

Child Care Assistance Program (CCAP)
400-26

Child Care Assistance 400-26

Legal Basis 400-26-01 (Revised 10/02 ML #2814)

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 signed into law August 22, 1996, collapsed all child care programs into one, entitled Child Care and Development Fund.

Goals and Purposes of the Legislation 400-26-01-01 (Revised 10/02 ML #2814)

The goals of the Child Care and Development Fund (CCDF) are to:

1. Allow states maximum flexibility in developing child care programs and policies that best suit the needs of the children and parents within the state;
2. Promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;
3. Encourage states to provide consumer education information to help parents make informed choices about child care;
4. Assist states to provide child care to parents trying to achieve independence from public assistance; and
5. Assist states in implementing the health, safety, licensing, and registration standards established in state regulations.

The purpose of the Child Care Development Fund (CCDF) is to increase the availability, affordability, and quality of child care services. The program offers Federal funding to States, Territories, Indian Tribes, and the tribal organizations in order to:

1. Provide low-income families with the financial resources to find and afford quality child care for their children;
2. Enhance the quality and increase the supply of child care for all families, including those who receive no direct assistance under the CCDF;
3. Provide parents with a broad range of options in addressing their child care needs;
4. Strengthen the role of the family;
5. Improve the quality of, and coordination among, child care programs and early childhood development programs; and
6. Increase the availability of early childhood development and before- and after-school care services.

The federal regulations provide the basis for administration of the Child Care and Development Fund (CCDF) by providing that Lead Agencies:

1. Maximize parental choice through the use of certificates and through grants and contracts;
2. Include in their programs a broad range of child care providers, including center-based care, family child care, in-home care, care provided by relatives, and sectarian child care providers;
3. Provide quality child care that meets applicable requirements;
4. Coordinate planning and delivery of services at all levels;
5. Design flexible programs that provide for the changing needs of recipient families;
6. Administer the CCDF responsibly; and
7. Design programs that provide uninterrupted service to families and providers, to the extent statutorily possible.

Implementation Schedule and Scope of Program 400-26-01-05

(Revised 10/02 ML #2814)

Effective October 1, 1996, the Child Care and Development Fund was implemented. This program collapsed all child care into one program to create a simplified program using the same regulations for all child care needs. These families include persons: who are receiving Temporary Assistance for Needy Families (TANF) benefits and who are involved in work or training activities; families who are transitioning off such benefits; and low income families who are in need of assistance of child care to keep from becoming dependent on other assistance programs.

In addition to the monies to be used for child care payments, quality monies in the grant are used for: licensing, resource and referral services, and monies specified for services to specific children population groups such as infants and toddlers.

General Definitions 400-26-05

(Revised 3/1/08 ML #3133)

Allowable Activities – allowable child care activities include work, job search, attending education or training, transportation time related to the activities, and temporary illness or incapacity, which temporarily interrupts an allowable activity for a current recipient.

Allowable Postsecondary Education – allowable postsecondary education is vocational training, which prepares the student for a specific occupation in a short period of time. Vocational training includes training at barber schools, air flight school, hair stylist school, business schools, et cetera. In the colleges and universities, vocational training can lead to a certificate, certificate of completion, postsecondary diploma or an Associate of Applied Science (AAS).

Allowable Postsecondary Student – a student, who has **not** completed any postsecondary training including a certificate, certificate of completion, diploma, any associate degree or any bachelor's degree, but who is currently in postsecondary vocational training.

Application Month – the month that the signed and dated application is received in the county social service office.

Attending a Job Training or Educational Program -- means taking part in one of the following: education or training activities which may include high school, basic remedial education programs, trade school, vocation training at colleges or universities, or other activities designed to assist the participant achieve basic literacy or training needed to secure or retain employment. Traditional high school "attendance" means: taking 4 or more classes; part-time is less than 4 classes. Alternative high school "attendance" means: full time is defined by the alternative setting. Attendance at General Education Development (GED) classes to enable the student to test for a high school diploma is full time as defined by class instructors. For vocational training at colleges and universities "attendance" means: full-time is 12 or more credit hours per semester or quarter. Part-time is less than 12 credit hours per semester or quarter.

During summer school, full-time is six or more hours. Part time is less than six hours. In pre-summer school, full-time is three hours. Vocational and trade schools define who is a full-time or part-time student.

No additional training will be covered for students who have a bachelor's degree, an associate degree or a certificate of completion, certificate, or post secondary diploma as defined in North Dakota University Policy 409.

Exceptions: Clients, who are retrained by Vocational

Rehabilitation, WorkForce Safety and Insurance, or Job Service; who are participating in skills and technology training for refugees; or who are participating in classes for English as a second language. If otherwise eligible for Child Care Assistance, the time these caretakers are attending training will be covered.

Child Care Assistance will cover child care for all training under the auspices of Vocational Rehabilitation, WorkForce Safety and Insurance, or Job Services. The child care coverage is not limited just to allowable postsecondary training.

Category -- one of levels of maximum allowable amount of reimbursement for child care expenses. Each category is based on a range of child care hours needed. Each category has a different maximum allowable amount for reimbursement.

Certified Nursing Aide (CNA) - "means an individual who has successfully completed the requirements for the department – approved training and competency evaluation program, or department approved competency evaluation program and is entered on the department's nurse aide registry" as defined in NDAC§ 33-07-06-02. The department referred to is the North Dakota Department of Health.

A CNA certificate is **NOT** considered postsecondary education as a high school diploma is not necessary to receive a CNA.

Child Care Assistance Unit-- include ALL members of the immediate household, including children through the month of their 19th birthday, parent(s), stepparent(s), and including the acknowledged or adjudicated

father of one or more children in common in the household. In families where an unmarried couple has the paternity of at least one child in common acknowledged or adjudicated, then all children in the household are considered part of a single household. The income of both parents is counted.

Excluded from the household count are other persons who are not functioning in loco parentis status, children who are 19 years of age or older, and any child for whom the household receives Foster Care Payments. A boyfriend or girlfriend not related to the children is not included in the household count and she/he is not loco parentis.

A minor parent, residing at her/his parents' home, who needs child care, is considered a separate household.

Child Care Certificate -- A child care certificate is issued by the Department of Human Services to the parent who is eligible for the Child Care Assistance Program. The certificate contains the name and address of the parent/caretaker, the children who will be receiving child care, the percentage of the bill that family will have to pay and the maximum payment the family may have to pay, the client's allowable activity, the mandatory reportable changes, and the time period covered by the certificate.

The certificate and the payments are assistance to the parent, not assistance to the provider.

Court Ordered Child Care for Youth 13 up to 19 -- care for an individual who is age 13 through the month she/he turns 19 and is in need of supervised care due to a court order. (This does not include foster care children.)

Crossroads -- a teenage parent, male or female, married or unmarried, who is twenty years old or younger, who has the primary responsibility for the care of his/her child and who is pursuing high school, a GED or alternative high school. The no fee payment will include both the child care needed for school and work.

Diversion assistance – helps prevent needy families from becoming dependent on continuing government benefits by providing cash assistance to qualified families to promote job retention.

JOBS -- the Job Opportunities and Basic Skills program for TANF families

Loco Parentis -- a guardian (relative or non-relative) physically caring for the child in his or her home or any other person physically caring for the child in his or her home on a 24-hour-a-day basis for an indefinite period of time. Children visiting in a home when the duration is expected to last over 30 uninterrupted days will meet this definition.

Meal/Snack Charge – an extra charge by the provider for meals and snacks. It is to be added to the charge for child care **before** the sliding fee is applied and the maximum allowable amount is considered as the State Office considers this to be part of the charge for child care.

Need -- services being required because the parent(s) or other caretaker(s) need child care in order to accept employment, remain employed, to participate in education or training, or to be involved in job search. If the second caretaker in the household is not doing any approved child care activity, it is expected that that caretaker will care for the children for whom she/he is legally responsible. NOTE: the stepparent is NOT responsible to provide child care for stepchildren.

Providers -- must be 18 years of age or older, licensed, self-certified, registered, or an approved relative. Child care providers must meet criteria established by law. (See Section 26-30 for specific provider requirements)

Recipient -- an individual who is applying for or receiving Child Care Assistance.

Sliding Fee Scale -- a system of cost sharing by a family based on income and size of the family.

Special Needs Children Between Ages 13 and 19 -- children in school, who are incapable of providing self-care, as medically verified by a physician due to physical and/or mental incapacity.

Temporary Assistance for Needy Families (TANF) -- assistance which is available for a limited time for families where deprivation exists for the child(ren) and income is insufficient to meet the needs of the family.

Terminated Source of Income - a client's source of income whether earned or unearned ends. The income from that source is disregarded in the month the source ends and every month thereafter.

Timely Report of Changes - means the changes are reported to the county by the 10th of the month following the month of the change.

Transition Assistance - promotes job retention by providing an extended period of cash assistance to qualified TANF households. TANF households with earnings from employment exceeding the allowable standard of need for their household may remain eligible for TANF for up to six months. Transition Assistance provides a safety net of financial support during this six-month period to assist households in attaining self-sufficiency; thereby eliminating the need for future government benefits.

Working -- defined as earning a wage. Self-employment is also defined as work. For families who are involved in state Job Opportunities and Basic Skills (JOBS) or Native Employment Works (NEW) required by TANF, work is any approved activity for the program and may or may not be defined as earning a wage. Working also means, when a state has been determined to have a major disaster, activity by individuals who are residing in the disaster area and involved in unpaid work activities (including the cleaning, repair, restoration, and re-building of homes, businesses, and schools).

Child Care Assistance Program Certificate 400-26-07 Child

Care Assistance Program Certificate 400-26-07-01

(Revised 3/1/08 ML #3133)

The Child Care Certificate is to provide client and provider with written documentation of eligibility for the Child Care Assistance Program. The intent of the certificate is to enable the client to obtain child care and give the provider verification that the client is eligible for the Child Care Assistance Program.

A child care certificate is issued by the Department of Human Services to the parent who is eligible for the Child Care Assistance Program. The certificate contains the name and address of the parent/caretaker, the children who will be receiving child care, the percentage of the bill that family will have to pay and the maximum payment the family may have to pay, the client's allowable activity, the mandatory reportable changes, and the time period covered by the certificate.

The certificate and the payments are assistance to the parent, not assistance to the provider.

Mandatory changes must be reported to the county by the 10th of the month following the month of the change. These mandatory reportable changes are:

Change of address;

Change in household size, which includes a child turning 19 beginning the month after the child turns 19;

Start or end of TANF/Diversion Assistance or Crossroads Program;

Change in allowable activity;

Start or end of Job

Search, End of work activity,

Start or end of school; and

Postsecondary student completes an associate degree, postsecondary diploma, certificate of completion or any other vocational training course or if the client changes to another course of study.

The certificate is issued upon application, redetermination and change of eligibility as a result of a mandatory reportable change. The client is sent two copies of the certificate. One certificate is labeled as the client's, and one is labeled as the provider's.

The certificate is valid only for the time that the client is actually engaged in the allowable activity(ies) listed on the certificate.

Processing Time for Initial Certificates 400-26-07-03 (Revised 10/1/07 ML #3110)

Effective June 2007, all new applications for Child Care Assistance are to be issued a certificate. Ongoing cases should be converted and issued a certificate by September 30, 2007. If the certificate is from June 2007 to November 2007, the Child Care Certificate applies to the child care incurred in June through November. Any payments issued for services incurred in October 2007 and later will not be able to be entered into the computer system unless there is a certificate covering the service month.

Example:

A new application is received July 5. The client needs child care due to employment. Along with the application, the client provides all of June's income and a child care bill. The worker determines eligibility based on June's income as the client states that June's income is lower and should be used to determine the certificate and issues a seven month certificate for June through December.

On November 25 or the first work day after the 25th if the 25th is on a weekend or a holiday, a redetermination form will be automatically generated.

Certificate Time Frames 400-26-07-05

(Revised 3/1/08 ML #3133)

The certificate for new applications begins the month of application **unless** the client needs child care for the previous month. If the client does need child care the month prior to application, the certificate will start with the previous month and will be one month longer than the normal time frame. The worker can use the income for the month prior to the application or the month of application to determine the client's percentage and maximum family payment. All months covered by the certificate, including the month prior to the application, will be paid based on the client's percentage and maximum family payment on the certificate.

Three-month certificates are issued for:

1. Job search; and
2. A client, who does not have a current employment history or who has started or will be starting employment.

Note: For three-month certificates, the worker can use either the income for the month prior to the first month of the certificate or the first month of the certificate month to determine the client's percentage and maximum family payment.

Exception: if the job search client or the client beginning employment had child care for the month prior to application, the certificate will be for four months.

Example:

The client applied on September 10 and needs child care for August as his new job started the last week in August. There are no pay stubs and no unearned income for August. The four-month certificate (three months because this is new employment plus one month as child care needed in prior month) will be issued in September for August through November based on August's income, which was zero.

Even if the client had received his weekly check the last working day of August, there is not a full month of income on which to base a six-month certificate. Using the client's August countable earned and unearned income including his first check for his new job, but excluding any terminated income, the four-month certificate will be issued for August through November based on new employment (three months) and child care for the month prior to the application (one month).

On October 25, or the first work day after the 25th if the 25th is on a weekend or a holiday, the redetermination will automatically be generated and mailed to the client.

Effective with new and updated certificates issued starting in January 2008, Diversion Assistance cases will be issued a six-month certificate. All current four-month certificates for Diversion Assistance will stay in place until the certificate has to be updated.

Six month certificates will be issued for:

1. TANF, Diversion Assistance and Transition Assistance (for SSI children in the family) clients;
2. Allowable students; and
3. Employed households.

Note: The certificate for TANF, Diversion Assistance and Transition Assistance (for SSI children in the family) will always have the client's percentage as zero and the family maximum payment as zero of the allowable maximum payment. This certificate could include the month before application if the client needs child care in the month before application. The client's prior month child care will be paid with the client's percentage zero and the family maximum payment as zero of the allowable maximum payment as this is the amount on the certificate.

When a six-month certificate has been issued for TANF, Diversion Assistance

or Transition Assistance (for SSI children in family), that certificate can be used for any of these three programs as all three programs are paid at 100% of the allowable costs with a zero maximum payment for the client.

When the payment is made, enter the Diversion Assistance payment with a "D" grant type. Enter TANF and Transition Assistance payment with "T" grant type.

For allowable students and employed households, the worker can use the income prior to the month of application or the income for the month of application. The worker must determine which month's income will most benefit the client with a lower client percentage and lower family maximum payment and use those figures to determine the client's percentage and maximum family payment.

EXCEPTION: if the client has child care for the month prior to application, the certificate should be for seven months.

Example:

An Associate of Applied Science allowable postsecondary student applies for Child Care Assistance in September. She needs Child Care Assistance for August since school started in August. Her child support in August is her only countable income. The child support received is in excess of the court ordered amount in FACSES, so the amount counted is the court ordered amount.

Since she needs child care prior to the application month, her certificate is for the seven months from August through February of the following year.

On January 25, or if the 25th is a weekend or holiday the next workday after the 25th, her redetermination will automatically be generated.

Client transitioning from Transition Assistance to TANF

Clients who are transitioning from TANF Transition Assistance to a TANF grant

may request child care help from the Child Care Assistance Program when they return to TANF.

If the client does not have an open CCA case, an application must be completed. Although there may be only one month of need for CCAP, the worker must complete a six-month certificate which has the initial month as the month the client needs TANF child care paid in the CCA payment system.

Example:

The client has a current open CCAP case and all the CCAP requirements are met. The client's current certificate for TANF at 100% ends at the end of August. The client has been an on-going TANF client for the last two years.

The client received TANF in August and September. Using August income in September, it is determined that the client will receive Transition Assistance in October. The August child care will be paid in the CCAP system, using TANF for the grant type. No certificate needs to be added as the client has a current certificate at 100%.

During October using the September income, it is determined that in November the client is eligible for TANF. The September child care will be paid in the CCAP system using the TANF grant type. Since there is not a current certificate, a six-month certificate will be issued for starting in September and ending in February.

During November using October income, it is determined that the client is back on Transition Assistance in December. The October child care will be paid as a supplement to the Transition case for October. Leave the CCA case open, but place it in suspend status in case the client again returns to TANF.

During December using November income, it is determined that the client will be eligible for in Transition in January. The November child care will be paid in the CCAP system using the TANF grant type. The six-month certificate is still in

effect.

During January using December income, it is determined that the client will be in Transition in February. The December child care will be paid as a supplemental Transition payment for December.

During February using January income, it is determined that the client will be eligible for TANF in March. The January child care will be paid as a Transition supplement for January.

During March using February income, it is determined that the client would be eligible for TANF in April. The February child care will be paid as a Transition payment for February.

During April using March income, it is determined that the client will be eligible for TANF in May. The March child care will be paid in the CCAP system with a TANF grant type.

Since the previous six-month certificate has expired, a new six-month certificate for TANF must be issued.

As long as the client continues to switch from Transition Assistance to TANF and back to Transition Assistance, the client should be left in suspend status when the client is in Transition Assistance. **Exception:** if the TANF household includes SSI children who need child care, the case should remain open so the child care can continue to be paid in the Child Care Assistance Program for the SSI children.

The following graph depicts the months listed above and how the child care was paid.

Month of Grant	Grant Type	Month used to determine grant for this month	Where is Child Care Paid for the month used to	When
August	TANF	June	CCA computer	July
September	TANF	July	CCA computer	August
October	Transition	August	CCA computer	September
November	TANF	September	CCA computer	October
December	Transition	October	Oct Transition supplement	November
January	Transition	November	CCA computer	December
February	Transition	December	Dec Transition supplement	January
March	TANF	January	Jan Transition supplement	February
April	TANF	February	Feb Transition supplement	March
May	TANF	March	CCA computer	April

Child Care Assistance Processing Clarifications

A TANF client has had the TANF child care paid in the child care payment system. The TANF client is now on Transition Assistance. Change the client's status in the child care payment system from "A" active to "S" suspend. The status is left as "S" suspend in case the client switches from Transition Assistance back to TANF. If that occurs, change the client's status in the child care payment system from "S" suspend to "A" active. If there is not a certificate covering the TANF month, the worker will issue a one six-month certificate for the TANF child care that will be covered in the child care payment system.

