



First Children's Finance

Child Care Facility Revitalization Grants

Frequently Asked Questions

Please note that grants are not guaranteed, as they are competitive in nature, and awards in each cycle will depend on total grant applications received.

1. How much grant money can I apply for?

The amount for which you can apply varies by type of child care provider:

Licensed Family Child Care	\$100 - \$15,000
Licensed Child Care Center (for profit and nonprofit)	\$100 - \$20,000
Certified Child Care Center	\$100 - \$10,000
Legal, Unlicensed Family Child Care Registered with CCAP	\$100 - \$500*

**Intended for health/safety needs*

2. I am planning to open a new child care program – am I eligible to apply?

Yes – with proof of license submission and background study clearance, a start-up provider may request a grant for eligible items based on their provider type that are listed as needs on their pre-licensure visit checklist. All other items listed on the pre-licensure checklist must be complete before applying for a facility revitalization grant, so these are the last steps to licensing. We need to take every step possible to ensure that a start-up provider will become licensed and will be able to remain open for 2 years providing care to children other than their own if awarded a grant.

Regional grants limited start-up funding to anything required by the Fire Marshall prior to opening. While we are not holding to that restriction, \$15,000 will go fast with eligible uses for facility grants. It is also a large amount to repay if the license falls through, or if the provider decides not to open a child care program. Therefore, the items that can be covered through a grant need to be the final obstacle to licensing. DHS takes the 2-year requirement seriously – if someone uses a grant and does not meet that requirement, they will have to repay the grant or face consequences that go beyond that which is associated with running a child care program. Worst case scenario, if attempts to recover the grant are unsuccessful, it could be turned over to the Bureau of Criminal Apprehension for criminal prosecution as fraud.

3. If I own two or more centers, can I request items for all the locations I own with one application?

No – each grant application may only cover one license/one setting, and the maximum grant size applies to each license.

4. Why and how is this different from other child care funding sources?

We know that there have been several sources of funding for child care providers over the past couple of years. Each has a different purpose/intent, such as follows:

1. **Peacetime Emergency Grants** offered through Child Care Aware were targeted for 9 months early in the Covid-19 pandemic to keep child care programs open and available for essential workers. It was not available to all providers – only those serving families of essential workers.
2. **Public Health Support Grants** – All child care providers were eligible with tiered amounts and were administered directly by DHS. Providers had only to opt in, and a check was sent for their eligible award amount.
3. **Stabilization grants** using American Rescue Plan Act (ARPA) funds are available to child care providers who demonstrate financial need.
4. **Paycheck Protection Program (PPP)** loans were forgivable loans for paycheck protection available to any business during the pandemic.
5. **Small Business Administration (SBA)** loans, community funds, etc. are available outside of the Department of Human Services structure.
6. **Regional grants** have been available through Child Care Aware for several years and are paid on a reimbursement basis with a \$1,000 limit for Family Child Care and \$2,500 for Centers.

Most child care grants up to this point have been provided on a reimbursement basis and have a lower dollar limit than what is potentially available with this program. Because most child care providers would not be able to cash-flow sizable projects and wait to be reimbursed, 90% of grant funds will be paid up front. The final 10% will be available on a reimbursement basis upon submission of a final report with receipts.

5. These grant limits are larger than regional or stabilization grants – do you have to apply for the full amount, or can you apply for a smaller amount of money?

No – you do not have to apply for the full amount. To ensure that we can provide grants to as many providers across the state as possible, please apply only for the exact amount you need. Grant awards are competitive and will be prioritized based on licensing and health/safety needs. You should provide exact costs in the proposed grant budget without rounding.

Partial grant awards may be made if only a portion of a grant request can be funded.

6. I lease my property. Am I allowed to make leasehold improvements (changes/improvements to the facility) or am I limited to requesting funds for equipment only?

We strongly recommend that you discuss any non-equipment facility needs with your property owner/manager first to ensure that:

- the property owner will allow changes to be made to the property,

- if you make improvements, that the terms of the lease will not change (such as a substantial increase in rent that would force you to move), and
- the property owner has no plans to sell the property within 2 years after grant award.

