs, including agriculture, forestry, residential services, funeral services and education.
2. The majority of co-ops operate in both regional and sectoral networks.
3. Primary and secondary co-operative organizations provide project management support for co-op start-ups including financial and fiscal tools, which are adapted to the co-op model.

5. Co-operative Associations

Each individual co-op is part of a larger system of co-operative associations and federations that form the co-operative movement in Canada and around the world. The Ontario Co-operative Association (On Co-op) is the provincial federation for all of the co-operative sectors in Ontario, including: childcare, financial, housing, agricultural, energy, worker and student co-operatives. On Co-op develops, unites and promotes co-operatives throughout the province of Ontario. (www.ontario.coop)

Many co-op sectors also have a specific sectoral federation that represents all co-ops of a particular type. The childcare co-operative sector is represented at On Co-op through the Organization for Parent Participation in Childcare and Education, Ontario (or OPPCEO); <http://www.oppceo.org/>. OPPCEO in turn is made up of several regional Councils that have been created to support their members, and help them access low cost insurance, staff benefit packages, professional development, and links to other co-operatives across the province. These federations charge a fee commensurate with the benefits involved in membership.

Here is a list of the childcare co-op councils currently operating in Ontario and their membership districts:

1. Parent Co-operative Preschools Co-op (PCPC) – www.pcpcontario.org (Toronto, Durham, Simcoe, Ottawa, Peel, Halton, Muskoka and other regions not covered by the other federations)
2. Hamilton and District Council of Co-operative Preschools Corp. – www.hamiltonareapreschools.ca (Hamilton and region)

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3. Shoreline Co-operative Preschools Corp. – www.preschooleducation.ca (Mississauga, Kitchener, London)
4. The Ottawa Federation of Parent Day Care Centres is a closed federation of nine unionized not-for-profit and co-operative childcare centres that are organized through CUPE Local 2204

6. Requirements in Developing a Childcare Co-op

Licensing

There are two basic kinds of childcare in Ontario: Licensed and unlicensed. Whether or not a childcare program needs a license depends on how many children a caregiver is looking after. In Ontario, caregivers can look after up to five unrelated children under the age of 10 without needing a license. For children with special needs, the age range includes children under 18 years of age.

Licensed childcare programs have to meet and maintain specific provincial standards related to teacher-child ratios, health and safety and other issues. These standards are set out in the provincial *Day Nurseries Act*. The standards help to make sure that the health, safety, and developmental needs of the children are being met. In order to be licensed, a co-operative needs to be incorporated and must have insurance. (see the section on Incorporation and Governance later in this document).

In order to be licensed, centres will need to hire at least one (depending on number of children and parents in classroom) fully trained and certified Early Childhood Educator (ECE). The first ECE in the classroom (known as the Supervisor) must have 2 years experience in the field. All other ECES hired can be newer to the field. ECES are licensed and registered with the College of Early Childhood Educators (CECE) in Ontario; www.collegeofece.on.ca

Changes to the regulations around teacher-child ratios are being considered by the Province, as they pilot the new all-day junior and senior kindergarten in 2010. Parents should check to make sure that the limits and guidelines outlined here still apply. The electronic version of the Day Nurseries Act and DNA regulations can be found at: http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90d02_e.htm http://www.e-laws.gov.on.ca/html/regs/english/elaws_regs_900262_e.htm

The provincial government, through the Ministry of Children and Youth Services, issues licenses and Ministry staff inspect licensed programs once a year. During the inspection, a checklist is reviewed with the Centre to ensure compliance. You can contact the regional office of the Ministry of Children and Youth Services (Licensing Department) directly for more details.

There are other details to consider related to licensing a childcare co-op:

- It is also important to consider the licensing implications of renovations and/or construction for a new childcare facility. The Ministry of Children and Youth Services provides planning and design guidelines for childcare centres.
- Municipalities also have 'operating criteria' with which all childcare centres in their jurisdiction must comply. Your group will need to contact the municipal staff responsible for childcare to discuss your start-up and what your co-op will need to do to meet the criteria.
- Municipalities will often offer professional development or orientation sessions for day care operators/staff. Contact your local Municipality for more information.

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Insurance

Insurance is an important part of a childcare co-op's operations, and there are several different types of insurance policies that a co-op will need to have in place in order to be licensed and to ensure that the co-op is protected.

1. Childcare co-operatives will have to carry both a Commercial General Liability Insurance policy, as well as personal injury insurance coverage for its employees in order to be licensed by the Ministry of Children and Youth Services.
2. The board of directors of a co-operative should also have Directors and Officers Liability Insurance to help protect them in their governance role with the co-operative.
3. Recently, some municipalities that provide subsidies and funding support to childcare co-ops have required that co-ops also carry Errors and Omissions Insurance to protect against losses related to the actions of the RECEs in the classroom. This is a response to the increasing professionalization of the childcare sector and that RECEs are now considered as having professional designation.

Quality

The quality of childcare can be measured by a number of criteria including the ratio of adults to children, the number of children in one group and the qualifications of staff. Minimum requirements are set out in the *Day Nurseries Act*.

Some centres in Ontario have also joined the Raising the Bar Initiative, which is a quality assurance program. All of these extra criteria, over and above licensing, are intended to help with the quality of the childcare settings and the children's safety. Information on the Raising the Bar initiative can be found at: http://www.ascy.ca/raising_intro.htm

8. Childcare Co-operative Legal Structures

Co-operative Corporations Act

The Ontario *Co-operative Corporations Act* is the law that governs non-financial co-operatives in Ontario. It outlines the rules and procedures for co-operatives that incorporate and operate in the Province of Ontario. The Financial Services Commission of Ontario (FSCO), an agency of the Ontario Ministry of Finance, oversees the Act and the co-op sector. On Co-op has a plain language guide to the Co-operative Corporations Act available at cost, or you can view or download the legal-language Act from the government e-laws website (http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_90c35_e.htm). The board of directors and the Supervisor or Manager of the Co-operative need to familiarize themselves with the Act.

Why incorporate?

There are several reasons for a childcare co-op to formally incorporate the organization:

- A legal structure enables childcare co-ops to thrive independently and provide a quality sustainable service not only for the short term benefit of the founding members, but for future members. Without incorporating or registering, not only will your organization not be legally recognized, but your centre's name will also not be protected against use by other legal entities. Unincorporated groups cannot legally use the word "co-op" in their name.