If the client, after one or many months on TANF, switches back to Transition

Assistance, change the client's status from "A" active to "S" suspend.

Because the client may switch back and forth from Transition Assistance to TANF during an indefinite period of time, there will be a seven-month consecutive time limit to the length of time a case can be in suspend status.

The **Crossroads** client's certificate should be issued for the length of the Crossroads term in the approval letter. At the time of the redetermination, the worker should determine if the client needs further child care, and act accordingly.

NOTE: The certificate for Crossroads will always have the client's percentage as zero and the family maximum payment as zero of the allowable maximum payment. The client's prior month child care will be paid with the client's percentage zero and the zero and the family maximum payment as zero as this is the amount on the certificate.

Example:

The client's Crossroads approval ends in May. The client intends to return to school in the fall and will need child care for work during the summer. Since the letter from State Office Crossroads administrator allows for the summer employment, a certificate for 100% should be issued for three months.

Example:

A Crossroads client has a Crossroads approval letter for August to May of the following year. The worker issues a certificate for the same period. She is working and going to school.

In December the client receives her diploma. She notifies her eligibility worker that she has received her diploma, and that she will continue to work. The worker will issue a new certificate, based on the sliding fee scale, effective January through May based on her December income

as December's income provides the best benefit for her.

Her updated certificate ends in May to maintain the original end date of the previous certificate.

Note: The redetermination should be completed during the last month of the current certification period. If possible, the new certificate is mailed before the start of the new certification period.

Determination of Client's Percentage for the Certificate 400-26-07-07

(Revised 3/1/08 ML #3133)

The worker can use the income prior to the month of application or income for the month of application. The worker must determine which month's income will most benefit the client and use those figures to determine the client's percentage and maximum family payment.

Determine the household size. Deduct the child support/spousal support paid outside the household.

NOTE: Disregard income from terminated sources in the month the source is terminated and every month after.

The minimum information required on the Excel Worksheet to determine the correct percentage and family maximum are: first and last name of caretaker; income; grant type; and family size. It is advisable to enter the SSN as a safeguard.

Example:

Mom brings a signed CCAP application on April 16th. There are five members in the Child Care Assistance Unit. The March 2008 earned income is \$2,448. The \$500 for March Child Support was received. No child support or court ordered spousal support is paid out of the household.

On the Excel worksheet, enter Mom's last and first name, the earned income of \$2,448 and Child Support of \$500, grant type N, and family size. Page down to "Multiply by Family Share percent from Sliding Fee Scale. The percentage is 70. The "Maximum Family Payment for Sliding Fee Schedule" is \$428.

The start date for the certificate depends on whether the client's need for child care starts in March or April.

The certificate for TANF/Diversion Assistance/Transition Assistance (for SSI children in the household), and Crossroads clients can be issued immediately as CCAP will be paying 100% of the allowable maximum payment based on client need.

Note: When issuing a payment, the Excel Worksheet **must** be used for **all clients** to ensure that the payment is no more than is needed for the caretaker to participate in the allowable activity and that allowable maximum rates are not exceeded.

Mandatory Changes 400-26-07-09
(Revised 3/1/08 ML #3133)

Mandatory changes must be reported to the county by the 10th of the month following the month of the change. These mandatory reportable changes are:

Change of address;

Change in household size, which includes a child turning 19 beginning the month after the child turns 19;

Start or end of TANF/Diversion Assistance/Transition Assistance or Crossroads Program;

Change in allowable activity;

Start or end of Job Search,

End of work activity,

Start or end of school; and

A postsecondary student completes an associate degree, postsecondary diploma, certificate of completion or any other vocational training course or if the client changes to another course of study.

Certificate Time Frames in Response to Mandatory Changes 400-26-07-11

Certificate Time Frames When Mandatory Changes Reported Timely 400-26-07-11-01 (Revised 6/1/07 ML #3084)

The client has until the tenth of the month following the change to report mandatory reportable changes.

If the client reports timely and the change benefits the client, the change will be effective the month the change occurred. If the client reports timely and the change does **not** benefit the client, the updated certificate will be issued starting the month **after** the change is reported.

The client reports a change by the tenth of the month following the change. The worker must respond to the change within ten days. The response would include: issuing a new certificate if the worker has all the needed information; sending a pending notice if there is missing information; or closing the case if the information justifies a closing.

If the client does not respond to the pending notice within 10 days, the case must be closed by the end of the month the change is reported.

If the current certification has one month left, that certificate will remain in place. The change will be dealt with in the redetermination process as a **one-month certificate will not be issued.**

Updated Certificate Maintains the Same End Date

400-26-07-11-01-01

(Revised 10/1/07 ML #3110)

When the certificate must change, the updated certificate will maintain the original certification end date with two exceptions. The two exceptions are if the changes meet the criteria for a three-month certificate or when the updated certificate would be only one month.

Example:

Mom's current certificate is for January through June based on December countable earned income, but there was no unearned income. The client stated her income in December and January would be the same. In March, Dad moves back home. Mom notifies the worker by April 10 that Dad has moved back home. The worker will issue a new certificate including Dad in the household size and including Mom's December earned income and Dad's income from his ongoing job for March to issue a new certificate for May through June.

The certificate is for May through June (the end date of the current certificate) as Dad's income will mean the family's benefit will **decrease** (the family's percentage will increase).

Example:

Mom's current certificate is for January through June based on a family size of four and December income. In March the Dad of one of the children moves into the home. Mom notifies the worker by April 10 that the Dad of one of the children has moved back home. Dad is not Mom's spouse.

Dad is in a NON-allowable postsecondary education and is not working but has a disability check. The income consists of Dad's disability check and Mom's December earned income and December child support for her other two children.

The worker will issue a new certificate including Dad in the household size, but only Mom's two children will be on the certificate as Dad is not in an allowable postsecondary educational activity.

The certificate will be issued for the period of May through June maintaining the original end date of the previous certificate. The redetermination will be generated on May 25 or the first day after the 25th if the 25th is on a weekend or a holiday.

NOTE: Mom's percentage might go down due to the increase in family size. The child in common will not be covered. Therefore, instead of starting the certificate in April (when the change was reported) it will be started in May as Mom's benefits are decreasing because the child in common will not be eligible for Child Care Assistance

The worker must remove the child in common from the new certificate. To issue the updated certificate, use Option B on the Certificate Menu. This will take the worker to the certificate screen where the non-covered child must be manually deleted.

Example:

Mom's current certificate is for January through June based on December's countable income. In March, Dad moves back home. Mom notifies the worker by April 10 that Dad has moved back home. Dad is starting a new job in April. The worker will issue a new three-month certificate including Dad in the household size and using only Mom's December income and all unearned income for the household.

NOTE: Dad's unemployment income for March is NOT considered, as this is a terminated source of income.

The certificate will be issued for the three-month period of March through May. The certificate is only being issued for three-months as Dad has started a new job.

NOTE: The reason the three-month certificate started in March (the month the change occurred) is that the benefits for the client will **increase** in March.

Updated Certificate With Different End Date

400-26-07-11-01-02

(Revised 3/1/08 ML #3133)

The end date may differ from the original end date, when the change in circumstances mandates a specific time frame for the certificate. This would include job search, a new job, TANF/Diversion Assistance/Transition Assistance (for SSI children in family), or Crossroads.

Example:

Mom's current certificate is for January through June based a family size of four. In March the Dad of one of the children moves into the home. Mom notifies the worker by April 10 that the Dad of one of the children has moved back home. Dad is NOT Mom's spouse.

Dad was not working, but started a job on April 15. The income consists of Mom's March income and March child support for her other two children. Dad's income from his old job will be disregarded as this is terminated source of income.

The worker will issue a new certificate including Dad in the household size. The certificate will be issued for the period of March through May and will include all three children. The certificate is only being issued for three months as Dad has started a new job.

NOTE: The certificate is being issued to start in March as this reported change benefits the household. The household size increased with no extra income decreased the household's percentage.

Certificates with Only One Month Remaining

400-26-07-11-01-03

(Revised 3/1/08 ML #3133)

If the current certificate has only one month remaining, the certificate will remain in place. All changes will be dealt with in the redetermination process, as a one-month certificate will not be issued.

The exception is when the change in circumstances mandates a specific time frame for the certificate. This would include job search, a new job, TANF/Diversion Assistance/Transition Assistance (for SSI children in family), or Crossroads.

Example:

Mom, who is working and in an allowable postsecondary program, has a six-month certificate for July through December. She notifies her worker on November 10 that she has just received her certificate in welding and is continuing her current job.

The end of postsecondary education is a mandatory reportable change. A new certificate would be issued to delete education as an allowable activity. **Because there is only one month left in the certification period, a new certificate will NOT be issued at this time.** All changes will be considered in the redetermination process when it is completed in December.

Certificate Time Frames for Late Reporting of Mandatory Changes 400-26-07-11-02
(Revised 3/1/08 ML #3133)

The client does not report a mandatory reportable change by the 10th of the month following the month of change. But the client does report later in that month or later months that the change did occur. The worker will act on the updated information.

The worker determines if the client is still eligible for Child Care Assistance. If the client is still eligible and the mandatory change would benefit the client by decreasing the client's percentage, the updated certificate will be effective the month it is reported.

The client is not eligible because of the mandatory reportable change. The worker must establish when the change should have occurred and the amount of the overpayment that resulted in the months since the change should have been reported.

The worker will contact the client about repaying the overpayments if necessary. If the client reapplies and the overpayments have not been collected, the overpayments will be deducted from future payments by doing an adjustment in the computer system.

If the **late reported change** was to the client's benefit, no underpayments will be made on the payments that have already been paid.

Example:

Mom's current certificate is for February through July. Mom should have reported by April 10th that her five year old child returned to the household in March. She is not receiving child support for the child and the child has no unearned income.

In July when she sends in her redetermination, the worker notes the

addition of this child. The worker contacts the client to find out when the child returned.

The increase in family size with no additional income meant that in April, May and June there was an underpayment, as the client's percentage would have decreased. These underpayments will **not** be issued as the client did not report the change when due.

Normally the updated certificate would be issued the month the change was finally reported. The worker learns of the change in July and only July remains in the current certificate period. One-month certificates are not issued. The current certificate will remain in place.

Mandatory Changes Reported Timely 400-26-07-13

Dealing with Mandatory Changes 400-26-07-13-01 (Revised 6/1/07 ML #3084)

If the client reports a change for another program that is a Child Care Assistance Program mandatory change, the worker will act on that change for the Child Care Assistance Program.

**Change in Address 400-26-07-13-01-01
(Revised 10/1/07 ML #3110)**

When the address changes within the county and there are no other changes, the worker must update the address in the Child Care Assistance Program's Child Care System. The current certificate is maintained. If there are other mandatory changes, the worker must act on them and issue a new certificate, if needed.

When the address changes and the client has moved to another county, the current certificate will remain in effect. Use the Change Master screen to enter the new county number in the "Worker ID" and "County" fields, and enter the client's new address. Transfer file to new county with the "SFN 700, Case Transfer Log."

The sending county must send out a redetermination form and inform the client to return the form to the new county. The new county is responsible for processing the redetermination form and issuing a new certificate.

Change in Household Size 400-26-07-13-01-03
(Revised 6/1/07 ML #3084)

If **sliding fee** household size changes due to an individual entering or leaving the household, determine if the individual will be or was a part of the child care assistance unit.

If the individual would not be a part of the child care assistance unit, the certificate will **NOT** change.

**Child in Child Care Assistance Unit 400-26-07-13-01-03-01
(Revised 3/1/08 ML #3133)**

If the individual is a child, a part of the child care assistance unit and is either entering or leaving a Child Care Assistance household, a certificate **MUST** be reissued with the updated income and family size. **Exception:** if the only eligible child leaves the household, the case will be closed.

NOTE: If household has incurred child care for the child leaving the household, the child must be counted in that household count for that month. Child care must be paid for the time the child needed child care in the household that the child is leaving.

If the same child is entering another CCAP unit and needs child care for the portion of the month remaining, the child must be counted in that household size and child care paid for the time the child is in child care through this case.

If the child enters the home, the child is considered a part of this household the month the child enters the home and if any countable income that follows the child should be counted.

For sliding fee scale clients, the client's percentage may change and the family maximum payment will change. If the countable income for the household exceeds the upper limit for the household size, the case will close. If the income does not exceed the upper limit for the household size, a new certificate with the same end date as the previous one must be issued.

For Crossroads and TANF/Diversion Assistance/Transition Assistance (for SSI children in family) cases, the children listed on the certificate may change. If the children needing child care changes, a new certificate must be issued with the same end date.

**Adult in Child Care Assistance Unit 400-26-07-13-01-03-02
(Revised 10/1/07 ML #3110)**

When an adult enters a **sliding fee** household and is a part of the child care unit, the worker must determine if the adult is in an allowable activity and has income. If the adult is not in an allowable activity and is responsible for all children in the household, the case is closed regard- less of income.

If the adult entering the home is the parent of a child in common and is not in an allowable activity, **his** children are not eligible for child care assistance. All individuals will be included in family size and all countable income will be considered. The only children on the certificate will be the children for whom he is **NOT** responsible.

If the adult is in an allowable activity and has income, use the income from the last month for the adult entering the unit and the income of the person, already in the unit, that was used to determine the initial certificate to determine the percentage and maximum family payment and issue a new certificate.

Note: Disregard income from terminated employment.

When an adult in the **sliding fee** Child Care Assistance Unit leaves, the worker must remove the adult and the adult's income, use the initial income used to determine the certificate for the remaining family members to determine the percentage and maximum family payment for the new certificate. The new certificate will have the same end date as the original certificate.

Start or End of TANF/Diversion Assistance or Crossroads Program 400-26-07-13-01-05
(Revised 3/1/08 ML #3133)

Start of TANF/Diversion Assistance

When the client currently participating in the CCAP becomes TANF eligible, the worker must determine if the client will need to have child care paid through the CCAP computer system. If the child care will be used as a disregard in determining the TANF benefit, close the Child Care Assistance case. If client will continue to have child care paid through the Child Care Assistance payment system, the worker will issue an updated certificate for six months with the client's percentage and family maximum payment as zero.

If a TANF/Diversion Assistance/Transition Assistance (for SSI children in family) client, who is not currently on the CCAP is going to have the child care paid through the CCAP computer system, the client must complete a Child Care Assistance application. When the worker receives the completed application, a six-month certificate for the TANF/Diversion Assistance/Transition Assistance (for SSI children in family) client must be issued. If the client needs child care the month before the application month, issue a seven-month CCAP certificate with the prior month paid at the rate on the certificate.

A client applying for Diversion Assistance wants child care paid through the CCAP payment system, the worker ensure there is a current application and issues a four-month CCAP certificate. If the client needs child care the month before the application, a five-month CCAP certificate will be issued.

End of TANF/Diversion Assistance

When the worker is notified that the client will no longer be participating in TANF or Diversion Assistance, the worker must determine if the client will continue to be eligible for Child Care Assistance. If the client is not eligible, close the Child Care Assistance case.

If the client continues to be eligible for child care assistance, the worker issues an updated certificate with the client's percentage and maximum family payment.

Start of Crossroads

When the client becomes eligible for Crossroads, the eligibility worker receives a copy of the letter approving the client for Crossroads. The Crossroads client's certificate should be issued for the length of the Crossroads term in the approval letter.

When the redetermination is received by the worker, it must be determined if the client will continue to be in the Crossroads Program, if the client will be in another eligible activity or if the case will close.

End of Crossroads

If the client notifies the worker that she is no longer in the Crossroads Program, the worker will determine if the client is still eligible for the Child Care Assistance Program. If the client is in an allowable activity, the appropriate certificate will be issued.

Changes in Allowable Activity 400-26-07-13-01-07

Start or End of Job Search 400-26-07-13-01-07-01 (Revised 3/1/08 ML #3133)

The client notifies the worker that job search has started. The worker will issue a three-month certificate effective in the month the client started job search using the countable income from the application month or the month prior to the application month.

The client reports Job Search has ended. The client must report if she is in another activity.

The worker determines if that activity is an allowable activity. If it is not an allowable activity or the client is not currently in an activity, the case is closed. If it is an allowable activity and the client has provided the necessary information, the worker will issue a new certificate.

Example:

The Job Search client, who has a January through March 2008 certificate, notifies the worker by February 10th that she had found a job in January. Because the client reported the change timely and because the client had received a check in January that would increase the client's percentage, the worker leaves the original certificate in place for January and February. A new certificate for three months will be issued for March, April and May.

The redetermination form will be generated April 25th.

Example: The Job Search client has a three-month certificate for January, February and March 2008. When the certificate was issued the worker in the Comments section had informed the client that although the certificate is for three months, she is only eligible for eight weeks of job search per calendar year. The worker also informed the client that the eight weeks do not have to be consecutive.

On February 25, a redetermination is generated for the client. The client has claimed the full eight weeks of Job Search in January and February. The redetermination is returned by March 10, and the client has no eligible activity. No March child care is paid. The case is closed.

End of Work Activity 400-26-07-13-01-07-03

(Revised 6/1/07 ML #3084)

A sliding fee caretaker, who was eligible for the CCAP, **is no longer gainfully employed**. The case will be closed unless the client needs child care for another allowable activity.

A client, who is no longer in work activity, continues in allowable postsecondary education. The worker must take **out** the income from the lost job and determine the client's percentage and family maximum payment. If client's percentage and family maximum payment changes, the worker must issue a new certificate with the same end date as the current certificate.