Each child care provider will be required to remain in business serving children for at least two years after receiving a facility revitalization grant. If you must move and are unable to keep your business open, you will need to repay a prorated portion of the grant based on how long you provide care following grant implementation. Therefore, it is in the best interest of the provider to receive a guarantee in writing from the property owner that making leasehold improvements will not lead to an unfavorable change in lease terms.

7. I am planning to retire next year but I have facility needs that would impact children in my care now. May I apply?

No – Each child care provider who receives a facility revitalization grant MUST remain in business providing care for children other than their own for at least two years following grant implementation. This also means that a provider cannot simply maintain an active license with an “open” business; they must be providing care for children.

8. I am planning to move within the next two years and will continue to provide child care in my new home. Do I have to remain in the same location providing care for two years after grant implementation?

You need to continue to provide care for children other than your own for two years within the State of Minnesota. You do not need to remain at the same address as long as you continue to provide child care services for a full two years.

9. I am currently a licensed family child care provider, but I hope to find a larger location and apply for a center license at a new location in Minnesota. Can I apply both as a family provider and a center provider if I make the transition within 2 years?

You may apply now as a family provider. If you open a new center location, you could apply for the additional \$5,000 as a center provider. You will need to report the change to First Children’s Finance, as it would appear that you are no longer providing care to children through your old license. As long as the grantee is providing continual care to children for two years following each awarded grant, this type of transition is acceptable.

10. The attestation states that I cannot use funds to supplant expenditures for which there is another federal, state, tribal and/or local public funding source. What does that mean?

You cannot use these grant dollars for anything for which you have already planned to use other public funding. For instance, if you have stated that you will use a regional grant to install a fence and the regional grant covers the cost of the fence, you cannot state that you will use this grant for the fence as well. If you

have another grant or loan that does not cover the full cost of a needed project or service, you can use this grant only for the portion not already covered by the other grant or loan.

11. The manual states that sectarian organizations with the child care license is limited to health and safety needs. How is sectarian organization defined?

Sectarian is defined at 15 C.F.R. 2301.1 as “that which has the purpose or function of advancing or propagating a religious belief.”

Example of a Sectarian Organization: A church/synagogue/mosque that holds a license to operate a child care program. The child care staff are employed by the organization and the child care program is part of their mission and programming.

Example that is **NOT** a Sectarian Organization: A child care provider that rents space from a church/synagogue/mosque and is otherwise not affiliated with the organization’s programming.

12. If I have a loan through First Children’s Finance or if I received a Business Leadership Cohort grant, can I also apply for this grant?

Yes – you can still apply if you have another type of grant or loan through First Children’s Finance, providing you are not in default on your loan. Being in default on a First Children’s Finance loan makes you ineligible per your loan agreement.

13. I currently have a loan intended to address facility needs. Can I apply for a grant to pay back my loan sooner?

No – grant funds may not be used to repay loans. They also may not be used to reimburse you for child care facility-related needs paid for prior to receiving the grant. Eligible expenses may only be incurred **AFTER** grant award notification and the date that First Children’s Finance receives your signed grant agreement for items/needs that have no other previously-identified funding source.

As noted in the previous question/answer, Individuals who have defaulted on First Children’s Finance loans are not eligible to apply, per the loan agreement.

14. If I have other loans or grants, will that diminish my chance of receiving a facility revitalization grant?

No – we are not asking for your business’s financial statements. If this grant will be used to fund a larger project, it will be helpful for us to know your other sources of funding in your report, but it will have no impact on grant award decisions.

15. I have a major renovation project and I want to apply for a facility revitalization grant for a small portion of my larger project. There are other grants I can apply for that require matching funds. May I use this grant as a match to leverage additional funds?

From First Children's Finance perspective, yes. However, you will want to check with the source of the other funds to make sure that they will accept this grant as a match, as these are public dollars coming through the State of Minnesota. It may not be allowable match from another funder's perspective.

16. What if I have a larger project – can these funds be used as part of a bigger project?

Yes – you may apply for funds as a minor purchase, or minor aspect, of a larger project. Examples of major renovation projects for which a facility revitalization grant may pay for a small portion include:

- Minor aspect of converting home garage or other building on private property for child care program;
- Minor aspect of renovating unused space for community child care solution such as a portion of a church, school, community center, senior center, store front, business, pod, or vacant house.