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- To license a childcare program in Ontario, it must first be incorporated and have adequate insurance (see Insurance above).
- Incorporation means creating a legal entity for the business that is separate from its members, a 'corporate body' that is recognized in law. The members of an incorporated organization are protected by limited liability. Without this, their personal assets are at risk if anything should go wrong. Incorporated organizations can enter into contracts and hold property in the name of the organization. The members of an unincorporated organization are personally liable for contracts and property. Incorporation offers sound protection for all co-operatives doing business.

There is not one, but many forms of co-ops that can be incorporated and developed. The co-op model is flexible and can meet a variety of needs of different stakeholders. Before incorporating and as you set up your co-op, you'll need to be clear about the model that best suits the needs of your key stakeholders and those driving the development of the co-op.

Here are some questions that will help you decide which model could fit:

1. What are the primary needs you are addressing in forming the co-op?
2. Who will own and control the co-op assets?
3. Who must to be engaged in the decision making and setting the direction of the co-op business and program?

The most popular childcare co-op model is the parent model, organized as a non share capital (not for profit) consumer owned co-operative.

Parent Model

- This model is comprised of parents who form a co-op to provide quality care for their children. As with all co-operatives, members contribute an initial membership fee towards the capitalization of the center and elect a board of directors on a one member/one vote basis. The board sets long-range policies and oversees the center's professional management. The co-op and its assets are owned and controlled by the parent members.
- In some cases, a sponsoring group will assist a group of parents in developing and equipping their co-op. Sponsors, such as churches, other community organizations, universities or businesses, may provide start-up capital for the venture, and donate space and equipment for the centre. These sponsors would enter a partnership with the co-op and work out an agreement on how these assets or contributions will be managed.
- In Canada and the United States, some employers provide childcare packages and establish facilities near or within their worksites to contribute to employee retention. However they leave the operation and ownership to the co-op of employees who are parents who use the center.
- Parent model co-operatives in Canada are most often incorporated as not-for-profit, non-share capital corporations – this means that they behave similar to other not-for-profit organizations, while giving its co-op members the opportunity to own, contribute to and direct the operations and programming.
- Not-for-profit parent owned childcare co-ops, hire registered ECEs (RECEs) and other administrative staff to run the co-op on a day to day basis as needed, according to their budget and licensing requirements.

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Hybrid Model

- In Ottawa, a group of nine childcare co-operatives and not-for-profit childcare centres have been operating with staff unionized by CUPE Local 2204. There are three co-operatives in this network. Some of the centres have been operating for over thirty years.
- All of these networked centres are committed to staff involvement in setting the direction of the co-op along with parent members on the board. They operate with consensus decision-making at the board level.
- The centres' staff jointly bargain for wages and benefit packages.

Worker Co-op Model

- Another model, not used in Canada, but one that has evolved in the United States, is the worker co-operative model. This model is comprised of prospective employees of a childcare centre who are interested in creating and managing a childcare facility.
- With this model, it is the employees who are the members. They capitalize and operate the business, provide work for themselves, and ensure that parents and children are offered quality childcare programming on a fee for service basis.
- Smaller worker co-operatives are usually managed on a collective basis, in which all employee members are directors.
- Similar to the parent run model, a worker co-op centre can be developed in partnership with a sponsoring organization.

Independent Caregiver Co-ops

- Informal caregivers, who offer childcare and home care in the community, have also formed co-operatives to jointly market their services to consumers.
- This model can be used by a group of independent providers of licensed home-based childcare services, and allows the members to not only market their services, but also to provide a common standard of care and services, as well as obtain supplies and common services (e.g. bookkeeping) more cost-effectively than they would be able to do on their own.

Employee and Consortium Models

- Increasingly in the United States, businesses are acting together to offer childcare services within industrial parks and commercial developments for the benefit of those employed there. Developers are offering childcare facilities as a benefit to their tenants, and municipalities too, are placing a new emphasis on the availability of childcare services within the workplace. The "Consortium Model" of co-operative childcare — where a group of employers or organizations form a childcare co-operative to be owned by their combined employee groups — is increasingly demonstrating its benefits to both parents and employers. Co-operative consortia are owned and run by sole traders or other businesses. For example, a group of self-employed child minders (see independent caregiver co-op – above) might form a co-operative for joint work or business activity. Many social care co-operatives have been formed on this basis. Co-operatives can also involve community representatives and other stakeholders as members. These are known as multi-stakeholder co-operatives. (US National Cooperative Business Association (NCBA))

9. Fifteen Steps for Developing a Childcare Co-op

The fifteen steps to follow in starting a childcare co-op are:

1. Identify a group of parents in your community or workplace who need licensed childcare and early childhood education.
2. Begin to work as a group and assign tasks and responsibilities to do the necessary research.
3. Review the requirements under the Day Nurseries Act and review their checklist (Appendix 3).
4. Circulate, collect and compile the results from the “Membership Needs Survey” (Appendix 2).
5. Determine the kind of childcare facility that best meets the needs of your potential members, and search for an appropriate location. It could be a community center, church, or commercial space.
6. Speak with your municipal government and the Ministry of Children and Youth Services to ensure your group and your preferred facility/location meets their requirements. The Ministry may require a site visit.
7. Complete the financial model – Childcare Financial Co-op Template – included in this Start-up package. Determine whether your co-op is feasible, and at what level of operation, before moving forward
8. Write (or hire a consultant to write) a comprehensive business plan.
9. Determine the organizational structure that is the most suitable, and incorporate the co-operative.
10. Recruit and educate members, and collect their member loans and deposits.
11. Apply for and receive the required childcare license and permits and insurance. Insurance can be arranged through a regional childcare co-op council.
12. Organize the first General Membership Meeting and conduct your first election the first board of directors.
13. Raise the necessary start-up capital, including member investment, outside investors and lenders.
14. Hire a Supervisor, RECE, Bookkeeper, Cook, and other required staff.
15. Open the doors!

Of course, like any creative endeavour, these steps are not necessarily linear. Depending on the particular situation, some may overlap and some may build on others. However, two things have been proven through long experience: the group will spend less time and money, and will significantly decrease the risk of the co-op failing, by following the above steps.

