

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES  
BISMARCK, NORTH DAKOTA  
November 4, 2019**

**IM 5363**

**TO:** County Social Service Directors  
Economic Assistance Policy Regional Representatives  
Economic Assistance Policy Quality Control Reviewers

**FROM:** Michele Gee, Director, Economic Assistance

**SUBJECT:** CCAP Policy Updates

**PROGRAMS:** Child Care Assistance Program (CCAP)

**EFFECTIVE:** Immediately

**SECTIONS**

**AFFECTED:** 400-28-40-10-20 Crossroads Case Closure and Continued  
Child Care Assistance Program  
400-28-45-45-25 TANF or Diversion Case Closure and  
Continued Child Care Assistance Program  
400-28-65-25 Terminated Source of Income  
400-28-75-50 When Income and Allowable Income  
Deductions are Verified and Changed  
400-28-80-10 Calculating a Caretaker's Allowable Child  
Care Hours  
400-28-120-35 Updating Certificates  
400-28-140 Notices  
400-28-150-15 Overpayments  
400-28-165-15 SFN 113, Postsecondary Education  
Information

Effective with SPACES rollout, when an ongoing CCAP grant type changes from Crossroads, Diversion, TANF or Transition to Non-TANF, it will remain with a \$0 co-pay throughout the remainder of the eligibility period. This is only applicable to cases in SPACES. Legacy cases will continue to have the minimum co-pay applied to their case.

Policy has been changed to use an average number of hours when determining prospective income and allowable activity hours for the caretaker.

Policy on overpayments has been updated to include situations where agency errors are pursued.

Policy relating to the SFN113 has been removed, as this form is no longer required.

Additionally, terminology has been updated to align with processing in SPACES.

## **Crossroads Case ~~Program~~ Closure and Continued Child Care Assistance Program 400-28-40-10-20**

If a Crossroads case program closes and there is a known allowable activity, the certificate must be updated effective the month following the month of Crossroads case closure to Co-pay or Waived Co-pay, whichever applies. remains eligible for CCAP, the co-pay remains as waived co-pay for the remainder of the eligibility period.

If a Crossroads case program closes and there **is not a known** allowable activity which continues, a closing notice must be sent to close the Child Care Assistance Program case at the end of the month equal to the Crossroads closure. the household must be allowed three months of continued assistance before the program can close. The three months of continued assistance begins in the month following the month of the Crossroads closure.

## **TANF or Diversion Case Closure and Continued Child Care Assistance Program 400-28-45-45-25**

If a TANF or Diversion case program closes and there ~~is a known~~ allowable activity, the certificate must be updated effective the month following the month of TANF or Diversion case closure. The case becomes Co-pay or Waived Co-pay, whichever applies. and remains eligible for CCAP, the co-pay remains as waived co-pay for the remainder of the eligibility period.

If a TANF or Diversion case program closes and there **is not a known** allowable activity which continues, the household must be allowed three months of continued assistance before the case program can close.

The three months of continued assistance begin s in the month following the month of the TANF or Diversion closure.

~~If a TANF monthly report is not completed and returned by the 15th of the month for a TANF or Diversion case, a Pending Notice must be sent to the household requesting information as to whether they continue to have a need and participate in an approved activity.~~

- ~~• If the family provides the completed TANF Monthly Report by the last day of the month and the TANF benefit for the future month is determined, the household is not subject to the three continued months of assistance and eligibility for CCAP may continue.~~
- ~~• If the family does not provide the TANF Monthly Report but contacts the Eligibility Worker:~~
  - ~~○ If the individual will not be participating in an approved activity for the future month, the household must be allowed three months of continued assistance from the month following the TANF or Diversion closure.~~

## **Terminated Source of Income 400-28-65-25**

Income is considered a terminated source of income when the final payment of income is received in the month prior to, the month of, or the month following the month:

- The application is received;
- The month the review is due;
- ~~• The case changes from Waived Co-pay to Co-pay~~

If at application or review, ~~or when a case changes from Waived Co-pay to Co-pay and the caretaker~~ **household** indicates income has ended from any source, the caretaker must provide verification of the terminated source and the last date it was received. Since income eligibility is determined prospectively, this income would not be used as it is not an ongoing source of income and will not be received during that certification eligibility period.

**Note:** If verification of the terminated source income and the last date it was received is not provided, the application must be denied or the case closed.

