

(4) The signature of the child care worker.

c. Habitual Absences

If a child is habitually absent, the provider and the child care worker should work together with the parent to determine why the child is absent. If the absences are not justified, the child care worker may wish to counsel the parent/responsible adult regarding absences. If the child continues to be absent without justification, the LPA may either pay on the basis of attendance or terminate the service.

III. PAYMENT POLICIES AND PROCEDURES

A. Subsidy Payment Rates Based on License Status

The payment rate for licensed centers and homes is usually determined by comparing the private paying rates to the market rate for the provider's star rated license level. However, there are times when a facility is operating with a different type of license which may impact payments.

1. If the facility is a **new program**, a temporary license is issued. The subsidy payment is the rate charged to private paying parents or the one star market rate, whichever is lower.
2. If the facility has a **change of location**, a temporary license is issued. The subsidy payment can continue at the same rate as the previous license.
3. If the facility receives a **provisional, probationary or special provisional license**, the subsidy payment rate can continue at the same rate as the previous license.
4. If the program is already established and the facility has a **change of ownership**, a temporary license is issued. The new owner can receive her private paying rate up to the market rate for the star rated license that was issued to the previous owner. The Regulatory Services Section Licensing Consultant will inform the owner and director during the first month that they have until the end of six (6) months to earn a star rated license.

B. When the Need for Child Care Changes

When the need for child care services changes from one need category to another, the child care worker must re-evaluate the family's situation to determine if the parental fee or hours that care is needed changes.

For example, a change may occur such as, a child who receives child care to support her parent's employment now receives care to support a CPS case.

Because parental fees are not imposed for child care services to support CPS, the LPA payment amount must be adjusted when the parental fee is discontinued. In this instance the parental fee should be deleted in the same month that the need for care changed by sending all parties the Child Care Action Notice (DCD-0450).

C. When Services Terminate

When services terminate for one of the following reasons, the LPA must give the provider a minimum of five (5) working days notice of termination of services. The LPA must contact the provider both verbally on the first day of notification of the situation and in writing via the Child Care Action Notice (DCD-0450). A five (5) work day notice is given when one of the following situations exists:

1. The parent provides written or verbal notification that the service is no longer needed or wanted;
2. The child moves out of the county; or
3. The child has been admitted to an institution and is no longer able to use the service.

When services are being terminated for a reason other than what is stated above, a ten (10) work day notice is provided to the parent and provider. If the child does not need to attend child care during the notice period and the provider enrolls a new child, the LPA will not pay for the days the new child is in the space.

If the provider terminates care, refuses to serve the child or indicates that it is not necessary to pay for a notice, payment will be made only for those days the child attends.

Chapter 11: Responding to Eligibility Changes and Redetermination provides additional information regarding the termination of services.

D. When Part-Time Care is not Available

Sometimes part-time care is needed but the only care available from the provider selected by the parent is a full-time arrangement. If there are no other providers available who offer or are willing to provide part-time care, the LPA has the option in this situation to pay a full-time rate to the provider or the parent may pay the difference. Refer to Chapter 22: Local Policy Options for additional information regarding local policies. The LPA should first review the part-time care policy found in Chapter 5: Establishing Need and a Plan of Care.

E. When the Facility is Closed

LPAs are encouraged to establish limits about the number of days during the contract period that a facility can be closed and still receive payment for subsidized child care for those days. Reasonable requests for emergencies such as severe weather, broken heating or cooling systems, illness or accident, etc. can be reimbursed. The LPA should address in local policy the number and type (e.g., holiday, vacation, emergency) of days the county will pay when a facility is not open. Refer to [Chapter 22: Local Policy Options](#) for additional information regarding local policies. The LPA may pay for up to ten (10) days in a month when the facility is closed but should not pay for any days that private paying parents are not required to pay.

F. Preschool Age Children Who Need Child Care for Before and/or After-School, Holidays, Inclement Weather, or Teacher Workdays

Payment for a preschool age child who needs child care services for before and/or after-school, a Head Start program or preschool program in a public school, must be made based on the child's age and the percentage of time that the child needs care.