This “fifteen-step” list is deceptively simple. Starting a childcare centre is a complex human activity. It requires perseverance, courage, entrepreneurship, the ability to sell, organizational, interpersonal and negotiation skills, management ability, and leadership. These qualities are rarely exhibited by an individual. Yet a group of people who pool their skills, experiences, and resources, will likely find all of these qualities amongst themselves. This is the fundamental reason co-operatives work so well – people work together to accomplish something they could not do alone.

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You may also be wondering how long this process might take. That very much depends on the group's situation, how often you can meet, how complicated the proposed childcare co-operative is, your group's access to support and resources, and whether your timing and luck are good. Given all of these variables, you can expect to spend many hours over the course of months before you're ready to open for business.

Table 1: Key Co-op Development Issues and Matching Requirements, Tools & Skills²

Key Issue	Requirements, Tools & Skills
<p>1</p> <p>A real economic, social and/or environmental need is identified</p>	<p>Intuition, experience, sector knowledge</p> <p>Market research – formal and informal; secondary (demographics, industry publications, etc.) & primary (whole systems feedback, focus groups, surveys)</p> <p>Environmental scan – Co-operative, Competitive, Economic, Social, Political, Legal, and Natural Environments; SWOT (although I find this too limited on its own)</p> <p>Evaluate organizational/group capacity</p>
<p>2</p> <p>Evaluate the propensity, ability and commitment to co-operate</p>	<p>The co-op model is more effective fulfilling the identified need than the potential members could individually</p> <p>Propensity to co-operate; Co-op Self-assessment</p> <p>Focus on Process – for example, consensus decision-making; democratic governance</p> <p>Group dynamics & trust building exercises</p> <p>Shared values & objectives/goals</p> <p>Co-operative Identity – Principles & Values</p> <p>Organizational model review</p> <p>Second tier co-operative organization support</p>
<p>3</p> <p>Develop an economic model to co-operatively fulfill the need</p>	<p>Feasibility study – template outline and spreadsheet; “What if” analysis</p> <p>Market research – formal or informal</p> <p>Human resources requirements and expectations regarding roles, responsibilities and compensation</p> <p>Membership benefits and responsibilities (including equity investment)</p> <p>Risk/return ratio makes sense (financially, socially and</p>

² Russ Christianson, “Starting a Co-op”, in *Effective Practices in Starting Co-ops*, Joy Emmanuel and Lyn Cayo, Editors, New Rodale Press, Victoria Canada, 2007, pages 35 to 47.

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		environmentally) Business Plan & Incorporation & Bylaws
4	Leadership & Management Capacity	Leadership training & development Business education & sector experience Entrepreneurial characteristics & temperament Shared Vision, Mission, Purpose & Values – Whole Systems Feedback Trust building exercises & experiences Communication skills & techniques Clear definition of roles & responsibilities Accountability Chart Co-operative/democratic governance
5	Adequate Capitalization & Cash Flow	Business Plan Offering Statement Member Equity; commitment; perseverance Legal/financial documents – member share certificates (member loan certificates for non-share co-ops), preferred shares, bonds, debentures Financial control systems – variance analysis Member education, outreach & communication strategies & materials

10. Feasibility Study

Needs Survey

Once you have gathered a core group of parents (say five or six families), you will need to survey more parents in your community. In order to open and operate a licensed childcare centre with a paid Supervisor, RECE teacher, a bookkeeper and a part-time cook, you will need a minimum of twenty-five to thirty children. Depending on the expenses for your childcare co-op, you will need to set the fees such that the co-op can cover the ongoing costs and ensure there is a surplus from operations to build a contingency fund to handle unexpected future downturns.

Financing Your Co-op

The “Childcare Co-op Financial Template” is an Excel spreadsheet (available at: <http://www.ontario.coop/upload/ChildCareCo-opFinancialTemplate.xls>) that is being distributed with this guidebook. It provides a template that will help your group determine the financial feasibility of your childcare co-operative. It is designed to be easy to use, and to allow key variables to be changed for “what if” scenarios.

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Sources of Financing

There are several different sources of financing that a childcare co-op can use. When your group works through the financial template, you will need to reflect revenue from any or all of the sources listed below.

Membership Fees and Other Contributions

Co-op members will need to contribute financially to their co-op. Membership fees are one mechanism to do this. An annual membership fee is paid to the co-op to ensure members are in good standing and it provides them with the right to vote. The membership fee is generally set at a relatively low level, since member families will also need to pay childcare fees.

In the case of a new co-op, the founding families may contribute additional money to help get it started either through a donation or a loan (see the definitions later in this section for more details). Members may also donate items such as toys, office furniture or equipment to a co-op to help keep costs down.

Childcare Fees

These are the fees that parents pay to the co-op to cover the costs of caring for their children. Childcare fees are paid yearly to the co-op and represent a significant portion of the operating revenue. These fees are distinct from membership fees (that confer voting rights), even if they are paid at the same time of year.

Government Subsidies

Some municipalities will provide subsidies to childcare co-ops and other not-for-profit childcare centres to defray the costs of offering childcare services. This can make the fees that parents owe to the co-op lower than they would otherwise pay.

There is a wage subsidy available to many co-ops, which provides funding to service providers for the purpose of improving the salaries and staff benefits of child care workers. This enhances staff stability and makes licensed child care more affordable to parents. Wage subsidy is available to licensed day nurseries, licensed private home-day care agencies, resource centres and agencies providing special needs resourcing. The Day Nurseries Act has a specific definition of wage subsidies: “Wage subsidies” specifically refers to the combined amount of the Direct Operating Grant (DOG), the Wage Enhancement Grant (WEG) and the Pay Equity Grants. It also includes the Provider Enhancement Grant (PEG) for enhancing payments for persons providing private-home day care.

Fundraising and Charitable Donations

Many childcare co-ops organize fundraising events in their community to generate additional revenue. This can include things like bake sales, dream auctions, dances or other events. Childcare co-ops will often have a fundraising committee that is responsible for planning and implementing fundraising events.

Some co-ops have charitable status in addition to being not-for-profit organizations (see Section 12 for more details on charitable status). This allows the co-op to seek donations and contributions from charitable foundations (like community foundations) and issue tax receipts for donations made by individuals to the co-op. This can be another source of revenue for the co-operative to support its work; however, it does require additional administrative and accounting efforts.

