

**CHILD CARE ASSISTANCE PROGRAM MANUAL
DESCRIPTION OF CHANGES ATTACHMENT
REVISED SECTIONS – ISSUED 07/2013**

3.6 (Accepting and Processing Applications) adds new information about the date of application being the date the MN agency receives a signed and dated application. Including the an agency must date stamp the application or sign and date the agency signature field on the application.

4.3.6 (Transition Year (TY)) adds significant information that is too detailed to address here.

4.3.3.9 (MFIP Sanctions) adds information about non-cooperation with child support and non-cooperation with Employment Services (ES).

5.9 (CCAP Family Composition Examples) updated case type information.

6.6 (Earned/Unearned Income) added adoption assistance payments.

6.12 (Excluded Income) removed adoption assistance payments.

6.15.3 (Annualizing MFIP & Earned Income) adds information about how MEC2 calculates the annualization of unearned income for the family.

7.3 (Verification-Initial Application) adds information that if the ES worker has verified the clients schedule or what days and times child care is needed, and indicated what the child's school schedule is or what days and times that child care is needed, taking into account the child's school schedule.

7.6 (Verification–Eligibility Redetermination) repeats information updated in 7.3.

7.9 (Income Verification) adds PRISM or INFC/SVES screen prints to acceptable documentation for unearned income.

7.24 (DHS Date System Documentation for Verification) adds to make a copy of the third party interface for the case file.

9.3 (Payment to Providers) adds” the family became eligible” to the criteria for retroactive payments.

9.3.3(Federal Employer Identification Number) adds a legislative change that changes the date of implementation of 119B.09 subdivision 9(a) to July 1, 2014.

9.12 (Authorized Hours –Students) updates guidance in this chapter.

9.15 (Authorization Hours-Employment) added the number of hours authorized for each child should be the number of hours that care is needed to support the parental authorized activities, excluding the hours that the child does not need child care or the hours that the provider is unavailable. The child may not need child care due to the child being in school.

9.33 (Care For Sick Children) adds that if the county makes payments for sick child care as indicated in the county child care fund plan that exceed the county maximum rate. The county may completed a survey of all providers who care for sick children in the county to determine the appropriate rate.

9.54 (Special Needs) adds language to refer to chapter 9.33 for additional information about sick child care.

11.06 (License Exempt Centers) adds several program types to be included in this definition.

11.9 (Legal Nonlicensed (LNL) Providers) adds a bullet “Has current certification in first aid and CPR” to the criteria to determine if a provider can be a LNL provider.

11.15 (Provider Record Keeping) adds information to the daily attendance record requirements for CCAP providers including electronic attendance records and county actions.

14.6 (Amount of Overpayment) adds that “the worker must include all amounts that were overpaid when determining the amount of the overpayment, regardless of how long ago the payments occurred”.

ACCEPTING AND PROCESSING APPLICATIONS**3.6**

Encourage applicants who reside in another county to apply in their county of residence. However, you must accept an application from an applicant who does not reside in your county and immediately forward the application to the county where the applicant resides.

The date of application is the date any Minnesota county agency receives a signed and dated application. See §3 (Applications). For paper applications, agencies must use one of the following methods to record the application received date:

- Date stamp the application; OR
- Sign and date the Agency Signature field on the application.

Counties may accept fax applications. Consider fax applications you get on weekends, holidays, or after hours to be received on the same day as the fax date stamp of the application. The client is responsible for verifying the county received the fax.

Process the application within 30 calendar days from the date of receipt and mail a notice of approval or denial of assistance to the applicant. With the consent of the applicant, you may extend the response time by 15 calendar days.

If it appears the family may be eligible for child care assistance but is unable to document eligibility, you must offer them the opportunity to sign a release of information allowing you to verify the necessary information.

When a family requests child care assistance and it appears they are eligible for Basic Sliding Fee (BSF) but funds are not available, inform the family of the waiting list, screen them for potential eligibility, and place them on the waiting list. As child care funds become available, inform the family at the head of the waiting list and ask them to complete an application.

An applicant's signature on the CCAP application allows counties to release the following information to the provider if the family is eligible:

- The family name.
- When/if the application is approved.
- Hours of care authorized.
- Maximum rate that can be paid.

- [How payments are made.](#)
- [Notification of termination of a case or an adverse action.](#)

All applications for CCAP, whether they are paper or electronic, must be reviewed, entered into MEC² and processed.

ELECTRONIC APPLICATIONS WHEN CCAP MAY NOT BE NEEDED

In cases where the information listed on the application indicates that the person submitting an ApplyMN electronic application may not actually need child care assistance, the worker should contact the applicant, explain the situation, and ask the applicant if they want to withdraw their application.

If the applicant says that they would like to withdraw their application, the worker should:

1. [Enter basic information from the application into MEC² via the Application Workflow, coding only the Member, Member II, and Address windows. See the MEC² User Manual section “Enter a New Application.”](#)
 2. [After coding the Application Workflow windows and sending the case to background, navigate to the Pending Case List window. Follow guidance in the MEC² User Manual section “Deny Application – Client Request.” The case will deny and proper notice will be generated overnight.](#)
1. Enter basic information from the application into MEC² via the [Application Workflow](#). See MEC² User [Manual](#) for further information.
 2. On the Case Action window, record that the applicant requested to withdraw their application. Approve [ineligible](#) results which will send a notice to the applicant.
 3. Document the withdrawal and the reason for it in [Case Notes](#).
- If the county is unable to contact the applicant, the worker should process the application as usual.
 - If the applicant indicates that they would like to proceed with the application, the worker should process the application as usual.
 - If the applicant applies for CCAP using ApplyMN and the family is already receiving child care assistance, manually deny the new request using DHS-4532-ENG “Notice of Denial for Public Assistance Applicants or Recipients” and document the actions taken in [Case Notes](#).

LEGAL AUTHORITY:

Minnesota Statutes 119B.[09, Subd. 7](#)

Minnesota Rules 3400.0035

Minnesota Rules 3400.0060

Minnesota Rules 3400

MFIP SANCTIONS

4.3.3.9

Counties apply MFIP sanctions when participants do not cooperate with employment services or with child support enforcement. Sanctioned participants are NOT removed from the MFIP assistance unit. Instead counties reduce the amount of the MFIP grant.

Whether the participant continues to be eligible for child care assistance depends on the type of non-cooperation and participation in authorized activities.

NON-COOPERATION WITH CHILD SUPPORT

Do NOT approve child care assistance if the sanction is due to non-cooperation with child support. Cooperation with child support is a condition of eligibility for child care assistance. When a family is not cooperating with child support, the family's child care assistance case should be closed. If the family begins cooperating with child support prior to the CCAP case closing, child care assistance should remain open. If the family begins cooperating with child support after the CCAP case closes, require the family to reapply. The eligibility begin date cannot be prior to the date the family comes back into compliance with child support.

NON-COOPERATION WITH EMPLOYMENT SERVICES (ES)

Eligibility for MFIP Child Care continues as long as the caregiver remains eligible for MFIP. Authorization of care depends on a variety of factors.

In general, do not approve an adverse action until the participant has actually been sanctioned. This does not happen until after the Notice of Intent to Sanction Phase. Notification that the participant has been sanctioned should come from the Employment Services worker, not the financial worker. The date the sanction is imposed for MFIP is not necessarily the same as the date that the sanction affects the family's CCAP benefits. Refer to CCAP Policy Manual §16.1 (CCAP Authorizations for Clients with an EP).

For 1st through 6th occurrence sanctions, if the ES worker recommends taking an adverse action that may affect CCAP, determine whether care can be authorized:

- For activities in the Employment Plan (EP) for which the client is in compliance.
- For activities outside of the EP. See §4.3.3.21 (MFIP/DWP Authorized Activities).

If the participant is sanctioned for an activity in their Employment Plan (EP) but is complying with another part of their EP, authorize child care for the hours of the compliant activity.

MFIP SANCTIONS

4.3.3.9

You may continue to authorize child care assistance: for job search and/or employment, even in cases where the participant is sanctioned for not complying with these activities, when:

- The participant is seeking employment (up to 240 hours).
AND/OR
- The participant is working an average of 20 hours per week, or 10 hours per week if they are a full-time student, receiving at least the applicable minimum wage for all hours worked. The educational activity does not need to be approved in the Employment Plan for the 10 hour requirement to apply.

Refer to §4.3.3.21 (MFIP/DWP Authorized Activities) for information about authorizing MFIP Child Care for activities outside of an EP.

Reauthorize child care for all authorized activities if a participant subsequently complies with their full EP effective that date of compliance.

If an MFIP case closes due to the 7th occurrence sanction, the family is no longer eligible for MFIP Child Care. When a family loses eligibility for MFIP Child Care due to a 7th occurrence ES sanction, assess a family's eligibility for TY. If the family does not meet the eligibility requirements for TY, assess eligibility for BSF. Refer to §4.3.6 Transition Year (TY) and §4.3.12 Basic Sliding Fee (BSF).

LEGAL AUTHORITY:

Minnesota Statutes 119B.011 to 119B.24

Minnesota Statutes 256J

TRANSITION YEAR (TY)**4.3.6**

Transition Year (TY) Child Care is available to families whose MFIP or DWP closes, and who meet other criteria provided below. Transition Year child care is not available to families who have been disqualified from MFIP or DWP due to fraud.

Families must have received MFIP or DWP for at least 3 of the 6 months prior to the closing of their cash assistance. For example, a family whose MFIP was closed effective December 1st would have to have received MFIP or DWP (or a combination of both) for at least 3 months in the period from June through November.

NOTE: Families who choose to “opt out” of the MFIP cash portion are still considered MFIP participants.

In most TY cases, families were receiving MFIP child care assistance before their cash assistance closed and continue to need child care assistance after cash assistance closing. Move these families from MFIP child care assistance to TY child care assistance. When there is no break in receipt of child care assistance:

- Do not require a new application.
- The family's income must be at or below 67% of State Median Income (SMI) to be eligible for TY.