When a preschool age child needs full day child care on holidays, inclement weather or teacher workdays, an additional payment is made. The monthly payment rate for these days is determined by subtracting the part-time monthly rate from the full-time monthly rate. The monthly payment rate and the number of days the child received the extra hours of service are entered into the Subsidized Child Care Reimbursement System (SCCRS) which automatically calculates the payment amount.

For example, a four year-old child attends a preschool program at the local school from 8:00 a.m. until 2:30 p.m., but her mother works until 4:30 p.m. and needs care until 5:00 p.m. The school operates a before and after-school program which the child attends for 2 ½ hours per day. Since this is less than 18 hours per week, payment for this preschool age child would be made based on the child's age using 50% of the full time cost of child care at this facility. This child also attends the facility for full days on teacher workdays. The payment rate for the teacher workdays would be calculated by subtracting the before and/or after-school monthly rate from the full-time monthly rate.

G. Holidays, Inclement Weather and Teacher Workdays

When a school-age child needs full day child care on holidays, inclement weather or teacher workdays, an additional payment is made. The monthly payment rate for these days is determined by subtracting the part-time monthly rate from the full-time monthly rate. The resulting monthly payment rate and the number of days the child **received** the extra hours of service are entered

into the SCCRS which automatically calculates the payment amount.

There is no additional parental fee in the month where there is a holiday, inclement weather day or teacher workday since fees are established for the child care arrangement in which the child spends the most hours per month. However, there will be a full-time parental fee when school dismisses for the summer and restarts for the fall and during scheduled breaks for year-round schools, when this occurs, the child care worker should include the full-time parental fee on the Application for Child Care Services ([DCD-0456](#)) and the Child Care Voucher ([DCD-0446](#)) or the Child Care Action Notice ([DCD-0450](#)).

The **Subsidized Child Care Reimbursement Manual** provides additional information on these payment situations and the appropriate codes.

H. School-Age Children for Full-Time Summer Care

During the months in which school closes for the summer and school re-opens in the fall, a school-age child could have two (2) plans of care, one for the days for before and/or after-school care and one for the days for full-time care. A parental fee, if applicable, is imposed on each plan. The child care worker should include the full-time parental fee on the Application for Child Care Services ([DCD-0456](#)) and the Child Care Voucher ([DCD-0446](#)) or the Child Care Action Notice ([DCD-0450](#)).

For example, a school-age child is enrolled for before and/or after-school care for the school year. School closes for the summer on the 20th of June. Her plan of care changed to full-time child care for the remainder of June. There are 21 service days in June. The child will require eight (8) days of full-time care and 13 days of before and/or after-school care. The parental fee will be assessed based on the daily rate for each plan of care.

The **Subsidized Child Care Reimbursement Manual** provides additional information on these procedures.

I. Year-Round Schools

The same payment and parental fee policy for full-time care applies for children who are enrolled in year-round school. The child care worker should include the parental fee on the Application for Child Care Services ([DCD-0456](#)) and the Child Care Voucher ([DCD-0446](#)). In addition, the child care worker should indicate on the voucher if the child is in year-round school. The child receiving both part-time and full-time care during the month may receive full-time care on a teacher workday. Teacher workdays, inclement weather days, and holidays are treated the same as they would be in a traditional school. Scheduled breaks for year-round schools are treated the

same as summer breaks for traditional schools. This means that the child will have two (2) distinct plans of care and a parental fee for each plan of care.

The **Subsidized Child Care Reimbursement Manual** provides additional information.

J. Payment for Religious-Sponsored Programs (G.S. 110-106)

The policy below applies to any religious-sponsored child care program that has been approved for participation in the Subsidized Child Care (SCC) Program and includes licensed programs or programs operating under a Notice of Compliance.

The local purchasing agency should share a copy of the Child Care Provider Agreement (DCD-0452) with the provider to review information regarding subsidy policies and fraud; however, the provider is not required to sign the Provider Agreement. In this situation, the provider is required to:

1. Sign and date a Child Care Voucher (DCD-0446) for each child receiving subsidy funds;
2. Complete the Application for Enrollment to be a Provider of Subsidized Child Care (DCD-0451); and
3. Sign a copy of the LPA's local payment policies (or a revised document) that includes information such as the requirement to submit accurate attendance reports.