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Member Loans or Bonds

Childcare co-ops can require the use of member loans as part of their membership structure, or they can issue bonds or debentures to raise funds for the co-operative. This type of fundraising tends to be common at the start-up phase of many not-for-profit, non-share co-operatives.

A member loan is a loan made by a member to the co-operative, and it is often repaid when the member leaves the co-op. These are restricted to the membership – only a member can be required to make a member loan.

A bond (or debenture) is a debt instrument similar to a promissory note that can be purchased by a co-op member or community member. The co-op pays a fixed rate of interest on the bond over its lifetime, and repays the principal when the bond matures (at the end of its lifetime – usually measured in years). This method of raising funds may be used if a co-op requires larger sums of money to purchase a building or equipment.

If a co-op has more than thirty-five (35) people that will buy these bonds and if it exceeds the regulated exemption criteria (raising more than \$200,000 or more than \$1,000 per member per year), the co-op will have to go through a special process and create a document called an Offering Statement. This is a very technical process and it is recommended that the co-op contract a co-op developer or lawyer to help prepare the document according to the regulations in the *Co-operative Corporations Act*.

Financial Spreadsheet Model

The following information provides some basic information and instructions on how to use the template and fill it out. There are more detailed instructions available in the document itself. When you open the spreadsheet, go to the worksheet tabs at the bottom of the page, and click on “Instructions”. Read these over and familiarize yourself and your group with the spreadsheet.

Forecasted Income Statement

The income statement for your co-op is similar to your personal income statement. It starts with revenues and subtracts costs and expenses to result in the “bottom line”. To evaluate the financial feasibility of the co-op, we will be looking at what is “likely” to happen. We want to get an overall idea of the likelihood the business will be financially viable – in other words, will the co-op bring more money in than it will spend.

If your co-op looks financially feasible, you will move on to the next step – the business plan – for which you will need to forecast a “best case” scenario and a “worst case” scenario in addition to the “likely case”. There are many software packages available to write business plans. Most banks and bookstores have these packages. We have included a business planning document in MS Word that provides a clear description of what a business plan contains and how to write it. This format has been used for dozens of co-operatives over the years. One thing to keep in mind, these tools will only provide guidance and a format for your plan. There is no short cut to using your intelligence and intuition to write your plan.

Expenses

Expenses are much easier to forecast than sales. Your group can do research on actual market costs for rent, equipment, insurance, etc. Of course, these costs will grow as the co-op grows, but hopefully not as fast, so the co-op will generate surplus cash from operations.

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Sales Forecasts

The approach we suggest for feasibility is to work out your expenses first and then work backwards to determine the level of sales revenue the co-op will require to break-even. Then you can get into the details of how this revenue will be raised. How many children of various age groups and at what daily and weekly cost to parents? Are there any subsidies available, grants or fundraising activities that your co-op can reasonably plan to generate?

Sales forecasting is very intuitive. It's more of an art than a science. Don't hesitate, just take a stab at it, reflect, do some more market research or a member survey, and revise your forecasts and expenses as appropriate. While there is a right answer in adding and multiplying numbers for the forecasts, there is no "right" answer for sales forecasts. There are only forecasts that make sense based on the assumptions you make. The more reasonable and well researched your information is, the more confident you and others will be in the forecasts. Keep in mind that one of the most common mistakes made by co-op start-up and entrepreneurs is being overly optimistic in their sales forecasts. Be conservative and confident in your forecasts.

Profit or Surplus

Most businesses lose money for the first few months (or even years) of operation. However, none will survive unless they generate surplus cash and a profit. You need to think about when you think your co-op will generate a surplus from operations and build this into your financial forecasts.

Start-up Capital Required

In order to start your co-op and generate the level of sales you're forecasting, there will be costs involved. Much of the start-up costs will have to be paid in cash, which means your group will have to raise the money. Non-share co-ops can raise money through member loans, bonds or debentures. At this point you don't need to get too technical, but simply think about the minimum investment each member will need to make, and who you'll raise the rest of the start-up capital from.

Summary Feasibility

Now that you have identified your possible location, ensured your group can meet the licensing requirements, and completed your financial forecasts, you need to take some time to reflect on the following questions.

Are there any major questions remaining about your proposed co-op venture?

On a scale from 1 to 10, rate how confident your group is in the feasibility of your co-op.

(where 1 is low and 10 is high) _____

Why did you give this rating?

What needs to be done to increase your group's confidence level?

If you feel confident that your group is ready to proceed to the business planning process, then consider applying for a grant to hire a co-operative business planning specialist to help you through the process.

12. Incorporation and Governance

In Canada, it is possible to incorporate your co-op either provincially or federally – each province has its own co-operative legislation and there is legislation governing federally incorporated co-ops – the *Canada Co-operatives Act*. For childcare co-ops that conduct all of their business in Ontario, it makes sense to incorporate provincially. The Financial Services Commission of Ontario (FSCO) handles all Ontario co-op incorporation. There are a number of things to be aware of regarding the incorporation process:

- Five or more persons who are 18 years of age or older and intend to be members may incorporate the co-op. This group will form the incorporating board or “First Directors”. In some cases, persons who are not eligible to be members, but who bring a specific type of expertise to the board, may be included as incorporating directors.
- In order to incorporate and register as a co-operative, your group will need to agree to your charter, or Articles of Incorporation. This governing document sets out the aims of the organization and how it will be run. For a co-operative business, the Articles contain very brief descriptions of how the co-op finances itself (e.g. your membership fees), the minimum and maximum number of directors, what happens to assets if your co-op dissolves, and the names and addresses of the incorporating directors. A sample Articles of Incorporation is appended.
- Each time you change your Articles a new filing with the Financial Services Commission is required and this costs \$100. So it is best to keep your Articles general and simple. Most of the basic rules of your co-op should be in your bylaws, rather than in your Articles. By-laws include, for example, membership conditions and how elections work. (see By Laws below)
- You’ll also have to conduct a name search. Name searches are done through private companies or law firms. The cost ranges from \$20 to \$50 and can be done via the internet. Remember to include the word “co-operative” and “inc” or “incorporated” in your name, and as part of the name search, and inform the NUANS company if you are incorporating as a not for profit.
- To incorporate a not-for-profit co-op, or co-operative without share capital, you need to send to the Financial Services Commission of Ontario, Licensing and Enforcement Division:
 - Proof of a Newly Updated Automated Name Search, or NUANS report
 - A cheque or money order for \$15 to reserve the name you have chosen (This is in addition to the incorporation fee noted below.)
 - Articles of incorporation Co-operatives without share capital (2 original copies)
 - Form 3: consent to act as a first director (if your co-operative has directors who are not incorporators)
 - A cheque or money order for \$155 to incorporate a non-share co-operative. Cheques and money orders should be made payable to the Minister of Finance.
- Once FSCO has approved your name, you have 90 days to send in all of the remaining incorporation documents if they are not submitted all together.