If there is only one month left in the certification period, the current certificate will remain in place. The change will be dealt with in the redetermination process, as a one-month certificate will not be issued.

Start or End of School 400-26-07-13-01-07-05
(Revised 6/1/07 ML #3084)

Start of School

The client has started school. The postsecondary education is an allowable activity, and the client continues in another allowable activity. The certificate must be updated to add school as another allowable activity. If the allowable postsecondary education is the only activity, an updated certificate must be issued with school as the activity.

In both instances, the end date of the updated certificate is to be the same as the end date of the current certificate.

If the schooling is **not** an allowable activity, the client remains in the activity for which CCAP issued the current certificate. The current certificate will remain in place.

End of School

The client reports that she stopped going to school. If schooling was not an allowable activity being covered by CCAP, there is no change to the certificate.

If the schooling was an allowable activity and there is **no** other allowable activity, the case should be closed. If the client has another allowable activity, the certificate must be updated.

Postsecondary Awards 400-26-07-13-01-07-07
(Revised 6/1/07 ML #3084)

When a client achieves an Associate of Applied Science (AAS), postsecondary diploma, certificate of completion or any other vocational training, the client is no longer eligible for postsecondary training.

Exceptions: Clients, who are retrained by Vocational Rehabilitation, WorkForce Safety and Insurance, or Job Service; who are participating in skills and technology training for refugees; or who are participating in classes for English as a second language. If otherwise eligible for Child Care Assistance, the time these caretakers are attending training will be covered.

The case will be closed if the client is not in another allowable activity. If the client is still in an allowable activity, the worker will issue the updated certificate, deleting schooling as an allowable activity.

Non-Mandatory Changes 400-26-07-13-02

Change/Addition of Child Care Provider 400-26-07-13-02-03 (Revised 6/1/07 ML #3084)

The worker will reprint a copy of the current certificate using the Option F on the Certificate Menu Screen so the client can give a copy to the new provider. Payments will now be issued to the new provider or additional provider.

All child care payments are to be issued to the provider unless the provider has indicated otherwise in writing. The form "SFN 848, Child Care Providers Request to Pay the Parent Directly" should be in client's case file.

**SFN 841, Child Care Assistance Redetermination
400-26-07-15**

(Revised 3/1/08 ML #3133)

In the month prior to the end of the certificate, an [SFN 841](#), "Child Care Assistance Redetermination" form is automatically sent to the client.

The redetermination form will be generated the 25th or the first work day after the 25th prior to the month of expiration. The completed, signed, and dated redetermination form is due the 10th of the following month.

Example: If the current certificate expires in December 2007, on November 26th (the 25th is a Sunday) the redetermination form will be generated and sent to the client. The redetermination is due December 10.

All the information on the redetermination is to be treated exactly as the worker would treat information on a new application. The income to be used can either be from the second to last month of the current certificate or the last month of the current certificate.

The worker will send a pending notice if all required verifications are not received. If the client does not respond to the request, the case will be closed.

If all the required verifications are received and the client remains eligible, the worker will send the certificate. If the client is no longer eligible, the worker will close the case.

If the case has been closed and the client brings in the completed redetermination form within thirty days, it can be used in place of a new application.

If the client misplaces the redetermination form, the worker can resend the redetermination form by using Option G on the "Certificate Menu, SS1-870-

M1." This recertification form will be sent out when the regular notices are generated.

Eligible Children and Families 400-26-10

Eligible Children 400-26-10-01

(Revised 3/1/08 ML #3133)

An eligible child in the family or household is a child who needs child care and who:

1. Is under age 13;
2. Is at least age 13 but under age 19 and who is physically or mentally incapable of caring for his/herself as verified in writing by a physician or a licensed or certified psychologist; or
3. Is at least age 13 but under age 19 and is in need of supervised care as specified in a court order.

A child will be considered "under age 13 or 19" throughout the month of the child's birthday.

Foster care children are not eligible for child care assistance as the foster care program provides for this service.

The child must either be a United State citizen or have resident alien status.

If questionable, the worker may verify the age of the child or the relationship to the caretaker through the interface with North Dakota Vital Records, which is accessible through TECS. If questionable and the child was born in another state, the caretaker is responsible to obtain a birth certificate.

The worker must ask the parent for the children's proof of alien residency or check the "Alien Verification for Entitlements (SAVE) Program" verification system to determine if it states "Lawful Permanent Residence".

In determining eligibility for Economic Assistance Programs, the following document serves as acceptable verification that an individual is an American Indian born in Canada who possesses at least 50 percent blood of the American Indian race.

A Blood Quantum Letter – The letter will contain information from the individuals Band, Tribe, Nation stating the individual's blood quantum, which must be at least 50% aboriginal blood.

The document may use the following verbiage:

...at least 50% Aboriginal blood

...at least 50% Indigenous blood

...at least 50% North American Indian blood

...at least 50% American Indian blood

**TANF Families with TANF Eligible Parents or Caretakers
400-26-10-03**

**Payment for Allowed Activities on an Ongoing Basis
400-26-10-03-01**

(Revised 6/1/07 ML #3084)

The CCA Program will pay child care costs related to allowable activities of the parent or eligible caretaker in a TANF household. Child care for **all** eligible children in the household will be covered at 100% up to the maximum allowable cost. Allowable activities of the parent or care-taker include paid employment, education/training, and/or any approved JOBS or Tribal NEW activities. If a TANF client meeting JOBS or Tribal New requirements and is doing other self initiated activities such as going to school, including school/training that normally would not be covered by CCAP, Child Care Assistance, covers all the activities.

TANF households may choose to use the earned income disregard for child care expenses up to the maximum allowable costs in the TANF program rules. The total paid by the CCA Program together with the disregard amount may not exceed the monthly maximum allowable amount per child per provider.

If a minor parent in the TANF household needs child care to complete high school or its equivalent, the minor should be informed of the Crossroads Program. If the client decides to participate, the child care should be paid with a Crossroads grant code.

If the minor parent is not involved with Crossroads needs child care for any allowable activity, child care for a minor parent should be paid with a TANF grant code. The minor parent and child are considered a separate household from the parents.

TANF Payment Suspended Due to Extra Check
400-26-10-03-03
(Revised 10/02 ML #2814)

A TANF case is suspended for one month due to receipt of an extra check. The TANF child care will still be paid at 100% of the allowable maximum rate for both the month the case is suspended and for the month the care would have been used as a disregard.

Example: A case is suspended for January due to an extra check in November. Child care for both November and January can be paid at 100% of the allowable maximum provided other child care regulations are met.

TANF Recipient 400-26-10-03-05
(Revised 10/02 ML #2814)

A parent applies for TANF and has child care costs in the month in which she/he is applying. After TANF approval, child care costs will be paid at 100% of the allowable maximum from the beginning of the month of the start date of TANF benefits provided other child care regulations are met.

Example: Mom applies for TANF March 16. She is a self-initiated student. Any child care for March will be covered at 100% up to the maximum allowable amount provided other child care regulations are met, once she is approved for TANF.

**Sanctioned or Disqualified TANF Parent/Caretaker
400-26-10-03-07**

(Revised 6/1/07 ML #3084)

If the parent/caretaker is sanctioned for either JOBS or Child Support, has a current Intentional Program Violation (IPV) in TANF, or is disqualified because of a drug felony or is a fleeing felon, child care will continue to be paid at 100% of the allowable maximum provided other child care regulations are met.

**Parent/Caretaker Excluded Due to SSI 400-26-10-03-09
(Revised 10/03 ML #2814)**

A parent/caretaker, who has been excluded from the grant because of SSI benefits, is eligible to receive TANF child care at 100% of the allowable maximum provided other child care regulations are met.

TANF Parent with Child-in-Common 400-26-10-03-11
(Revised 10/02 ML #2814)

An eligible TANF caretaker has a child(ren) in common with another adult living in the household and the non-TANF parent is NOT in an eligible child care activity. Child care will not be paid for the child(ren) in common nor for the children of the adult not in an allowable child care activity.

EXAMPLE: Mom, Mom's child, Dad, child-in-common, and Dad's child. Dad is not in a child care allowable activity. The State Office will not pay for child care for the child in common nor for Dad's child.

If the non-TANF parent is in an allowable child care activity, all children in the household will be paid for with TANF funds within the maximum allowable amounts for each child.

**Payment for SSI Children Whose Parent/Caretakers are in
TANF Diversion Assistance or Transition Assistance
400-26-10-03-13
(Revised 3/1/08 ML #3133)**

Child care for SSI children, whose parent/caretaker is in TANF, Diversion Assistance or Transition Assistance must be paid for in the Child Care Assistance Program. For the SSI children, whose parents are in either TANF or Transition Assistance, use the grant type "T" when entering the payment. For SSI children, whose parent/caretaker is in Diversion Assistance, use the grant type "D" when entering the payment. All child care for the SSI children must be paid in the Child Care Assistance Program computer system.

TANF Families with Ineligible Caretakers 400-26-10-05
(Revised 6/1/07 ML #3084)

An ineligible caretaker, which includes a caretaker, who is a grandparent, aunt or uncle, is receiving TANF benefits for a child in his or her care. If there is a child care need because the ineligible caretaker is in an allowable child care activity, Child Care Assistance can pay toward the child care expense provided other child care regulations are met.

For the ineligible child caretaker to be eligible for child care during postsecondary training, the caretaker and the caretaker's training must meet all child care requirements concerning postsecondary training.

The ineligible caretaker's income is counted, but the TANF benefit for the child(ren) is not. The household size would include the ineligible parent(s) or ineligible caretaker(s,) and all children including the TANF children. The [sliding fee schedule](#) is to be used to determine the fee as it would with any other non-TANF family.

Former TANF Families 400-26-10-07

Former TANF Case Using Income Disregard 400-26-10-07-01 (Revised 10/1/07 ML #3110)

A former North Dakota TANF case, that had been using the income disregard for child care expenses and had paid child care expenses during the last two months the case was open, will not have received the disregard for those last two months. The Child Care Assistance Program can pay those expenses at 100% of the allowable maximum for those months provided other child care regulations are met. If the client does not have a current child care certificate, one must be completed.

Crossroads Families 400-26-10-08

(Revised 6/1/07 ML #3084)

The Crossroads Program is designed to assist young parents, twenty or younger, to complete high school. The parent, male or female, married or unmarried, who has the primary responsibility for the care of his/her child and who is pursuing high school, a GED or alternative high school, is eligible for the Crossroads Program.

The parent is to be referred to the county's Crossroads worker. The parent must complete a Crossroads application; "SFN 29, Annual Application Form – Crossroads Project," which will also serve as the application for the Child Care Assistance Program only if the parent is accepted into the Crossroads Program. If the parent is not eligible or chooses not to participate in Crossroads, the date that the parent contacted the County Social Service Office is to be the Date Requested on the "SFN 598, Child Care Application."

The Crossroads parents, based on their limited income, will be no fee clients. The child care payments can cover the child care needed for school and work, if applicable. All child care requirements, including but not limited to the allowable maximums and eligible providers, apply to the Crossroads Program.

Exception: the requirements concerning postsecondary training do not apply to the second parent in the household.

If a Crossroads parent, who participated in Crossroads in the previous school period and intends to participate in Crossroads the next school period, the child care will be paid at 100% during the break between the two school periods even if the parent is only working.

NOTE: When the Crossroad case closes, the former Crossroads recipient must complete either the "SFN 598, Child Care assistance Application," or if applying for other programs at the same time, the portion of, "SFN 405,

Application for Medicaid, Temporary Assistance for Needy Families (TANF), Food Stamps, and Child Care Assistance," that addresses the Child Care Assistance Program.

Non-TANF Families 400-26-10-09

(Revised 10/02 ML #2814)

The Child Care Assistance Program assists low to middle income non-TANF families with child care expenses related to allowable child care activities of the parent(s) or other caretaker(s). Besides the activity requirement, eligibility is based on family size and countable income. The sliding fee schedule, as revised periodically, provides the financial parameters for eligibility based on income. The family's assets will not be used to determine eligibility.

Household members must include the head(s) of household and their children under 19 years of age. In families where an unmarried couple has the paternity of at least one child in common acknowledged or adjudicated, then all children in the household are considered part of a single household. The income of both parents is counted.

When there is a child in common, if one of the parents is not in an allowable child care activity, a child care payment will NOT be made for the child in common and any other child of the parent not in an allowable child care activity.

EXAMPLE: Mom, Mom's child, Dad, child-in-common, and Dad's child. Dad is not in a child care allowable activity. The Program will not pay for child care for the child in common nor for Dad's child.

Parent Temporarily Out of Home 400-26-10-11
(Revised 10/02 ML #2814)

A parent or caretaker, temporarily living apart, either in state or out of state, from the child(ren) due to employment, education, training, medical care, under house arrest, or uniformed service, is not considered absent from the home as long as he or she continues to function as a parent, even if the level of support or care is reduced. The parent is counted as a household member and all gross countable income is used to determine the Child Care Assistance payment, not just income made available to the rest of the household.

EXAMPLES: A single parent, who is in the National Guard, is out of state for six weeks for basic training. Child Care Assistance will be paid to the maximum allowable for the provider type and age of the child.

A student is moving to attend training. The child remains with the grandparents temporarily until the parent can find an apartment and a child care provider. Child care assistance will be paid to the maximum allowable for the provider type and age of the child based on the parent's income.

Adding Persons 400-26-10-13
(Revised 10/02 ML #2814)

A child or the parent or other caretaker entering the home shall have his/her countable income and any child care expenses used for the month of entry into the home. The child or the parent or other caretaker will be counted as a household member in determining eligibility.

EXCEPTION: When the parent/caretaker marries, the income of the new spouse will not be considered and she/he will not be counted in the household until the month after the marriage.

Persons Leaving the Home 400-26-10-15
(Revised 3/1/08 ML #3133)

A parent or other caretaker, who leaves the home, shall not be included as a household member in the month she/he leaves. Any countable income, belonging to that parent or other caretaker, shall not be used to determine eligibility or calculate the child care payment for the month she/he leaves.

A child, who leaves the home, shall not be included as a household member in the month she/he leaves. Any income of the child who leaves shall not be used to determine eligibility or calculate the child care payment in the month she/he leaves.

NOTE: If household has incurred child care for the child leaving the household, the child must be counted in that household count for that month. Child care must be paid for the time the child needed child care in the household that the child is leaving.

If the same child is entering another CCAP unit and needs child care for the portion of the month remaining, the child must be counted in that household size and child care paid for the time the child is in child care through this case.

Residence 400-26-10-17

(Revised 8/1/04 ML #2929)

Only families physically residing within the boundaries of North Dakota are eligible for Child Care Assistance. There is no state residence duration requirement for eligibility for CCA.

The child must either be a United State citizen or have resident alien status.

The worker can ask the parents for the children's proof of alien residency or check the "Alien Verification for Entitlements (SAVE) Program" verification system to determine if it states "Lawful Permanent Residence" for the children.

Providers 400-26-10-19

(Revised 10/02 ML #2814)

In order for a family to be eligible for Child Care Assistance, the child care provider must be 18 years of age or older, licensed, self-certified, registered, or an approved relative. Child care providers must meet criteria established by law. (See Section [26-30](#) for specific provider requirements.) A "W-9, Request for Taxpayer Identification Number and Certification" must be submitted to the Central Office before the provider can be entered into the Child Care Day Care system, and before payment can be made.

Allowable Activities 400-26-15
(Revised 10/02 ML #2814)

Child Care Assistance payment is based on the parent(s) or other caretaker(s) work and/training activities.

Work 400-26-15-01
(Revised 10/02 ML #2814)

Working is defined as earning a wage. Self-employment is also defined as work. For families who are involved in state Job Opportunities and Basic Skills (JOBS) or Native Employment Works (NEW) required by TANF, work is any approved activity for the program and may or may not be defined as earning a wage. Working also means, when a state has been determined to have a major disaster, activity by individuals who are residing in the disaster area and involved in unpaid work activities (including the cleaning, repair, restoration, and re-building of homes, businesses, and schools).

Job Search 400-26-15-03

(Revised 6/1/07 ML #3084)

Child care for job search is allowed for eight weeks per calendar year. Job search as an approved JOBS or Tribal NEW program activity is considered work. In a household in which there are two parents/caretakers, each is eligible for eight weeks of job search per calendar year.

The job search time will be based on the recipient's statement.

**Attending Education or Training 400-26-15-05
(Revised 8/1/04 ML #2929)**

Attending education or training, as defined above at [26-05](#) is an activity for which related child care expenses can be paid.

Child care can be provided for up to one month before the school term begins to hold or secure the child care position in the day care setting when school enrollment has been completed by the student according to the student's statement.

Traditional high school "attendance" is: taking 4 or more classes; part-time is less than 4 classes. Alternative high school "attendance" is: full time is defined by the alternative setting.

For credits taken during the regular academic year (August through May), a full-time student in a vocational training program at a college or university is one who is carrying 12 or more credit hours per semester. A part-time student is carrying less than 12 credit hours per semester.

For pre-summer school (May), full time is 3 credit hours. During the summer session (May through July), a full-time student in a college or university is one who is carrying 6 or more credits hours. A part-time student is carrying less than 6 credit hours.

Often vocational/technical schools such as auto mechanics/body repair, hair stylists, etc. do not define full time status by semester or quarter hours or make a distinction for summer. A letter from the school indicating the status of the student is necessary.

Allowable Child Care for Students 400-26-15-05-01
(Revised 10/02 ML #2814)

Full-time students as defined above are eligible for full-time child care assistance. While it is necessary to review the schedule to ensure that student is full time, it is not necessary to determine if that equals 25 or more hours of school. On the worksheet to determine the benefit, enter 25 hours for the parents' hours. Enter the child's hours of needed care just like would be entered for any other child.

For part-time students, the course schedule should be used to determine allowable child care.

As with eligibility related to work, CCA Program rules regarding the use of child care hours follows reimbursement tiers.