If a caretaker assistance is requesting ed child care for the month prior to the month of application and the caretaker the household indicates income has ended from any source, the caretaker household must provide verification of the terminated source and the last date it was received. All actual gross income received in the prior month is used to determine eligibility for the prior month including terminated sources of income.

~~When adding a person to an ongoing case and the caretaker indicates the added individual's income ended from any source, the caretaker must provide verification of that individual's terminated source of income and the last date it was received. That income would not be used as it is not an ongoing source of income and will not be received during the remainder of the certification period.~~

~~**Note:** Gross income of existing individuals in the case continues to be counted until the next review whether or not the existing individual's income terminates.~~

~~If a caretaker in an ongoing case reports that income from a specific source is terminated, no changes in income are made as changes in income do not affect eligibility during a certification period.~~

## **Prospecting Income for the Certificate Eligibility Period** **400-28-75-10**

Gross income, **either earned or unearned**, must be determined prospectively ~~as eligibility is determined for a specific certificate period.~~

Income from the following timeframes must be verified and documented at application or review:

- Income from the month prior to the application or review, and
- Income from the month of application or review through the date the application or review is received by the county social service office.

If income from the specified timeframes is NOT reflective of anticipated income for the certificate eligibility period, the household must verify their anticipated monthly income.

Total countable household income at the time of application must be at or below 60% SMI, based on the DN 241 Sliding Fee Schedule.

Total countable household income at the time of review must be evaluated for graduated eligibility based on policy at Graduated Eligibility 400-28-25-15.

Prospected income amounts are rounded down to the nearest dollar.

**Note:** If an employer verifies a range of work hours, the ~~higher~~ **average** number of work hours verified will be used to determine the prospected income.

### **Example 1:**

A household applies for CCAP on November 18th. The household reports that they had a job end in October and received their last check from that job on November 5th. The household also reports that they started a new job November 10th. Income from the terminated job from October is not considered when prospecting income. Anticipated income from their new job that started in November would be used.

### **Example 2:**

A household applies for CCAP on June 4th. Paystubs from May indicate that the household worked an additional 10 hours of overtime each week in May. The household verifies that they will no longer receive overtime in June or July. The income from overtime hours in May is not used when prospecting income for the certificate eligibility period.

If the household requests assistance for the month prior to the application month, actual income, including terminated sources, received in that month must be verified and used. Income is NOT prospected for the prior month.

**Example:**

A household applies for CCAP on June 4th and requests assistance with ~~May~~ child care costs from May. In May the household worked an additional 10 hours of overtime each week. All regular and overtime income would be considered and used for the month of May.

Ongoing CCAP households that were in receipt of Crossroads, Diversion, TANF or Transition, but are no longer participating in one of those programs will continue to have a waived co-payment for the remainder of the eligibility period.

Ongoing CCAP households that become eligible for Crossroads, Diversion, TANF or Transition will have their co-payment waived effective the first month of eligibility for one of those programs.

**Adding or Removing a Household Member**

When adding a household member during the eligibility period, all gross income and deductions of that individual is considered and must be evaluated for an increase or decrease in benefits. If it results in a decrease, the income and deductions are not added and no further action is needed. If it results in an increase, the income and deductions are added based on timely reporting. In order to allow an increase in benefits, the new household member must verify income from the following timeframes:

- Income from the month prior to joining the household, and
- Income from the month of joining the household.
- If income from the specified timeframes is NOT reflective of anticipated income for the eligibility period, the household must verify the anticipated monthly income.

If the household fails to provide verification, the previously verified amount is used and the benefit remains the same. If there is no previously verified amount (i.e. household reports paying child support and previously had not), no change is made and the benefit remains the same.

When removing a household member during the ~~certificate~~ **eligibility** period, all gross income and deductions of that individual are removed

effective the month the household member is removed from the household if it results in an increase in benefits.

### **Waived Co-Pay**

~~Ongoing CCAP cases that were in receipt of Crossroads, Diversion, TANF or Transition, but are no longer participating in one of those programs must have their income prospected for the remainder of the certificate period. Income from the following timeframes must be verified and documented:-~~

- ~~• Income from the month prior to the case closure, and~~
- ~~• Income from the month of case closure.~~

~~If income from the specified timeframes is NOT reflective of anticipated income for the certificate period, the household must verify their anticipated monthly income.~~

~~Ongoing CCAP cases that become eligible for Crossroads, Diversion, TANF or Transition must have their income removed from the CCAP case effective the month of eligibility of one of those programs.~~