It is advisable to have a co-op developer and/or lawyer review a draft of your Articles before sending them in to the FSCO with your filing fee.

In Ontario, an application for incorporation is usually processed within approximately 6 to 8 weeks of receipt at FSCO. Once you receive your certificate of incorporation, you have 60 days to register your

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co-op with the Ministry of Consumer and Business Services by filing an "Initial Notice" form. <http://www.forms.ssb.gov.on.ca/mbs/ssb/forms/ssbforms.nsf/FormDetail?openform&ENV=WWE&NO=007-07200>. For more information on incorporation, and to link to FSCO forms and information reports, here is a link to the Ontario Co-operative Association's website: http://www.ontario.coop/pages/index.php?main_id=144

Becoming a Charity

Many childcare centres are not-for-profits that do not seek charitable status. You are not required to be a charity to operate a not for profit childcare co-operative. Being a registered charity, however, means that the organization can issue official receipts to donors for income tax purposes. Donors can then receive (personal and corporate) income tax credits or deductions for their donations. Being a registered charity also means that the centre can accept grants from other registered charities, including public and private foundations.

It is important to know that maintaining charitable registration generally requires greater reporting, transparency and government regulation than with a simple not-for-profit organization. Charities are also required to file an income tax return at least every two years and these files are available to the public, along with other official documents pertaining to the organization.

If you expect to be doing a significant amount of fundraising to keep your centre sustainable, it will be important to explore the option of becoming a charity. A few things to consider about the process:

- The Canada Revenue Agency (CRA) -- formerly Revenue Canada -- is the government department responsible for granting organizations charitable tax status. The process routinely takes 6 months to 18 months and requires applicants to fulfill a number of requirements. Charities that operate or have property or offices in Ontario must also comply with Ontario law concerning charities even if they are incorporated under federal law.
- Every year Canada Revenue Agency Charities Directorate staff visit communities across Canada to provide information sessions for registered charities. If you are interested in attending or finding more information about the Charities Information Sessions, please visit www.cra-arc.gc.ca/tx/chrts/cmmnctn/ssns/nvttn-eng.html.
- To find out more from the CRA: <http://www.cra-arc.gc.ca/E/pbg/tf/t2050/README.html>

Governance

Co-op governance means the processes and structures used to direct and manage the co-op's operations and activities. Good governance helps co-ops use their resources more effectively and ensures they are managed in the best interests of their present and future members.

Members

The two primary responsibilities of members are to participate in the co-op (see parent responsibilities above) and to delegate co-op oversight to the board by electing directors. The board of your co-op acts as trustees on behalf of all of the members. Parent participation can involve not only the opportunity for involvement in the classroom, but also involvement in governance, such as being part of the co-op's committees, attending general meetings, and standing for election to the board.

Co-op members have a right to be informed in advance of all members' and directors meetings, and to vote on important issues related to the co-op.

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Once your co-op is incorporated you are required by law to hold an Annual General Meeting, or AGM, within 18 months of the date of incorporation. For developing co-ops it is best to plan a meeting of members within the first six months to engage the members, elect a representative board from the new membership, approve the co-op bylaws, and to keep members apprised of where the co-op is headed.

The Board of Directors

The first directors of the co-op, initially the five people named in the Incorporation documents, are the directors of the co-op corporation until replaced by other individuals duly elected by your co-op members. The first directors have all the powers, duties and liabilities of directors that are elected to the board. The size of the board of directors is stated in general terms in your co-op Articles and more specifically in your bylaws.

The main duty of the board is to provide the leadership and overall management of the co-op's affairs, usually together with the staff. The office of director places on that person responsibilities and even liabilities. Any person accepting a directorship should be prepared to assume the responsibilities that go with the director's office. Directors' responsibilities are referred to as fiduciary and legal responsibilities.

- Fiduciary means that a director has the responsibility to act for another's benefit rather than for herself or himself. In the case of a co-op, the director's fiduciary duty is to make decisions honestly, in good faith, and in the best interests of the co-operative.
- Legal responsibilities mean that the directors have a duty to apply with care the skills and experience they bring to the table. The law does not require board members to be experts. But as in all organizations, directors of co-operative corporations are required to apply their knowledge and skills in a way that would be seen as reasonably prudent. This is called the "standard of care."

The key responsibilities of a board of directors include:

- Member relations and communication
- Board operations and governance
- Hiring, monitoring, and evaluating the senior staff person
- Financial planning, policy making, monitoring
- Fundraising
- Comprehensive planning
- Community, government, and co-op relations
- Legal oversight
- Perpetuating an effective board

Recognizing that many co-ops need external advice to govern their co-ops effectively, the provincial government has made recent changes to the *Ontario Co-operative Corporations Act* to allow co-ops to have external individuals on the board even if they are not parent/members. There is a limit to the number of external directors allowed. The number must not exceed one-fifth of the total number of directors.

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Since members of childcare co-ops are often involved only for the few years when their children are enrolled, boards of these co-ops turn over more often than with other co-ops and not-for-profits. For this reason, childcare co-op boards should plan annual board and governance training to make sure all new directors are informed of their roles and responsibilities. Regional childcare co-op councils and the Ontario Co-operative Association can assist you with this training.

Bylaws

By laws are the most basic rules on which a co-operative functions. Every co-op creates its own bylaws or rules that outline the purpose of the co-op and how it is to be managed. The bylaws are created by the members and should be reviewed regularly and approved by the members. There is no substitute for solid, well-written bylaws as protection for members and directors. They are the foundation of each and every co-op.