Former MFIP or DWP participants can apply for TY for up to 12 months after their cash assistance closes. In the example provided above, the family would be able to apply for TY through the following November, but their TY eligibility would end November 30th.

When there is a break in receipt of child care assistance, determine whether the family's income must be at or below 47% of SMI or 67% of SMI in order to meet TY eligibility requirements.

- If the family was eligible but did not need care during the break in receipt of child care assistance, the family's income must be at or below 67% of SMI.
- If the family was not eligible during the break in receipt of child care assistance, the family's income must be at or below 47% of SMI.

Consider the following examples:

1. MFIP closes 3/1 and family is eligible for continued child care assistance but has no child care needs at this time. MFIP child care is closed. Family applies for TY in July because they now have child care needs. All other eligibility factors remain the same.

TRANSITION YEAR (TY)

4.3.6

At the time of MFIP closing this family was eligible but had no child care needs. This may have been a family with school age children and there were no child care needs until summer. The TY case could have remained open with suspended status. If the county child care worker closed the child care case rather than suspend it, the TY case should be opened and the family is not required to meet the 47% SMI. Although there actually were interrupted services, the family continued to be eligible and has met the 47% SMI entry requirement in the first program of service (MFIP). The applicant would not need to meet 47% SMI entrance level income limit.

2. MFIP participant is a student on 3/1 when MFIP closes and is not TY eligible. The county has Basic Sliding Fee (BSF) waiting list. In July the participant applies for TY because she is employed.

Because Transition Year may only be used to support employment and job search related expenses, this participant is not eligible for continued assistance through TY and could not be added to BSF because the county has a waiting list. The applicant would need to meet 47% SMI entrance level income limit when applying for TY in July because of interrupted services when the applicant was not eligible.

For payment purposes, retroactive eligibility cannot go back further than 6 months prior to the date the application was received by the county agency. Refer to the MEC² User Manual for instructions.

The family needs to cooperate with child support enforcement in order to approve eligibility for TY.

If a family begins receiving MFIP again, move the family to MFIP child care assistance and consider the following when the MFIP case closes again:

- Look at the previous 6 months. If the family received MFIP or DWP for 3 of those previous 6 months, the family qualifies for a new 12 months Transition Year Period.
- Look at the previous 6 months. If the family received MFIP or DWP for only 1 or 2 of those previous 6 months, the family is eligible for the remaining months of the original Transition Year period. Treat the month or months on MFIP as a suspension of the TY child care benefit but not a suspension of the Transition Year period.

Once families complete their 12 months of TY eligibility, move them to Basic Sliding Fee

TRANSITION YEAR (TY)**4.3.6**

(BSF) child care if:

- They remain eligible.
- Your county has BSF funds available.
- Your county does not have any higher priority families on the waiting list.

TRANSITION YEAR AND WAITING LIST REQUIREMENTS

If your county does not have BSF funds available at the end of a family's transition year, move the family to Transition Year Extension (TYE) and add them to your BSF waiting list as 2nd priority.

Transition Year families are placed on the waiting list **and should be reported on the waiting list** the date their Transition Year period ends. **Their** effective date for the waiting list is the date they 1st became eligible to apply for TY.

- If a TY family moves to a new county, the family's **effective date for** the waiting list in the original county shall transfer with the family.
- If a TY family is eligible for TY child care but does not need child care **for a period of up to 1 year, the family retains their effective date for the waiting list and is added to the 2nd priority** waiting list **at the end of their transition year.**

TRANSITION YEAR STUDENTS

Education is not an authorized activity for TY.

If a parent has an educational activity that meets the county requirements for an approved BSF education plan when their MFIP closes, that family could be served in the BSF program as soon as **BSF funds are available**. The family **cannot be served before 1st priority applicants or 2nd priority applicants with earlier effective dates when there is a BSF waiting list.**

A full-time student retains full-time status during school breaks, including summers, if the student is expected to return to school full time after the break.

LEGAL AUTHORITY:

Minnesota Statutes 119B.011

Minnesota Statutes 119B.09

TRANSITION YEAR (TY)

4.3.6

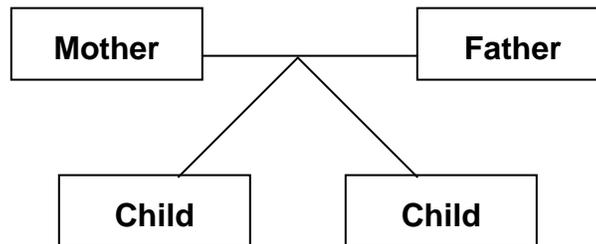
Minnesota Rules 3400.0060, [subd. 7](#)

Minnesota Rules 3400.0090

CCAP FAMILY COMPOSITION EXAMPLES

5.9

The following are examples of Child Care Assistance Program (CCAP) family composition, authorized activities, and the child care funding source(s) (Basic Sliding Fee (BSF), MFIP or Transition Year (TY)).

2-PARENTS MARRIED FAMILIES**1st case scenario:**

Mother: Working 35 hours per week.

Father: Going to school

Family Size: 4

2nd case scenario:

Mother: Working 35 hours per week.

Father: Unable to care as determined by licensed physician.

Family Size: 4

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them:

BSF: Case 1: Eligible with county-approved education plan for father's education.
Case 2: Eligible for mom's work activity.

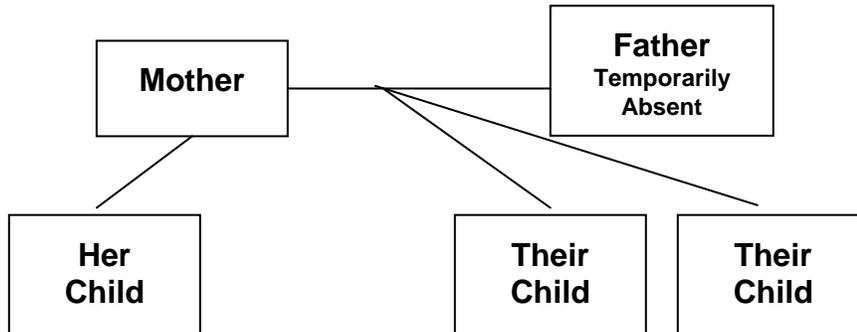
MFIP: Case 1: Eligible with an approved Employment Plan for the father.
Case 2: Eligible for mom's work activity.

TY: Case 1: Father is considered available to provide care. Education is not an authorized activity under TY.
Case 2: Eligible for mom's work activity.

CCAP FAMILY COMPOSITION EXAMPLES

5.9

2-PARENT MARRIED FAMILY (1 TEMPORARY ABSENT)



Mother: Working 40 hours per week.

Father: Temporarily absent from home and intends to return.

Family

Size: 5

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them:

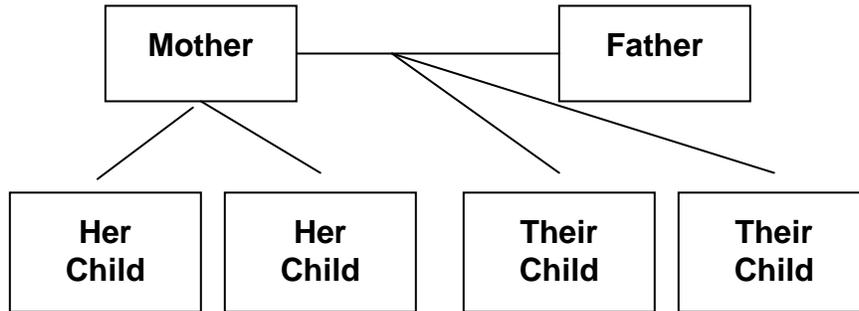
BSF: Eligible. Temporary absent status is limited to 60 days if absent parent is not in an authorized activity.

MFIP: Eligible. Temporary absent status is limited to 60 days if absent parent is not in an authorized activity.

TY: Eligible. Temporary absent status is limited to 60 days if absent parent is not in an authorized activity.

CCAP FAMILY COMPOSITION EXAMPLES

2-PARENT MARRIED BLENDED FAMILY



Mother: Attending School.

Father: Working 40 hours per week.

Family Size: 6

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them:

BSF: Eligible with an approved education plan.

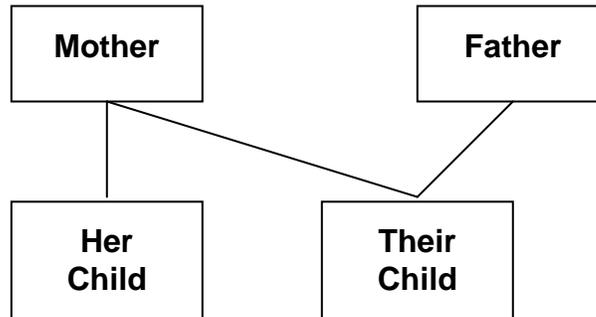
MFIP: Eligible with an approved Employment Plan for the mother.

TY: Not eligible. School is not an authorized activity for TY.

CCAP FAMILY COMPOSITION EXAMPLES

5.9

2-PARENT UNMARRIED BLENDED FAMILY



Mother: Working 35 hours per week.

Father: No authorized activity.

Family Size: 4

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them:

BSF: Eligible for her child only. Father could **NOT** be paid to care for her child.

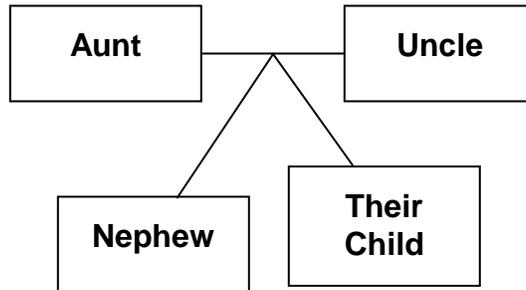
MFIP: Eligible for her child only. Father could **NOT** be paid to care for her child.