### **When Income and Allowable Income Deductions are Verified and Changed 400-28-75-50**

Verification of gross income and allowable income deductions for all household members is required at application, **and** review, ~~or when a case changes from Waived Co-pay (Crossroads, Diversion, TANF or Transition) to Co-pay.~~

In an ongoing case, changes in gross income or allowable income deductions for existing household members are not acted upon, except in the following situations:

- There is a change in income or allowable deductions that results in a decreased co-payment. Decreases in income are only acted on when the household verifies that the reduced income will continue. Reduced income will not be allowed when the household voluntarily reduces their activity hours for an allowable activity. In these situations, the

previously verified income will continue to be used for the remainder of the eligibility period. If the household reports and verifies income from a new source that results in a reduced co-payment, the old income may be removed and the new income may be used.

- Decreased income can be acted on when the household loses a job and then has a new job, when the employer reduces work hours without consent of the household, or when a household was working and then ends employment to attend an education activity.
- The household's monthly gross income, minus allowable deductions, exceeds 85% SMI for the household size. In these situations, the case must be closed due to excess income. Households remain eligible for CCAP during the eligibility period as long as total countable income is at or below 85% SMI, per DN 241 Sliding Fee Schedule, for the determined household size.

**Note:** If the household does not anticipate that the income will continue to exceed the income limit for the household size, the household must provide verification of anticipated income and deductions.

When adding a household member, only the new household member may verify their gross income and allowable deductions. No changes in income or deductions are made for existing household members, unless one of the situations listed above applies.

### **Calculating a Caretaker's Allowable Child Care Hours 400-28-80-10**

When calculating a household's child care need, the hours allowed must be based on the individual caretaker's allowable activity schedule compared to the schedule of the child, when applicable.

In two-caretaker households, the allowable child care hours must be the least amount of hours needed when the two schedules are compared.



**Example:**

Mom works 40 hours a week. Dad works 30 hours a week. The maximum allowable child care hours are 30 hours per week.

To calculate any type of activity hours, activity schedules from the following timeframes must be verified and documented at application or review:

- Activity hours from the month prior to the application or review month, and
- Activity hours from the month of application or review through the date the application or review is received by the county social service office.

If the activity schedules from the specified timeframes are NOT reflective of anticipated allowable hours for the ~~certificate~~ **eligibility** period, the household must verify their anticipated activity schedule for all activities.

**Note:** If an employer verifies a range of work hours, the ~~higher~~ **average** number of work hours verified will be used as the allowable activity hours for the caretaker.

Job search and parental leave hours are not used when calculating the level of care as these are not considered allowable activities at the time of application or review.

To calculate allowable hours for Diversion, TANF or Transition cases, refer to 400-28-45, Eligibility for TANF Families.

**Travel and Break Time**

Travel and break time must be allowed for caretakers who are participating in work, education or training. For these activities, the calculated allowable activity hours must be multiplied by 25%. The additional time must be added to the allowable activity hours. Total allowable hours must be rounded up.

**Example:**

A caretaker has 17 allowable activity hours per week. 17 hours is multiplied by 25%, which equals an additional 4.25 hours per week. Total allowable hours are now 21.25 hours per week, which is rounded up to 22 hours per week.

In certain situations, the caretaker's travel time may exceed the 25% calculation; additional time may be allowed. The reason and needed time for travel must be documented.

**Night Shift Work**

Caretakers who work night shifts must be allowed sleep time. Up to 6 hours of sleep time after each shift must be allowed.

**Example:**

Caretaker works night shifts Tuesdays, Wednesdays and Thursdays from 6:00 p.m. to 6:00 a.m. When determining the allowable child care hours, the caretaker must be allowed an additional 6 hours for each day of work. A total of 18 hours must be allowed per week.

**Employment**

Weekly work hours are determined by using verified paystubs, employer's statements, etc.

To calculate the number of weekly work hours when paid **biweekly, semimonthly, monthly or irregularly**, add the total number of verified work hours for a month and divide by 4.

**Example:**

A household applies February 12th and verifies that they are paid biweekly. The household received a check on January 22nd with a total of 72 hours worked. Another check was received on February 5th with a total of 70 hours worked. Total monthly hours add up to 142, which is divided by 4 to average the total weekly hours. Average weekly hours are 35.5 before the allowance of travel and break time.

To calculate the number of weekly work hours when paid weekly add the total number of verified work hours and divide by the number of checks used to verify the hours.

**Example:**

A household applies February 12th and verifies that they are paid weekly. The household verifies that they received a check on January 8th, January 15th, January 22nd, January 29th, and February 5th. The total hours from all paystubs adds up to 176 hours, which is then divided by 5. Average weekly hours are 35.2 before the allowance of travel and break time.

