

## I. CHAPTER OVERVIEW

This chapter describes the requirements and procedures for enrollment and approval of licensed and G.S. 110-106 facilities and other types of child care programs that are eligible to participate in the Subsidized Child Care (SCC) Program.

## II. ENROLLMENT REQUIREMENTS

Child care providers must enroll in the SCC Program through the local purchasing agency (LPA). The purpose of the provider enrollment process is to determine if the provider selected by the parent is operating legally and to collect rate information from the provider in order for the provider to be approved for payment.

The enrollment process begins at the county level and results in the issuance of an Approval Notice for each provider. The Approval Notice serves as notification to the LPA that the provider is eligible to receive state and federal subsidy funds for child care. In order to receive an Approval Notice, the program must meet the applicable licensing requirements for the age groups of children in care. The Approval Notice is generated by the Division of Child Development (DCD) and can be accessed in the SCC Reimbursement System that is maintained by DCD. The information on the Approval Notice includes the same information that is printed on the [License](#) or [Notice of Compliance](#).

All providers who choose to care for children receiving SCC funding must have an Approval Notice in order to receive payment, with the exception of:

- Nonlicensed home providers
- In-home providers
- Transportation-only providers
- Out-of-state providers
- G.S. 110-106 programs requesting that direct payments be made to parents.

### A. Licensed and Regulated Child Care Providers

In order to receive subsidy funds, providers operating child care programs such as preschools, before- and after-school programs, summer day camps, and other child care programs which are not required to be regulated according to State law, **must** be licensed and be issued an Approval Notice. Religious-sponsored programs do not have to be licensed to operate and may operate with a Notice of Compliance. A Notice of Compliance must be obtained before religious-sponsored programs can be issued an Approval Notice and receive payment for

subsidy. Programs operated in public schools must also be licensed to receive subsidy funds.

An unregulated provider who desires to be licensed by DCD in order to participate in the SCC Program should contact DCD at (919) 662-4527 or 1-800-859-0829 and request the Basic Information for Potential Providers of a Licensed Center or Basic Information for Potential Providers of a Family Child Care Home. This information will explain how the provider should proceed with the licensing process. Summer day camp, providers who desire to participate in the SCC Program should refer to Section II. C of this chapter for information specific to their program.

### **B. Providers with a Temporary License**

A provider who is seeking approval to operate a family child care home or a center may receive temporary approval from DCD to operate upon completion of the licensing requirements. When it is determined that the provider is in compliance with the requirements, the Regulatory Services Section Licensing Consultant issues a handwritten license (home) or [Temporary License](#) (center) for 6 months to operate, before the permanent license can be issued. This allows the provider to begin operating immediately without a waiting period.

Providers who have received a handwritten or Temporary License are eligible for enrollment in the SCC Program. The provider must sign the Application For Enrollment to be a Provider of Subsidized Child Care ([DCD-0451](#)) and other required forms in order to be approved. The LPA may request a copy of the handwritten license or Temporary License before enrolling children. The [license ID#](#) issued by the Regulatory Services Section is indicated on the handwritten license or Temporary License. The LPA submits a copy of the completed and signed Application For Enrollment (DCD-0451) to DCD in order for an Approval Notice to be generated in the SCCRS.

The LPA should inform the provider that there could be a delay in payments, depending on the time it takes the provider to complete the forms required for a Temporary License to be issued. **Payments are not made until the inspections, checklist, and forms have been completed and a Temporary License and Approval Notice have been issued.** The effective date on the Approval Notice cannot be earlier than the effective date of the license or the date on the response to the letter of intent. Once the provider receives a Temporary License and an Approval Notice, any changes that occur during the Temporary License period should be submitted by the Regulatory Services Section Licensing Consultant to DCD, following regular change procedures.

### C. Summer Day Camp Providers

[Summer day camps](#) are considered seasonal recreation programs (programs that operate less than four consecutive months out of the year) and are not required to obtain a license from DCD **unless they choose to enroll children receiving subsidies**. Providers who operate a year-round licensed program but choose to operate a summer day camp that is separate (i.e., located on a separate site, building or classroom and not included in the license of the year-round program) must become licensed and have a separate Approval Notice in order to receive SCC payments.