By laws cover the following areas of operation and policy:

- Compliance with the Co-op Act (including record keeping)
- Membership rights and responsibilities
- Members and directors meetings – notices, timing, quorum
- Liabilities and protection of directors
- Voting, nominations, and elections
- Terms and roles of directors
- Confidentiality and conflict of interest
- Procedures for amending bylaws
- Dissolution of the co-op
- Financial year
- Sale of assets and material changes

For newly developed co-ops, the incorporating board will develop the draft of the bylaws. These will be discussed, revised, and approved by the members at their first members meeting. A set of sample bylaws for a not for profit childcare co-operative are available through On Co-op.

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The First General Membership Meeting

Once your group has completed the business plan, received approval of your Articles of Incorporation (from the Ontario government), and recruited a sufficient number of first members to move forward, it's time to organize your co-op's first General Membership Meeting.

The five founding board members (those who sign the incorporating documents) may consider running for a further term on the board, or they may decide not to be nominated. It's a good idea to have a nominating committee to identify members who can bring the necessary skills, time and commitment to the co-operative board of directors.

It will be important to organize the first General Membership Meeting with a combination of business, social, and educational opportunities. Make the event welcoming to families, starting with a pot-luck lunch, or picnic. Arrange for three groups of volunteer parents to set up, clean-up and provide childcare during the business meeting.

The proposed sample agenda shown on the following page can be used as a guideline for your meeting.

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Happy Days Childcare Co-operative

Proposed Agenda – General Membership Meeting

Community Hall, Your Community

Saturday, June 15, 20__

12:00 p.m. to 3:00 p.m.

Time	Item	Responsibility	Activities & Resources
12:00	Pot-luck Lunch	Volunteer Group 1	Set-up, plates & utensils, allergies, clean-up
12:45	Registration	Registration Committee	Members sign in & given name tag and voting card
1:00	Call to Order	Chair	Welcome, purpose of the meeting
1:05	Review & Approve Proposed Agenda	Chair	Review Agenda, questions, additions, motion to approve, voting procedure
1:10	Progress Report	Founding Board	Update the members on progress to date & next steps towards opening
1:20	Discussion	Chair	Encourage questions & discussion
1:45	Financial Report	Treasurer	Report, Q & A, motion to approve
2:00	Election of Directors	Chair	Review board responsibilities Indicate & thank retiring directors Report nominations & welcome nominations from the floor Motion to cease nominations Introduce nominees – each comments for 1 minute Appoint scrutineers Conduct election by ballot
2:15	Volunteers Needed	Chair	Discuss & determine volunteers
2:30	Election Results	Scrutineers	Congratulate new board members & thank others for being nominated
2:45	Thanks & Adjourn	Chair	Informal socializing & goodbyes
2:45	First Board Meeting	New Board	New board members have first meeting to choose Officers & set date for next board meeting

14. Additional Reading

Co-operatives (General)

Co-op Business Plan Basics, Russ Christianson, Rhythm Communications, available at www.ontario.coop/toolkit

Developing a Co-op, Russ Christianson, Rhythm Communications, available by request from jheneberry@ontario.coop

Guide to the *Co-operative Corporations Act* in Ontario, 2008, available for purchase from the Ontario Co-operative Association, info@ontario.coop

Early Childhood Education

Early Child Development: A Powerful Equalizer, Final Report, Lori G. Irwin, Arjumand Siddiqi, Clyde Hertzman, for the World Health Organization's Commission on Social Determinants of Health, June 2007.

Nipissing District Developmental Screens, Ministry of Children and Youth with with NDDSTM www.ndds.ca

Reversing The Real Brain Drain: Early Years Study, Final Report: Margaret Norrie McCain and J. Fraser Mustard, April 1999.

The Early Years Study 2: Putting Science into Action, Hon. Margaret Norrie MacLean, Dr. Fraser Mustard, Dr. Stuart Chanker, March 2007. http://www.councilecd.ca/files/downloads/Early_Years.pdf

Childcare Co-operatives

Child Care Co-operatives in Canada 2007: A Research Report, Prepared for the Co-operatives Secretariat and Human Resource Social Development Canada, March 2007

Learning Co-operatively, OPPCEO, Revised by PCPC, 2009. www.pcpcontario.org

Co-op Boards and Governance

Board of Directors Guide: presentation on Director Roles and Responsibilities specific to the Co-op Act, Ontario Co-operative Association, 2009, available from www.ontario.coop/toolkit

Financial Management Handbook, PCPC, 2010 www.pcpcontario.org (member's only section – please contact PCPC for access).

Supervisors Financial Management Guidebook, Hamilton and District Preschool Council, contact Coleen Rakoczy for details, smileysmileysympatico.ca

Governance and Board Overview, PCPC, 2008/09, www.pcpcontario.org (member's only section – please contact PCPC for access).

Sample Conflict of Interest Policy, PCPC, 2008/09 www.pcpcontario.org (member's only section – please contact PCPC for access).

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Incorporation

Co-operatives in Ontario: Guide to Setting up a Co-operative, Financial Services Commission of Ontario, Licensing and Compliance Division, FSCO website.

Co-operatives in Ontario: Incorporating a Co-op without Share Capital, Financial Services Commission of Ontario, Licensing and Compliance Division, FSCO website.

Financial Services Commission of Ontario, <http://www.fSCO.ca/english/regulate/co-ops/>

Licensing

DNA Checklist, Ontario Ministry of Children and Youth, PCPC website www.pcpcontario.org (member's only section – please contact PCPC for access).

Ontario's Baseline Report on Early Learning and Childcare, Ontario Ministry of Children and Youth, May 2004. <http://www.children.gov.on.ca/htdocs/English/documents/topics/earlychildhood/baseline-2004.pdf>

Orientation Package for Prospective Child Care Operators, Ontario Ministry of Children and Youth, June 2008. http://www.childcarelearning.on.ca/prospective_operator/orientation-package-en.pdf

Planning and Design Guidelines for Child Care Centres, Ontario Ministry of Children and Youth, 2006? http://www.children.gov.on.ca/htdocs/English/documents/topics/childcare/planning_and_design.pdf

Requirements of the Day Nurseries Act and other resources for Childcare Supervisors, www.childcarelearning.on.ca

Appendix 1: Statement on the Co-operative Identity

Definition

A co-operative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise.

Values

Co-operatives are based on the values of self-help, self-responsibility, democracy, equality, equity and solidarity. In the tradition of their founders, co-operative members believe in the ethical values of honesty, openness, social responsibility and caring for others.