Child care is allowed to cover the breaks between classes, as it is not reasonable to expect the parent to be available to care for children during these breaks. Students will usually use this time for library research, school-related errands, and computer lab time. In this context, the time between classes is allowable for child care expenses.

Reasonable consideration should be used. The consideration should include the amount of time between classes; the time needed to travel between school, home, and the child care provider; and the parent's capacity for that transportation.

Example One: A part time student has classes, which are an hour long, at 9:00 a.m., 11:00 a.m. and 2:00 p.m. She is on campus for 6 hours, 3 of which are not in class. She uses this time to print a paper at the computer center, and look up an article at the library. Add to this the travel time to and from campus, the student needs 7 hours of child care per school day.

Example Two: For a student with an hour long course at 8:00 a.m. and no other courses until 7:00 p.m., it would not be reasonable to allow child care

for the entire ten hours between classes. The parent has ample time to return home and care for the child.

In addition to class room lecture, students will need to utilize science labs to complete projects, work in the library on research, use the computer facilities, use art and music studios, and use other academic services on campus. While the program does not allow for study time, there will be some activities outside of actual in-class time that can only be done on the campus. The parent will not be available to care for children during these times. Normally these are the types of activities that would be done during the breaks between classes so no additional child care should be needed.

In the event that a student has all his/her classes in a single, uninterrupted block of time, or only with a short break, then the student will have these other requirements on the campus and child care expenses should be allowed. Discuss these needs with the parent and document the allowable child care time. As a guideline, non-class room time hours should not exceed in-class credit hours.

Correspondence Courses 400-26-15-05-01-01
(Revised 10/02 ML #2814)

Some individuals may be enrolled in correspondence courses or other courses that normally are to be completed in the home. This type of activity will not qualify as requiring child care.

Internet Classes 400-26-15-05-01-03
(Revised 10/02 ML #2814)

If a student is doing an on-line computer classes, allow the time to take the class and the transportation time to take the child to child care.

The worker can use the recipient's semester credit hours to determine the number of class- time hours. If a recipient is taking a full time load of 12 hours (six hours during the summer session), she/he is to be considered full time. Enter 25 hours on the worksheet just like would be done for full time recipients taking classes on campus.

Transportation Time Related to Allowable Activities
400-26-15-20

(Revised 10/02 ML #2814)

A reasonable amount of time should be allowed for travel to and from the child care provider's location and to and from the work or education site.

Temporary Illness or Incapacity of CCA Caretaker or the Child Needing Care 400-26-15-25

(Revised 3/1/08 ML #3133)

Child care can be allowed when a parent or caretaker, who is working or in school, is unable to care for the child(ren) due to a short term illness or incapacity or the child is ill and is not able to go to day care. The caretaker must be receiving CCA prior to the temporary illness or incapacity. The child care will be covered during the temporary illness or incapacity even if the caretaker will be returning to a **different** allowable activity.

Exception:

In a two-parent household, one of the parents must be in an allowable activity and the other parent is incapacitated or temporarily ill and is incapable of caring for the child. The client can be approved for CCAP, if all other CCAP requirements are met, to ensure that the parent in the allowable activity is able to continue in the allowable activity.

Examples:

1. A parent or caretaker has surgery and will be unable to work or care for the children for a period of time. This must be verified from a medical statement or document that will state the period of time the person is restricted from work or caring for children. At the end of that period, the worker will need to contact the person to determine the status of returning to work and continued child care need.
2. A two-parent household with both parents working has child care. The dad broke his leg and will be unable to work or care for the children for a period of time. Follow the same procedures as listed in Example a.
3. If a parent or caretaker is referred to a treatment center, child care can be covered if the individual will be returning to the allowable child care activity. Verification of the referral should be obtained for the file, and the worker will need to follow up on the person after the treatment to determine the continued employment or education and child care need. Keep in mind the treatment may be on an out patient basis.
4. When a parent or caretaker simply has the flu or a cold and is only missing a day or two of work and sends the child(ren) to day care, it is not necessary to

verify the medical need.

5. Maternity leave can be allowed for six weeks if the parent is intending to return to work and the child care spot would be lost if the child was taken out of child care. Child care for the newborn does not begin until the child actually is in child care.
6. When the child has the flu or a childhood illness such as chicken pox, the child care should be paid to maintain the child's place in day care.
7. A child has surgery and will be unable to attend day care for a period of time. This must be verified from a medical statement or document that will state the period of time the child may not attend child care. At the end of that period, the worker will need to contact the parent/caretaker to determine the status of the child returning to child care.

Night Shift 400-26-15-30

(Revised 10/02 ML #2814)

A parent who works a night shift, such as midnight to 8:00 a.m. will require some sleep time. A reasonable amount of time can be allowed for sleep (should be no more than 6 hours). The maximum child care for the month cannot be exceeded.

Job Offer and Job Change 400-26-15-35
(Revised 10/02 ML #2814)

Child care can be paid for up to one month before employment begins when a bona fide job offer is in place.

Child care can be paid for up to one month when an individual is between jobs, and child care would be lost if the child is taken out of the facility during that time.

Volunteer Work 400-26-15-40

(Revised 10/02 ML #2814)

Child Care Assistance cannot be paid for child care costs incurred while a parent is working as a volunteer and not being paid. This does not include TANF JOBS participants.

Community Service 400-26-15-45
(Revised 10/02 ML #2814)

Two types of community service are referred to for Child Care Assistance purposes.

1. A JOBS participant may be assigned to community service as a work activity. If this is the case, there will be an EDP in the file.
2. A person may be doing community service to complete a sentence because of breaking the law. If this is the case, the file must contain a statement from law enforcement or the copy of the court order stating the length of time of the community service and/or number of hours per day to be in cooperation and to complete the sentence.

Determination of Financial Need for Non-TANF Recipients

400-26-20 Definition of Income 400-26-20-01

(Revised 10/02 ML #2814)

Gross income is the income before deductions for taxes, social security or any other items. The gross income, earned and unearned, of all household members including the members in a loco parentis household, stepparent, and unmarried couples where paternity of at least one child in common is acknowledged or adjudicated will be used for the Child Care Assistance Program.

**Definition of Earned Income 400-26-20-01-01
(Revised 3/1/08 ML #3133)**

The term earned income is defined as income which is currently earned through the receipt of wages, salaries, or commissions before deductions for taxes, insurance, garnishments, etc, or profit from activities in which a family is engaged through either employment or self-employment.

The types of income listed below are illustrations of earned income:

1. Wages, salaries, commissions, bonuses, or profits received as a result of holding a job or being self-employed;
2. Only bonuses that occur on a monthly basis will be countable.
3. Earnings from on-the-job training provided by Workforce Investment Act (WIA);
4. Earnings from student employment, which is different from work study;
5. Income from internships or stipends, teaching assistanceships, or fellowships which require work participation to receive the income;
6. Earnings of recipients employed by schools as teachers' aides, under Title I of the Elementary and Secondary Act;
7. Wages received from sheltered workshop employment;
8. Compensation for jury duty;
9. Tips. If tips are not shown on wage stub, the recipient's statement as to the amount of tips received each month is adequate if consistent with place, kind of employment and number of hours worked;
10. Income from boarders;
11. Income from room rentals;
12. Earned income in kind. This is in-kind that is in lieu of wages, and the person has to do something to earn it (it is counted if the earned income in kind is voluntary or involuntary) (Example: individual working as an apartment manager receives a \$330 deduction from the rent):

13. Earned income from census work;
14. Veteran Administration Benefits for maintenance needs; these are benefits not specifically earmarked for other needs; and
15. Department of Defense (DOD) Subsistence Supplemental Allowance for Members of the Armed Forces.

Treatment of Earned Income 400-26-20-01-03
(Revised 3/1/08 ML #3133)

The worker can use the income for the month prior to the application or the month of application to determine the client's percentage and family maximum payment. The worker must use the income that will give the client the lowest percentage and family maximum payment.

For redeterminations, use the income for the month prior to the last month or the last month of the current certificate of the certificate. The worker must use the income that will give the client the lowest percentage and family maximum payment.

Income from wages or any other source will be considered "received" in the month it is normally received or available.

Income from self-employment, which is computed by use of a federal income tax return, is to be prorated over a 12-month period.

Income that is received on a contractual basis will be prorated over the period of the contract, regardless of when actually received, as the payment may be made in a number of lump sums or one payment. For example, a contract begins August 23 and ends May 31. Although the payment for the contract may not be made until the contract is complete (in this case the end of May or the first part of June) pro-rate the income from the contract over the months covered. In this case, consider payments from August to May.

Extra checks received by individuals, who are paid weekly or bi-weekly, will be disregarded. The check may be from earned or unearned income. The last check received in the month is always considered the extra check. For individuals paid weekly, it is the fifth check and for individuals paid bi-weekly it is the third check.

Bonus checks, or checks for any other reason, usually are not considered extra checks.

Child support paid to another household may be withheld from a recipient's third or fifth check. The child support withheld from the third and fifth checks is to be included in the child support deduction for the month.

Definition of Unearned Income 400-26-20-01-05
(Revised 3/1/08 ML #3133)

Unearned income is income not gained by current labor, service, or skill. Most unearned income is the result of past labor, services, or investments, which have enabled the individual to receive a current benefit or pension.

Deductions are allowed for any expenses necessary **to maintain the source of the unearned income**. This includes but is not limited to: property taxes, interest on mortgage loans, and insurance premiums for coverage of potential loss.

Example: a person who owns farmland is renting it out. However, the person must still pay property taxes, and may be paying for crop insurance, et cetera.

The types of income listed below are illustrations of unearned income and must therefore be considered available in their entirety to meet need (unless it is determined to be a non-recurring lump sum):

1. Alimony payments and child support payments; child support and court ordered spousal support received in month prior to the application month or the application month if using income that month's income are counted.
2. Currently received benefits such as social security, veterans benefits, pensions from all sources such as railroad, North Dakota Old Age and Survivors Insurance System, private pensions, worker's compensation, unemployment benefits, union compensation during strikes, mineral leases, military allotments, etc.;
3. Sick leave pay or loss-of-time private insurance paid for the loss of employment due to illness;
4. Rents paid without an appreciable amount of personal involvement and effort provided as a service to the tenant, mineral lease rentals, bonus payments and royalties, dividends and interest paid from investments, and insurance;

5. Supplemental Security Income (SSI) of children and adults;
6. Disability benefits;
7. Individual Indian Monies - first \$2,000 per year from the lease of land is exempt;
8. Conservation Reserve Program (CRP) payments;
9. Alaskan Dividend payment;
10. Veteran Benefits for maintenance needs (when the benefit is not designated for a specific purpose such as tuition, fees, books, et cetera, it is considered to be for maintenance);
11. Fund raising for individual tragedies if the family **does** have access to the funds; and
12. Funds received from the donation of blood or plasma.

Treatment of Unearned Income 400-26-20-01-07
(Revised 3/1/08 ML #3133)

The worker can use the income for the month prior to the application or the month of application to determine the client's percentage and family maximum payment. The worker must use the income that will give the client the lowest percentage and family maximum payment.

For redeterminations, use the income for the month prior to the last month or the last month of the current certificate. The worker must use the income that will give the client the lowest percentage and family maximum payment.

All nonexempt unearned income shall be considered to be available in the month in which it is normally received. Unearned income is usually received at fixed intervals and at regularly scheduled dates. Workers must be careful to include all unearned income received in the budget month or to prorate it appropriately.

Individual Indian Monies (IIM) will be prorated over a twelve-month period; i.e., the income from the previous twelve months prior to application will be prorated over the twelve months following application. IIM up to \$2000 per year from lease of land is exempt. Other IIM is countable.

Extra checks received by individuals who are paid weekly or bi-weekly will be disregarded. The last check received in the month is always considered the extra check. For individuals paid weekly, it is the fifth check and for individuals paid bi-weekly it is the third check. Bonus checks, or checks for any other reason, are not considered extra checks.

Earned Income from Self-Employment 400-26-20-05 (Revised 1/1/06 ML #3006)

Self-employed individuals work for themselves, rather than for an employer. The individual may be a contractor, franchise holder, owner/operator, partner, etc. To be self-employed, an individual must:

1. Earn the income directly from business or trade, not from wages or salary from an employer;
2. Be responsible for the payment of entire Social Security and Federal withholding taxes; (If an employee, the employer would pay half of their Social Security Tax and withhold federal income tax from the employee's salary.)
3. Not have an employee/employer relationship with another individual and be responsible for setting the job schedule (when to work), how much to charge, etc.; and
4. File self-employment tax forms such as schedules F, C, C-EZ, E, 4797, S.E., etc., (Not all individuals file tax forms and some may file incorrectly.)

Examples:

Day care services being provided in the household's home

Avon distributor

Tupperware distributor

Amway distributor

Businessowner

Farmer

House cleaning service

If a self-employed individual has not been in the self-employment business long enough for the business to be reflected in the tax forms, the worker may use the Anticipated Self-Employment Workbook.

Treatment of Self-Employment Income 400-26-20-05-01 (Revised 10/1/07 ML #3110)

The following procedures apply to self-employment income.

Conservation Reserve Program Payments (CRP)

CRP payments are considered self-employment income and must be annualized. Expenses are allowable costs of doing business that are claimed on the tax return.

Proceeds from the Sale of Property

If an individual sells equipment and the proceeds are diverted to a bank to repay a loan, the money from the sale **is counted** as income to the individual.

If an individual voluntarily turns over collateral to a bank and the bank sells the collateral to pay off a loan, proceeds of the sale **are not counted** as income to the individual. Once the collateral is turned over to the bank, it becomes the legal property of the bank.

If an individual holds title to property and sells the property, any gain from the sale is **counted** as income to the individual, calculated as follows:

Sale price minus the acquisition price plus any amount depreciated.
Sales expenses such as broker's fees and commissions are allowed.

If an individual gives title to the bank or if the property is repossessed prior to sale and the bank sells the property, the proceeds **are not counted** as income to the individual.

Installment Contracts or Contracts for Deed

Payments a household is receiving from an installment contract or contract for deed are counted as self-employment income. These payments must be prorated over the period of time they are intended to cover.

To arrive at the countable unearned self-employment income, subtract the allowable costs of doing business. Allowable costs of doing business include the principal and interest portion of the original mortgage or loan, taxes and insurance. The amount remaining after subtracting all allowable costs of doing business is the countable self-employment. If the allowable costs of doing business exceed the payment, the loss may be used to offset other self-employment income.

Annualizing Income

Self-employment income that **represents a household's annual income** must be annualized over a 12-month period of time, even if the income is received within a short period of time during those 12 months. Self-employment income is annualized even if the household receives income from other sources in addition to self-employment.

If the averaged annual amount does not accurately reflect the household's actual monthly circumstances because of substantial increases or decreases in business, the worker must calculate the self-employment income based on anticipated earnings. It may be helpful to review a cash flow plan that is prepared by a lender, FSA, or a bank. These plans anticipate income and expenses and can be used in conjunction with completion of the Anticipated Self-Employment Worksheet.

Examples:

Changing from a grain and cattle operation to a cattle operation only, adding or reducing a quarter of cropland, natural disaster such as hail or drought.

Normal year-to-year fluctuation in market prices is not considered a substantial change in business.

If a self-employed enterprise has been in existence for less than a year, the worker may average the income over the period of time the enterprise has been in operation **or** use monthly income and expense ledgers.

Exception:

Self-employed individuals who work only part of the year to supplement their income from regular employment during the balance of the year must have their self-employment income averaged over the period of time it is intended to cover rather than a 12-month period.

Example:

An individual may be a self-employed painter during the three summer months and works as a housekeeper for regular wages the rest of the year. The self-employment income from painting is averaged over the three summer months because it is intended to meet the individual's needs for only part of the year.

Determining Monthly Income

The gross self-employment income (including capital gains), minus the **allowable** costs of producing the self-employment income must be calculated by one of the following methods:

- Divided by 12 months;
- Divided by the number of months the business has been in operation, if less than a year; or
- Monthly, if monthly income and expense ledgers are used.

For households for which there has been a significant increase or decrease in the operation, self-employment income must be anticipated and averaged. Capital gains anticipated for the next 12 months must be added to the anticipated income, the allowable costs of doing business must be subtracted, and the total divided by 12. If a household reports a significant change in operation, a new averaged amount must be calculated and used.

The monthly net self-employment income must be added to any other household income.

Calculating Anticipated Crop Income

The only time anticipated crop income may be calculated is when the household had a crop loss in the prior year and anticipates planting some or all of the same land again this year. Calculating anticipated crop income may be done **only** if line 8b of Schedule F contains an entry.

Example:

If line 8b is \$8493.00 and represents an 88% crop loss and the farmer did not harvest the remaining 12% and again intends to plant the land, \$9651.14 is an appropriate anticipated income entry ($\$8493 \div .88 = \9651.14).

If the farmer did harvest the remaining 12%, \$8493 is counted as anticipated crop income and the 12% harvested crop is already counted in the gross proceeds.

Treatment of Self-Employment Expenses 400-26-20-05-03 (Revised 3/1/08 ML #3133)

Certain costs of doing business are must be allowed as deductions from gross monthly self-employment income. Self-employment income for is not computed the same as it is for Internal Revenue purposes. The IRS forms are only used for verification purposes.

Day Care Meal Expenses

Reimbursement, which may include the child care household's own children, is available to providers who are registered or licensed. The reimbursement **is not** counted as income and **is not** an allowable deduction.

Some of the programs are:

- Heartland
- Nutrition for North Dakota Day Care Children
- Dakota Prairie Community Action Food Program

Households that are not reimbursed that derive income from day care may elect one of three methods of determining the cost of meals provided to individuals. The household's choice must be clearly documented in the case file:

Actual documented cost of meals;

A standard daily amount of \$5.00 per individual regardless of the number of hours of care provided; or

Current reimbursement amounts used in the Child and Adult Care Food Program.