TY: Eligible for her child only. Father could **NOT** be paid to care for her child.

CCAP FAMILY COMPOSITION EXAMPLES

5.9

ELIGIBLE RELATIVE CAREGIVER OR LEGAL GUARDIAN FAMILY



Aunt: Working 35 hours per week.

Uncle: Working 40 hours per week.

Nephew: MFIP, child-only grant.

Family Size: 4

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them:

BSF: Eligible.

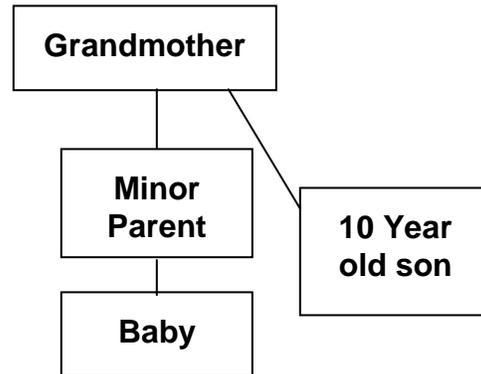
MFIP: No. Would be eligible only if aunt and/or uncle (applicant for CCAP) are on the MFIP grant.

TY: No. Would be eligible only if aunt and/or uncle (applicant) had been on MFIP for 3 out of the previous 6 months.

CCAP FAMILY COMPOSITION EXAMPLES

5.9

MINOR PARENT FAMILY LIVING WITH HIS OR HER PARENT



Grandmother: Working 40 hours per week.

Minor Parent: Attending High School.

Family Size: Two families of 2 or 1 family of 3 depending on whether minor parent applies for and receives CCAP:

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them:

Family A = Grandmother, Minor Parent, and 10 Year old.

OR

Family B = Grandmother and 10 Year old.

AND

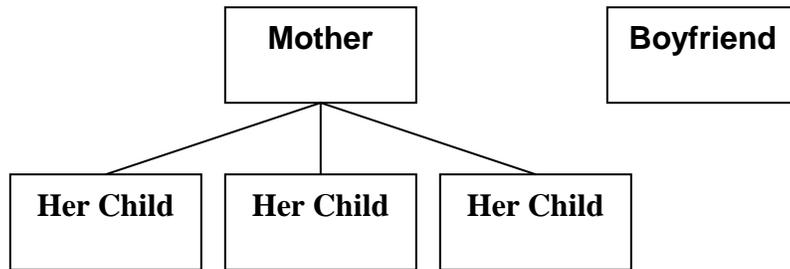
Family C = Minor Parent and Baby.

BSF: **Family A/B:** Family could apply for assistance for 10 year old while the grandmother works.
Family C: Child care is available while minor parent attends school with an approved education plan.

MFIP: **Family A/B:** Grandmother could apply for assistance for 10 year old while she works.
Family C: Minor parent must have an approved Employment Plan.

TY: **Family A/B:** Family would be eligible for child care for 10 year old while grandmother works if she has been on MFIP for 3 out of the previous 6 months.
Family C: Not eligible. School is not an authorized activity for T. Year.

UNMARRIED PARENT LIVING WITH BOYFRIEND



Case Scenario 1:

Mother: Working days, 30 hours per week.

Boyfriend: Working intermittently, some days and some nights.

Family

Size: 4 (boyfriend does **NOT** meet the definition of family and is not considered part of the CCAP family.)

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them:

BSF: Eligible for mother’s work activity.

MFIP: Eligible for mother’s work activity.

TY: Eligible for mother’s work activity.

Case Scenario 2:

Mother and boyfriend get married.

Mother: Working days, 30 hours per week.

Husband: Working some days and some nights, 30 hours per week.

Family

Size: 5.

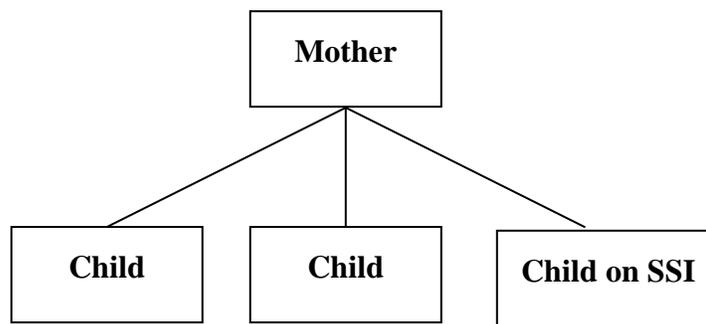
BSF: Eligible for times when both mother and her husband are simultaneously in authorized activities.

CCAP FAMILY COMPOSITION EXAMPLES

5.9

- MFIP:** Eligible for times when both mother and her husband are simultaneously in authorized activities.
- TY:** Eligible only if the mother was previously MFIP.

UNMARRIED PARENT WITH A CHILD ON SSI



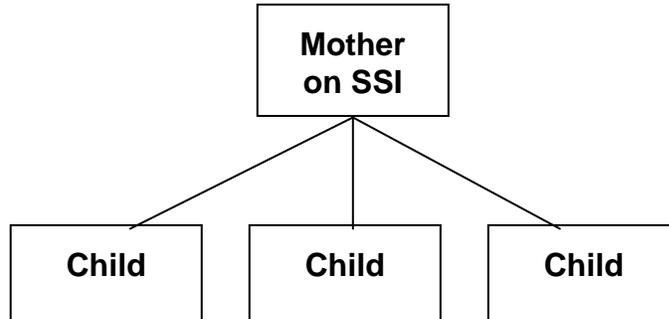
- Mother:** Receives MFIP for herself and 2 out of her 3 children. The other child receives SSI.
- Family Size:** 4 (The child that receives SSI meets the definition of family and is considered a member of the CCAP family).

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them:

- BSF:** Not eligible.
- MFIP:** Eligible (determined by the applicant's status).
- TY:** Not eligible.

CCAP FAMILY COMPOSITION EXAMPLES

UNMARRIED MOTHER ON SSI



Mother: Receives SSI.

Children: Receive MFIP.

Family

Size: 4. The mother receives SSI and meets the definition of family. She is considered a member of the CCAP family.

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them:

BSF: Eligible to apply (determined by the applicant's status). SSI is excluded income.

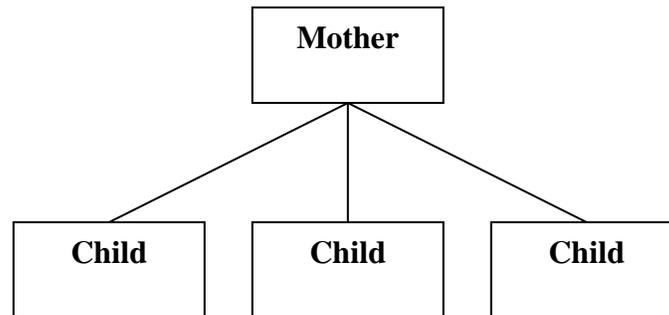
MFIP: Not Eligible.

TY: Not eligible.

CCAP FAMILY COMPOSITION EXAMPLES

5.9

MOTHER DISQUALIFIED DUE TO FRAUD



Mother: Not on MFIP because of MFIP fraud disqualification (**NOT** a MFIP child care fraud.).

Children: 3 children receive MFIP.

Family

Size: 4

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them:

BSF: Eligible to apply (determined by the applicant's status). If MFIP closes, family would continue to be eligible for BSF.

MFIP: Not Eligible.

TY: Not eligible.

LEGAL AUTHORITY:

Minnesota Statutes 119B.011

Minnesota Rules 3400.0040

EARNED/UNEARNED INCOME**6.6**

Earned income is a payment a family member had to expend individual effort or labor to receive. Examples are:

- Wages/salaries.
- Paid vacation or sick leave.
- Uniform, mileage and meal allowances if federal income tax is deducted from the allowance.
- Fair market value of housing if housing is provided as part of total work compensation.
- Tips/gratuities.
- Self-employment income.
- Commissions.
- Incentive payments from work or training programs.
- Jury duty pay.

Gross earned income is income from employment prior to any payroll deductions. Gross income includes such things as 401K contributions and pre-tax medical/dental accounts. Refer to §6.18 for information on income deductions that should be deducted from annual gross income.

Unearned income is a payment a family member did not have to expend individual effort or labor to receive. Expenditures necessary to secure payment of unearned income are deducted from the unearned income. Examples of unearned income are:

- Cash portion of MFIP.
- Work Benefit (WB).
- DWP.
- Relative Custody Assistance.

- Adoption Assistance basic maintenance and supplemental needs payments.
- Interest or dividends.
- Unemployment Compensation.
- Disability insurance payments.
- Insurance payments or settlements.
- Veteran benefits.
- Pension payments.
- Child or spousal support, medical or child care support which is not assigned to the state.
- Retirement, Survivors, Disability Insurance (RSDI).
- Severance payments.
- Lump sums such as insurance settlements, court settlements and child support arrears.

LEGAL AUTHORITY:

Minnesota Statutes 119B.09

Minnesota Statutes 119B.011

Minnesota Rules 3400.0170

EXCLUDED INCOME**6.12**

Exclude the following types of income:

- Supplemental Security Income (SSI).
- Earnings and payments to individuals participating in programs under Title 1 of the Workforce Investment Act.
- Scholarships, work study, income and grants that cover costs or reimburse for tuition, fees, books and educational supplies.
- Student loans for tuition, fees, books and living expenses.
- State and Federal earned income tax credits.
- State and Federal income tax refunds.
- In-kind income such as (SNAP) Supplemental Nutrition Assistance Program (including the food portion of MFIP), Energy Assistance, Foster Care, Medical Assistance, Child Care Assistance and housing subsidies.
- Grants from the Family Subsidy Program. For the definition of the FAMILY SUBSIDY PROGRAM, see §2 (Glossary).
- Non-reoccurring lump sum income to the extent that it is earmarked and used for the purpose for which it is intended.
- Earned income for full time or part time students up to the age of 19, who have not earned a high school diploma or GED high school equivalency diploma. This includes earnings from summer employment when the family member is not actually attending school, as long as the student intends to return to school the following year.
- Child support and spousal maintenance, medical support and child care support which is assigned to the State.
- Assistance specially excluded as income by other laws, including but not limited to AmeriCorps.
- Payments made by a source other than the family of part or all of the family's child care expenses not payable under the CCAP if the funds are paid directly to the family's child care provider on behalf of the family.

