

INFORMATION ABOUT SUBSIDIZED CHILD CARE

TO ALL CHILD CARE PROVIDERS:

A family who is eligible for assistance with the cost of child care would like for you to provide care for their child(ren). If you are interested in receiving public funds for providing care for children eligible for subsidy, please read the information in this letter to see what you need to do first.

CHILD CARE VOUCHERS

When a child is eligible for child care assistance, the parent(s) will bring you a Child Care Voucher (DCD-0446). If you can provide care for the child, you and the parent(s) may make arrangements for the care of the child. You and the parent(s) must each complete the provider and parent information on the Child Care Voucher before enrolling the child in your program.

You must send the Child Care Voucher to the local purchasing agency (LPA) prior to being approved for subsidy funds. You **will not** receive the first payment for subsidized child care until the following has been completed:

- You have enrolled in the Subsidized Child Care Program (SCC).
- You have returned the signed Child Care Voucher to your local purchasing agency.

Each month you will receive a payment for from the local purchasing agency for serving children who are eligible for Subsidized Child Care.

GENERAL INFORMATION

A family who is eligible for public child care assistance (also called subsidized child care) may choose any type of child care arrangement which they prefer, but the child care provider must be willing to meet certain requirements in order to receive the funds. Also, the amount of money which can be paid for each child usually has a limit and, sometimes, may not be as much as what the provider charges for other children in care.

Short summaries of the provider requirements and rate information are included in this letter. However, the requirements for providers depend on a number of things, such as whether the care will be provided in a home setting or a child care center and what type of public funds will be used to pay for the care. For this reason, new providers should ask the local purchasing agency contact person listed on page 4 of this letter for information about which set of requirements applies and how much they may be paid for subsidized child care.

SUMMARY OF REQUIREMENTS FOR PROVIDERS

A. Child care provided in your home or in the child's home:

1. If you care for three (3) or more children (who are not related to you) for more than four (4) hours, then you must be licensed by the Division of Child Development (DCD), this is true even if you **do not** wish to receive public funds.
2. If you operate a state licensed family child care home or center, then you **are not** required to meet any other state requirements for enrollment in the Subsidized Child Care Program.
3. If you are interested in providing subsidized child care then you may obtain enrollment information for the Subsidized Child Care Program from your local purchasing agency that is identified on page 4 of this letter

4. Even if you are not required to be licensed, you may still have to meet some health and safety requirements in order to receive public child care funds. This may be true even if you care for only one (1) or two (2) children, and even when the children are related to you. The contact person of the local purchasing agency listed below can help you decide which set of requirements is right for you.
5. You may also have to give your social security number to the local purchasing agency. If so, your social security number is treated as **confidential** information. The LPA is required by federal tax law to submit information at the end of each calendar year regarding subsidy payments made to individuals.

B. Child care provided in a center or other facility:

1. Child care arrangements which care for six (6) or more children for more than four (4) hours a day must be licensed by the Division of Child Development..
2. Licensed centers and church-sponsored centers operating with a Notice of Compliance may provide subsidized child care without meeting any additional requirements. Also, these programs must be enrolled in the Subsidized Child Care Program to show that they are willing to provide subsidized child care and that they understand the requirements for the use of public child care funds. Any child care center may obtain enrollment information and forms from the Division of Child Development or from the local purchasing agency listed on page 4 of this document.

C. All Child Care Providers:

1. All child care providers must be enrolled in the Subsidized Child Care Program to provide subsidized child care before they receive the first payment for providing care to children eligible for child care assistance. To be enrolled, a child care provider must:
 - Be operating legally.
 - Meet all of the requirements for the type of child care arrangement needed.

And

 - Complete an enrollment form that gives basic information about the child care arrangement; such as the type of child care, the location, and rate information (for example: the fees charged to private paying parents).
2. The local purchasing agency will reimburse the provider for child care if she has signed the Child Care Provider Agreement (DCD-0452). This agreement is a statement that the provider understands the requirements for receiving public child care funds.
3. Providers must send information about the enrollment and attendance of children receiving subsidized child care to the local purchasing agency each month.
4. Providers must keep records of the children they care for, the payments they receive for these children, and all other completed subsidy forms and rates for at least three (3) years or until all on-going audits are completed. These records may occasionally be audited by the staff of local, state, or federal agencies.
5. North Carolina law requires the submission of a local and state, and in some instances a federal, criminal records check to the Division of Child Development by all providers receiving state or federal funding and their employees. Also, nonlicensed home providers and all household family members **over age 15** are required by law to submit a local and state, and sometimes a federal, criminal records check to the local purchasing agency.