17. Tree roots are causing problems with my plumbing and are a potential health risk if it causes my plumbing to completely back up. Is applying for grant funding to get rotor rooter service allowed?

Yes – plumbing and rotor rooter are covered under repair for health/safety needs.

18. The entirety of my grant will be paid to a contractor. Can First Children's Finance just send the grant to my contractor?

No – As the child care provider and grantee, you will receive a 1099 as reportable income on your taxes, and the agreement for work provided is between you and your contractor. Any liability or dispute regarding quality of work would need to be resolved between you and the contractor. Therefore, First Children's Finance will only send grant payment to the child care provider receiving the grant.

19. My center is a nonprofit. Do I still need to submit a W9 and receive a 1099?

Yes – you can indicate on your W9 that you are nonprofit, and if/how you report grant income to the IRS would be up to you and your tax preparer.

20. Does the project need to be done by a licensed contractor, or can it be done by a capable homeowner who works in construction?

A child care program owner may do their own work and the grant can be used to pay for parts/materials. **Grant recipients and/or their immediate family members are not eligible to be paid for labor costs under this grant program.**

If providers hire labor for a project, the labor must be performed by a contractor following applicable state and local laws and regulations regarding registration and licensure. See <https://www.dli.mn.gov/business/residential-contractors-remodelers-roofers> for more information. The individual performing the work will need to meet local permit and inspection regulations. Unless the work is being done by the child care provider (and/or family/friends), an estimate or bid by a contractor is required for the installation of fences, windows, roofing, or other minor renovation projects eligible under this program.

Documentation of labor costs paid for by grant funds must include business name, address **and Tax ID of person or entity** performing the work and must be verifiable by the grants accounts payable specialist.

Submit **ONLY** the estimate/bid/invoice you intend to hire with your budget on your application. We do not need to see multiple bids.

21. Will an inspection be required when my project is done?

Please check with your local municipality to know if they require permits or inspections for the work you will be doing. You are required to abide by all state and local municipality regulations, but First Children's Finance will not require a grant-specific inspection. We will ask for before and after pictures in the final grant report.

22. Why may grant funds cover only 50% of appliances if they are shared with my family or another organization? Children are at my site more than 50% of the time.

This is the percentage allowed by DHS across all DHS-funded grant programs.

23. What is the period for me to use the funds, and will I have to provide a report?

With 10 grant cycles over two years, we ask that you wait to apply until your project is ready to implement and if you are hiring labor, you know that the work will be completed within six months of the application. A final report will be due **six months** after the grant award notification. If a grant is unavoidably delayed due to supply chain or contractor availability issues, a grantee may request an extension in writing. Please do not apply without checking on contractor availability and scheduling first! Approval of any variance or extension must be granted in writing. Final reports must outline the impact the grant has had on your child care business, and must include receipts for all grant spending.

24. What do I need to include in the final report?

A grant report form will be provided, and final reports must include narrative on the impact the grant has had on your child care business. Receipts are required for all grant spending. We will ask about the number of child care slots and jobs that benefited (preserved and/or added) and if you experienced any barriers in implementation. We will ask for before/after pictures with an optional media authorization form to seek your permission to share your grant story.

25. You are asking for Before/After pictures in the report to help tell the story. May I submit a picture with my application to help underscore the need?

Yes – there will be a place in the budget section where you can upload supporting documentation. If you believe a picture will help demonstrate your need, you may include it with your application.

26. What if I lose my receipts for the purchases made?

Receipts are required as a part of the final reporting on the funds awarded. You will need receipts for your business taxes as well, so every effort should be made to keep receipt documentation for all expenses. If you lose a receipt, contact the seller/contractor for a replacement receipt.

27. What if I do not use the full amount of the funds awarded?

Grant funds not spent within 6 months of the award date must be returned to FCF immediately, unless an extension has been granted in writing due to a contractor or supply chain issue. Any amount not documented with receipts will need to be returned.

28. Do I need to have a quote available during the application process to apply? Or do I just apply and then figure out how much we need after we have been approved?

Yes – your grant application budget should be based on an accurate quote for your project or purchase estimate. With 10 grant rounds over the next two years, we really want providers to wait to apply until they are 100% ready to implement their proposed project. A final report will be due within 6 months of award notification, so it must be ready to go once funding is received and the grant agreement is signed and returned.

