Operating with Reduced Enrollment
If you’ve made the decision to continue operations, these are the factors to include in your ongoing decision tree:

- Your ability to meet adult to child ratios with qualified, healthy staff; follow all state guidance regarding emergency ratios and group size
- Your ability to ensure a healthy and safe environment
- Your ability to access cleaning and sanitation supplies
- Your ability to secure food for meals

Managing Finances with Reduced Enrollment
Child care businesses operating during the COVID-19 pandemic are most likely operating with reduced enrollment. It’s important to continually analyze your business’s financial information to guide your decision-making.

- **Project** how much income (*cash inflows*) you will need to meet your financial obligations (*cash outflows*).
- Account for decreased numbers of **private pay** families remaining enrolled as a result of loss of employment.
- If you have employees, **align your personnel costs** to reflect the number of children enrolled and the cash available to your business. Continue to monitor cash flow and staff your program appropriately.
- **Conserve cash.** If you are required to temporarily shut down, you will need operating cash to start up again. Do not completely deplete your financial resources.
- **Get creative about generating income** by marketing directly to essential worker populations, extending hours of care, or accepting part-time enrollment and drop-in care. Contact your licensing agency in your county or state for guidance.

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**DO:**
- Negotiate short-term relief from your lenders
- Negotiate payment schedules with vendors and suppliers
- Shift from a “profit & loss” mindset to a “cash” mindset
- Conserve your cash for a worst-case scenario in order to re-open to a temporarily closure

**DON’T:**
- Pretend this situation will go away
- Avoid lenders and creditors; most are willing to work with you
- Promise payments you can’t deliver; be realistic and honest
- Borrow money at high interest rates or from disreputable sources; avoid payday lenders or predatory financing terms; read the fine print