Breakfast	\$1.11
Lunch	2.06

Supper	2.06
Snacks	0.58

A maximum of two meals and one snack, or two snacks and one meal may be claimed per child, per day.

Determining if Expenses are Allowable as Self-Employment Expenses

The worker shall determine if an expense is allowable based on whether the expense was incurred to produce income. Lists of allowable and non-allowable expenses supplement this general rule, some with detailed explanations. These lists are not all-inclusive, but the many examples help explain the general rule.

Examples of allowable expenses:

- Labor/wages paid to employees who are not household members.
- Livestock related expenses for income producing livestock or animals.
- Supplies and raw material.
- Seed and plants.
- Fertilizer and chemicals.
- Insurance premiums for coverage of income producing property.
- Taxes paid on income producing property.
- Privilege taxes such as licensing fees, gross receipts and general excise tax that must be paid in order to earn self-employment income.
- Business transportation costs.
- Cost of repairs and maintenance of income producing property.
- Storage and warehousing charges.
- Clothing usable only for work-related purposes such as welder's gloves, protective headgear for a beekeeper, etc.
- Rental payments on income producing equipment. (If an owner is renting equipment with an option to buy, the rent payments are allowed until the purchase is made.)

- The interest and principal portion of repayments actually made on borrowing for the purchase of income producing real estate and capital assets such as equipment, machinery, and other durable goods. (1. Care must be taken to ensure that the interest portion of the payment is not doubled as the interest expense is shown on the income tax forms. 2. Verification of the principal amount must be obtained from a source such as the sales contract that states the amount of the monthly or yearly payments on the income producing property or capital asset. The principal portion is not shown on the tax forms as it is not a deductible expense for income tax purposes. 3. Allowing as an expense payments on the principal portion is the only exception to the general rule that the cost of acquiring income producing property is not allowable.)
- Shelter costs to the extent a household shows they are paid on income producing property. (If a household's home is on property connected to income producing property, the worker shall determine if the shelter costs for the household's home and the income producing property can be separately identified. Prorating may be used to separately identify costs based on information from a mortgage lender, real estate tax record, Farm Service Agency documents, insurance premiums, etc. The costs of rent or mortgage payments, insurance, taxes, and interest may be allowed to the extent they are separately identified or prorated on income producing property.)
- Utility costs:
If a self-employment business is in a household's home, the household must be allowed the appropriate mandatory utility standard as a shelter cost deduction and no self-employment cost of doing business.

Examples:

Day care providing in home day care, beauty shop operated out of the home, Avon or Tupperware claiming a portion of home for business.

If a self-employed household's home is on property connected to property

used for self-employment, the worker must determine if the shelter costs and self-employment costs can be separately identified.

Self-employment household's where utilities are measured and billed separately are entitled to the appropriate mandatory utility allowance for its residence and to the separately billed self-employment costs as a cost of doing business.

Self-employment households where there is only one meter must use the following to separately identify costs:

- Allow the appropriate mandatory utility standard for the household's residence.
- Multiple the appropriate mandatory utility standard time 12 to arrive at the annualized utility standard.
- Subtract the annualize utility standard from the total yearly utility costs.
- Allow the total utility costs minus the appropriate mandatory utility standard as a self-employment cost of doing business.
- If the total yearly utility costs are less than the annualized mandatory utility standard, the total yearly utility costs must be added back into the self-employment income as a non-allowable utility cost.

Example.

- **\$6000 – total yearly utility costs claimed on tax form**
- **\$7224 – annualized mandatory utility standard (\$602 x 12)**
- **Since the annualized mandatory utility standard is more than the total utility costs, \$6000 (total utility costs) must be added back into the self-employment.**
- If the total yearly utility costs are more than the annualized mandatory utility standard, the annualized mandatory utility standard must be added back into the self-employment income as a non-allowable utility cost. This allow the difference of the totally yearly utility costs and the annualized mandatory utility standard as a self-employment cost of doing business.

Example:

- **\$8000 – total yearly utility costs claimed on tax form**
- **\$7224 – annualize mandatory utility standard ($\$600 \times 12$)**
- **\$776 - Difference between totally yearly utility costs and annualized mandatory utility standard**
- **Since the total utility costs are more than the annualized mandatory utility standard, \$7224 (annualized mandatory utility standard) must be added back into the self-employment income, which allows the difference of \$776 as a self-employment cost of doing business.**

Examples of Non-Allowable Expenses

- Labor/wages paid to employees who are household members.
- Livestock related expenses for household pets or hobby animals.
- Home mortgages, rent, insurance, taxes, and interest claimed as home shelter costs only.
- Expenses and net operating losses from previous periods.
- Federal, state and local income taxes.
- Monies set aside for retirement purposes.
- Health insurance premiums.
- Work related personal expenses such as:
 - Transportation to and from work;
 - Meal taken while at the usual place of work; or
 - Clothing usable for non-work purposes.
- Expenses of acquiring income producing property.

- Depreciation and depletion allowances. (These costs are not allowable deductions because they: (1) are not actual costs to the household; and (2) are costs of acquiring income producing property and assets.)
- Repayment of the **principal** of a bank loan. The loan was never county as income and the repayment are not an allowable expense.

However, the principal portion of the purchase price of payments on income producing real estate and capital assets, equipment, machinery, and other durable goods is an allowable expense even if they are paid with a business, operating of personal loan.

- The interest or principal repayment on borrowing for personal purposes, except to the extent a household shows that borrowing used for a combination of self-employment and personal purposes was for self-employment purposes.
- Charitable contributions.
- Penalties and fines such as:
 - An IRS penalty imposed on an employer for failure to pay an employee's Social Security tax;
 - Penalties imposed by the United States Department of Agriculture for failure to comply with planting and marketing programs; or
 - Penalties imposed for traffic violations or over-weight limits while operating vehicles for income producing purposes.

**Capital Gains/Losses 400-26-20-05-05
(Revised 1/1/06 ML #3006)**

Capital gains from last year may be counted as income only if they are anticipated to recur in the current year.

Proceeds from the sale of capital goods or equipment must be calculated in the same manner as a capital gain for Federal income taxes.

The formula for calculating proceeds from the sale of capital goods or equipment is: sale price, minus the acquisition price which includes improvements and sales expenses such as a broker's fees and commissions, plus any amount depreciated for federal income tax purposes.

Example:

A farmer purchased a tractor for \$12,000 five years ago and sold the tractor for \$10,000. During the five-year period of ownership, he depreciated the tractor at a rate of \$1,200 per year. The capital gain is computed as follows:

\$ 10,000	sale price
-12,000	acquisition price
<u>+ 6,000</u>	\$1200 per year x five years
\$ 4,000	actual gain from the sale of equipment

Capital gains resulting from the sale of land, buildings, or equipment that were **not anticipated** in the current year, are not counted if they were sold **the year before the household applies**.

Because net losses from prior periods are not an allowable deduction, net operating loss carry-overs from prior years shown on current income tax forms may not be used to offset self-employment income.

Offset of Losses 400-26-20-05-06

(Revised 1/1/06 ML #3006)

Losses incurred in one self-employed business may offset income from a second self- employed business, but **cannot offset any other type of income.**

Example:

- 1. A child care household contains includes a self-employed barber and a self- employed beauty operator. One business can offset the other business.**
- 2. A child care household contains includes a self-employed web designer operating at a loss and a self-employed farmer operating at a gain. The loss from the web designer can offset the gain from the farm.**

After subtracting the allowable costs of producing income from farm/ranch self-employment income (including capital gains), if there is a loss.

- 3. A farmer/rancher with a \$6,000 self-employment loss, as determined by the most recent income tax return, is assigned a 12-month certification period. The \$6,000 loss is divided by 12 and \$500 per month is the averaged loss used to offset any other self-employment income the household may receive.**
- 4. There is a monthly farm/ranch loss offset of \$500. The household has other self-employment income of \$250 per month, regular earnings of \$200 per month, and other unearned income of \$90. Countable child care income is , arrived at as follows:**

\$-500
- 250
- 250

0
- 200
+ 90
- 290

Farm/ranch loss offset
Other self-employment income
Total Self-employment

Self-employment
Regular earnings
Other unearned income unused
Countable child care income

Treatment of Specific Types of Payments 400-26-20-05-09 (Revised 1/1/06 ML #3006)

1. A federal gasoline tax credit must be excluded from income. (It is a credit against tax liability.)
2. A State gasoline tax refund must be excluded from income on the basis that it is a non-recurring lump-sum payment.
3. The federal gasoline tax credit and the State gasoline tax refund may be combined on the same line of the tax form.
4. Recaptured Depreciation and Recaptured Investment Credit: IRS allows self-employed persons to deduct depreciation on property, as a cost of doing business.
5. Recaptured depreciation and recaptured investment credit are considered in the capital gain computations in the same manner as they are for federal income tax purposes.
6. Patronage dividends are reported on tax forms. They are paid by cooperatives in cash or shares of stock. These dividends are similar to rebates paid based on the amount of goods bought or services used for the self-employment enterprise. Cash dividends must be counted as income.
7. Royalty payments must be counted as income.
8. Farm Service Agency (FSA) cash payments must be counted as earned self-employment income except for loans and payments made as the result of a Presidentially declared disaster. Farm loans are must be excluded from income.
9. The Federal Crop Insurance Corporation (FCIC) insures producers against crop losses. An FCIC payment must be treated as a nonrecurring lump-sum payment. Unlike ASCS payments, the producer has to pay a premium for FCIC insurance. The federal government subsidizes the premiums.
10. A crop insurance payment from a private company must be excluded from income if it is paid as a nonrecurring lump-sum payment. If the insurance

company pays the household in installments, the money must be counted as income.

Boarding Home Income 400-26-20-05-11
(Revised 1/1/06 ML #3006)

Payments made by a boarder to a household providing the service **must be** counted as selfemployment income when the boarder is not included in the food stamp household. The household's cost of providing meals and lodging to the boarder must be allowed as a deduction from the boarder's payment.

The household may elect one of the following methods provided that the amount allowed as a cost of doing business does not exceed the payment the household receives from the boarder for meals and lodging:

1. The Food Stamp Thrifty Food Plan for a household size that is equal to the number of boarders.
2. The actual verified cost of providing room and meals, if the actual cost exceeds the appropriate thrifty food plan. Only separate and identifiable costs of providing room and meals to the boarder may be allowed when actual costs are used.
3. If the household consists of a combination TANF/FS case, the household may choose to deduct a flat amount of \$100 from gross income. If the household can verify expenses in excess of the \$100 exemption, the actual expenses must be allowed.

The net non-commercial boarding household income must be added to other income and treated the same as self-employment income.

Excel Workbook for 2004 Income Tax Guidelines

"Payments on the principal of the purchase price of income producing real estate and capital assets" must be provided by the recipient for Sections I. Gross Income – Farms and Section II. Gross Income – Other Self-Employment. Normally this would be a copy of the year's loan payment history listing both the principle and interest paid. Since interest is allowed in another line of the sections, only the principle may be allowed in this line.

The worker shall use subsection D. Income for Child Care Assistance Cases. This must be used as Child Care Assistance does not differentiate between earned and unearned income. If the total amount is a negative number, the figure to be used for self-employment is zero.

**Self-Employment Income Tax Guidelines 400-26-20-05-13
(Revised 3/1/08 ML #3133)**

IM 5111 2010 Self-Employment Income Tax Guidelines (138 kb rtf)

- [2010 IRS Form 1040 \(292 kb pdf\)](#)
- [2010 IRS Form 1040 \(Schedule F\) \(109 pdf\)](#)
- [2010 IRS Form 1040 \(Schedule C\) \(112 kb pdf\)](#)
- [2010 IRS Form 1040 \(Schedule C-EZ\) \(99 kb pdf\)](#)
- [2010 IRS Form 1040 \(Schedule E\) \(250 kb pdf\)](#)
- [2010 IRS Form 4835 \(99 kb pdf\)](#)
- [2010 IRS Form 1065 \(208 kb pdf\)](#)
- [2010 IRS Form 4797 \(87 kb pdf\)](#)
- [2010 Electronic Self Employment Income Tax Guidelines \(92 kb xls\)](#)

AMENDED IM 5089 2009 Self-Employment Income Tax Guidelines (138 kb rtf)

- [2009 IRS Form 1040 \(221 kb rtf\)](#)
- [2009 IRS Form 1040 \(Schedule F\) \(46 kb rtf\)](#)
- [2009 IRS Form 1040 \(Schedule C\) \(199 kb rtf\)](#)
- [2009 IRS Form 1040 \(Schedule C-EZ\) \(98 kb rtf\)](#)
- [2009 IRS Form 1040 \(Schedule E\) \(115 kb rtf\)](#)
- [2009 IRS Form 4835 \(74 kb rtf\)](#)
- [2009 IRS Form 1065 \(448 kb rtf\)](#)
- [2009 IRS Form 4797 \(151 kb rtf\)](#)
- [2009 Electronic Self Employment Income Tax Guidelines \(52 kb xls\)](#)

IM 5089 2009 Self-Employment Income Tax Guidelines (137 kb rtf)

- [2009 IRS Form 1040 \(221 kb rtf\)](#)
- [2009 IRS Form 1040 \(Schedule F\) \(46 kb rtf\)](#)
- [2009 IRS Form 1040 \(Schedule C\) \(199 kb rtf\)](#)
- [2009 IRS Form 1040 \(Schedule C-EZ\) \(98 kb rtf\)](#)
- [2009 IRS Form 1040 \(Schedule E\) \(115 kb rtf\)](#)

[2009 IRS Form 4835 \(74 kb rtf\)](#)

[2009 IRS Form 1065 \(448 kb rtf\)](#)

[2009 IRS Form 4797 \(151 kb rtf\)](#)

[2009 Electronic Self Employment Income Tax Guidelines \(52 kb rtf\)](#)

[IM 5059 Self-Employment Income Tax Guidelines \(135 kb rtf\)](#)

[2008 IRS Form 1040 \(346 kb rtf\)](#)

[2008 IRS Form 1040 \(Schedule F\) \(375 kb rtf\)](#)

[2008 IRS Form 1040 \(Schedule C\) \(205 kb rtf\)](#)

[2008 IRS Form 1040 \(Schedule C-EZ\) \(330 kb rtf\)](#)

[2008 IRS Form 1040 \(Schedule E\) \(250 kb rtf\)](#)

[2008 IRS Form 4835 \(328 kb rtf\)](#)

[2008 IRS Form 1065 \(500 kb rtf\)](#)

[2008 IRS Form 4797 \(138 kb rtf\)](#)

[2008 Electronic Self Employment Income Tax Guidelines \(91 kb rtf\)](#)

[IM 5027 Self Employment Income Tax Guidelines \(81 kb rtf\)](#)

[IM 5027 Attachment 1 - 2007 IRS Form 1040 \(48 pdf\)](#)

[IM 5027 Attachment 2 - 2007 IRS Form 1040 \(Schedule F\) \(46 kb pdf\)](#)

[IM 5027 Attachment 3 - 2007 IRS Form 1040 \(Schedule C\) \(38 kb pdf\)](#)

[IM 5027 Attachment 4 - 2007 IRS Form 1040 \(Schedule C-EZ\) \(41 kb pdf\)](#)

[IM 5027 Attachment 5 - 2007 IRS Form 1040 \(Schedule E\) \(35 kb pdf\)](#)

[IM 5027 Attachment 6 - 2007 IRS Form 4835 \(45 kb pdf\)](#)

[IM 5027 Attachment 7 - 2007 IRS Form 1065 \(57 kb pdf\)](#)

[IM 5027 Attachment 8 - 2007 IRS Form 4797 \(35 kb pdf\)](#)

[IM 5027 Attachment 9 - 2007 Electronic Self Employment Income Tax Guidelines \(84 kb xls\)](#)

Corporations 400-26-20-07

(Revised 1/1/06 ML #3006)

Corporations are considered a self-employment enterprise; however, the income individuals receive is not considered self-employment income.

Corporations are separate entities, and the corporation is responsible for its debts and obligations. An owner or employee of a closely held corporation (just a few shareholders) or another corporation **is not a self-employed** individual because the business income and liabilities belong to the corporation, not the individual.

If an individual receives a salary from the corporation, the individual is considered an **employee** of the corporation and the salary is counted as salaried income.

Shareholders who only receive dividends are not entitled to the costs of producing self-employment income or the earned income disregard. The dividends are unearned income and must be annualized.

Partnerships 400-26-20-08

(Revised 1/1/06 ML #3006)

A partnership is a self-employment business set up as a partnership with two or more partners. In these cases, there should be an oral or written agreement. Generally, a partner's share of income, gain, loss, deductions or credits is determined by a partnership agreement.

In addition to personal income tax forms, partnerships must file 1065 and K-1 forms. The Schedule K-1 (Form 1065) must be used to determine the recipient's share of the profit, loss, and capital. The business income and liabilities are the responsibility of all the partners, with the partnership defining shares of ownership and responsibility.

Garnishments 400-26-20-09

(Revised 1/1/06 ML #3006)

Any amount garnished is not excluded. The total gross income must be counted in the income computation.

Income Exclusions 400-26-20-10

(Revised 3/1/08 ML #3133)

Certain types of income are exempt in determining eligibility. They include but are not limited to:

1. Earned income of all children in the household. School attendance has no bearing on the income being excluded;
2. Income from terminated sources whether earned or unearned is disregarded. The income from the terminated source is disregarded the month the client loses the source **and** any month thereafter;

Example: the client's job ended in May. The client's income from this job is not counted in May or any other month after May.