LEGAL AUTHORITY:

Minnesota Statutes 119B.011

Minnesota Rules 3400.0170

ANNUALIZING MFIP & EARNED INCOME

6.15.3

The cash portion of the MFIP grant carries over from MAXIS and is included in the MEC² calculation of the annualization of unearned income for the family.

The financial worker determines MFIP eligibility and grant amount prospectively for the first 2 months of participation and retrospectively thereafter. This means that when an MFIP participant begins working, the earned income is not budgeted against the MFIP grant until 2 months later. For example, an MFIP participant who begins working in September sees a grant reduction in November based on September earnings.

In situations where the parent begins working, MEC² annualizes the full MFIP grant for 12 months even though the MFIP grant would be reduced for a portion of that period due to earned income. When a parent on MFIP starts employment, it may be necessary to calculate the MFIP grant offline and enter the correct annualized MFIP income amount into MEC² using a system override. Consult with the MFIP worker to determine the offline MFIP grant calculation, and document in Case Notes how you arrived at the calculated amount. Refer to the MEC² User Manual for procedures on annualizing reduced MFIP income.

LEGAL AUTHORITY:

Minnesota Statutes 119B.09
Minnesota Rules 3400.0170
Minnesota Statutes 119B.011

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VERIFICATION-INITIAL APPLICATION**7.3**

Verify the following at ALL initial child care applications.

- Identity of all members of the household.
- Presence of the minor child in the home, if questionable.
- Relationship of minor child(ren) to the parent, stepparent, legal guardian, eligible relative caretaker, or the spouses of any of the foregoing.
- Age of the child(ren) in the family.
- Age of the applicant if he or she is under 21.
- Citizenship and immigration status of all children for whom child care assistance is being sought. A child who is participating in child care in a setting subject to public educational standards, such as in Head Start or a pre-kindergarten or school-age care program operated under public educational standards, is exempt from this requirement. See §7.12 (Verifying Citizenship and Immigration Status).
- Social Security Number, if given. The county MUST request Social Security Numbers from all applicants for child care assistance. A county must NOT deny child care assistance solely on the basis of failure of an applicant to provide a social security number. Before asking for the social security number, the county must give the applicant the Minnesota Department of Human Services Notice of Privacy Practices (DHS-3979), which explains whether the disclosure is mandatory or voluntary; under what authority the number is being requested; and how the number will be used.
- Income. See §7.9 (Income Verification).
- The Federal Employer Identification Number (FEIN) must be entered into MEC². Verification is not required. A county may choose to verify a FEIN if they have a reason to believe that the information received may not be accurate.
- Spousal support and child support payments made to persons outside the household.
- Residence. The family must verify their address. Mail may be used to verify residence. This does not include a P.O. Box as a standalone address. Mail addressed to a P.O. Box may not be used to verify residence. Any form of mail provided by the client that shows their current name and address may serve as adequate proof of residence. A forwarding address sticker received at the administrating agency from the US Postal Service cannot be considered verification of residence for CCAP.

- Inconsistent information, if related to eligibility.
- Employment and/or education status of adult family members including employment and/or class schedule. The schedule must show the days and times worked or the days and times that classes meet. If employment and/or class schedule is not provided, the case should be suspended. For MFIP/DWP families with an approved Employment Plan, verification of the family's employment and education schedule is not required if the Employment Services worker has indicated what the clients schedule is OR what days and times that child care is needed.
- School schedule for every child who needs child care and attends school, such as a school calendar with start and end times. Verification does not need to include the child's name. Worker obtained verification of the school schedule is acceptable. If there is not verification of school schedule for every child who needs child care and attends school, the case should be suspended. For MFIP/DWP families with an approved Employment Plan, verification of the child's school schedule is not required if the Employment Services worker has indicated what the child's school schedule is OR what days and times that child care is needed, taking into account the child's school schedule.

LEGAL AUTHORITY:

Minnesota Rules 3400.0040

Minnesota Statutes 119B.025

VERIFICATION-ELIGIBILITY REDETERMINATION**7.6**

Verify the following at the time of eligibility redetermination:

- Income
- Residence. See §7.3 (Verification –Initial Application).
- Employment and Education/Training Status including employment and/or class schedule. The schedule must show the days and times worked or the days and times that classes meet. If employment and/or class schedule is not provided, the case should be suspended. For MFIP/DWP families with an approved Employment Plan, verification of the family’s employment and education schedule is not required if the Employment Services worker has indicated what the client’s schedule is OR what days and times that child care is needed.
- School schedule for every child who needs child care and attends school, such as a school calendar with start and end times. Verification does not need to include the child’s name. Worker obtained verification of the school schedule is acceptable. If there is not verification of school schedule for every child who needs child care and attends school, the case should be suspended. For MFIP/DWP families with an approved Employment Plan, verification of the child’s school schedule is not required if the Employment Services worker has indicated what the child’s school schedule is OR what days and times that child care is needed, taking into account the child’s school schedule.
- Changes in Family Status and Family Size.
- Continued Cooperation with Child Support Enforcement and Assignment.
- Inconsistent information, if related to eligibility.
- Any other factor required to be verified at initial child care application that has changed since the last eligibility determination. See §7.3 (Verification – Initial Application).
- The Federal Employer Identification Number (FEIN) does not need to be verified. Enter the FEIN into MEC². A county may choose to verify a FEIN if they have reason to believe that the information received may not be accurate.

LEGAL AUTHORITY:

Minnesota Rules 3400.0040

Minnesota Statutes 119B.025

INCOME VERIFICATION**7.9**

Verify all sources of income, including excluded income, prior to approving or denying eligibility, or continuing to authorize child care assistance. Request documentary evidence from the applicant that proves when, what type and the amount of income a family member receives. An MFIP/DWP Employment Plan is not documentary evidence and cannot be used as verification of income.

All income must be verified using the most current 30 days of verification, excluding child support tracked through PRISM. For child support tracked through PRISM, the last six months of information is required. If the worker does not follow these standards, they must case note why they deviated from the standard and what and how verification is used to support the income components required in the calculation of annualized income.

If the applicant or recipient cannot provide an actual document, ask him or her to provide a release of information signed by the family member receiving the income allowing you to contact the source of the income directly. A client statement cannot be used to verify income except in two circumstances:

1. Self-employment income: If existing verification is insufficient to accurately predict self-employment income (for example in the start-up phase of self-employment) a client statement may be used to verify self-employment income. When child care is authorized based on estimated income, inform the parent of possible overpayments if the estimated income used does not reflect the actual income earned. The worker must request verification and a redetermination of eligibility must be done within the following three months. The worker should reconcile the information provided on the verifications with the original self-declaration of income. Workers should act on the new information if the differences affect the copayment amount, authorized hours and/or eligibility and assess any overpayment. Workers should also act on underpayments if the county has identified in the County Child Care Plan that they make corrective payments.
2. Child support income: In cases where there is a previously agreed upon child support arrangement and the absent parent refuses to sign a verification of payment, the applicant may self-declare child support income during the initial application but must agree to cooperate with child support enforcement by completing the required paperwork. The self-declared child support received is included in the annualization of income.

INCOME VERIFICATION**7.9****EARNED INCOME**

Ask first if the applicant or recipient has paycheck stubs for the most current 30 days that specifically identify the number of hours worked, gross income based on those hours, payroll period covered, client and employer name. If the person with earned income has some but not all of the paycheck stubs for the most current 30 days, use the paycheck stubs provided and look at year to date totals to determine if you can use year to date totals to gather the necessary information for the missing paycheck stubs. If something other than the most current 30 days is used to calculate the income components, the worker must case note what was used and how it was used to determine the income components.

If paycheck stubs are not available, or do not contain all the necessary information, ask the applicant or recipient to provide a letter from the employer on company letterhead with the necessary information. If an employer statement is used as verification, the worker must request paycheck stubs for the most current 30 days as soon as they become available and reconcile the information on the employer statement to the information on the paycheck stubs. Workers should act on the new information if the differences affect the copayment amount, authorized hours and/or eligibility and assess any overpayment or act on any underpayment (if the county reimburses underpayments).

SELF-EMPLOYMENT INCOME

Documentation of self-employment income must meet the following criteria:

- Ask for books and tax statements, if available, providing gross receipts and expenses from self-employment income.
- Self-employment business income records must be kept separate from the family's personal income records.
- At application, if business records and personal records are not separate, ask the parent to separate income records and resubmit according to CCAP requirements.
- If existing verification is insufficient to accurately predict self-employment income (for example in the start-up phase of self-employment) a client statement may be used to verify self-employment income. When child care is authorized based on estimated income, inform the participant of possible overpayment if the estimated income used does not reflect the actual income earned.
- If self-employment income is estimated at application, the worker must request verification and redetermination of eligibility must be done within the following three months. The worker should reconcile the information provided on the verification with the self-declaration of income. Workers should act on the new

INCOME VERIFICATION**7.9**

information if the differences affect the copayment amount, authorized hours and/or eligibility and assess any overpayment or act on any underpayment if the county reimburses underpayments.

- When the federal income tax return has been filed, which reflects the current self-employment activity, review the tax records and compare with the income amount used for calculating child care eligibility in the corresponding tax year. If the current self-employment activity is not reflective of the previous year's tax statement, adjustments must be made in the amount used for future authorizations.
- If a self-employed person believes that they should not be subject to the federal minimum wage, the county should work with the applicant or client to identify the correct applicable amount. If a self-employed person believes that they should not be subject to the federal minimum wage but verification is not available, accept a statement from the person that states that they are not subject to that amount and the reason why.