29. Why are things like large outdoor toys, or strollers excluded?

Large outdoor toys including portable toddler climbers, bikes/trikes and strollers are program-related expenses. This grant is limited to funding only those services or items that relate to facility revitalization, with a priority to licensing and health/safety improvements.

30. Can each grant be used for one item/project only (such as a fence or a piece of equipment) or can more than one item/project be requested?

You may request more than one item/project on your application. Grant awards will not exceed the maximum allowed grant. Keep in mind that your final report will be due 6 months after the award notification, so apply only for the work that you can accomplish during that 6 month period. If you did not receive the maximum allowed grant, you may submit another application after you submit your final report for the first grant in an amount that does not exceed the maximum grant award with combined grant totals.

31. Who can I contact if I have questions about the application while filling it out?

Technical assistance is available by email at grants@firstchildrensfinance.org.

During each two-week period that the grant portal is open for applications, technical assistance is available by phone at 612-473-6020 during the hours of Monday – Friday 9 a.m. – 4 p.m. and on Tuesday, Wednesday, and Thursday evenings from 6:30 – 8:30 p.m.

32. How do I create a Submittable account? Who do I contact if I am having technical issues with Submittable?

To create a Submittable account to complete a grant application, go to: www.firstchildrensfinance.org/for-businesses/grants.

At the bottom of the page, click on “Click Here to Apply.”

Enter your e-mail address, create a password, and enter your first and last name and your account will be created so that you can continue with the application.

Help relating to the information requested in the application is available by email at grants@firstchildrensfinance.org. A help line is also open during the times that the grant application portal is open at 612-473-6020 at the hours noted above in the previous question.

Technical assistance regarding the Submittable application portal (technology) can be requested by clicking the “?” in the upper corner of the portal.

33. Will I have a better chance of being funded if I submit my application either in an early round (this year instead of waiting until next year or later) or at the beginning of each round?

No – approximately \$2 million is reserved for each quarterly grant cycle, so your chances of being funded are not any better in an early round.

All applications submitted during each open application period have an equal chance of funding and decisions will be made based on merit of the grant application proposal. No decisions will be made until after each grant application period closes.

34. How long will it take for me to find out if I am awarded a grant, and after that, how long will it take to receive funds?

We anticipate having award notices out within 4 weeks of each application closing date, but that will depend greatly on the number of applications received each quarter.

The timing of when you receive your funds will depend largely in how long it takes you to return the signed grant agreement, W9 and ACH Electronic Transfer Authorization form. **Reminder:** all receipts must be dated

on or after the date we receive your signed grant agreement, so it is in your best interest to return those items as soon as possible once you receive notification.

35. What if my application is denied – can I apply again in a later round or make changes and apply again?

If your application is denied because there was insufficient funding in that particular round, or we recommend changes, you may reapply. If your request is denied because it does not meet eligibility requirements, you would not be able to reapply for that same purpose.

36. What happens if I have to close my business before providing care for children for two years?

Because these grants are publicly-funded and authorized by DHS Rule, you will be required to repay all or a pro-rated share of the grant based on how long you remained in business caring for children. While licensing sanctions or the loss of eligibility for future public payments or grants for the child care business may no longer apply to you, if you do not repay the portion of the grant determined to be in need of repayment, DHS could turn you over to the Bureau of Criminal Apprehension for fraud. The intent of the legislature in making this allocation is to stabilize the child care sector – remaining in business for two years is the required “return on investment” for these tax-payer dollars.

37. What does it mean to preserve a child care slot?

We understand that many child care providers have been at risk of closing during the pandemic. If you are able to continue providing care for children as a result of this grant, you have preserved the number of child care slots for which you are licensed or for whom you are providing care.

38. I have questions about whether or not my specific project is eligible under this grant program. Where can I learn more?

A list of eligible and ineligible uses is included on the website, and a comprehensive grants manual is also available on the website. Refer to these resources to find information related to your specific situation.

If you cannot find the answer in those documents, you may email grants@firstchildrensfinance.org or call the help line at 612-473-6020 during open grant application periods. The help line is answered only when the application portal is open.