3. Extra checks received by individuals, who are paid weekly or bi-weekly, will be disregarded. The check may be from earned or unearned income. The last check received in the month is always considered the extra check when the client has received five checks if paid weekly and three checks if paid bi-weekly;

Child support paid to another household may be withheld from a recipient's third or fifth check. The child support withheld from the third and fifth checks must **NOT** be included in the child support deduction for the month.;

4. Payment of vacation, sick leave, or severance pay, when a person quits, retires, or loses a job for any other reason;
5. Any bonus, incentive payment, etc. that is not received every month;
6. Reimbursement for expenses incurred in connected with employment. Example: Air Force personnel receive income that is to be used for uniforms, this is to be deducted from the normal pay;
7. Disregard any additional monies received by the household as a result of the deployment of a service member to a designated combat zone. Child Care Assistance counts the gross income for all adult members of the household unit, including ones in military service. To determine the amount of service member's income that must be disregarded, subtract the amount before

deployment from the amount received after deployment;

8. Reimbursement for other work related expenses incurred such as for medical expenses, per diem, travel and lodging;
9. Cafeteria or Flex Comp Plan income. This allows the employee to have a regular deduction from his gross income set aside in a special account, from which the employee can later receive reimbursement for certain expenses;

Child Care Assistance must use the gross income before the Flex Comp deduction is made. When the Flex Comp income is paid to the family, it is not counted as income again;
10. Income tax refunds and earned income tax credits;
11. Earnings from on-the-job training Summer Youth Employment and Training Program provided by Workforce Investment Act (WIA) Public Law 97-300;
12. Wages received as the result of participation in Experience Works (previously known as Green Thumb Program), Vista, and the Foster Grandparent Program;
13. Fund raising for a family when the family does **not** have access to the monies;
14. Income from a contract for deed;
15. Irregular cash gift;
16. Irregular income from sale of craft items, rummage sales, et cetera;
17. Loans that require repayment - This loan must be verified, i.e. a written, notarized contractual agreement must exist between the parties. It is not enough to say, "My mother loaned me \$500 and I have to pay it back";
18. Education loans, scholarships or grants from all sources; whether for undergraduate or graduate student;
19. GI Montgomery Bill, Education Assistance;
20. Income from the Reserve Educational Assistance Program (REAP);
21. Stipends (such as the ones through United Tribes Technical College) which do NOT require work to receive the income;

22. TANF benefits, Division Assistance, TANF Transition, Kinship Care, County General Assistance and BIA General Assistance and all vendor payments, reimbursements and supplements for these programs;
23. Family subsidy payments;
24. Subsidized Guardianship payments;
25. Foster Care payments;
26. Adoption Assistance payments;
27. Supplemental Food Program for Women, Infants and Children (WIC), Public Law 94-105, and the National School Lunch Program, Public Law 90-302;
28. Value of Electronic Benefit Transfer (EBT), Public Law 95-113, and Food Commodities, Public Law 74-320;
29. Utility payment subsidies payable to the family;
30. Vendor payments or payments made to others on the household's behalf, provided that such payments were not directed to the household; e.g., the payment does not go through the family but to a third party;
31. Nonrecurring lump sum payments such as Social Security, SSI, Workers Compensation, Veterans Administration, insurance settlements, child support collected, etc.;
32. Game winnings;
33. All dividends and interest from savings and checking accounts;
34. Loss settlement. Disregard only the portion obligated to replace the loss or pay off indebtedness;
35. Individual Indian Monies up to \$2,000 per year, which is derived from land leases of individually owned trust or restricted lands. If from other sources it is countable;
36. Per capita payments to Indians under Public Law 97-403;
37. Assistance to individuals other than wages, under Older Americans Act of 1965, Public law 95-478;

38. Payments received under the Civil Liberties Act of 1988 by American-Japanese citizens displaced during World War II;
39. Payments received under Public Law 101-201 regarding Agent Orange settlements;
40. Radiation Exposure Act Settlements under Public Law 101-426;
41. Allowances paid under Public Law 106-419 to children of female Vietnam veterans who suffer from certain covered birth defects; and
42. Income from the Bering Straits Native Corporation (BSNC), which was incorporated as a regional corporation pursuant to the provision of the Alaska Native Claims Settlement Act.

Debt Write Off 400-26-20-11
(Revised 1/1/06 ML #3006)

If a lender is unable to collect on an individual loan, the lender may write off all or part of the outstanding balance. The portion written off **may not be counted** as income to the individual.

Assets 400-26-20-13
(Revised 1/1/06 ML #3006)

The Child Care Assistance Program does not consider assets except in the calculation of the sales in self-employment incomes.

Child Support/Alimony Deductions 400-26-20-15
(Revised 3/1/08 ML #3133)

Child support and court ordered spousal support paid **by** a Child Care Assistance family are deductions from the family's income. If the employer is taking the Child Support payment out of the worker's pay check as a deduction, the employer may charge a handling fee. This fee is also deductible.

Child support and court ordered spousal support **paid** to another household in month prior to the application month or the application month if using that month's income are counted as a disregard. If the child support and court order spousal support are lower than the court ordered amounts, use the lesser amount.

If the client can provide documentation that arrearages were paid during the month being used for income and deductions, the arrearages are to be included in the deduction.

Payments for Care and Maintenance of Non-Household Member(s) 400- 26-20-17
(Revised 6/1/07 ML #3084)

When monies are received by a child care household for the care and maintenance of a non-household member, the payment that is identified as belonging to the non-household member is excluded if the caretaker can provide documentation that the monies received have been sent to provide for the care of the non-household member.

Examples:

1. A parent is receiving court ordered child support of \$350 per month for two children (prorated to \$175 per child). The parent reports that one of the children went to live with the grandparents. The parent sends \$175 of the monthly child support check to the grandparents for the care of the child. Only \$175 would be counted as unearned income to the parent and remaining child. The \$175 sent to the grandparents is not counted as income to the parent.

If the parent does not send any of the \$350 monthly child support to the grand-parents, the \$350 is counted as unearned income for the parent and remaining child.

If the parent sends \$200, the entire \$200 would be excluded.

2. A parent receives an SSI payment for a non-household member. If the parent sends the payment for the care of the non-household member, the SSI payment would not be counted as income.
3. A parent receives the clothing allowance paid for children under the Voluntary Placement Program. If the parent sends the payment to pay for the clothing of the non-household child, the clothing allowance would not be counted as income.

Verification of Child Support 400-26-20-20 (Revised 6/1/07 ML #3084)

The Child Care Assistance Program requires use of FACSES if there is an absent parent **and** if the client has not reported child support or has not submitted documentation of the child support. FACSES must also be reviewed if the worker believes that the client may have given incomplete information.

If the child support cannot be verified through FACSES, verification must be obtained from the client.

If child support is received via check, direct deposit or electronic payment care (EPC), the worker must allow **three working days** for posting to the financial account in determining when the income was considered received. Day one of the three-day count is the check date on the View Eligibility Ledger Detail screen in FACSES or the date on the check or child support statement for payments not generated through FACSES.

Benefit Calculation 400-26-25

Basis for Allowable Child Care Rate of Payments 400-26-25-01

(Revised 6/1/07 ML #3084)

Federal regulations permit states the option of establishing the maximum allowable rates. The allowable amount of child care will be based on:

Child's Age

- Infant care -- birth through the month of their second birthday
- Toddler – 2 and 3 years through the month of their fourth birthday
- Children -- 6 up to 13 years through the month of their thirteenth birthday

Type of provider

Household income

Household size

Child Care Category Rate Charts 400-26-25-05

(Revised 6/01/07 ML #3084)

A category is a level of child care usage based on the number of hours of care provided. Child care hours used will fall into one of four categories for each child. Each category has a maximum allowable weekly and monthly cap by provider type and age of child. Child care costs exceeding these maximums will be the responsibility of the family and cannot be considered in determining the Child Care Assistance Program payment amount.

In calculating the child's category, include only the hours of child care that were needed for the parent to complete the allowable activity.

Effective October 1, 2003, the child care categories are as follows:

CATEGORY ONE: 25 or more hours per week**Allowable Maximums for Full Time Care (25 hours per week and over)**

Provider Type Provider Code from Prov. Num.	Infant (Birth up to 2 yrs)	Toddler (2 and 3 yrs)	Pre- School (4 and 5	Other (6 up to 13 yrs)
CENTER/GROUP C, E, G, H, K, M	\$460 per month \$115 per week	\$440 per month \$110 per week	\$420 per month \$105 per week	\$400 per month \$100 per week
LICENSED FAMILY F, I	\$440 per month \$110 per week	\$400 per month \$100 per week	\$392 per month \$98 per week	\$380 per month \$95 per week
SELF- CERTIFIED/ REGISTERED R, S	\$440 per month \$110 per week	\$372 per month \$93 per week	\$368 per month \$92 per week	\$360 per month \$90 per week
APPROVED RELATIVE Q	\$300 per month \$75 per week	\$280 per month \$70 per week	\$272 per month \$68 per week	\$260 per month \$65 per week

CATEGORY TWO: 14 up to 25 hours per week				
Allowable Maximums for Part-Time Care (14 up to 25 hours per				
Provider Type Provider Code from Prov. Num.	Infant (Birth up to 2 yrs)	Toddler (2 and 3 yrs)	Pre- School 4 and 5 yrs)	Other (3 up to 13 yrs)
CENTER/GROUP C, E, G, H, K, M	\$276 per month \$69 per week	\$264 per month \$66 per week	\$252 per month \$63 per week	\$240 per month \$60 per week
LICENSED FAMILY F, I	\$264 per month \$66 per week	\$240 per month \$60 per week	\$236 per month \$59 per week	\$228 per month \$57 per week
SELF-CERTIFIED/ REGISTERED R, S	\$264 per month \$66 per week	\$224 per month \$56 per week	\$220 per month \$55 per week	\$216 per month \$54 per week
APPROVED RELATIVE Q	\$188 per month \$47 per week	\$176 per month \$44 per week	\$164 per month \$41 per week	\$156 per month \$39 per week

CATEGORY THREE: 7 up to 14 hours per week**Allowable Maximums for Part-Time Care (7 up to 14 hours per week)**

Provider Type Provider Code from Prov. Num.	Infant (Birth up to 2 yrs)	Toddler (2 and 3 yrs)	Pre- School 4 and 5 yrs)	Other (6 up to 13 yrs)
CENTER/GROUP C, E, G, H, K, M	\$140 per month \$35 per week	\$132 per month \$33 per week	\$128 per month \$32 per week	\$120 per month \$30 per week
LICENSED FAMILY F, I	\$132 per month \$33 per week	\$120 per month \$30 per week	\$116 per month \$29 per week	\$116 per month \$29 per week
SELF-CERTIFIED/ REGISTERED R, S	\$132 per month \$33 per week	\$112 per month \$28 per week	\$108 per month \$27 per week	\$108 per month \$27 per week
APPROVED RELATIVE Q	\$104 per month \$26 per week	\$92 per month \$23 per week	\$80 per month \$20 per week	\$80 per month \$20 per week

CATEGORY FOUR less than 7 hours per week
Allowable Maximums for Part-Time Care (less than 7 hours per week)
\$2.50 per hour maximum

GUIDELINES AND EXAMPLES FOR USING CATEGORIES

Generally, use the monthly maximums rather than the weekly maximum for each category. Use the month total of child care hours and calculate a weekly average by dividing the number of child care hours by 4. Use this weekly average to determine the appropriate category. This will need to be done for each child for families where the children attend child care for differing amounts of time.

Use weekly maximums rather than monthly maximums when the child care is for a partial month.

Example One: A family has three children in child care ages 1, 3, and 10 in a child care center. The 1 and 3 year olds are in child care 9 hours per day, 5 days per week. The 10-year-old is in child care for 3 hours per day and usually only 4 days per week. The 1 and 3 year old each have a total of 189 hours for the month. The 10-year-old has a total of 51 hours.

The weekly average for the 1 and 3 year olds is $189/4 = 47.25$. For the 1 and 3 year old use category 1 maximum monthly allowable amounts. The average for the 10 year old is $51/4 = 11.7$. Use category 3 maximum monthly allowable amount. For this family the maximum monthly allowable amount is:

Child 1	Age 1	189 total hours	47.25 avg. weekly hours	\$460
Child 2	Age 3	189 total hours	47.25 avg. weekly hours	\$440
Child 3	Age 10	51 total hours	11.7 avg. weekly hours	<u>\$120</u>
TOTAL MAXIMUM ALLOWABLE AMOUNT				<u>\$1,020</u>

This is the maximum amount to which the sliding fee schedule must be applied.

Example Two: A family has child care for the first 10 days of the month for a 2 year old at a child care center. The total number of hours was 54 hours. The family did not use child care for the remainder of the month.

Dividing the total hours by 4 for a weekly average would not fairly represent this family's use of child care. Since they used child care for all of one week and part of a second, then look at the actual hours used each week and use the appropriate Category.

For this example the family used an average of 27 hours each week. This falls into Category 1. They are eligible for the maximum allowable amount for each of the two weeks or \$110 each week, \$220 total. This is the maximum amount to which the sliding fee schedule must be applied.

Meal/Snack Charge 400-26-25-09
(Revised 1/1/04 ML #2899)

Provider may charge an extra charge for meals and snacks. It is to be added to the charge for child care **before** the sliding fee is applied and the maximum allowable amount is considered. The State Office considers this to be part of the charge for child care.

Computing the Bill 400-26-25-15 (Revised 11/1/04 ML #2945)

As with all child care reimbursed by the CCA Program, the number of hours of child care must reasonably relate to the hours of work or education for the parent(s); and

Actual hours the child is in child care must average 25 or more hours per week. The amount of care used will fall into category 1.

"Average" should be understood in a larger sense. A family involved in work or education may have an occasional interruption in their usual pattern that would cause an average taken over two weeks or a month to fall below 25 hours per week. Such an interruption should not cause the family to lose its full-time position in the child care facility.

Example One: A parent in education has a semester break in December during which the average hours falls below 25 hours per week. She was in education from August through early- December and will return to school in January. While the parent is in education she averages 25 hours per week of class time and child care use. The full-time position should continue during the semester break so as to not disrupt the family's child care availability.

Determine what the child's normal hours are for the week, and allow the same hours for the week of tests, and the weeks of vacation.

Example Two: A working parent takes ten days off of work to settle the affairs of a deceased relative. For that month the average number of work hours falls below 25 hours per week. His usual work schedule is 30 hours per week. Taking a larger view would permit retaining the child's place in care so the family had day care when they return.

Determine what the child's normal hours are for the week, and allow the same hours for the two weeks the parent was off work.

Example Three: The child goes to visit the absent parent for a period of time and is expected to return. The Child Care Assistance Program will pay up to 30 days per visit to maintain the child's position in day care.

Example Four: A working parent with 18 hours of work and travel time per week (Category Two) submits a billing for 50 hours per week for child care. The provider uses a full-time slot method for charging.

The child was actually in care 45 hours during weeks 1 and 2 and 15 hours during weeks 3 and 4. To calculate the allowable amount of care use 18 hours per week for weeks 1 and 2 based on the mother's work schedule; and 15 hours per week for weeks 3 and 4 based on actual time in care. The total for the months is 66 hours.

The 16.5-hour weekly average does not qualify for the maximum full-time allowable amount. As this case illustrates, in the first two weeks, parents may have other reasons to keep the child in care but they will need to pay for those additional hours. The program can assist at Category Two (14 up to 25 hours). Assuming a 5-year-old at a center, the maximum allowable amount would be \$240. This is the most to which the sliding fee schedule could be applied.

Part-time child care arrangements (under 25 hours per week), whether billed at an hourly rate, flat fee, or at some other part-time slot rate, can be allowed. Whatever the arrangement, CCA Program families should not be charged more than non-CCA Program families for the same arrangement.

The maximum allowable amount depends on the tier that the hours of child care needed falls into (see Example Four above).

If the child's hours in care do not reflect the hours needed for parent's allowable activities and activities, the worker can adjust the hours. **The amount billed is NOT to be changed when the provider bills by slots, daily, weekly, every other week, semi-monthly or monthly.** The Excel or Lotus 123 worksheet will compute the amount to be paid.

If the provider bills by the hour, the number of hours and the amount billed may have to be changed to reflect the hours needed for the allowable activities.

Example: A parent worked 28 hours (including travel, lunch, et cetera) weekly making the allowable activity full time. The provider, who bills hourly, was billing for more hours than 28 per week as the parent was leaving the children in care after the workday ended. The worker should adjust both the hours of care and the amount paid to reflect the cost and the hours needed for the allowable activity.

Certificates 400-26-25-20

(Revised 3/1/08 ML #3133)

A Child Care Certificate, by definition from the Federal Regulations, "means a certificate (that may be a check or other disbursement) that is issued by a State or local government directly to a parent who may use such certificate only as payment for child care services or as a deposit for child care services if such a deposit is required of other children being cared for by the provider."

A child care certificate is issued by the Department of Human Services to the parent who is eligible for the Child Care Assistance Program. The certificate contains the name and address of the parent/caretaker, the children who will be receiving child care, the percentage of the bill that family will have to pay and the maximum payment the family may have to pay, the client's allowable activity, the mandatory reportable changes, and the time period covered by the certificate.

The certificate and the payments are assistance to the parent, not assistance to the provider. A sample of the Child Care Certificate is shown in Appendix.

Sliding Fee Schedule and Benefits Amount Determination 400-26-25-25

(Revised 3/1/08 ML #3133)

When determining the sliding fee percentage and maximum family payment for a certificate, the worker may use the income from the month of application or the month prior to the application for a new applicant. For an updated certificate, the worker can use the income in either the second to last month or the last month of the current certificate. The worker should use the income from the month which most benefits the client. Subsequent certificates will use the countable income from the second to last month or the last month of the prior certificate.

The percentage to be paid by the program will be computed by the child care excel worksheet, which uses the household size and the countable gross income and, if appropriate, deductions to determine the family's percentage and the maximum family payment of the allowable maximum rate.