Principles

The co-operative principles are guidelines by which co-operatives put their values into practice.

1st Principle: Voluntary and Open Membership

Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2nd Principle: Democratic Member Control

Co-operatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

3rd Principle: Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

4th Principle: Autonomy and Independence

Co-operatives are autonomous, self-help organizations controlled by their members. If they enter to agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

5th Principle: Education, Training and Information

Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They

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inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

6th Principle: Co-operation among Co-operatives

Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

7th Principle: Concern for Community

Co-operatives work for the sustainable development of their communities through policies approved by their members.

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Appendix 2: Membership Needs Survey

Parent Co-operative Preschool Corporation (PCPC)

info@pcpcontario.org Strengthening the partnership between parents and teachers

www.pcpcontario.org

A needs survey is an important part of the development of a childcare program. The survey can provide valuable information about the level of interest in a childcare program, about parents' specific childcare needs and their ability to pay. It can also be used to identify people who want to be involved in helping plan the program.

This sample survey should be adapted to meet the specific needs of different communities or workplaces.

Please complete this survey even if you do not have children or need for childcare and return it to **ABC Childcare Centre**.

This information will remain anonymous and confidential. The results will be used only to document the need for childcare.

Thank you very much for your help.

CHILDCARE NEEDS SURVEY

Please check: Male Female

_____ would be a good place for a childcare program.

Please check:

Agree Neutral Disagree

At this time, do you have any children living at home with you, or are you/your spouse pregnant?

Yes No

Please indicate the number of children that you have in the following age categories:

Birth to 18 Months _____

18 Months to 2 ½ Years _____

2 ½ Years to 6 Years _____

6 Years to 12 Years _____

12 Years and Over _____

Do you have a need for childcare now or will you have a need at some point in the future?

Yes No Maybe

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*If you answered 'No' to Question 5, please forward this section of the questionnaire to _____.

Thank you for your participation.

Approximately when would you have a need for childcare?

Immediately 6 Months to 1 Year from Today
1 Year to 2 Years from Today Indefinitely

*If you currently have children aged Birth to 12 Years, please continue.

**If not, please forward your responses to this survey to _____.

Thank you for your participation.

Who usually cares for your child(ren) when you go to work?

- Child's Mother or Father
- Other Relative
- A Friend
- Babysitter
- Supervised Family Childcare Provider
- Group Childcare Centre
- Nanny
- Other (please describe)

Are you satisfied with your present childcare arrangements?

- Extremely satisfied
- Somewhat satisfied
- Somewhat dissatisfied
- Extremely dissatisfied

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What fee do you currently pay per child for your childcare arrangements?

- \$0 per day
- \$1 - \$5 per day
- \$6 - \$10 per day
- \$11 - \$15 per day
- \$16 - \$20 per day
- \$20 - \$30 per day
- More than \$30 per day

Are your childcare fees currently subsidized by the local municipality?

Yes No

If you could have your choice of childcare arrangements, what would you choose?

- Childcare in my Home
- Out-of-Home Babysitter
- Supervised Family Childcare
- Group Childcare Centre
- Other (please describe)

Would you be willing to pay higher fees that you are currently paying if you felt that the childcare program provided was more convenient or better than the service you are now using?

Yes No

What hours and days do you normally work?

From _____ am/pm to _____ am/pm

Sunday	<input type="checkbox"/>	Monday	<input type="checkbox"/>	Tuesday	<input type="checkbox"/>
Wednesday	<input type="checkbox"/>	Thursday	<input type="checkbox"/>	Friday	<input type="checkbox"/>
Saturday	<input type="checkbox"/>				

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When would you need childcare?

From _____ am/pm to _____ am/pm

Sunday	<input type="checkbox"/>	Monday	<input type="checkbox"/>	Tuesday	<input type="checkbox"/>
Wednesday	<input type="checkbox"/>	Thursday	<input type="checkbox"/>	Friday	<input type="checkbox"/>
Saturday	<input type="checkbox"/>				

If you work shifts would you:

Need care on weekends and/or evenings/or nights

Make other arrangements for your child(ren) at those times

Where do you live? (Please indicate closest major intersection)

City or Town _____

If you were bringing your child(ren) with you to a childcare program, would you most likely travel by:

Car	<input type="checkbox"/>	Bicycle	<input type="checkbox"/>
Public Transit	<input type="checkbox"/>	Walk	<input type="checkbox"/>
Other	<input type="checkbox"/>		

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Are you a sole support parent?

Yes

No

What is your annual gross family income?

Under \$15,000

\$15,000 - \$19,000

\$20,000 - \$24,000

\$25,000 - \$29,000

\$30,000 - \$39,000

\$40,000 - \$49,000

\$50,000 - \$59,000

Over \$60,000

Your response to this survey is greatly appreciated and is of assistance. If you have further comments regarding the provision of childcare services, please describe them below (or attach a separate sheet).

Comments:

If you would like to be involved in planning, please add your name and telephone number(s), or contact us under separate cover.

Name: _____

Telephone: (____) _____

Appendix 3: Day Nurseries Act - Ministry Checklist

Outline Headings of policies, procedures and written documents that a childcare centre must retain or have posted:

General Policies and Procedures

- Approved Financial Records and Statements
- Behaviour Management Policy and Procedures
- Criminal Reference Check Policy
- Emergency Contact Information for Children, Employees, Volunteers and Students
- Emergency Contact Information for Community Services (police, fire, hospital, etc.)
- Fire Policy and Procedures
- Insurance Policies and Procedures
- Operating License
- Planned Menus (and menu changes), Lists of Children with Allergies and Respective Allergies
- Program Philosophy, Method of Operation and Services Offered (example: Parent Handbook)
- Training and Development Policies and Procedures
- Up-to-Date Records for all Funded Disabled Children
- Up-to-Date Records for Children (including daily attendance)

Health and Safety

- Anaphylactic Policy and Procedures
- Health and Safety Policy and Procedures
- Medication Policy and Procedures
- Playground Safety Policy and Procedures
- Safe Drinking Water Policy and Procedures
- Sanitation Policy and Procedures
- Serious Occurrence Policy and Procedures
- Smoke Free Policy and Procedures

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Description of Policies, procedures and written documents that a childcare Centre must retain or have posted:

