

**RONALD V. MCGUCKIN AND ASSOCIATES**  
**Post Office Box 2126**  
**Bristol, Pennsylvania 19007**  
**215-785-3400 215-785-3401 (FAX)**  
**Childproviderlaw.com (website)**

**DEVELOPING A SCHOLARSHIP PROGRAM**

Many child care programs across the country are currently offering “unofficial” partial scholarships to children every day and they don’t know that they are doing it...and worse yet, the client’s that are receiving these “unofficial” scholarship don’t know that they are getting them. When your business is operating at a loss, you are in essence providing partial scholarships to each family attending your program. The money to cover expenses is coming from somewhere...If you want to have a healthy business it is important to know not only where the money is coming from but what it is going to, and you have to cover your costs. By developing a formal scholarship program, you open up outside funding sources. Now, the scholarship money won’t be coming out of your pocket...and you will finally be recognized for your good deeds.

There are several keys to starting a scholarship program. You must define the eligibility requirements and set up any conditions placed upon the recipients once they are awarded the monies. You get to make the rules here. So long as your requirements do not illegally discriminate, you can set your requirements up any way you choose. You will need to set up an account where the money will be placed for scholarship use, and you will need to identify and pursue funding sources for the scholarship. (i.e. Fundraisers, private donations, grants) A for-profit business may be limited by the lack of foundation and corporate grants available to them. But, all business entities can effectively set up a scholarship program, the for-profits may have to work a little harder to find those donations. Monies collected from government sources (i.e. child care subsidies and food program) may not be used to fund your scholarship program.

The suggested requirements outlined below develop a scholarship program that will provide a partial scholarship to families who make slightly more than what you can make and be eligible for government child care subsidies. The idea here is that if a family is eligible for government money, let them get that money, and use the scholarship money for others. As your scholarship program grows, you may be able to offer larger scholarships including full scholarships if you choose.

**Suggested Eligibility Requirements: (you can establish any requirements you choose)**

- A. Parents or guardian of child must complete and submit a Scholarship Application Form by the deadlines established by [AGENCY NAME]
- B. Scholarship may only be used at [AGENCY NAME]
- C. Family must have an annual gross income within 201% 250% of the Federal Poverty Income Guidelines (FPIG)
- D. Child’s account must be paid up to date.
- E. Child must be enrolled for three or more days per week

**Suggested Documentation of Need: (you may establish any documentation requirements you choose)**

- A. Tax returns from both parents for the previous year.
- B. Copies of both parents pay stubs for four weeks prior to submission of application.
- C. Submit copy of one or both (if applicable) of the following:
  - a. Denial of eligibility, for child care subsidy from any local or regional office of the Child Care Information System (CCIS), within three months of applying for this scholarship.
  - b. Denial of eligibility, for child care subsidy from a [Your state] County Assistance Office, within three months of applying for this scholarship.

**Suggested Conditions of Scholarship Award: (you may establish any conditions you choose)**

- A. Only partial scholarships are awarded
- B. Scholarships are awarded on a per child basis
- C. Scholarships are awarded for a period not to exceed twelve months from the date the scholarship term begins.
- D. Scholarships will be revoked in the event the child’s tuition and fees are not paid on time in accordance with the Contract for Services/Fee Agreement and/or the parents/guardians violate any of the agency’s policies outlined in the Parent Handbook.
- E. Scholarship will be revoked in the event the child/family becomes eligible for child care subsidies during the scholarship period.
- F. Scholarship will be revoked if it is determined that parents/guardians provided false information on the scholarship application and/or the supporting documentation.