SUMMARY OF RATE INFORMATION

If licensed centers and homes, religious-sponsored programs (G.S. 110-106) and nonlicensed facilities offer private paying parents a discount for paying early, then the subsidy payment will not be more than *ten percent (10%) above the discounted early payment rate for private paying parents and shall not exceed the on-time rate or the applicable market rate.* After a provider enrolls in the subsidy program, the child care coordinator of the local purchasing agency will send the provider a copy of the completed Application for Enrollment to be a Provider of Subsidized Child Care Form (DCD-0451) with the provider's approved subsidy payment rates and other approved fees for child care services.

A. Rates for child care provided in your home or in the child's home:

The maximum rate which can be paid to a nonlicensed home provider, which would include the child's home if unlicensed, is one-half ($\frac{1}{2}$) of the one star county market rate. The county market rate is set by the Division of Child Development and is based on an amount that is paid by most families in that county for home-based child care. The star market rates are different for each county. A county may also have different rates for different ages of children.

B. Rates for care provided in a licensed child care facility:

The maximum rates which can be paid to a licensed child care facility are limited to the applicable county star market rate or the provider's charge to private paying parents, whichever is lower. (Bonuses or enhancements may be available from the local Smart Start partnership.) The rate for a particular child is usually determined prior to the time the child enrolls in the child care facility.

C. Supplemental rates for care of children with special needs:

The amount paid for a child with special needs enrolled in a child care center or home may be supplemented in some cases. Contact the local purchasing agency for further information.

USE OF PUBLIC FUNDS

Providers must keep all records of the children for whom they receive public funds for at least three (3) years. It is possible that a particular child care arrangement(s) may be selected for a local, state or federal review or audit. If so, the provider must make records available to the persons requesting the records during the review or audit process.

If you operate a business, such as a licensed child care center or home or religious-sponsored program (G.S. 110-106), you will be expected to comply with other federal laws because you receive public child care funds. For example, you will need to be aware of and follow the guidelines of the Federal Civil Rights Act which prohibits a child care provider/employer from denying enrollment of children or employing staff because of their race, sex, creed or national origin. The size of your operation and the number of staff you employ determine which parts of the federal laws will apply to you.

If you need help with determining which laws apply to your program, contact the local purchasing agency staff listed on page 4 of this letter or the child care resource and referral agency in your community for assistance.

RESPONSIBILITIES OF THE PROVIDER

Providers should ask their local purchasing agency contact person to explain the requirements for making changes that would affect their enrollment in the Subsidized Child Care Program and payment for services provided; such as changes in ownership, location, ages of children served, private paying rates, registration fees, and incorrect subsidy payments. You must notify the contact person of any changes prior to the effective date of these changes in your child care program.

Providers must review the Child Care Reimbursement Summary that is mailed each month from the local purchasing agency. The provider must notify the contact person of the local purchasing agency within 30 workdays of the receipt of the Child Care Reimbursement Summary of any errors in the summary or any information misrepresented that would provide payment for child care services for which the provider may or may not be entitled due to inadvertent or intentional error by the provider or the local purchasing agency. If the provider fails to disclose errors or material facts in a timely manner to the local purchasing agency, then the provider could experience termination from the Subsidized Child Care Program, criminal charges, and/or be required to repay overpayments dated back to the date of their occurrence or non-payment for underpayment of services provided. **Note:** *After the first incident of fraudulent misrepresentation, a provider cannot receive payment with child care subsidy funds from any LPA for any new children that enroll in the provider’s program for twelve (12) months. Also, after the second incident of fraudulent misrepresentation the provider will not be eligible, permanently, to participate in the Subsidized Child Care Program statewide.*

FAIR HEARINGS AND APPEALS

The provider has the right to appeal the denial or termination to be a provider of the Subsidized Child Care Program by following the appeals process in General Statute of 150-23. This rule requires the licensed provider to file a petition with the Office of Administrative Hearings and nonlicensed providers must contact their child care contact person listed below for the fair hearings and appeals process.

PROVIDER ENROLLMENT

If you would like to offer subsidized child care, but you are not enrolled in the Subsidized Child Care Program, please complete the Application for Enrollment to Be a Provider of Subsidized Child Care (DCD-0451) and Child Care Provider Agreement (DCD-0452) and send it to the child care contact person of the local purchasing agency listed below. A telephone number is provided in case you have questions or need assistance.

INFORMATION BELOW MUST BE COMPLETED BY THE LOCAL PURCHASING AGENCY

LPA Child Care Contact Person: _____

Name of LPA: _____

Telephone Number of Child Care Contact Person:() _____

Address: _____

City: _____ **Zip Code:** _____