- A written fire procedure approved by the local fire chief which specifies each staff member's duties in the event of a fire. This procedure must be posted in a conspicuous place in each room used for the care of children.
- Written records must be kept of all fire drills, all tests of the fire alarm system and all tests of fire protection equipment – each record must be retained for at least two years from the date of the drill and test.
- Policies and procedures approved by the Director with respect to sanitary practices.
- Written policies and procedures with respect to serious occurrences.
- A written procedure must be established by a doctor or registered nurse for the administration of any medication to a child. This procedure must also include proper record keeping practices with respect to the administration of any medication.
- There are written policies and procedures with respect to discipline, punishment and any isolation measures to be used in the childcare Centre.
- Behaviour management policies and procedures set out what practices are permitted and what practices are prohibited; it includes measures to deal with a contravention of the policies and procedures; is reviewed annually by the operator, and is reviewed with employees, volunteers and students before they begin their employment/placement and annually afterwards (a written record of each review of the behaviour management policies and procedures is required and must be dated, signed by the person who made the review and must be retained for at least two years after the entry is made).
- A letter of confirmation from the board of directors or the owner/operator which indicates that the licensed program has developed and implemented a criminal reference check policy – copies of all criminal reference check reports must be kept in employee and volunteer files.
- A playground safety policy must be developed, implemented and reviewed with staff, volunteer and students prior to commencing employment/placement and annually thereafter (a written record of the review must be dated and signed by both the staff, volunteer or student and the person who made the review). Daily inspection checklists, monthly maintenance checklists, seasonal maintenance checklists, annual comprehensive inspection reports, plans of action following an annual inspection, repair logs and injury logs all must be included in this safety policy.
- A written safe drinking water policy must be created and followed by all staff, volunteers and students for the safety of all that use the facility. The policy must ensure that all plumbing that was installed before January 1, 1990 is flushed every day that the Centre is open, and that it is completed before the childcare Centre opens for the day; and that all plumbing that was installed after January 1, 1990 is flushed on the first day that the Centre is open each week, and that it is completed before the Centre opens for the day.
- Copies of all sampling, water testing reports and monitoring must be kept on file. If a laboratory report shows excess lead amounts, the operator of the Centre must give a copy of the report to the medical officer of health, the Ministry of the Environment Spills Action Centre and a copy to the Ministry of Children and Youth within 24 hours.

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- A written no smoking policy must be created and strictly enforced. "No Smoking" signs must be posted throughout the Centre. Staff, volunteers, students and visitors must be advised that smoking is prohibited on premises and on the playground.
- A written anaphylactic policy must include a strategy to reduce the risk of exposure to anaphylactic causative agents; a communication plan for the provision of information on life-threatening allergies, including anaphylactic allergies; an individual plan for each child with an anaphylactic allergy that includes emergency procedures in respect of the child; staff, students and volunteers have received training from a physician or a parent on procedures to be followed if a child has an anaphylactic reaction.
- A written insurance policy must be maintained in full force and effect and should include a comprehensive general liability coverage and personal injury coverage for employees and volunteers, as well as motor vehicle coverage for all vehicles owned by the Centre.
- An accessible up-to-date list of emergency telephone numbers that includes the numbers of the local fire and police departments, the nearest hospital and ambulance service, the nearest poison control centre, and a local taxi service.
- Emergency information for each child enrolled must be readily accessible to each staff member and should include the name, address and telephone number of the family physician, the home and work addresses and telephone numbers of a parent and telephone number of a person to be contacted if a parent cannot be reached, and any special or additional information provided by a parent that could be helpful in an emergency.
- Daily written records that include a summary of any incident affecting the health, safety or well-being of staff, volunteers, students or enrolled children – these records must be kept for at least two years from the date of its making.
- Up-to-date records must be kept on the premises for each enrolled child that includes the application in a form provided by the Minister for enrolment signed by a parent; child's name, birth date and home address; the parent's names, home address(es) and telephone numbers; address and telephone numbers at which a parent or other person can be reached in case of an emergency; names of persons to whom the child may be released; family physician's name, address and telephone number; date of admission; date of discharge; child's previous history of communicable diseases, conditions requiring medical attention, immunization or any statement from a parent or doctor as to why the child should not be immunized; any symptoms indicative of ill health; parent's signed written instructions for any medical treatment, drug or medication to be administered during hours child receives care; and parent's signed written instruction concerning any special requirements in respect of diet, rest or exercise.
- Record kept of the daily attendance of each enrolled child. Arrival, departure or absence of each child must be shown in the daily attendance record.
- Up-to-date records for each funded handicapped child that include consent forms signed by the parent allowing participation of the child in any special programs or services; a record of all referrals; a record of all home visits by childcare Centre staff; a summary and date of any assessments.
- If other than an approved corporation, financial records kept and retained for at least six years from the date of their making. If other than an approved corporation, financial records must show at least assets, liabilities, income, expenses, and accumulated surplus and deficit.

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If an approved corporation, separate books of account must be kept for each childcare Centre maintained and operated by it and they must be retained for at least six years from the date of the last entry in a book for a particular year; must show revenue and expenditures; must contain a record of money received from sources other than under the Day Nurseries Act; must be audited annually by a licensed public accountant who is not a board member.

If an approved corporation, financial statements must be furnished to a director within a specified timeframe; and the fiscal year designated by the Minister must be used.

- License must be posted in a conspicuous place in the Centre.
- If meals are prepared and served by the Centre, planned menus must be posted in a conspicuous place for the current and following week. Any substitutions must be noted on the posted menus. Menus must be retained for 30 days after the last day for which it is applicable. Lists of children who have food allergies and their respective allergies must be posted in each cooking and serving area.
- A written statement must be created that outlines the program philosophy and method of operation and that set out the services offered and the age range served; the times when the services are offered and the holidays observed; the fee for services and the admission and discharge policy; the particular approach of the program including the philosophy of the program, program development, personal and health care, including nutrition, parental involvement, behaviour management, specialized services including individual program plans for disabled children, and activities off the premises.

This statement must be reviewed annually by the operator and reviewed with a parent prior to enrolling the child and whenever a revision occurs.

- Program of activities set out in a daily program plan must be posted and available at all times to any parent of an enrolled child. Any variation in a daily program plan must be noted in a daily written record kept for this purpose.
- Written policies and procedures for staff training and development.