The benefits will be paid after the close of the month during which the child care expenses were incurred. The family must submit "SFN 616, Child Care Billing Report," that has been signed and dated by the provider and client AFTER the form has been complete ensuring that the parent has had a chance to review the form for errors. The worker will enter the needed information from the billing report and the children and their birth dates into the child care excel worksheet that was created when the figures for the certificate was created. The work-sheet will compute the maximum allowable child care costs and multiplied them by the percentage found on the schedule for the family size and income. The excel worksheet will then compare this amount to the maximum family payment to determine if the family will pay the amount based on the sliding fee scale or the maximum family payment. The family pays the lesser of the two amounts.

Fee Requirements 400-26-25-25-01
(Revised 3/1/08 ML # 3133)

Federal regulations require each family receiving Child Care Assistance to contribute toward the payment of such care based on the family's ability to pay. The state may waive this requirement for families who are very low income. The Sliding Fee Schedule was developed based on these criteria. Participants of TANF/ TANF Diversion/Transition TANF (for SSI children in family) and Crossroads are not required to pay a percentage of the allowable child care; however, they are responsible for any amount charged that is over the allowable maximum child care amount.

It is the responsibility of the provider to collect the family share. No verification is required regarding the payment of the family share.

Rounding 400-26-25-25-03
(Revised 10/03 ML #2814)

All amounts in child care are to be rounded down to the nearest dollar. This includes income and the amount paid to the provider. Round down at the end of calculations.

Example: A family has multiple paychecks each month from a couple of jobs. Add all income and round down the total. Income of \$1650.82 is rounded down to \$1650.00.

**Applying the Maximum Family Payment 400-26-25-25-05
(Revised 10/02 ML #2814)**

The sliding fee schedule contains a Maximum Family Payment column within each percentage payment level. This dollar amount is the highest total amount a family will pay toward the maximum allowable child care costs.

After multiplying the total amount of the allowable child care costs by the family share percentage, compare the result with the Maximum Family Payment amount found on the sliding fee schedule. The lower of the two amounts will be the amount paid by the family (co-pay) toward the total allowable child care costs. This co-payment amount plus costs over the allowable maximum are the family's share.

The sliding fee schedule is included as Appendix D. An example showing the use of the sliding fee schedule is included as Appendix H.

**Child Care Assistance Program Share 400-26-25-25-07
(Revised 3/1/08 ML #3133)**

The child care excel worksheet determines the total Child Care Assistance Program amount by subtracting the family's share from the total allowable amount and rounding down to the nearest whole dollar. The difference is the CCA Program's share and is to be apportioned among all of the children based on each child's share of the total allowable amount. This amount is paid to the provider unless the provider has completed "Form 848, Provider's Request to Pay Parent Directly."

Adjustments 400-26-25-40

(Revised 10/02 ML #2814)

Overpayment of child care benefits must be recouped. Document in the case file the reason for the overpayment and the amount. There is a system adjustment process which must be followed to recoup from a payment. When an adjustment is made, the file must contain documentation as well as an explanation on the notice to the family. **Before the overpayment can be recouped, another payment must be currently being made.** Complete the child care payment. Then create the adjustment using the month of services being paid.

If a family was underpaid, rework the month of the underpayment. Document the underpayment in the file and on the notice to the family.

Check Issuance 400-26-25-45
(Revised 3/1/08 ML #3133)

Checks automatically go to providers, unless a provider wishes to have it issued to the family. If the check is to go to the recipient, the provider must submit a signed and dated SFN 848, "Provider's Request to Pay Parent Directly." This statement is to be filed in recipient's file. The provider must still complete a "W-9, Request for Taxpayer Identification Number and Certification."

Payments for the Child Care Assistance Program are processed daily. Checks are mailed two working days after the process date. Because of weekends and mailing processes, the latest the provider should get the check would be within five days after the processing date.

Lost and Returned Checks 400-26-25-50

Lost Checks 400-26-25-50-01 (Revised 10/02 ML #2814)

If a person reports that his/her check has not been received, verify when the check was processed. Using Option O on the Day Care System, verify if the payment for this recipient was included with other payments. If it was, ask the provider if she/he has received a check for the total amount of all the payments processed on the same day. If the provider has, explain that your client's payment was included in that amount.

If it has been over seven working days since the check has been processed, contact the state Child Care Assistance office with the following information: SSN and name of recipient; SSN/EIN and name of provider; the processed date, and the amount of the payment. State Office staff will double check to see if other payments were processed on the same day for the same provider. The State Office staff will request the check number from Finance. The check system will be used to determine if the check has been cashed or is outstanding. If the stop payment process is necessary, it will be initiated by the State Child Care Assistance office. The stop payment affidavit is sent to the county worker so she/he can secure the necessary signature and notarization. The affidavit is sent back to State Office Finance Office, and the check is reissued by the Office of Management and Budget.

If the person received the original check after the stop payment has been issued, the State Office should be notified that the stop payment should be cancelled. The original check can **not** be cashed until three days after the stop notice has been cancelled by the State Office.

**Returned Checks 400-26-25-50-03
(Revised 6/1/07 ML #3084)**

If a check has been issued in error to a provider and the provider returns the State issued check, send the check to the Child Care Assistance Office indicating why the check should be cancelled. It will be adjusted in the Child Care system, the check will be cancelled, and the file for the 1099 will be adjusted.

NOTE: A payment can be issued to the correct provider as soon as it is discovered that an error was made.

If the provider issues a check from her/his account, the form "SFN 827, Credit Form," should be completed and sent with the check to Finance. The form, "[SFN 827, Credit Form](#)," is available on eforms.

The provider's personal check and "SFN 827, Credit Form," should be sent to:

Department of Human Services/Fiscal Administration
600 E Boulevard Ave Dept 325
Bismarck ND 58505-0250

Parent/Provider Information 400-26-30

Parental Choice 400-26-30-01

(Revised 10/02 ML #2814)

The state must provide assurances that the parent(s) of each eligible child within the state who receives or is offered child care services for which financial assistance is provided through the Child Care and Development Fund are given their choice of provider. A family needing assistance in finding child care should be referred to the Child Care Resource and Referral (CCR & R) in their area. This service can assist the family in knowing what to look for in finding child care, and match the family with a provider who would meet their needs.

In-Home Child Care 400-26-30-05
(Revised 10/02 ML #2814)

In-home child care will be allowed for the following instances:

1. Sick child care for days when a child is too ill to take to the regular day care provider; or
2. A child who is severely disabled and it is a hardship for the child and the family to take the child out of the home to a day care facility or home.

NOTE: This must be approved by the State Administrator prior to the care being provided.

A family who chooses in-home care in these situations will be eligible for payment for Child Care Assistance based on the same criteria as other families who have out-of-home providers.

NOTES: If the provider and the child live in the same home, the care is considered to be provided in the provider's home.

A sibling residing at home, who is 18 or older, can be reimbursed if licensed, registered or self certified, but is not eligible to be an approved relative.

Parental Access 400-26-30-10

(Revised 10/02 ML #2814)

Parents or guardians must be allowed unlimited access to the children and to the providers caring for the children during normal hours of provider operation and whenever the children are in the care of the provider.

Provider/Parent Contracts for Services 400-26-30-15 (Revised 10/02 ML #2814)

When a parent chooses a child care provider, there is generally a contract outlining what is expected of the family in situations of absences, holidays, vacations, and termination of services. In the termination of services it is usually stated that a two-week notice is to be given to the provider when a family intends to leave. If a family terminates this provider without giving notice and the provider expects payment for those two weeks, it is the family's responsibility to pay for those two weeks, not the child care program.

Exception: If the parent perceives that the child may be not receiving proper care, the CCA can pay for the two weeks. The parent **must** report the conditions to the day care licensing staff and/or to the Child Abuse and Neglect staff in the county or the CCA program can not pay for the two weeks.

Child Care Providers 400-26-30-20 (Revised 4/1/08 ML #3137)

In order for a family to be eligible for Child Care Assistance, the child care provider must be 18 years of age or older, licensed, self-certified, registered or an approved relative.

Child care providers must meet the criteria provided in NDCC Chapter 50-11.1, Early Childhood Services and the North Dakota Administrative Code Chapters. The N.D.A.C. chapters are as follows: 75-03-07, In-Home Child Care Early Childhood Services; 75-03-08, Family Child Care Homes Early Childhood Services; 75-03-09, Group Child Care Early Childhood Services; 75-03-10, Child Care Center Early Childhood Services; and 75-03-11, Preschool Educational Facilities Early Childhood Services, issued by the Department of Human Services.

NOTE: If a North Dakota licensed, self-certified provider or an approved relative moves, it invalidates the current license, self-certification or approved relative status. Be sure to notify the licensing staff or State Office staff if the provider is an approved relative, if a provider moves to ensure that the provider has done all that is needed for the license to continue, and to ensure that the self-certified provider or approved relative have reapplied..

Providers, who are registered or licensed by either the tribes or the air bases, may be accepted for this program. Acceptable providers in other states are those who live in bordering cities. All of these providers must submit a copy of their current licenses, and a "W-9, Request for Taxpayer Identification Number and Certification" to the State Office. Renewed licenses/registrations must be submitted yearly by the provider to the State Office along with a current W9.

Approved Relative providers are approved to provide care for specific children and will be given provider ID numbers by the State Office. Their approval must be updated annually, along with an updated W9, if they are still providing care. If the relative provider moves, the approval is

invalidated and the relative provider needs to reapply.

NOTE: There has to be a **current** license, registration, self-certification or approved relative status. If one of these expires in the middle of the month, such as April 15, the worker can **not** pay for any services after April 15.

Providers must NOT charge Child Care Assistance Program recipients more than they are charging their lowest charged private pay parents/caretakers.

Process for Providers 400-26-30-25 (Revised 10/02 ML #2832)

Child care payments may not be made until the provider is self-certified, registered, licensed, or an approved relative. Families may, at times, select a child care provider who is not self-certified, registered, licensed, or an approved relative. If the provider has not done this, she/he must be given the opportunity to do so. It is expected that she/he will be assisted with this requirement. This can be done by referral to the licensing person in the county social service office. When the provider completes the process, payment of services from the month of application for Child Care Assistance can be made, provided the licensing, registration, self-certification, or approved relative process is completed within 120 days from the first day of the month of application. If the process takes a longer period of time, it must be reviewed on a case-by-case basis to determine if there is good cause for the delay.

This also applies to renewals.

Example: Family applies for Child Care Assistance on October 12. The provider is not registered or licensed but applies for registration or licensing on October 29. Since the child care application will actually be for the full month of October, the 120 days is counted from October 1. The registration or licensing process must be completed by January 28 in order to make payment for child care services from October forward.

The process for adding providers to the two systems is a State Office function. However, it may be helpful for eligibility in determining where in the process a provider is. The process is as follows:

1. Provider contacts the County Social Service Board (CSSB) to begin process of licensing or self-certification;
2. Provider completes paper work, but it may take several weeks to complete other requirements such as inspections, and fixing what inspections found needed to be corrected, complete CPR, and First Aid courses;

3. When completed, county licensor signs off and forwards to the Human Service Center for provider ID;
4. Human Service Center finalizes and submits provider information to state to be added to the provider system;
5. When the name gets to the state, it goes through several steps before being added to the payment system;
 - a. Children and Family Services (CFS) staff receives the "add slip" and is checked against existing records;
 - b. "Add slip" given to data processing to add to provider system;
 - c. "Add slip" returned to CFS staff to check to see if all were added, deleted, and/or updated in the system;
 - d. When data processing has entered a batch, a new provider listing is run;
 - e. CCA staff adds providers to the payment system **if** a "W-9, Request for Taxpayer Identification Number and Certification" has been received;
 - f. CFS staff gives all "add slips" to CCA staff, and these are checked for renewals, and changes in information against information already in the payment system; and

CCA staff fields calls from eligibility staff regarding provider status.
6. Approved relative, out-of-state, Tribal, and air base providers should submit information directly to CCA staff. A provider ID is assigned for North Dakota purposes. Adding them into the payment system follows the same routine as above.

**W9, Request for Taxpayer Identification Number and Certification 400- 26-30-30
(Revised 10/02 ML #2814)**

The "W9 Request for Taxpayer Identification Number and Certification" must be submitted when the following occurs:

New Child Care Assistance provider or a current provider who is now going to provide services to a parent who is receiving Child Care Assistance;

Lapse between certification period of 3 months or more;

Change in name;

Change in provider type, which includes a change of type of provider (family to group, group to center, et cetera);

Change in address; or

Change in either Social Security Number (SSN) or Employee Identification Number (EIN.)

The W9's should be completed and mailed to:

Child Care Assistance Program

ND Department of Human Services – Dept 325

600 E Boulevard Ave

Bismarck, ND 58505-0250

See Provider Flow Chart at Appendix E.

Provider Codes and Definitions 400-26-30-35 (Revised 1/1/04 ML #2899)

The following are the codes that identify the provider type to be used for payment and the descriptions of provider types on the payment screen:

AR	=	Payment code used for approved relative providers.
CT	=	Payment code used for center providers.
IN	=	Payment code used for in-home child care providers.
NF	=	Payment code used for non-relative licensed family child care providers.
NG	=	Payment code used for licensed group home providers.
RF	=	Payment code used for relative licensed family child care providers.
SC	=	Payment code for self certified providers.
TR	=	Payment code used for Tribal Registered child care providers.

Approved Relative -- a provider, whose relationship to the child by marriage, blood, or court degree, is a: grand-parent, great-grand parent, aunt, uncle, or sibling caring for (5) or less children including their own children under the age of 12. The sibling provider may **not** be residing in the home of the child(ren). The approved relative provider is not licensed or self-certified; they are "approved" to provide care for specific children.

NOTE: A sibling residing at home, who is 18 or older, can be reimbursed ONLY if licensed, registered or self-certified.

Child Care Center -- an early childhood facility where early childhood services are provided to nineteen (19) or more children. N.D.A.C. 75-03-10.

Family Child Care Home -- an occupied private residence in which early childhood services are provided for no more than seven (7) children at any one time, except that the term includes a residence providing early childhood services to two (2) additional school-aged children during the two hours immediately before and after the school day and all day, except Saturday and Sunday, when school is not in session during the official school year. N.D.A.C. 75-03-08.

Group Child Care Home or Group Child Care Facility -- a child care facility where early childhood services are provided for eight (8) through eighteen (18) children or a facility, other than an occupied private residence, which serves fewer than nineteen (19) children. N.D.A.C. 75-03-09.

In-Home Provider -- any person who provides early childhood services to one or more children in the parental home. N.D.A.C. 75-03-07.

License -- the right, authority, or permission granted by the Department to operate a family child care home, group child care facility, child care center, or preschool educational facility. A license is required if the provider cares for six (6) or more children or cares for four (4) or more infants.

Multiple Group Licenses -- a child care facility where two group licenses are allowed per facility if the operations are physically separate, meet all the requirement standards of a group facility, and each operate totally distinct in its day-to-day operation both on paper and in practice.

Multiple Licensed Facility -- an early childhood facility that provides more than one type of early childhood services.

Preschool Educational Facility -- a facility that offers early childhood services and follows a preschool curriculum and course of study designed primarily to enhance the educational development of the children enrolled in the facility and that services no child for more than three hours per day. N.D.A.C. 75-03-11.

Public Approvals – a program operated by a governmental organization and approved by the Department of Human Services as having programs which have complied with the type of child care provided. A governmental entity would be city government; county government (i.e. county social service agencies); state government (i.e. state college or university); or federal government (i.e. parks and recreation).

Registration -- Tribal registration is the care of no more than five children of which only three can be under 24 months of age. Or it may be the care of only children under 24 months of age in which no more than four children (0-24 months) can be in care at any given time. In both situations the provider's own children, who are present during the hours of care must be counted within this ratio.

NOTE: This is the definition of one Tribe. The definition may vary from Tribe to Tribe.

Self Certification -- the process whereby the Department maintains a record of all in-home and self-certified providers who have stated that they have complied or will comply with the standards prescribed. Self certification is available, although not required, for those child care providers who care for five (5) or less children. N.D.A.C. 75-03-07.1.

Tribal Registration -- Tribal registration is the care of no more than five children of which only three can be under 24 months of age. Or it may be the care of only children under 24 months of age in which no more than four children (0-24 months) can be in care at any given time. In both situations the provider's own children, who are present during the hours of care must be counted within this ratio.

NOTE: This is the definition of one Tribe. The definition may vary from Tribe to Tribe.

NOTE: For child care assistance payments, a provider caring for five or less children must be an approved relative, self-certified, registered, or licensed.

Provider identification (ID) numbers are assigned to each provider when they have been approved as a provider. The ID of providers, either licensed or self-certified by the state of North Dakota, consists of number that represents the 2 numbers for county, 2 numbers for region, 4 numbers or 4 alpha numeric for personal number, and a letter which identifies the type of provider.

An approved relative number consists of 2 numbers for county, two zeroes, 4 numbers for personal number, and a "Q" to represent the provider type. Out of state numbers and Tribal numbers consist of 2 numbers for state or Tribe, 2 numbers for county, 4 numbers or 4 alpha numeric for the personal number, and a letter which identifies the type of provider.

The following is a listing of the provider types:

C	-	Child Care Center	K	-	School Age Child
E	-	Preschool Education Facility	M	-	Multiple License
F	-	Family Child Care	P	-	Public Approvals
G	-	Group Child Care Home	R	-	Registration for Tribes
H	-	Group Child Care Facility	S	-	Self Certification
I	-	In Home Child Care	Q	-	Approved Relative

The following is a listing of the out-of-state and Tribal numbers. These numbers are used in place of the county numbers in the license number.

91	-	Minnesota	96	-	Turtle Mountain*
92	-	South Dakota	97	-	Spirit Lake*
92	-	Montana	98	-	Standing Rock Sioux*
94	-	Trenton Indian Service Area*	99	-	ND Air Bases
95	-	Three Affiliated Tribes*			

The new numbering system for the Tribes will gradually be added. As of October 2002, Tribal provider numbers are the same as county numbers.