For individuals who are self-employed, the individual must provide a schedule completed by the individual, listing the hours the individual will participate in their self-employment activity for the month of application and the month prior to the month of application. The total monthly hours are divided by 4 to determine the weekly hours.

**Education and Training**

Students enrolled in GED, high school or postsecondary education or training which is not based on credit hours must have their allowable activity hours determined by the time they attend their education or training activity.

**Example:**

Caretaker attends high school Monday through Friday from 8 a.m. to 3 p.m. based on the verified school schedule. Total allowable activity hours of 37.5, before travel and break time calculation, will be allowed.

Students enrolled in postsecondary education which is based on credit hours must have their allowable activity hours determined by multiplying the verified credit hours by 2.

**Note:** Students who are enrolled in accelerated degree programs must also have their allowable activity hours determined by the time they attend class, not by the number of credit hours.

**Example:** A student's class schedule verifies 12 credit hours. Multiplying each credit by 2 results in 24 hours per week as the student's allowable child care hours, before the travel and break time calculation.

If a student applies for CCAP during a break in school attendance, verification of the anticipated school schedule must be used to determine the allowable activity hours.

## **~~Updating Certificates 400-28-120-35~~**

~~When a certificate is issued, the certificate is not changed unless an eligibility criteria to change a certificate is met.~~

~~The start date of an updated certificate is the first day of the month the change is determined to be effective based on the timeliness of the reported change. An update to a certificate does not extend the maximum 12-month certificate period.~~

### **~~Example:~~**

~~An application was approved and a certificate was created effective April 1 through March 31. On June 14 the household timely reported and verified that a child entered the home and needs child care. Because the change was reported and verified timely, the change is implemented and a certificate update is created effective June 1. The updated certificate is now effective June 1 through March 31.~~

~~A certificate must be updated for the following reasons:~~

- ~~• When there is a change in the Child Care Assistance unit household size:
  - ~~○ Someone moves into the household~~
  - ~~○ Someone moves out of the household~~~~
- ~~• Change in allowable activity
  - ~~○ Start or end of activity search~~~~

- ~~Start of allowable activity (not previously in any allowable activity)~~
  - ~~End of allowable activity (no longer in any allowable activity)~~
  - ~~Start or end of school which includes:~~
    - ~~A postsecondary student completes an associate degree, postsecondary diploma, certificate of completion or any other vocational training course or if the caretaker(s) changes to another course of study.~~
  - ~~Start or end of TANF, Diversion or Crossroads~~
  - ~~Increase in monthly child care hours for a child if the increase in hours increased the Level of Care.~~
- ~~Note:~~** ~~Decreases in the Level of Care are not made during the certificate period.~~
- ~~Changes in provider(s) or addition of provider(s)~~
  - ~~When a provider is no longer being used by the family or the provider is no longer a qualified provider.~~
  - ~~When a child is no longer eligible for the Child Care Assistance Program including but not limited to:~~
    - ~~if age 13 and under 19 and verified care no longer exists~~
    - ~~enters Foster Care~~
    - ~~no longer needs care~~
  - ~~State residency~~
  - ~~When a case changes from Waived Co-pay to Co-pay, the certificate must be updated for the month following the month the TANF, Diversion or Crossroads case closes.~~
  - ~~When a case changes from Co-pay to Waived Co-pay, the certificate must be updated effective the month the case is approved for TANF, Diversion or Crossroads.~~

- ~~When an Intentional Program Violation disqualification penalty is imposed the certificate must be closed effective the month the individual is disqualified.~~

- ~~**Exception:** Individuals who apply for or are receiving assistance through a federal or state funded program and require child care in order to participate in that federal or state funded program are eligible to receive child care through CCAP in a month they are subject to an IPV disqualification. Individuals that apply for or are receiving TANF, Transition, Diversion, or Crossroads are eligible to receive child care during an IPV disqualification period providing all other factors of eligibility are met.~~

~~There may be additional reasons not included in the list above that may require a certificate to be updated.~~

~~If a certificate must be closed, the caretaker is sent a copy of the updated certificate and the provider(s) is sent a copy of the certificate with the information that applies to the child(ren) for whom the provider(s) has been approved to provide care.~~

~~If a certificate is updated and there are multiple providers for the family, an updated certificate is only sent to the provider whose certificate has been updated. A certificate is not mailed to a provider if there is no change to their certificate.~~

## **Notices 400-28-140**

~~The family must be notified with a Child Care Assistance Program (CCAP) notice whenever assistance is denied, pended, or closed, providing them the opportunity for a fair hearing.~~

~~The notices that are sent are the documentation of action taken on a case. When a case is authorized for payment, the family will receive a notice automatically which states the total child care billed, amount being recouped if any, the amount the state will pay and the family share. Additional information may be entered on the comment screen. Notices are mailed to the caretaker the next business day following the process date.~~

Advance or adequate notice is not required in Child Care Assistance program.