UNEARNED INCOME

All unearned income must be verified using the most current 30 days of verification, excluding child support tracked through PRISM. For child support tracked through PRISM, the last six months of information is required. For child support that is not tracked through PRISM require the most current 30 days of verification. If something other than the most current 30 days of verification (or six months for child support tracked through PRISM) is used to calculate the income components, the worker must case note what was used and how it was used to determine the income components.

Examples of acceptable documentation of unearned income include but are not limited to:

- Court documents providing child support and/or spousal maintenance amounts.
- Documentation from the Child Support and Collections office. In cases where there is a previously agreed upon child support arrangement and the absent parent refuses to sign a verification of payment, the applicant may self-declare child support income during the initial application but must agree to cooperate with child support enforcement by completing the required paperwork. The self-declared child support received is included in the annualization of income.
- Award letters from the Social Security Administration, the Veterans' Administration, etc.
- [PRISM or INFC/SVES screen prints \(see §7.24 DHS Data System for Verification\).](#)

- Bank Statements indicating periodic payments of interest or similar income.
- Copies of checks for pensions, trust funds, annuities, unemployment compensation, etc.
- Cash settlements/awards/winnings may be verified through copies of the “letters of award” or court order or other applicable items.
- Financial aid award letter.

LEGAL AUTHORITY:

Minnesota Statutes 119B.025

Minnesota Rules 3400.0170 Subp. 1

CCAP participants are required to verify certain information as a condition of eligibility and to authorize care. See §7 (Verification).

For families who have received public assistance benefits through the Minnesota Department of Human Services and/or the county human service agency(s), this may mean certain information can be verified through MAXIS or various other DHS systems or interfaces.

The procedures outlined in this section do not apply in cases where system verifications interface directly from another source such as the Social Security Administration (SSA) or Internal Revenue Service (IRS). When information is verified using a third party interface, record the source of the verification and make a screen print of the third-party interface for the case file.

If verification not obtained through a third-party interface is coded as received in a DHS system other than MEC², but there is no documentation in the child care file, you must do the following:

- Confirm that verification exists within the agency. Document in Case Notes what action was taken to confirm this information. In addition, note the type of documentation on file and how it was used to establish eligibility for CCAP.
OR
- Request a hard copy of the verification for the CCAP file.

Counties are responsible for developing best practices for inter-agency communication to determine whether system documentation exists and meets CCAP verification requirements. These practices must be applied consistently.

CCAP workers must obtain hard copies of income verification for the child care file. See §7.9 (Income Verification). Exceptions occur when income is verified through a third-party interface. For example, Social Security Administration (SSA) benefits may be verified with the State Verification and Exchange System (SVES) interface between MAXIS and SSA, and Disbursed Child Support may be verified using PRISM.

LEGAL AUTHORITY:

Minnesota Statutes 119B.[025](#)

Minnesota Rules 3400.[0040](#)

[Minnesota Rules 3400.0170](#)

PAYMENTS TO PROVIDERS

9.3

Make payments to providers, unless the provider cares for children in the children's own home. Care provided in the child's home must be approved by DHS. Payment must be made directly to the family when care is provided in the child's home. This applies whether the provider is licensed or legal nonlicensed. See §9.6 (Payments to Families).

You must:

- Make payments at least monthly.
- Make payment no later than 30 days after receipt of the bill when the provider submits a bill for services within 10 days after the last date of service.
- Provide notice to both the family and provider of the payment amount, and how and when the payment will be made.

Pay the provider (or parent, if care in the home is approved) after the provider is authorized by the county, retroactive to the later of the date that:

- Child care was authorized to begin. OR
- The family became eligible. See § 4.12 (Date of Eligibility). OR
- The family began using a licensed provider OR the family began using a Legal Nonlicensed provider and the provider completed training required. See §11.9 (Legal Nonlicensed (LNL) Providers).

If a provider has received an authorization of care and been issued a billing form for an eligible family, the billing form must be submitted within 60 days of the last date of service on the bill. You may pay a bill submitted more than 60 days from the last date of service (but less than 1 year) if the provider shows good cause for the delay. Good cause is defined in your County Child Care Plan, and it must include county error.

If a provider provided care for a time period without receiving a Service Authorization and a billing form for an eligible family, payment may only be made retroactively for a maximum of six months from the date the provider is issued a Service Authorization and billing form.

Do **NOT** pay a bill submitted more than a year after the last date of service on the bill.

Do **NOT** require participants to pay providers in advance of receiving payment from the child care fund as a condition for receiving child care assistance.

PAYMENTS TO PROVIDERS

9.3

Licensed family child care providers and their employees and legal nonlicensed child care providers and their employees are **NOT** eligible to receive child care subsidies for their own children or children in their family during the hours they are providing child care or being paid to provide child care. They are eligible to receive child care assistance subsidies for their children when they are engaged in other authorized activities, as long as the hours do not overlap with the hours they provide or are being paid for providing child care services. This does not apply to child care centers and their employees.

- The provider admits to intentionally giving materially false information on the billing forms.
- OR
- Your agency finds by a preponderance of evidence that the provider intentionally gave materially false information on the billing forms.
- OR
- The provider violates CCAP rules, until the violations have been corrected.
- OR
- The provider submits false attendance reports or refuses to provide attendance records upon request.
- OR
- The provider gives false child care price information.
- OR
- The provider is operating with a suspended or revoked license, or has been issued licensing orders that affect the health and safety of children in care due to the nature, chronicity, or severity of the licensing orders. Consult DHS staff if your county is considering use of this provision to stop paying a provider.
- You may end a provider authorization, stop payment, issued to a provider, or refuse to pay a bill submitted by the provider.

Receipt of federal, state or local funds by a child care provider either directly or through a child care assistance recipient does **NOT** establish an employee-employer relationship between the provider and the county or state.

PROVISIONAL PAYMENTS

After a county receives a completed application from a legal nonlicensed (LNL) provider, the county may choose to issue provisional authorization and payments to the provider during the time needed to determine whether to give a final authorization to the provider. See §2 (Glossary) for the definition of provisional authorization and provisional payments. Check your County Child Care Plan to see if your county has chosen this option.

If a provisionally authorized LNL provider does not receive final authorization by the county:

- Send notice to terminate provisional authorization and payment to the provider.
- AND
- Send a notice of adverse action to notify the family using the ineligible provider that they must choose a new provider to continue to receive child care assistance.

A provider's failure to receive final authorization does not cause payments made during the provisional authorization to be overpayments.

LEGAL AUTHORITY:

Minnesota Statutes 119B.09
Minnesota Statutes 119B.13
Minnesota Rules 3400.0110
Minnesota Rules 3400.0185
Minnesota Statutes 119.125

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FEDERAL EMPLOYER IDENTIFICATION NUMBER**9.3.3**

Effective [July 1, 2014](#), a legislative change to Minnesota Statutes, section 119B.09, subdivision 9(a) prohibits Child Care Assistance Program (CCAP) payments to child care centers if more than 50% of the children cared for by the center are children of the center's employees or reside with the center employees. Implementing this change involves collection of Federal Identification Numbers (FEIN) by county agencies and monitoring of compliance by DHS.

OBTAINING FEDERAL EMPLOYER IDENTIFICATION NUMBERS (FEIN)

All employed adults who are part of a CCAP family are required to supply their employer's Federal Employer Identification Number (FEIN). Self-employed adults are not required to supply a FEIN.

A FEIN, also called an Employer Identification Number (EIN) or Tax Identification Number (TIN), is a nine digit unique number that the Internal Revenue Service (IRS) assigns to businesses that are required to file tax returns. Every company has its own FEIN, which is provided to employees for the purpose of filing their taxes each year.

Agencies must obtain the FEIN for all employers of employed adults who are part of a CCAP family and enter the FEIN in MEC². The FEIN must be obtained at application, redetermination, or at the time the family reports a change in employment. Verification of the FEIN is not required.

There is a space for the client to include the FEIN on the CCAP Application (DHS-3550) and Redetermination (DHS-5274) forms.

There is a field on the Earned Income window in MEC² for the agency worker to enter the FEIN. Do not deny CCAP eligibility while obtaining the FEIN. The agency worker may override eligibility results to allow additional time in which to obtain the FEIN.

There are several ways employed adults can find their employer's FEIN.

The FEIN may be found on:

- W-2
- A paystub
- The company's website
- Calling the company and requesting the number.

The FEIN of a public company may be found on their:

- 10-K
- 20-F
- Other SEC filings.

- These documents can be located free of charge through the U.S. Securities and Exchange Commission's EDGAR database at <http://www.sec.gov/edgar.shtml>.

Nonprofit organizations often include the FEIN on Form 990 that they are required to file with the Minnesota Secretary of State office. GuideStar maintains a database with several organizations that file the Form 990. The basic GuideStar search is a free service that requires an email and password to access the Form 990. <http://www.guidestar.org>

County agency workers with access to the DHS Systems Information Resource (SIR) can use the FEIN Lookup tool to find employer's FEINs. The FEIN Lookup tool is located in the MEC² Worker Resources section of SIR.

LEGAL AUTHORITY:

Minnesota Statutes 119B.09 subd. 9A

AUTHORIZED HOURS – STUDENTS**9.12**

Do not authorize more than 120 hours per child every 2 weeks.

Authorize only the time necessary to complete the credit requirements for an associate or baccalaureate degree as determined by the educational institution. Require the student to provide documentation from the school on the credit requirements for the approved program.

A student must be in good standing and making satisfactory progress toward completion of the program. Require the student to provide documentation from the school.

See §4.3.12.3 (BSF Students) for information about approving education as an authorized activity for BSF.

