

SECTION ONE: COVER LETTER

Dear Colorado Child Care **Provider**,

Thank you for all that you do to promote access to child care in Colorado.

As you may know, a group of business, community and government leaders are working to inform home- and center-based child care owners, directors and providers about the incredible opportunity to generate more revenue for your school/facility/home through the **Colorado Child Care Contribution Tax Credit (CCTC)**.

We are passionate about spreading the word about this opportunity because it can be a powerful resource, increasing cash flow for child care providers and, ultimately, improving access to care in our state. We thank you for accessing this toolkit to learn more.

The toolkit is divided into two sections. The first section is designed to share some factual information on the CCTC and to walk you through the simple process of accepting donations and if you are not already a qualified center, what you need to do in order to become qualified. The second section will provide you with some of the tools necessary to take advantage of the CCTC and to inform others in your community about this opportunity.

To begin, please read this letter and take the time to review the Section One materials, and when you are ready, there is a separate letter that explains the contents of Section Two.

What is the Colorado Child Care Contribution Tax Credit?

The Colorado Child Care Contribution Tax Credit enables qualified child care providers to receive financial donations directly from individuals and businesses. These funds can be used by the child care program in a number of ways, including:

- Purchase enrichment materials
- Send staff to professional development opportunities
- Establishment or operation of a child care facility
- Grant or loan programs for parents
- Training programs for child care providers
- Information dissemination programs that assist parents with child care information and referral services

Taxpayers are incentivized to use this credit because they can claim a Colorado income tax credit up to 50% of their total contribution. It is easy for providers to qualify and to take advantage of this opportunity. Please see the accompanying **Provider FAQs** for additional information.

Benefits of the Colorado Child Care Contribution Tax Credit

You are already well aware of the importance of early education to children, their families and to our communities. And there is plenty of research that supports these important impacts. But did you know there is an \$8.60 return on investments in early childhood education? This means that every dollar spent

on programs to benefit young children returns more than an \$8 in economic benefits to society throughout the life of the child.

For example, quality child care has been associated with increased academic performance and achievement and decreased dependence on public services and criminal involvement later in life. Access to reliable child care also affects a parent's ability to work and be productive while working. The value of investing in early childhood cannot be overstated.

The Colorado Child Care Contribution Tax Credit incentivizes Colorado individuals and businesses to financially support child care and early education. **And unlike many other funding opportunities, the CCTC is quite flexible in how you, the provider, can use the monetary contributions you receive.** Providers can use donations for a wide variety of things, such as facility improvements, professional development and training for staff, and for the purchase of books and other enrichment materials.

[Insert any information on previous success stories/provider quotes]

How do I qualify?

Qualifying and accepting donations through the CCTC is really quite simple, consisting of two steps (for even more details, including the application, please see the accompanying **CCTC Process Overview**):

1. Licensed child care programs are already automatically qualified. Unlicensed providers must register with the Colorado Department of Revenue by completing for *DR 1318, "Unlicensed Child Care Organization Registration Application"* (see attached for form).
2. Upon receiving a financial contribution from a Colorado taxpayer or business, you will need to complete the *DR 1317, "Child Care Contribution Tax Credit Certification"* form, giving one copy to the donor and keeping a copy for your records (see attached for form).

In sum, the CCTC is an incredible opportunity that can generate new revenue directly for your program. Please take the time to review the accompanying resources included in this first section:

- **Provider FAQs**
- **Forms DR 1317 and DR 1318**
- **CCTC Process Overview**

When you are ready, please see Section Two for tools that you can use to start securing money. We hope you will join us in taking advantage of this amazing opportunity and helping to spread the word to those in your community.

Thank you!

[FROM]

If you have any additional questions, please feel free to contact [WHO]