Summer day camp requirements are primarily the licensing requirements **for school-age children**. *Summer day camps that enroll preschool children are not considered to be summer day camps and must meet the child care center licensing requirements which apply to the youngest child enrolled.* Summer day camp providers who comply with the summer day camp licensing requirements will receive a Temporary License for the time period the program operates.

During the licensing process for a summer day camp, the Regulatory Services Section Licensing Consultants will provide the summer day camp provider with a summer day camp package which includes the Application for Enrollment ([DCD-0451](#)) and the Private Paying Rates and Other Fees ([DCD-0458](#)). It is the responsibility of the summer day camp provider to complete these forms and to submit them to the LPA along with any other required forms. Staff at the LPA will maintain the original forms in the provider's file and submit a copy of the Application for Enrollment (DCD-0541) to the Data Management Unit in the Subsidy Services Section for the issuance of the initial Approval Notice. Once the Data Management Unit receives this information, an Approval Notice will be processed with the effective dates on the license. If a summer day camp receives a license and later decides to seek approval for subsidy funds, the steps described in [Section III](#) below are followed by LPA staff.

The approval period for summer day camp programs will be the time period for which the program is licensed, but not to exceed four (4) months. Summer day camp providers must complete the required forms each year if they wish to participate in the SCC Program. Providers who operate a summer day camp on a regular basis year after year need to check with their Regulatory Services Section Licensing Consultant to find out which forms are required.

### D. Out-of-County Provider

The LPA is required to obtain a completed Application For Enrollment to be a Provider of Subsidized Child Care ([DCD-0451](#)) from an out-of-county

provider. Before processing the Application For Enrollment the child care social worker in the LPA can check the SCCRS to see if the out-of-county facility participates in the SCC program. Another option is for the child care social worker to call the Division's Data Management Unit at (919) 662-4561 to determine if the facility participates in the SCC Program. If the facility does not already have an Approval Notice, follow the steps described in this chapter. If the facility is already enrolled in the SCC Program, the LPA does not submit an Application For Enrollment to the Data Management Unit; however; the LPA may request either by e-mail or telephone that the county be listed as a contracting agency on the Approval Notice.

The county that is listed on the Application For Enrollment is the county that is responsible for making the payments. The rate will be the market rate or the private paying rate, whichever is lower, in the county in which care is provided.

### III. PROCEDURES TO GENERATE AN INITIAL APPROVAL NOTICE

The following information must be entered on the Application For Enrollment to be a Provider of Subsidized Child Care ([DCD-0451](#)). These procedures apply to all types of child care providers. A separate enrollment form must be completed for each site if the owner wishes to enroll multiple sites.

#### A. Completing the Application For Enrollment Form

##### 1. Facility Name/License ID Number/Location Address

The name of the program (not an individual's name) must be listed on the Application For Enrollment to be a Provider of Subsidized Child Care (DCD-0451) and must be the same as the name printed on the license or Notice of Compliance. The provider's license or Notice of Compliance letter must be checked to verify the correct name and license ID number for the location address listed on the Application For Enrollment. The license ID number begins with the number of the county in which the child care program is licensed and has seven or eight digits, e.g., 0159001 (Alamance County).

If a printed copy of the license or Notice of Compliance is not readily available, the child care social worker can view the license on the DCD website at <http://ncchildcare.dhhs.state.nc.us/> or review the "Monthly Alphabetic Listing" (GH043) of regulated providers in NC-XPTR through computers connected to the state network. Refer to the **Subsidized Child Care Reimbursement Manual** for instructions on how to review the GH043.

## 2. Type of Arrangement

The LPA verifies that the correct type of arrangement is marked. However, if the type of arrangement is 'transportation only', 'provide care for children in my home', 'provide care in child's home', 'direct payment to parent' or the 'provider is out-of-state', the LPA is responsible for approving the arrangement and the application is not forwarded to DCD. These arrangements do not require Approval Notices in order to receive payment. Refer to [Chapter 17: Approval Process for Nonlicensed Homes and In-Home Care](#) and [Chapter 18: Child Care Transportation](#).