GUIDELINES FOR AUTHORIZING CARE FOR EDUCATION:

- Authorize all hours of actual class time and credit hours (including independent study and internships), AND
- Up to two hours of travel time per day, AND
- Two hours per week per credit hour for post-secondary students for study time and academic appointments.*

*When a student has more than 1 hour between classes on any 1-day, reduce the authorized study time by the number of hours between classes.

See §9.15 (Authorized Hours – Employment) for information about authorizing care for employment hours when a student is employed

OTHER CIRCUMSTANCES WHEN DETERMINING AUTHORIZED CARE:

- Students in basic or remedial education needed to prepare for post-secondary education or employment. Authorize child care assistance for remedial classes as needed for the student to attend class and complete class assignments.
- For MFIP or DWP students whose Employment Plan (EP) specifies a different time frame, authorize child care assistance according to the time frame specified in the EP.

AUTHORIZED HOURS – STUDENTS**9.12**

- Authorize child care assistance for a student with a baccalaureate degree for continuing education units or certification or coursework necessary to update credentials to obtain or retain employment.
- Students on school breaks who are expected to return to school at the end of the break remain eligible during the break:
 1. If the break is expected to last 15 calendar days or less, care should continue to be authorized during the break period.
 2. If education is the family's only authorized activity, and the break is expected to last more than 15 calendar days, the case should be suspended for the break period. A 15 day notice of adverse should be sent to the client and provider in advance of the scheduled break. The case should be suspended the day the break begins.
 3. If education is not the family's only authorized activity, and the break is expected to last more than 15 calendar days, the number of hours authorized should be reduced to reflect the authorized hours needed for the family's other authorized activities during the break period. A 15 day notice of adverse action should be sent to the client and provider in advance of the scheduled break. The reduction in authorized hours should be effective the day the break begins.

LEGAL AUTHORITY:

Minnesota Statutes 119B.07

Minnesota Rules 3400.0040

AUTHORIZATION HOURS-EMPLOYMENT**9.15**

Authorize no more than 120 hours per child every bi-weekly period.

If a MFIP/DWP family has an approved Employment Plan with an employment activity, authorize the number of hours needed for the employment activity or for support of the employment activity, as indicated by the Employment Services worker. The number of hours authorized for each child should be the number of hours that care is needed to support the parental authorized activities, excluding the hours that the child does not need child care or the hours that the provider is unavailable. The child may not need child care due to the child being in school. See §9.12 (Authorized Hours –Students)

EMPLOYMENT

Participants who do NOT have an approved MFIP/DWP Employment Plan must work at least an average of 20 hours per week and receive at least the applicable minimum wage to receive child care during employment hours. When a participant has multiple employment activities, the hours worked at the different employment activities may be combined to meet the 20 hours per week at the applicable minimum wage requirement. See §6.16 (Applicable Minimum Wage).

Work with the participant to determine a length of time, not to exceed 6 months, over which the number of hours worked weekly can be averaged to determine if the participant meets the requirement to work an average of 20 hours per week at the applicable minimum wage.

When the participant works for an hourly wage, child care should be authorized for the number of hours scheduled to be worked, including break and meal time during the employment, and up to two hours per day for travel time.

When the participant does not work for an hourly wage, authorize child care for the LESSER of:

- The number of hours spent in the employment activity, plus meal/break time and up to two hours per day for travel time,

OR

- The number of hours determined by dividing the annual gross earned income from the employment activity by 52 weeks and then by the applicable minimum wage, plus up to one hour per eight hours worked for meals/breaks, and up to two hours per day for travel time.

STUDENTS AND EMPLOYMENT

Students are not required to work.

- If a full-time student that does NOT have an approved MFIP/DWP Employment Plan chooses to work and requests child care assistance during their employment time, they are required to work an average 10 hours per week at the applicable minimum

AUTHORIZATION HOURS-EMPLOYMENT**9.15**

wage.

- If a part-time student that does NOT have an approved MFIP/DWP Employment Plan chooses to work and requests child care assistance during their employment time, they are required to work an average 20 hours per week at the applicable minimum wage.

NOTE: Generally, students are considered full-time when they are enrolled in a minimum of 12 credits, their credits are equivalent to full-time students, and/or they are participating in 20 hours of classroom training per week. Because schools have differing definitions of full-time and part-time students, rely on the terminology of the specific school for determination. If you have questions about a student's status, contact the school or ask the student to do so for more information.

There is no minimum number of credits that a student must have to be considered part-time. A part-time student is considered anything less than full-time.

CHILD CARE IN SUPPORT OF EMPLOYMENT

For participants that do NOT have an approved MFIP/DWP Employment Plan, authorize child care assistance in support of employment for non-work hours if necessary if the following conditions are met:

- The child care in support of employment or in combination with the employment activity does not exceed the amount of child care that would normally be granted for child care during employment.
- The family meets all eligibility requirements.
- The employed person cannot reasonably modify the non-work schedule to provide child care.

LEGAL AUTHORITY:

Minnesota Statutes 119B.10

Minnesota Rules 3400.0040

CARE FOR SICK CHILDREN**9.33**

Sick child care is a child care service provided to children who cannot attend the family's regular child care provider, as a result of illness. The county agency may make payments for sick child care, in addition to making payments to the regular child care provider during illness if identified in the County Child Care Plan. 120 hour limits apply. See §9.1(Child Care Authorization).

Your agency has the option of assisting participants with sick child care. If your county makes payments for sick child care that exceed the county maximum rate, sick child care payments must be at a rate comparable to like care arrangements in your county. Your agency may complete a survey of all providers who care for sick children in the county to determine the appropriate rate.

Your agency's County Child Care Plan will indicate if this option is available in your county. The county's sick child care policy and rate shall be included in the County Child Care Plan.

LEGAL AUTHORITY

Minnesota Rules 3400.0110 Subp. 8

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SPECIAL NEEDS**9.54**

CHILDREN OVER AGE 12

Children who are ages 13 through age 14 who are disabled may receive child care assistance. Documentation of the disability such as an IEP or medical/psychological evaluation must be submitted and kept in the county CCAP case file in order for CCAP to be approved. Department of Human Services (DHS) approval is not required if the family and provider do not request a payment rate that exceeds the county maximum school age rate. Refer to the MEC² User Manual for instructions on approving CCAP eligibility for children over the age of 12. If a payment rate that exceeds the county maximum school age rate is requested by the parent or provider, follow instructions in this section to request special needs rates.

SPECIAL NEEDS RATES

Pay a special needs rate to a provider for the care of a child who has special needs due to a disability requiring specialized training, services or environmental adaptations. The parent and the provider must request a special needs rate and the rate must be approved by DHS. The county may pay special needs rates for a child with a documented disability through the child's 14th year of age.

A disability is a functional limitation or health condition that interferes with a child's ability to walk, talk, see, hear, breathe or learn. A special need may be any special medical, developmental and/or atypical behavior or condition that requires additional support to help the child successfully grow and develop to his or her full potential.

Special needs payments may exceed your county's maximum rate, but must never be greater than what the provider charges the private sector for the same services. It is the provider's responsibility to assure compliance with the Americans with Disabilities Act (ADA).

A special needs rate may be requested/approved when:

- The provider charges more for a child with special needs.

OR

- The provider spreads the cost of caring for a child with special needs across all children in care. You may only pay the higher rate for the child with special needs. Do not exceed your agency's maximum rate for all other CCAP children in care.

Explore other funding sources within your region for specialized services or environmental adaptations to assure parents are linked to important community services, and that child care funds do not supplant other resources. CCAP eligibility for a child with special needs is not contingent upon parental participation or eligibility in other support programs (for example, SSI).

FOR AN INDIVIDUAL CHILD WITH SPECIAL NEEDS

Reimburse providers for the care of individual children with disabilities or special needs at a special rate, if approved by DHS. Counties may choose to develop a county specific process for approving special needs rates requested for the care of individual children. The county specific process must be approved by DHS in the county's child care plan. Take the following steps to establish or request renewal of a special needs rate (unless your county has a different county specific process that has been approved by DHS):

1. Ask the parent and provider to complete the CCAP Special Needs Rate Variance Request – Parent and Provider Request [DHS-4194-ENG](#) together and to ensure that documentation of the child's special needs is included.
2. Complete the CCAP Special Needs Rate Variance Request – County Recommendation Form [DHS-4195-ENG](#) recommending approval or denial of the request. If approved, DHS will determine the rate(s) to approve, based on a process used by DHS. The rate(s) approved may be lower than the rate(s) requested. When determining whether to recommend approval or denial of the request, the county should review the Parent and Provider Request to determine if the provider is providing additional services to meet the needs of the child. Remember each child's special needs may have variations of what may be defined in a diagnosis, and various degrees of severity in a diagnosis. The adaptations and services provided must reflect the personalized needs of the child.
3. Submit the Parent and Provider Request form, documentation of the child's special needs, and County Recommendation form to DHS, Child Care Assistance Program, PO Box 64962, St. Paul, MN 55164-0962, or by fax to: 651-431-7483.

The county will receive a letter indicating whether the request was approved or denied. If a special needs rate(s) is approved by DHS, pay the approved special needs rate retroactive to the effective date of approval on the official letter from DHS.

The county must notify the provider and the parent of the decision in writing and keep a copy of the official letter from DHS and the letter(s) sent to the provider and parent in the CCAP file. If approved, include the reasons for approval and any requirement or suggestions listed on the official letter sent by DHS in the county letter sent to the provider and parent. If denied, include the reasons for denial listed on the official letter from DHS and notify the parent of the right to appeal.

When the county has received the approval or denial letter from DHS, a resource and referral document may also be included. Based on the information submitted, DHS is suggesting that the child could benefit from one or more of the services or resources checked on the

SPECIAL NEEDS**9.54**

document. When notifying the parent and provider of the approval or denial, counties should also send a copy of the resource and referral document.