Following is a listing of notices for CCAP:

1. Child Care Certificate -- issued to the caretaker and provider when an application is approved and when a review is completed eligible child has been associated to a provider. Each time a certificate is updated, a copy is mailed to the caretaker and the provider who is affected by the updated certificate.

If a certificate is updated and there are multiple providers for the family eligible children, an updated certificate is only sent to the provider whose certificate has been updated. A certificate is not mailed to a provider if there is no change to their certificate.

2. Payment Notification - - informs the caretaker that a payment has been processed. The notification displays the amount over state rate, family monthly co-pay, amount recouped, and amount being paid by the CCAP.
3. Closing – informs the family they no longer meet the criteria for the CCAP.
4. Correspondence – informs to the family when one of the other notices is not appropriate.
5. Denial -- This notice is sent when the eligibility worker is denying the case.
6. Pending -- This notice is to be used when an application is received which is incomplete.

**Note:** The Master Record is completed with a "P" for pending action code, and the notice is sent. Check the appropriate items that need to be completed before the application can be acted upon.

7. Overpayment Notice – informs the family of an overpayment.
8. Underpayment Notice – informs the family of an underpayment.

9. Excess Income Notice – This notice is automatically generated by the system once a Child Care Certificate has been created. This notice informs the caretaker of the maximum income amount that can be received for the household size.
10. Closing Notice for Providers – This notice is sent to all providers listed on the certificate when a case closes. This informs the provider that case is closing and that any services charged after the case closure date will not be paid by CCAP.

## **Overpayments 400-28-150-15**

An overpayment is a correction to benefits paid to a provider or adult member of the Child Care Assistance unit who was originally paid more than they were entitled to receive.

Overpayments are only established for errors caused by the client or provider due to failure to notify the county of a mandatory reportable change, fraud or an Intentional Program Violation (IPV). Overpayments are not established due to agency errors.

### **EXCEPTION:**

**Overpayments will be pursued when duplicate payments are issued, or the incorrect provider is paid.**

**Example 1:** At the time of application, the eligibility worker fails to request verification of the household's income. The application is approved and payments are issued over the course of the eligibility period. It is later discovered that income verification was not requested or received. No overpayments are established as the agency failed to request verification of income.

**Example 2:** At the time of application, the household verified income eligibility below the income limit. During the eligibility period, the household had an increase in income that resulted in income over the maximum allowable income limit but the household failed to report this change. In this situation, overpayments will be established as the household failed notify the county of the mandatory reportable change.

**Example 3:** At the time of application, the household was approved with mom and child. The father of the child moves into the home three months after the initial eligibility determination and is not engaged in an allowable



activity. The household does not report the addition of father in the home. No overpayments are established as the addition of a household member is not a mandatory reportable change.

**Example 4:** A provider has been submitting the SFN 616 to the county for a child that is eligible for CCAP. It is later discovered that the child for whom the provider billed was not attending child care with that provider. In this situation, overpayments will be established and IPV may be pursued against the provider, household or both.

The eligibility worker must promptly take all reasonable and practical steps to establish all overpayments.

Anytime an overpayment is discovered, a determination must be made whether or not to pursue an Intentional Program Violation.

When it is determined that an overpayment exists, each service month that is potentially incorrect must be reworked using the policies, procedures and information that should have been applied for those months.

## **~~SFN 113, Postsecondary Education Information 400-28-165-15~~**

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~~SFN 113, Postsecondary Education Information form is to be completed by any adult household member who is attending postsecondary education. The form provides the eligibility worker with information regarding the individual's education history and anticipated course of study and/or degree to determine if they are in an allowable education.~~

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~~This form is available through the Department of Human Services and may also be obtained electronically via E-Forms.~~

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~~E-Forms are presented in Adobe Acrobat and require the Adobe Acrobat reader. If you do not currently have Adobe Acrobat reader installed, you may download a free copy by clicking the Get Adobe Reader icon below.~~