



Daycare Center Starter Guide

This guide tells you which forms you need to fill out, offices to visit, and decisions to make when starting a daycare center in Minneapolis.

For additional support, call 612-673-2499 or email smallbusiness@minneapolismn.gov



Create a Plan

- Are you ready to be an entrepreneur?** Planning, launching, and running a business is a lot of work. Ask yourself these 20 questions before starting the process. <https://goo.gl/4CmNrk>
- Understand Licensed Care Centers in Minnesota.** Learn the basics about child care in MN and the regulations that apply. <https://goo.gl/Mo844U>. Go here for information on adult day services. <https://goo.gl/KVNUo4>
- Connect with a small business consultant** at a service provider through the Minneapolis Business Technical Assistance Program (B-TAP) to access business training, support, and advice for opening your business. <http://www.minneapolismn.gov/business/B-TAP>



Building a relationship with a small business consultant can be a crucial step in your journey as an entrepreneur.

- Write a business plan** to map out your steps and ensure your business will start and run successfully. <http://www.bplans.com>



Starting a business can be expensive. You will need to have enough money to run your business for at least the first several months without relying on a profit. Using calculations from your business plan, determine how much capital you will need to start.

- Secure financing for your business** by connecting with a lender from a community bank, credit union, or Community Development Financial Institution.
- Determine if you qualify for any of the City's financing resources** offered through Community Planning and Economic Development (CPED). <https://goo.gl/e5yVLT>



Prepare Your Space

- What type of daycare will you will provide?** Family child care is provided in the caregivers home with no more than 14 children at any one time; a care center is located outside the caregiver's home and can serve larger numbers of children or adults. <https://goo.gl/tALJHS>
- For a daycare center,** visit the Minneapolis Development Review Customer Service Center at 250 South 4th Street, Room 300. You will meet a Development Coordinator (DC) who will provide ongoing guidance on all City building and health regulatory requirements.
- Your location** must meet all zoning and building code requirements before obtaining your daycare license from the State of Minnesota. <https://goo.gl/VYUCKM>



If any building changes are required to bring your space up to code for a daycare center, you may need to hire an architect and general contractor.



Your general contractor will pull construction permits, oversee work, and schedule inspections with the City.

- Request Sewer Availability Charge (SAC) determination letter.** You may be required to pay a fee for the waste water your business will generate. This fee can be high, so get an estimate early to plan for the cost. <https://goo.gl/UjXjx8>.
- Check if you qualify** for the City's SAC deferral program for small businesses. <https://goo.gl/8Zvxxj>
- Review American with Disability Act (ADA) guidelines** to make sure the location you've chosen is accessible and meets all ADA requirements. <https://goo.gl/xMLWFw>
- Sign your lease.** Before you sign, make sure you location is zoned for a daycare center and review your lease with a lawyer.



Register Your Business

- Verify the name you would like for your business is available.** You can use the Secretary of State Online Business Services page to check name availability. <https://goo.gl/3ttDys>
- Choose a business structure.** Decide what type of business structure is right for your business. <https://goo.gl/hmwa6K>
- Register your business with the MN Secretary of State.** LLCs, Corporations, Nonprofits, and Limited Partnerships must register with State of Minnesota. <https://goo.gl/C7rJW5>
- File a Certificate of Assume Name** if you will be using a name other than your given name, the names of your partners, or the officially registered name of your LLC or corporation. <https://goo.gl/6b8Mpe>
- Apply for a MN Tax ID and a Federal Employer ID Number.** Both are used to identify your business. If you are a sole proprietor, you may be able to use your Social Security Number instead. <https://goo.gl/aHRUCU>



Before you begin withholding state taxes, you must register for a Minnesota tax ID number. If you fail to register prior to withholding Minnesota taxes, you may be subject to a \$100 penalty.

- Research the insurance you will need,** such as workers' compensation, liability, disability, and property insurance. <http://www.dli.mn.gov/WC/Employer.asp>
- Make a plan to have a certified food manager on site.** Minnesota state law requires that a certified food manager be present on site at all times when food preparation is happening. Certification requires a day-long class in food safety. <https://goo.gl/tEk9WZ>

To speak with a Development Review Coordinator or Business Licensing Representative, visit the Minneapolis Development Review Customer Service Center

Free Parking is available.

http://www.ci.minneapolis.mn.us/mdr/mdr_location-and-parking

Public Service Center Building, Room 300
250 S. 4th Street
Minneapolis, MN 55415

Mon - Wed, Friday | 8:00 AM - 3:00 PM

Thursday | 9:00 AM - 3:00 PM



Get Your License

- If you will provide family daycare from your own or someone else's home**, you will be licensed by your local county. Review the application and requirements. <https://goo.gl/THdkZp>
- If you will operate a daycare center from a location other than a home**, you will be licensed by the State of Minnesota. Review the application and requirements. <https://goo.gl/ey8v8b>



A license application is not considered complete until all required documentation is submitted to the county and/or the State of Minnesota.

- Complete required training.** Prior to obtaining your license, any caregiver must complete specific training approved by the Minnesota Department of Professional Development.
- Complete a background check.** This is required for you and for all other owners, managers, and staff of your business. <https://goo.gl/kiu3XU>
- Complete Food Plan Review application.** If you plan to serve food, you will need to have a food plan approved by the City. <https://goo.gl/6o7LPf>
- Submit required documents and fees for your license**, including your tax ID information, workers compensation insurance policy information, three references for family daycare, and additional documents for a daycare center listed in the checklist at the end of the license application.



A Certificate of Occupancy is required before you can open your daycare center. If construction was performed on your building, you must schedule a final inspection with the City by calling 612-673-2327.



What if...

- If you plan to hire employees**, be sure to follow all wage and employment guidelines. Most of these are set by the State: <http://www.dli.mn.gov/LaborLaw.asp>. There are some Minneapolis-specific labor ordinances, like Sick and Safe Time: <http://sicktimeinfo.weebly.com> and Minimum Wage: <https://goo.gl/q7NQDm>



Any employees you hire must pass a background check. <https://goo.gl/kiu3XU>

- If you add additional children**, make sure you are remaining within the ratio and group size requirements for your license. <https://goo.gl/MbX4cT>
- In case of emergency**, make sure you have an emergency plan in place for your daycare. Follow this guide to create your emergency plan. <https://goo.gl/Kq8UVx>
- If you will provide transportation**, you must comply with all transportation policies. <https://goo.gl/StMtze>
- Make sure your space stays safe.** Stay informed on these common safety issues. <https://goo.gl/6RhiGD>
- If you will serve food**, check out the Child and Adult Care Food Program. This federal program offers education on nutrition and pays providers monthly for some of the cost of the food they serve to children. All licensed family child care providers are eligible for this program. <https://goo.gl/cjpc4o>



After Opening

- Join a professional association** to grow your network and connect with other child care providers. Try the Minnesota Licensed Family Child Care Association. <http://www.mlfcca.org> or the Hennepin Licensing Family Child Care Association. <http://hlfca.org>
- Post all required posters and permits**, including your Dot number, business license, and required state labor law posters. <http://www.dli.mn.gov/ls/posters.asp>
- Mark your calendar.** Schedule equipment maintenance and set reminders to renew your permits and licenses as needed.
- Be prepared for health inspections.** If you will be serving food, your first routine inspection will be scheduled within 60 days of opening. Inspectors will arrive unannounced. Be sure you are always following food safety practices by regularly completing a self-inspection. <https://goo.gl/f2mJZR>
- Prepare and pay your local, state, and federal taxes** <https://mn.gov/deed/business/starting-business/taxes>
- Renew Your License** and stay up-to-date on your training.