FOR CHILDREN IN THE AT-RISK POPULATION

Your county may also choose to pay special needs rates to certain populations defined as at-risk in your County Child Care Plan. The county must have DHS approval for these rates to be paid. At-risk means environmental or familial factors exist that create barriers to a child's optimal achievement. This could include, but is not limited to:

- A federal or state disaster.
- Limited English proficiency in a family.
- History of abuse or neglect.
- A determination that the children are to risk of abuse or neglect.
- Family Violence.
- Homelessness.
- Age of the mother
- Level of maternal education
- Mental illness.
- Development disability.
- Parental chemical dependency or history of other substance use.

If your county has chosen to pay special needs rates to certain populations defined as at-risk in your County Child Care Plan:

- If there are 4 or more providers offering child care for children in a specific at-risk category, pay the lesser of the 75% rate, the rate negotiated with the provider by the county, or the provider's rate.
- If there are fewer than 4 such providers, pay the lesser of the rate negotiated with the provider or the provider's rate.

SPECIAL NEEDS**9.54****FOR SICK CHILDREN**

Special needs rates may be paid for sick children cared for by a provider when, as a result of illness, the child cannot attend the family's regular provider and the rate of the provider caring for the sick child exceeds the county maximum rate. The county must have DHS approval for this rate to be paid.

If your county pays the family's regular provider for an absent day when the provider caring for the sick child is also being paid, this county optional policy must be identified and approved in your [County Child Care Plan](#). See §9.33 (Care for Sick Children) for additional information.

RESOURCES

For additional information and resources for children with special needs contact:

Center for Inclusive Child Care
<http://www.inclusivechildcare.org>

National Information Center for Children and Youth with Disabilities
(651) 603-6265
P.O. Box 1492
Washington, DC 20013-1492
1-800-695-0285 (Voice/TTY)
E-mail: nichcy@aed.org

U.S. Department of Justice, Civil Rights Division, Disability Rights Section
Americans with Disabilities Act (ADA) Information
1-800-514-0301 (Voice)
1-800-514-0383 (TDD)

For examples of ADA Information Available see:
<http://www.usdoj.gov/crt/ada/chcaflyr.htm>

LEGAL AUTHORITY:

Minnesota Statutes 119B.13
Minnesota Rules 3400.0130
Minnesota Rules 3400.0020

LICENSE EXEMPT CENTERS**11.6**

License exempt centers include:

- Recreation programs for children operated or approved by a park and recreation board whose primary purpose is to provide social and recreational activities.
- Programs operated by a school, YMCA, YWCA or Jewish Community Center (JCC) whose primary purpose is to provide child care or services to school age children.
- Camps licensed by the Department of Health under Minnesota Rules, chapter 4630.
- Head Start and nonresidential programs that operate for less than 45 days in a calendar year.
- Programs for children such as scouting, boys and girls clubs, sports and art programs and nonresidential programs for children provided for a cumulative total of less than 30 days in any 12 month period.
- A program serving only children who are age 33 months or older, that is operated by a nonpublic school, for no more than four hours per day per child, with no more than 20 children at any one time, and that is accredited by:
 - (i) an accrediting agency that is formally recognized by the commissioner of education as a nonpublic school accrediting organization; **or**
 - (ii) an accrediting agency that requires background studies and that receives and investigates complaints about the services provided.

Pay license exempt centers at the same rate as licensed centers in the same age category.

Require a license exempt center to register with your county. See §11.12 (Provider Registration), §11.21 (Provider Authorization).

LEGAL AUTHORITY:

Minnesota Statutes 245A.03, Subd. 2

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LEGAL NONLICENSED (LNL) PROVIDERS**11.9**

Require a new Legal Nonlicensed (LNL) provider to register with your county. See §11.12 (Provider Registration). LNL providers must complete the criminal background process and be authorized by your county. See §11.21 (Provider Authorization).

Apply the following criteria to determine if a provider can be a Legal Nonlicensed (LNL) Provider:

- At least 18 years of age.

AND

- Not a member of the MFIP assistance unit, or a member of the family applying for or receiving child care assistance.

AND

- Not living in the same home as the child whose family is applying for or receiving child care assistance.

AND

- Provides child care only to related children, and/or provides child care to children from a single unrelated family at one time. Related refers to the provider being a sibling, a step-sibling, a niece, a nephew, a grandparent, an aunt, or an uncle.

AND

- Has current certification in First Aid and CPR.

REQUIRED FORMS

When a parent chooses an LNL provider, send the parent and provider a copy of the Health and Safety Resource List for Parents and Legal Nonlicensed Providers (DHS-5192A-ENG).

Require a signed Parent Acknowledgement When Choosing a Legal Nonlicensed Provider (DHS-5367) when a family chooses a legal nonlicensed provider. Require a separate form for each Legal Nonlicensed Provider the family chooses. The Parent Acknowledgment When Choosing a Legal Nonlicensed Provider Form (DHS-5367):

- Describes the registration process for LNL providers.
- Describes the participant's responsibilities and rights when choosing a LNL provider.
- Includes an acknowledgment that the participant and LNL provider will review the health and safety information provided by your county.
- Includes an assurance that the participant will provide an immunization record for each child to the LNL family child care provider within 90 days of the date that care begins, and will update the information as necessary.

LEGAL NONLICENSED (LNL) PROVIDERS**11.9**

Require the provider to complete and sign a CCAP Legal Nonlicensed Provider Registration and Acknowledgement (DHS-5192-ENG) form. See §11.21 (Provider Authorization). The LNL Provider Registration and Acknowledgement form includes information stating that the county is required to keep a record of substantiated complaints concerning the health and safety of children in the care of LNL providers and that, upon request, information governing substantiated complaints must be released to the public as authorized under Minnesota Statutes 13.03.

TRAINING REQUIREMENTS

Upon initial authorization, LNL providers must provide documentation of First Aid and CPR training. The training must have been provided by individuals approved to provide such training. Counties should align standards for acceptable training with standards used for approving licensed family child care provider First Aid and CPR training. Counties should consult with county licensing staff about how to determine valid training. The training must be effective as of the date the provider registration is approved. See §11.12 (Provider Registration).

Upon each reauthorization after the initial authorization requiring First Aid and CPR training, if a provider still serves children receiving CCAP, the provider must take and provide proof of an additional 8 hours of training in topics listed by the Minnesota Center for Development Registry. CCR&R agencies coordinate and offer training that is listed in the Registry.

PROVISIONAL PAYMENTS

Your county may choose to make provisional payments to LNL providers when all the requested information/documentation except the background check is available. These payments are temporary and end if your county denies the authorization request. Check your county's Child Care Fund Plan to see if your county has chosen this option. For additional information on payments to providers, see §9.03 (Payments to Providers).

BACKGROUND STUDY REQUIREMENTS

As of August 1, 2012 the background study requirements for legal nonlicensed providers are aligned with the background study requirements for a licensed family child care provider. Counties and contracted agencies that authorize LNL providers should review the changes and update their background study procedures as necessary to meet the new requirements.

Included in the registration packet for LNL providers is the Child Care Assistance Program Authorization for Release of Background Study (DHS-5193). The LNL provider must return a signed DHS-5193 to the county for all individuals for whom a background study is required.

LEGAL NONLICENSED (LNL) PROVIDERS**11.9**

Background studies are required for:

- The provider and each household member age 13 and older.
- Each household member age 10-12 living in the household where the provider services will be provided when the commissioner has reasonable cause as defined under section 245C.02, subd 15.
- An individual who, without providing direct contact services in the LNL program may have unsupervised access to children receiving services from the program, when the commissioner has reasonable cause.

Conduct a background study that includes findings from the Bureau of Criminal Apprehension, juvenile courts, and social service agencies. If the local county juvenile courts and social service agency do not maintain statewide records, contact the county where the provider currently resides and any counties where the provider resided in the past 5 years. A finding that a delinquency petition is proven in juvenile court must be considered a conviction in state district court.

A county agency may charge a fee to a legal non licensed provider or applicant for authorization to recover the actual cost of the background studies completed under section [245A.10 Subd. 2 \(b\)](#) not to exceed \$100 annually.

Counties may elect to reduce or waive the background check fees:

- In cases of financial hardship
- If the county has a shortage of providers in the county's area
- For new providers or
- For providers who have attained at least 16 hours of training before seeking initial licensure.

Counties may allow providers to pay the applicant fees on an installment basis for up to one year.

When the background study reports are returned, review (or have reviewed) for conviction, admission of guilt or a preponderance of evidence indicating that the person has committed a criminal act that disqualifies them from being authorized as a legal nonlicensed provider. The disqualifying acts and characteristics are listed under MN Statutes 245C.14, MN Statutes 245C.15, and MN Statutes 119B.125 subdivision 2 (b) through (e). If the provider or any household members subject to the background study is determined to have a disqualifying act or characteristic, the provider cannot be authorized.

LEGAL NONLICENSED (LNL) PROVIDERS

You may later authorize a previously denied LNL applicant if the person:

- Applies for and obtains a valid Minnesota child care license, a license issued by a tribe or another state.
- AND
- Maintains the valid child care license.
- AND
- Provides child care in the area under the jurisdiction of the licensing tribe or in the state of licensure.

An LNL provider may be authorized to provide care only in the child's home if the LNL provider is not able to be authorized to provide care in the provider's home because a household member of the provider has a factor that prohibits authorization AND the family has been approved by DHS for an in-home care exception. See § 11.27. The family and provider must document that the care will be provided in the child's home before the provider can be authorized to provide care in the child's home. If the child and the provider live in the same home this is not an option.

Counties identify in their County Child Care Plans whether they perform background studies on LNL providers already registered in another county prior to authorizing that provider. Counties that do not perform a background study on LNL providers already registered in another county prior to authorizing that provider are only required to perform a background study on an LNL provider registered in another county if 1 of the following exists:

- 2 years have passed since the most recent authorization.
- An individual has reached age 10 but is not yet age 13 and is living in the household, when the county has reasonable cause as defined under section 245C.02, subd. 15.
- Another person age 13 or older has joined the provider's household since the last authorization.
- A current household member has turned 13 since the last authorization.
- Your county has reason to believe that a household member has a factor prohibiting authorization.
- The county's provisions for unsafe care differ from those established by the county responsible for the first authorization.