## 3. Rate Information

The provider **must** attach rate information to the Application For Enrollment to be a Provider of Subsidized Child Care ([DCD-0451](#)). This may be a copy of the handout provided to private-paying parents describing the rates for all the types of care provided, including the rates for transportation and registration fees; or a copy of the rates as posted in the child care facility. If these are not available, the provider must complete the Private Paying Rates and Other Fees ([DCD-0458](#)).

**NOTE:** The provider **must** sign and date this child care rate form or any parent handout used to report rate information to the LPA.

## 4. Age Range

If the age range of the children for whom care is being provided is different from the age range on the license, the provider must indicate this on the application. The LPA should then instruct the provider to contact the Regulatory Services Section Licensing Consultant immediately to request a change in the age range on the license. The provider cannot serve children receiving subsidies in an unapproved age range until the discrepancy is corrected. If the provider's license must be changed to increase the age range of the license, the subsidy payment will be effective the date of the license change.

If an Approval Notice is issued with an age range that does not match the age range on the provider's license, the LPA **cannot make a payment**. The child care social worker must verify the correct age range and ask the provider to contact their Licensing Consultant if a change needs to be made on the license. If a change is needed, a corrected age range will appear on a new Approval Notice if the provider meets the applicable licensing requirements for the requested age range. In addition, the child care social worker should notify the Data Management Unit in the Subsidy Services Section of the discrepancy.

**NOTE:** If a provider has been approved to serve school-age children through age 12, a change in the age range on the license is not required when a provider serves children age 13 through 17. However, if over age 12 is not included in the age range on the Application for Enrollment to be a Provider of Subsidized Child Care (DCD-0451), the LPA must contact the provider to verify their ability to serve a child over age 12 and make a notation on the provider's application to include the age range of all children served. At the time of re-enrollment, the provider must include the age range of all children served. The LPA may ask the provider if serving a child over age 12 will place the provider out of compliance with child/teacher ratios and if the provider has age appropriate activities available for school-age children over age 12.

#### 5. Hours of Operation

If the provider is licensed for and offers care for more than one shift or offers weekend care for any of those shifts, this should be included as a part of the provider's rate information. If the provider is licensed for more than one shift, this will be indicated on the Approval Notice. The Approval Notice will not indicate weekend care, but unless restricted by licensing, most providers are licensed to care for children seven days a week. Any restrictions will be indicated on the facility's license or Notice of Compliance.

#### 6. Effective Date of Enrollment

If children receiving subsidies have already been placed with the provider and payment is needed, the child care social worker must indicate a retroactive date for payment on the Application For Enrollment to be a Provider of Subsidized Child Care ([DCD-0451](#)) in the appropriate space. The retroactive date **cannot** be prior to the following:

- a. The date the child was determined eligible for subsidized care.
- b. The date the child was placed at the facility.
- c. The effective date of the Temporary License or the date in DCD's letter of response to a [Letter of Intent](#).

If a G.S. 110–106 program is operating under a Letter of Intent, the DCD's response letter to the Letter of Intent must be attached to the Application For Enrollment (DCD-0451).

**NOTE:** Even though a religious-sponsored facility can choose to enroll children receiving subsidies when operating under the DCD's letter of response to the Letter of Intent to operate, payment cannot be made until the provider has been issued a Notice of Compliance which indicates the

provider is now in compliance. If the provider cannot come into compliance, then payment cannot be made.

### **B. Information to Share with Provider during the Enrollment Process**

The key to preventing fraud and inadvertent error is skillful interviewing during the initial application, re-enrollments, and when changes in the facility's status occur. The child care social worker therefore should ask the provider specific questions, evaluate her reaction, and document the responses. The questions are to be phrased in an understandable way and the provider must be given ample time to respond in her own words.