**Guide to Provider Payment Categories 400-26-30-35-01
(Revised 10/02 ML #2814)**

The maximum allowable amount varies by provider type as indicated below and on the sliding fee schedule.

<u>Provider Type</u>	<u>Provider Codes</u>
Center/Group	C, E, G, H, K, M, P
Licensed Family	F, I
Tribal Registration/Self-Certified Family	R,S
Approved Relative	Q

Provider's Suspension or Denial of License 400-26-30-40 (Revised 10/02 ML #2814)

A provider, who is **not** currently licensed or self certified, has applied for a license or registration. The provider is denied, but appeals. Child Care Assistance will **not** pay for child care during the period of the appeal as the provider is not licensed or registered. If the provider wins the appeal, Child Care Assistance will make back payments as the license will be back dated to the date the county made the decision to deny.

When a child care provider's license is suspended, Child Care Assistance will **not** make a payment as the provider is not currently licensed. A suspension cannot be appealed. After a suspension is issued, a revocation may be issued. The revocation can be appealed.

If a provider receives a notice for renewal, denial, or revocation of a current license or registration and appeals, child care can continue to pay the provider during the course of the appeal.

**"1099 Miscellaneous Tax Form" and Internal Revenue Service (IRS) Reports 400-26-30-45
(Revised 10/02 ML #2814)**

Since providers are being paid directly from the Child Care Assistance Program, law requires that a "1099 Miscellaneous Tax Form" showing total payments, paid during the year be sent to the provider. These figures are reported to IRS. To make payment to a provider, a "W-9, Request for Taxpayer Identification Number and Certification" showing his or her name which is used when filing taxes, name of business if applicable, and tax ID number, must be submitted to the State Office.

Providers who receive less than \$600 per year from the Department will not be issued a "1099 Miscellaneous Tax Form." The State Office will send a letter explaining why the provider is not getting a "1099 Miscellaneous Tax Form" and the amount the provider received during the year.

When checks are returned to be canceled, the payment record for the appropriate provider will be adjusted by the State Office.

Administrative Requirements 400-26-35 Social Security Number 400-26-35-01

(Revised 10/02 ML #2814)

The following statement is on the "SFN 616, Child Care Billing Report" and on the "SFN 598, Child Care Application" concerning the use of the recipient's Social Security number: "Disclosure of the Social Security Number is voluntary and is requested for the purpose of accurate identification. Failure to disclose the Social Security Number will not affect participation in this program."

There may be a Social Security Number (SSN) for the head of the household and for each child for whom Child Care Assistance is paid. If a child does not have a SSN when application is made, you may assist the family in the application process if they chose to apply. As soon as the family receives the SSN, it hopefully will be reported to the worker. While waiting for the SSN, a temporary number is to be given to the child. The number will begin with "999" for the first three digits. The remaining digits should be the same as the last six digits of the case SSN for the first child. If there are more children, add one number to the last digit for each additional child.

As soon as the family reports the SSN, change the number in the system. An error report will be generated to show temporary numbers that are over three months old. A hard copy of the Social Security Number is not required except in situations where there is a problem, such as a duplicate number for two different people.

If the caretakers give you her/his SSN but not the ones for the children, use the same numbering process as when the child does not have a SSN.

If the caretaker does not want to give her/his SSN or those of the children use the same process for numbering the cases as used below for a non-citizen.

If a non-citizen requests Child Care Assistance but does not have a Social Security Number yet, the worker may assign a temporary number to the parent whose name will be the case name and to the child(ren). In this instance, the first three digits will be "A999" identifying a temporary number. The second two digits will be that of the county, and the last four digits will identify the number of the person in the family. Example: If the family resides

in Barnes County, the number will be 999-02-0001 for the parent. The child's temporary number will be 999-02-0002. If there are more children, continue in numerical order with the last four digits.

Each county should keep a log of such cases so that temporary numbers are not duplicated i.e., when a second non-citizen family is on Child Care Assistance, the next person number will be used.

Confidentiality 400-26-35-05
(Revised 10/02 ML #2814)

Information concerning households receiving child care assistance may be released only for purposes directly connected with the administration of the program.

Information of a specific nature for an individual who is applying for or receiving assistance whether obtained from records, papers, files or communications received, cannot be released. It is permissible to give the provider information such as eligibility of a family in a given month, whether the family has turned in the necessary information for the month, and whether the check has been issued to the provider. Information cannot be given regarding the family's income or information that would assist the provider in calculating that income. Neither can information be given regarding other providers or other children who may be going to a different provider.

A release of information is included on the application for child care so the recipient is aware that information can be discussed with the provider.

Application 400-26-35-10 (Revised 6/1/07 ML #3084)

A new application is required in the following circumstances:

1. Upon a family's initial request for assistance;
2. At any time of reapplication from a closed, denied, or withdrawn status when there has been a break of assistance of at least one benefit month, unless the closed, denied, or withdrawn status was caused solely by administrative error;
3. When there is a change in the caretaker, not previously in the child care unit, with whom the child(ren) are residing;
4. At the time a person completes JOBS requirements and the EDP is in place; or
5. When a TANF case is closing and the family may be eligible for child care assistance (if an application is not already on file).

No new application is required in the following circumstances:

1. To reopen a case when it has been closed in error or when the case has been closed less than one benefit month; or
2. When individuals are added to an existing open case.

A face-to-face interview is not required to complete the Child Care Assistance application. It is the responsibility of the worker to ensure that the recipient understands program requirements; i.e., verifications, billing forms, receipts, qualified provider and reporting requirements.

**Date of Application and Benefit Start Date 400-26-35-15
(Revised 6/1/07 ML #3084)**

Assistance will begin the first day of the month the **signed and dated** application is received in the county social service office. If there is a need for assistance for the prior month, eligibility can be extended to the prior month.

Example: the signed and dated application is received in the county social service office in May. The certificate can start in April if the client has child care needs in April.

Timeliness Standards for Processing Applications 400-26-35-20

(Revised 6/1/07 ML #3084)

A decision to either approve or deny an application must be made no later than **15** days following the receipt of the application in the County Social Service Office, except in extenuating circumstances. Extenuating circumstances may include failure or delay of a recipient to provide needed information due to circumstances beyond his/her control. An example would be waiting for the provider to become licensed, self-certified, registered or approved relative. If an application is not acted upon within the **15**-day time frame, the case record must contain an explanation of the cause of the delay. It is not necessary to deny an application for the first month if eligibility does not exist for that month, but will for the following month. Document the reason the first month was not approved.

Verification Requirements and Time Frames 400-26-35-25 (Revised 3/1/08 ML #3133)

Verification of income is required at the initial application, redetermination, and when a new member is added to the household.

Effective October 2007 for all cases, the client must report the mandatory reportable changes the 10th of the month after the change occurs. The client must complete the SFN 841, "Child Care Assistance Redetermination," which is sent the end of the month prior to the end of the certification period and which should be returned to the county by 10th of the next month. If the client has not returned the signed and dated Child Care Assistance Redetermination by the end of the last month of the current certificate, the case must be closed.

There is no formal monthly report form or deadline for submitting the SFN 616, "Child Care Billing Report" each month. The clients are encouraged to submit information by the 5th of the month to assist the worker's ability to process the payment early in the month. This will also ensure the provider receiving payment as early in the month as possible.

The time for a child care payment is ten working days after the receipt of the needed information. If there are not ten working days between the receipt of the needed information and the last work day of the month, the payment should be entered into the computer by the last work day of the month.

Verification of Income 400-26-35-30
(Revised 3/1/08 ML #3133)

After the Client is on the Certificate Process

Both earned and unearned income must be verified during the application process, the redetermination process, or when a mandatory reportable change mandates review of the income.

Income received in the month shall be used for the month of receipt unless it is intended for a specific month. For instance, if a Social Security or child support check normally received on the 3rd for that month is received on the 31st of the prior month, it should be counted in the "normally received month" or use the established pattern for receipt of child support.

The extra checks received by individuals who are paid weekly or bi-weekly will be disregarded. The check may be from earned or unearned income. The last check received in the month is always considered the extra check. For individuals paid weekly, it is the fifth check and for individuals paid bi-weekly it is the third check.

Bonus checks are not to be considered unless they are received monthly.

Child support paid to another household may be withheld from a recipient's third or fifth check. The child support withheld from the third and fifth checks must **NOT** be included in the child support deduction for the month.

Verification of Child Care Costs 400-26-35-35

(Revised 6/1/07 ML #3084)

Child care costs must be verified monthly. "SFN 616, Child Care Billing Report," is the preferred form of billing. However, if a provider can show a clear billing using another method of record keeping, it may be used as verification. Both the provider and the parent or caretaker need to sign and date the billing form.

It is the responsibility of the child care provider, not the family, to complete the billing form each month. The billing must show the **ACTUAL** number of hours of child care. She/he shall sign and date the form and obtain the parent's dated signature. The parent is responsible to submit the form to the worker along with other required verifications and reported changes.

If a provider or a parent is not available for signature on the "SFN 616, Child Care Billing Report," the worker will be expected to explore all avenues of locating the person. If the person cannot be located, and it is reasonable that the "SFN 616, Child Care Billing Report," is complete and accurate, or if a third party will attest to its accuracy, payment can be made without the signature. Document all actions taken.

The hours claimed must be reasonable with the hours associated with the allowable activities. Allowable travel time would include time beginning with dropping the child(ren) off at the child care site until the allowable activity begins, and then from the time the allowable activity ends until the parent reaches the child care site to pick up the child(ren). If the facility charges less than the maximum, only allow that amount.

If the worker adjusts the hours of care the children need, **the amount billed is not to be adjusted** when the provider bills by slots, daily, weekly, every other week, semi-monthly or monthly. The Excel worksheet will compute the amount to be paid.

If the provider bills by the hour, the number of hours and the amount billed

might have to be changed to reflect the hours need for the allowable activities.

Example: A parent worked 25 hours (including travel, lunch, et cetera) weekly making the allowable activity full time. The provider, who bills hourly was billing for more hours than 25 per week as the parent was leaving the children in case after the workday ended. The worker must adjust both the hours of care and the amount paid to reflect the cost and the hours of child care needed for the allowable activity.

Payments of Less Than \$10 400-26-35-37
(Revised 8/1/04 ML #2929)

If the Child Care Assistance Program's (CCAP) share of the total bill for the month is less than \$10, the check will not be issued. The worker determines the amount the CCAP would pay for the month. If the amount the CCAP would pay is less than \$10, the worker may **NOT** enter the payment into the system.

The CCAP's total portion of a recipient's child care is \$10 or more. There are two or more providers, and the check for one of them is less than \$10. Issue the payment to that provider as the CCAP's share of the total bill is \$10 or more.

An error was made when making a payment to a provider. The provider's underpayment is less than \$10. Immediately issue the supplemental payment as the CCAP's share of the total bill was \$10 or more.

**Case Closings 400-26-35-40
(Revised 3/1/08 ML #3133)**

As long as a family meets the criteria for Child Care Assistance, the case will remain open. Cases must close when one or more of the following happens:

1. The parent(s) or other careaker is no longer in an allowable activity;
2. There is no eligible child;
3. The client does not return the "SFN 841, Child Care Assistance Redetermination," form by the end of the month in which the current certificate expires;

The SFN 841, Child Care Assistance Redetermination form:

- a. Is not submitted timely;
 - b. Is incomplete so further eligibility cannot be determined; or
 - c. Indicates the family's income exceeds the upper income limit for the family size.
4. For four consecutive months the CCAP's share of the payment has been less than \$10 and no check has been issued;
 5. The family moves out of state;
 6. The client requests that the case be closed; or
 7. The mail is returned and there is no forwarding address.

When closing a case, the date of closing will be the end of the month the closing notice is sent. By using this closing date, if the recipient should submit unpaid bills for the previous months, the worker will be able to make payment on those bills. If the case has gone to close and the recipient wishes to continue child care assistance, a new application will be required.

Family Moving to Different County 400-26-35-45

(Revised 6/1/07 ML #3084)

It is not necessary to close the case when a family moves from one county to another and needs continued assistance. The current certificate will remain in effect until the receiving county receives and acts upon the "[SFN 841](#), Child Care Assistance Redetermination Form." As soon as the family has reported to the first county that they are moving or have moved, the county where the client has resided has the responsibility of informing the family of the steps to follow for continued assistance. The sending county must send out a redetermination form and inform the client to return the form to the new county. The new county of residence must authorize the last month of child care. issue the "SFN 841, child Care Assistance Redetermination Form," form and issue a new certificate.

The family will need to contact the county social service office to have the "SFN 841, Child Care Assistance Redetermination Form," processed.

The first county of residence will transfer the file to the new county of residence. The case file should be complete and as up-to-date as possible. **NOTE:** When transferring the case to the new county, change the client's address and the fields "Worker ID" and "County" on the Change Master to the number of the receiving county. Transfer the file to new county with the "[SFN 700](#), Case Transfer Log."

If the family will not be requiring Child Care Assistance in the new county of residence, the first county will complete the child care calculations and keep the case file.

Notices 400-26-35-50 (Revised 6/1/07 ML #3084)

The family must be notified with a Child Care Assistance notice whenever assistance is approved, denied, reduced, suspended or closed, providing them the opportunity for a fair hearing.

Notices document action taken in a case. When a case is authorized for payment, the family will receive a notice automatically which states the total child care, the amount the state will pay and the family share. Additional information is to be entered on the comment screen. It is important that this information specifies the action taken on the case for the month, the difference in the amount claimed and the amount paid, and a reminder of the verifications needed in the next month. Notices are mailed to the recipient the day following the process date.

While a 10-day notice is not a requirement in the Child Care Assistance Program, it is suggested that this method of notifying families of a potential closing be used. Types of notices for child care are:

Child Care Certificate -- The certificate is issued to the client when an application has been approved and each time the certificate is updated due to a change or redetermination.

Payment Notification - - This notice is sent to inform the client that a payment has been generated and the amount being paid by the CCAP.

Closing -- This notice is sent when the worker enters the closing code on the Master Record.

Correspondence -- This notice is available for other correspondence to the family when one of the other notices is not appropriate. An example for using this notice would be to remind the family to supply proof of child support paid.

Denial -- This notice is sent when the worker is denying the case.

Notice of Non-Payment -- This notice is sent when the CCAP's share of the payment is less than \$10 and a check will not be issued.

Pending -- This notice is to be used when an application is received which is incomplete. 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.

Suspend -- This notice is sent when an ongoing case has received extra income and is ineligible for payment for the month.

American Indian Tribes 400-26-35-55

(Revised 10/02 ML #2814)

American Indian Tribes administer their own child care program covering their normal service delivery area. American Indian children have the option of receiving services from the tribal program or the one administered by the Department of Human Services. The county social service boards and the tribes must coordinate the programs to prevent duplicate payments.

The American Indian household shall have the option of which program they will utilize on a monthly basis. It is not necessary for the two entities to split payment for a calendar month.

Fair Hearings 400-26-35-60
(Revised 10/02 ML #2814)

When a fair hearing is requested, the fair hearing will be held by the North Dakota Department of Human Services pursuant to established regulations in Service Chapter 449-11. The hearing must be requested within 30 days of the date of action taken on the case. If the request is received within 10 days from the date of a notice of reduction or termination of benefits, the benefits will not be changed until a decision is reached on the appeal.

Administrative Error 400-26-35-65

(Revised 8/1/04 ML #2929)

When the worker has made an administrative error resulting in an overpayment, the over- payment must be recouped from the provider and/or the recipient. The worker and the recipient are to work out a recoupment plan. Recovery will go back only one year from the date the error is discovered. **NOTE:** No recoupment is to be made for any worker's error made prior to August 2004.

If the wrong provider is paid in error, that provider must return the erroneous payment.

Appendix 400-26-40

SFN 598, Child Care Assistance Application 400-26-40-05 (Revised 6/1/07 ML #3084)

"[SFN 598](#), Application for Child Care Programs" must be completed by anyone applying only for Child Care Assistance. An individual can also apply when completing the form "SFN 405, Economic Assistance Programs" through which a client can apply for six programs including CCA.

The first two pages of the Application for Child Care Programs must be given to each person applying for Child Care Assistance. These give program information, rights and responsibilities for recipients and providers. The second page also lists all the mandatory reporting requirements. The client should keep these two pages as a reminder sheet.

The four pages, three of which are numbered, are the actual application. The application must be signed and dated to be considered a completed application.

This form is available through the Department of Human Services and may also be obtained electronically via [E-Forms](#).

SFN 616, Child Care Billing Report 400-26-40-10
(Revised 6/1/07 ML #3084)

It is necessary for the providers to complete and for both the family and the provider to sign and date the "[SFN 616](#), Child Care Billing Report," on a monthly basis.

This form is available through the Department of Human Services and may also be obtained electronically via [E-Forms](#).

DN 241, Sliding Fee Schedule 400-26-40-15
(Revised 4/1/08 ML #3137)

The "DN241, Child Care Sliding Fee Schedule will be used to determine eligibility for all child care recipients, who are not in the TANF, Crossroads, and Diversion Assistance.

The form can be accessed at <http://www.nd.gov/dhs/info/pubs/docs/2007-04-child-care-sliding-fee-scale.pdf>.

Your Right to Appeal 400-26-40-25
(Revised 10/02 ML #2814)

A copy of the document [Your Right to Appeal \(62 kb pdf\)](#) is available online.

Child Care Certificate 400-26-40-30
(Revised 10/02 ML #2814)

[View Archives](#)

An example of the [Child Care Certificate \(130 kb pdf\)](#) is available online.

**Example of Family Maximum Payment Calculations
400-26-40-35**

(Revised 10/02 ML #2814)

[View Archives](#)

An example of the [Family Maximum Payment Calculations \(39 kb pdf\)](#) is available online.

SFN 113, Postsecondary Education Information
400-26-40-40

(Revised 8/1/04 ML #2929)

[View Archives](#)

This form is available through the Department of Human Services and may also be obtained electronically via [E-Forms](#).