LEGAL NONLICENSED (LNL) PROVIDERS

11.9

PAYMENT INFORMATION

For information on the hourly rate to pay LNL providers, see §9.24.3 (Child Care Rates).
Do not pay registration fees to LNL providers.

LEGAL AUTHORITY:

Minnesota Statutes 13. Subd.03
Minnesota Statutes 119B.011 Subd. 19
Minnesota Statutes 119B.125 Subd. 1 and 2, 3, 5
Minnesota Statutes 245A.10. Subd. 2 (b)
Minnesota Statutes 245C.03.08 and .15
Minnesota Statutes 245C.14
Minnesota Statutes 245C.15
Minnesota Rules 3400.0120
Minnesota Rules 3400.0110 Subp. 2a
Minnesota Rules 3400.0140 Subp. 5
Minnesota Rules 3400.0035 Subp. 8 and 9

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PROVIDER RECORD KEEPING**11.15**

Require child care providers to maintain the following records and make them available to you immediately upon request:

1. Daily attendance records for children receiving child care assistance:

- The attendance records must be **completed daily** and include the date, the first and last name of each child in attendance, and the times when each child is dropped off and picked up. To the extent possible, the times the child dropped off to and picked up from the child care provider must be entered by the person dropping or picking up the child.
- An electronic sign in and out system may meet this requirement, but only if the person doing drop off and pick up is the person who actively participates in signing in or out, using a method such as a pin number or card that is assigned to the parent.
- Providers that use this method must be able to provide print outs of each child's attendance records when requested by the county.
- The county is not required to monitor that all providers are meeting this requirement but may request attendance records when in the normal process of administering CCAP or may make a decision to request attendance records when doing provider reviews. If the county knows that providers are not complying with this requirement, the county is required to take action. See § 9.3 (Payment to Providers)
- The county may stop payment, deny or end a service authorization to a child care provider when the county knows or has reason to believe that the provider has not kept attendance records for children receiving CCAP. See § 9.3(Payment to Providers).
- The daily attendance records must be kept for 6 years after the date the care was provided.

2. Documentation of 3rd party payments of a family's copayment, document:

- Payment source.
- Amount received.
- Time period covered.

3. Documentation of payments made by a source other than the family of part or all of a

PROVIDER RECORD KEEPING**11.15**

family's child care expenses not payable under CCAP if the funds are paid directly to the family's child care provider on behalf of the family. Examples of a third party payment would be a Post-Secondary Child Care Grant or Early Childhood Education Scholarship. Document:

- Payment source.
- Amount received.
- Type of expenses.
- Time period covered.

A provider may use the Child Care Assistance Program Financial Tracking Form [DHS-5318-ENG](#) or use their financial system to document situations #2 and #3 above.

LEGAL AUTHORITY:

Minnesota Statutes 119B.125, Subd. 6

Minnesota Statutes 119B.12, Subd. 2

AMOUNT OF OVERPAYMENT

14.6

To determine the amount of child care assistance the family and/or provider were actually eligible to receive, examine the following:

- Eligibility
- Copayment amount
- Authorized hours
- Payment amount

If care took place prior to the effective date of the current standard maximum rates [DHS-6441A-ENG](#) or the accredited maximum rates effective November 28, 2011 [DHS-6442-ENG](#) you will need to consult the standard [DHS-6441-ENG](#) and/or accredited [DHS-6442-ENG](#) maximum rates in place from July 1, 2006 –November 27, 2011. A county's standard maximum rates are also available in the MEC² provider rates window.

If care took place prior to the current copayment schedule, you will need to consult previous copayment schedules. For the biweekly copayment schedule in effect from October 3, 2011 – September 30, 2012 see [DHS-6413-ENG](#). For the biweekly copayment schedule in effect from October 4, 2010 - October 2, 2011 see DHS Bulletin 10-68-14 [DHS Bulletin](#). Contact your agency's Technical Assistance Liaison at DHS for previous copayment schedules.

If care took place during the copay schedule effective October 1, 2012 see [DHS-6413A-ENG](#)

The amount of the overpayment is the difference between the child care assistance payments that the family and/or provider received and the child care assistance payments that the family and/or provider were actually eligible to receive. The worker must include all amounts that were overpaid when determining the amount of the overpayment, regardless of how long ago the payments occurred.

When a family reports changes in their circumstance within 10 calendar days of the change, there will be no overpayment. An exception would be when the county does not respond to a reported change within 10 calendar days. If this happens there may be an overpayment due to agency error. The overpayment would be calculated allowing for a notice period. Counties must act on all changes within 10 calendar days from the date the change was reported or becomes known to the agency. See §8.3.3(Agency Responsibilities for Family Reporting).

If an employment plan is modified, the Employment Services (ES) worker should notify the CCAP worker of the change within 10 calendar days of the date of the modified plan. If the CCAP worker is NOT notified of the modified plan timely, an agency error overpayment would be calculated allowing for a notice period.

AMOUNT OF OVERPAYMENT**14.6**

When the family does not report changes in their circumstance within 10 calendar days there may be an overpayment. The overpayment would be calculated beginning on the date the change occurred.

If the change is due to increased income, the overpayment may be calculated differently depending on the following circumstances.

If an overpayment was due to increased income that occurred during a period of ongoing eligibility, the overpayment would be calculated starting with the first biweekly period after the date the increased income was first received.

If an overpayment was due to increased income that occurred at the same time as a new application:

- If the applicant was working and receiving income prior to the application date, but they failed to report it on the application – calculate the overpayment back to the application date.
- If the applicant was working prior to the application date, but they did not receive their first paycheck until after the application date, and they failed to list the job on the application – calculate the overpayment starting with the first biweekly period after the applicant received their first check.

The county agency may not charge interest on overpayments of child care assistance benefits.

INELIGIBILITY

When a family received child care assistance for a period of time when the family was not eligible for child care assistance, the amount of the overpayment is the total amount of child care assistance paid during the time period of ineligibility. If a family reported a change timely and the agency did not act on the change, the overpayment would exclude the allowable notice period.

If a family becomes ineligible for child care assistance and wants to receive child care assistance in the future, the family is required to reapply for child care assistance and meet entrance income limits.

If it is discovered that a family continuously receiving child care assistance was ineligible for a period of time when CCAP payments were made but met the eligibility requirements for a

AMOUNT OF OVERPAYMENT

14.6

subsequent period of time, assess an overpayment for the period of ineligibility and determine if an overpayment exists for the subsequent period of time:

If the family was receiving **MFIP** child care:

An overpayment would only be assessed for the period of ineligibility. There would not be an overpayment assessed for the subsequent period of time when the family met eligibility requirements.

If the family was receiving Basic Sliding Fee (**BSF**), Transition Year (**TY**), Transition Year Extension (**TYE**) or Portability Pool (**PP**) child care:

If the period of ineligibility was shorter than the time period allowed for temporary ineligibility, an overpayment should only be assessed for the period of ineligibility. There would not be an overpayment assessed for the subsequent period of time when the family met eligibility requirements. See §8.6 (Temporary Ineligibility)

If the period of ineligibility was longer than the time period allowed for temporary ineligibility, determine whether the family's income was below the entrance income limit for the family size at the beginning of the subsequent period of time when the family met the eligibility requirements.

1. If the family's income was at or below the entrance income limit for their family size at the beginning of the subsequent period of time when the family met eligibility requirements, an overpayment should only be assessed for the period of ineligibility. An overpayment should not be assessed for the subsequent period of time when the family met eligibility requirements.
2. If the family's income was above the entrance income limit for their family size at the beginning of the subsequent period of time when the family met eligibility requirements an overpayment should be assessed for the period of ineligibility:
 - a. If the family's income was above the entrance income limit for their family size during the entire subsequent period of time, an overpayment should be assessed for the entire period, in addition to the period of ineligibility. OR,
 - b. If the family's income was above the entrance income limit for their family size at the beginning of the subsequent period of time, but at a later date was at or below the entrance income limit for their family size, an

AMOUNT OF OVERPAYMENT

14.6

overpayment should be assessed for the beginning of the subsequent period of time when their income was above the entrance income limit for their family size, in addition to the period of ineligibility. An overpayment would not be assessed for the later period of time beginning when the family's income was at or below the entrance income limit for their family size.

Example:

Family was on child care assistance from January 1 to November 30. Family met eligibility requirements from January 1 to May 31. Family did not meet eligibility requirements from June 1 to September 30 (for example the parent was not in an authorized activity). Family met eligibility requirements from October 1 to November 30.

For all cases an overpayment would be assessed for the time period of June 1 through September 30 (if the family reported the change timely, an overpayment would not be assessed for the allowable notice period). In this scenario the period of ineligibility is greater than the time period allowed for temporary ineligibility. To determine whether an overpayment should be assessed for the time period of October 1 through November 30:

- For MFIP cases: an overpayment should not be assessed for October 1 to November 30.
- For BSF, TY, TYE and Portability Pool cases:
 1. If the family's income was at or below the entrance income limit for their family size on October 1, an overpayment should not be assessed for the time period of October 1 to November 30.
 2. If the family's income was above the entrance income limit for their family size on October 1 and continued to be above the entrance income limit, an overpayment should be assessed for the time period of October 1 through November 30.
 3. If the family's income was above the entrance income limit for their family size on October 1, but was below the entrance income limit for their family size at a later time, for example November 1, an overpayment should be assessed for the time period of October 1 to October 31. An overpayment should not be assessed for the time period of November 1 through November 30.

LEGAL AUTHORITY:

Minnesota Statutes 119B.011

Minnesota Statutes 119B.11

Minnesota Rules 3400.0187

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