At provider application and re-enrollment, the child care social worker should:

1. Explain the obligation to provide timely, accurate and complete information regarding child care services.
2. Read and explain the Child Care Provider Agreement ([DCD-0452](#)) thoroughly. Answer any questions the provider may have and clarify any areas that need further explanation and obtain a signature.
3. Explain noncompliance issues and fraudulent misrepresentation and how sanctions can affect participation in the SCC Program.
4. Ask if the provider has been barred from participation in the SCC Program.
5. Remind the provider to notify the LPA if there are changes in ownership, administrative staff, location, age range, rates or if incorrect payments are discovered.

### **C. Final Processing Steps for LPA Staff**

To complete the enrollment process, LPA staff must do the following:

1. Review the Application For Enrollment ([DCD-0451](#)) completed by the provider to determine if the required information has been provided and is correct.
2. Complete the gray sections of the form to include the name of the child care social worker, the county requesting enrollment, and the date on which the provider needs to be enrolled in the SCC Program.

**NOTE:** The application cannot be processed by DCD if the effective date of enrollment is not included.

3. Submit a copy of the Application For Enrollment (DCD-0451) to the Subsidy Services Data Management Unit at:

Data Management Unit, Subsidy Services Section

Division of Child Development

2201 Mail Service Center

Raleigh, NC 27699-2201

Courier # 56-20-17

4. Maintain the original Application For Enrollment (DCD-0451) and the provider's private paying rates in an agency file and, if applicable, sliding fee scale(s) and policy(ies) and scholarship program information.
5. Maintain a copy of the signed and dated Child Care Provider Agreement ([DCD-0452](#)) along with a copy of the LPA's local policies in the provider's file. These forms are **NOT** mailed to DCD.

To prevent mailing duplicate forms and making multiple phone calls, it is recommended that the LPA designate one worker to forward the Application For Enrollment (DCD-0451) to DCD or to make calls to follow-up on the processing of the Application For Enrollment (DCD-0451) or [Approval Notices](#). Inquiries regarding Approval Notices should be directed to the appropriate Data Manager in the Subsidy Services Section. The LPA should allow at least two weeks from the date the Application For Enrollment (DCD-0451) was mailed for an Approval Notice to be processed or to call to check on the status of the Approval Notice.

6. Refer to the **Subsidized Child Care Reimbursement Manual** for instructions for viewing and downloading the Approval Notice from the **Subsidized Child Care Reimbursement System**.

#### IV. PROCEDURES TO GENERATE A REVISED APPROVAL NOTICE WHEN A CHANGE OCCURS

##### A. Change in Type of Child Care Operation

If the LPA is notified by the provider that there will be a change in the type of program (e.g., from a home to a center or from a center to a home), the LPA should remind the provider of the need to notify the Regulatory Services Section Licensing Consultant if they have not already done so. A new license must be issued before accepting additional children and in order to continue to be eligible to participate in the SCC Program. A new Application for Enrollment to be a Provider of Subsidized Child Care ([DCD-0451](#)) is not needed; however, pen and ink changes must be made to the current application. Additionally, the provider must submit a new Private Paying Rates And Other Fees ([DCD-0458](#)) form to the LPA.

After the licensing information is submitted by the DCD Regulatory Services Section Licensing Consultant and is entered into the Regulatory Services System, the change will appear on a newly issued Approval Notice in the SCCRS.

## **B. Change in Ownership or Location**

1. When the LPA is notified by the provider of a change in ownership and/or location, the LPA must provide the new owner of the facility with the Information About Subsidized Child Care ([DCD-0460](#)) and an Application for Enrollment to be a Provider of Subsidized Child Care ([DCD-0451](#)) in order to collect the information regarding the facility's name, the new license number and any other documented changes. The completed Application For Enrollment (DCD-0451) is returned to the LPA and is kept in the provider's file. It is not necessary to mail the Application For Enrollment (DCD-0451) to DCD since the information entered into the DCD Regulatory Services System will provide information to generate a new Approval Notice.

The new owner must sign the Child Care Provider Agreement ([DCD-0452](#)) and submit private paying rate information or complete a new Private Paying Rates and Other Fees ([DCD-0458](#)) form.

