

period of time that the payment covers and the type of payment (such as child care, registration, parent fee, outstanding balance, etc.).

The provider must retain copies of these receipts for at least three (3) years and they may not be destroyed until authorized by DCDEE or the LPA. Parents/responsible adults should be encouraged to retain receipts as well, in case they need to verify that the fee has been paid for a particular month.

4. If a parent/responsible adult has failed to pay parental fees and the provider notifies the LPA of the unpaid fees, the following guidelines must be followed:
 - a. The provider must indicate the amount that is unpaid and may request that services be terminated for non-payment of parental fees.
 - b. If the provider requests the termination of services, the child care worker must issue a Child Care Action Notice ([DCD-0450](#)) to both the parent/responsible adult and provider, indicating that the arrangement is being terminated at the provider's request for failure to pay parental fees.

All parental fees must be paid in full or satisfactory arrangements made between the parent/responsible adult and provider for repayment before a voucher for another provider can be issued. If the provider notifies the LPA that a repayment agreement has been developed, services may continue.

- c. The LPA **must document in the record** the reason services are terminated and the amount of the unpaid parental fees. The provider or parent/responsible adult must submit verification when the parental fees are paid.

V. DETERMINATION OF THE PARENTAL FEE AMOUNT

A. Parental fees are the same across the state for all types of child care arrangements. Policy regarding the rates paid by the LPA can be found in [Chapter 20: Payment Policies](#).

1. A parental fee is based on the family's gross income.
2. There is one (1) parental fee for families receiving subsidized child care, regardless of the number of children in care and regardless of the hours of care needed. In cases wherein the parental fee exceeds the cost of care, services cannot be authorized. An exception to this would be when more than one (1) child is in care and the total cost exceeds the parental fee; then the parental fee could be divided between or

among the children. The case narrative would explain this. Another exception to this would be when the total cost for before and/or after school care exceeds the parental fee. In this case, the parent/responsible adult can request services for teacher workdays and holidays and care must be authorized if the daily provider payment rate exceeds the daily parental fee amount. When the parent/responsible adult requests services for summer and/or track out care only, care must be authorized if the monthly payment rate exceeds the monthly parental fee amount. The family should not be placed on the child care waiting list. The case can be suspended until the child attends.

- B. To determine the parental fee, the child care worker will multiply the family's gross monthly countable income by ten percent (10%) up to a maximum income limit. Refer to the [Attachment 1: Maximum Gross Monthly Income Eligibility Limits and Fee Percentages for Subsidized Child Care Services](#). The parental fee calculation must be shown on the application, in the case narrative or on an attached calculator tape.**
- C. The monthly parental fee must be rounded to the nearest whole dollar, i.e., down if the parental fee includes a decimal amount of less than fifty cents, and up if the parental fee includes a decimal amount of fifty cents or more. If daily parental fees are needed, the child care worker will divide the monthly parental fee by 21.67 and round to the nearest nickel.**

D. Parental Fees for Full-Time or Part-Time Care

1. One Provider

When more than one (1) child is in care, calculate the parental fee based on 10% of the family's gross monthly income regardless of the number of children in care or the number of hours care is needed.

2. Multiple Providers

If the child requires two (2) providers, assess the parental fee to the provider who provides more hours of care. If each provider cares for the child for an equal amount of time, a 50% parental fee may be assessed to each.

E. Child Care Needed for Partial Months

1. There may be times when the child care worker must assess a parental fee for child care that begins or ends in the middle of the month.

2. The following situations describe how parental fees are determined when child care services are needed for part of a month. The Subsidized Child Care Services Reimbursement Manual provides additional information.
 - a. The LPA has the option to either assess the parental fee on a daily basis (prorated) beginning with the first day the child enrolls or start assessing at the beginning of the first full month of child care services. Refer to [Chapter 22: Local Policy Options](#) for additional information. When the monthly parental fee amount and the beginning date are entered, the Subsidized Child Care Reimbursement System automatically begins the full parental fee at the first of the next month.
 - b. When child care services are terminated during a month, a partial month parental fee must be assessed for the number of days care is needed. The Subsidized Child Care Reimbursement System will calculate the parental fee based on the monthly parental fee amount and the number of days entered that care was needed. (The parental fee may be figured manually by multiplying the daily parental fee rate by the number of days care is needed.)

NOTE: The full-time monthly and daily parental fee should be shown on the voucher.

F. Different Plans of Care

Sometimes varying child care arrangements are needed because of different work schedules. When a parent's work schedule is unusually long, two types of child care arrangements or extra hours of care in the same arrangement may be needed. In either situation, the child care worker assesses the parental fee based on 10% of the family's monthly gross income.

There may be instances where the plan of care creates a need to change between two providers. A parent may work a varying work schedule consisting of both day and night hours. Some months, the daytime arrangement is used more, and other months, there is more need for nighttime care. In this situation, the child care worker chooses one (1) of the providers to collect the parental fee rather than trying to split the parental fee based on the varying hours care is needed. This is documented on the Child Care Voucher (DCD-0446) and in the case narrative.

VI. ADJUSTMENTS IN PARENTAL FEES

Parental fees for child care are based on the family's ability to pay and are not intended to discourage parents from using needed services.