K. When the Child Receives Care in His/Her Home

It may be necessary (in some situations) to authorize payment for services for a child in his/her own home when one of the following situations exists:

1. A child is in DSS custody and resides in a licensed foster home and the foster parent operates a licensed family child care home.
2. A child is in DSS custody and is placed in the home of a relative and the relative operates a licensed family child care home.
3. A child and parent/responsible adult reside in the home with another adult household member who operates a licensed family child care home and the parent/responsible adult is not the owner or operator of the family child care home.
4. A child whose parent/responsible adult is in the Armed Forces and has selected the licensed family child care home provider to be the child's guardian while he or she is deployed.

5. A child whose parent/responsible adult is incarcerated and has given the licensed family child care home provider custody (physical and/or legal) and/or power of attorney.

L. More Than One Plan of Care

When a situation occurs in which the average number of hours that care is needed exceeds 55 hours a week, child care can be provided through two (2) different providers or through a single provider who offers care for extended hours.

1. When **two (2) different providers** are used, each provider is paid the rate appropriate for the established plan of care.
2. If a single provider is paid for more than one shift, the licensed child care center or home must be approved by the Regulatory Services Section Licensing Consultant to provide care for more than one shift and the approval must be included on the provider's Approval Notice.

Approval for a plan, which is different from the usual full-time enrollment plan, must be case specific and the need for two (2) arrangements documented in the child's case record.

To determine the payment for **a single provider offering extended hours**, the child care worker must consider the total number of hours per week that child care is provided. The LPA can authorize an additional payment *only if the total hours per week that care is provided exceeds 55 hours*.

The LPA can authorize an additional payment when the total hours per week exceed 55 hours. The provider must be paid according to the rate private pay parents are charged (either a daily rate or a monthly 50% part-time rate) for the additional time above 55 hours determined by the rate charged to private pay parents.

M. Out-of-County and Out-of-State Providers

There may be situations in which it is necessary for a child receiving subsidy services to receive child care services from a provider in another county or state. Examples might include:

1. A child in the custody of a local department of social services is placed in a foster home or relative's home in another county or state, and child care services are needed; and
2. A parent commutes to an employment location that is in another county or state and requests child care near the employment location.

Additional information regarding enrollment procedures and payment rates for out-of- county and out-of- state providers is provided in Chapter 16: Approval and Enrollment Procedures for Licensed Facilities.

N. Making Payment for Children Over Twelve (12) Years of Age

In order for children over the age of 12 who are receiving subsidy services to be served in a licensed program, providers must comply with licensing requirements for school age children. Refer to Chapter 4: Application, Eligibility Determination and Documentation for additional information regarding serving children over the age 12.

IV. SUPPLEMENTAL PAYMENT FOR THE CHILD AND ADULT CARE FOOD PROGRAM

Federal regulations for the Child and Adult Care Food Program (CACFP) indicate that a private for profit center can participate in the program each month the program maintains an enrollment in which a minimum of twenty-five per cent (25%) of the children are receiving child care services funding from the Social Services Block Grant (SSBG) or blended funds, which include SSBG. In order to maintain this requirement, it is necessary in some situations to supplement the payment for children whose care is funded by Smart Start (Fund Source 15) and Work First (Fund Source 71) with other child care funds to make them eligible for the program. The payment amount under Smart Start or Work First funding is reduced by one dollar (\$1.00) and the one dollar (\$1.00) is then paid from Fund Source 25 funds which includes SSBG funds.

Children age 12 and younger are eligible to participate in the CACFP. (The age limit for children of migrant workers is 15 years.) Children with developmental disabilities can participate regardless of age if they receive care at a center or home where the majority of enrollees are age 18 or under. At-risk after-school care programs may be eligible to participate in the CACFP. If a family's income exceeds DCDEE subsidized child care income eligibility level, the child is not eligible for this supplemental payment and thus does not count toward the 25% enrollment requirement. For more information on the Child and Adult Care Food Program, see Chapter 3: Roles and Responsibilities.

V. CAPACITY

It is the responsibility of child care facilities to comply with their licensing requirements and restrictions. There are certain circumstances when a provider can be paid for more children than the provider is licensed or approved to serve, such as when:

A child's care is terminated during the month and another child is placed in the empty space in the program for the remaining days in the month;