2. When a provider of a facility that is already enrolled in subsidy notifies the LPA that the provider is moving to another location, the LPA should remind the provider that she must notify the Regulatory Services Section Licensing Consultant before relocating in order for the new location to be licensed and a new license number to be issued. The provider must also complete a new Application For Enrollment, since this is the provider's official notification to the LPA of her new location address and license number, and submit rate information on the Private Paying Rates and Other Fees ([DCD-0458](#)) form, if there is a rate change resulting from a change in location. The Application For Enrollment is not sent to DCD but is maintained in the provider's file.

The Regulatory Services Section is responsible for linking the two license numbers in licensing and thereby allowing the enrollment of the new location in the SCC Program. The provider does not need to sign a new Child Care Provider Agreement (DCD-0452) or local payment policies. New Child Care Action Notices ([DCD-0450](#)) or new Child Care Vouchers ([DCD-0446](#)) do not need to be completed. However, either pen and ink changes which are initialed and dated must be made on the Vouchers or Action Notices indicating the new DSS ID number and location or the LPA must place a memo with the change of location information in each child's file. If the provider follows licensing procedures and there has been no gap in the time between the licenses, there will be no gap in subsidy payment.

## V. PROCEDURES FOR APPROVING PROVIDERS WHO ARE NOT LICENSED

The LPA refers providers who wish to become licensed to the Regulatory Services Section in DCD. Information regarding the licensing process is available from DCD upon request and from DCD's website (<http://ncchildcare.dhhs.state.nc.us/>). Illegal arrangements should be reported to DCD or to the Regulatory Services Section Licensing Consultant who provides services in that area.

Individuals who are transportation-only providers, nonlicensed home providers, in-home care providers, and out-of-state providers **can be approved for enrollment in the SCC program by the LPA**. Regulatory Services Section Licensing Consultants are not involved in the approval, enrollment, or the investigation process of these types of providers. Visits to the providers, when appropriate, and terminations of approval are handled by the LPA. The responsibility for investigation of complaints is determined by the type of provider.

Additional information on policies and procedures governing nonlicensed home providers and in-home care is provided in [Chapter 17: Approval Process for Nonlicensed Homes and In-Home Care](#), and information about transportation providers can be found in [Chapter 18: Child Care Transportation](#).

## VI. ENROLLING AN OUT-OF-STATE PROVIDER

- A. Sometimes it is necessary for a child to receive child care services from a provider in another state. Examples might include:
1. A child is in custody of the county department of social services and lives with a relative in another state.
  2. A parent commutes to an employment location which is in another state and requests child care near the employment location.

- B.** If a parent/responsible adult is eligible for SCC and selects an arrangement outside of North Carolina, the following steps must be taken in order to approve the provider for payment:
1. The LPA contacts the other state's licensing or regulatory office to determine if the provider is operating legally. Information regarding the appropriate state agency to contact can be found on the website of the National Resource Center for Health and Safety in Child Care (<http://nrc.uchsc.edu>). The web site includes a list of all the states, the licensing regulations for each state and a state contact person. If unable to access the web site, call the National Resource Center at 1-800-598-KIDS to request this information. The information received is documented and placed in the case file. SCC payments can only be made in legal arrangements.

The LPA requests that the provider complete:

- a. An Application for Enrollment to be a Provider of Subsidized Child Care ([DCD-0451](#)).
- b. Private Paying Rates and Other Fees form ([DCD-0458](#)).
- c. Child Care Provider Agreement ([DCD-0452](#)).
- d. Local policies, if applicable.

**NOTE:** The Application For Enrollment (DCD-0451) is not submitted to DCD since Approval Notices are not issued for out-of-state providers.

2. A Child Care Voucher ([DCD-0446](#)) is issued by the LPA for the child and the voucher must be signed by the provider. Attendance reports must be completed and submitted to the LPA by the provider.
3. If the payment will be made as a vendor payment, the LPA assigns a facility ID# for providers in the same manner as they would for other providers who are not required to have an Approval Notice, e.g., in-home providers, nonlicensed home providers and transportation-only providers.
4. Out-of-state providers are identified by the letter "X" as the fourth digit of the facility ID# in order to claim reimbursement through the SCCRS. The maximum subsidy payment for the out-of-state provider is the private paying rate of the provider or the one star market rate for the county that is making the payment, whichever is lower.