

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES
BISMARCK, NORTH DAKOTA
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IM 5458

TO: Human Service Zones
Economic Assistance Policy Division

FROM: Michele Gee, Director, Economic Assistance

SUBJECT: Provider Payment Changes

PROGRAMS: Child Care Assistance Program (CCAP)

EFFECTIVE: Immediately

**SECTIONS
AFFECTED:** In Home Care Due to Illness/Disability 400-28-35-30
Overview 400-28-105-05
1099 Miscellaneous Tax Form and Internal Revenue
Service (IRS) Reports 400-28-105-55
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105-25
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Clarification is being added on when providers who are licensed to provide care in a child's home are eligible to receive CCAP. All child care providers will be eligible for direct deposit or check regardless of license type. Providers will no longer receive payments through an EPC card.

In Home Care Due to Illness/Disability 400-28-35-30

In-home child care will be allowed and must be approved for the following instances as approved by Child Care Assistance Program (CCAP) State Administrator prior to care being provided:

1. If a child's health would be at risk, written documentation from a health care professional must be submitted to the CCAP State

Administrator satisfactorily demonstrating the health risk to the child if the child is taken to an outside provider, or

2. For a disabled child, written documentation must be provided to the CCAP State Administrator demonstrating that the child's disability is such that taking the child to an outside provider creates an undue hardship.

~~**Note:** In-home child care must be paid at federal minimum wage.~~

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

Provider Requirements and Information 400-28-105

Overview 400-28-105-05

The following items must be met in order to be an eligible child care provider for CCAP:

- Be 18 years of age or older.
- Be licensed, Air-force Base Licensed, self-declaration, approved relative or tribal registered.
- Out of state (border state) and tribal providers must sign and submit an SFN 617 – Out-of-State/Tribal Child Care Assistance Provider Agreement.
- Out of state (border state) providers must submit a current copy of their license.
- Complete a W-9.
- Be enrolled in the Child Care Assistance Program Provider System at the time a certificate is issued or updated and at the time payment is made.

A self-declared provider may be approved to provide care at an address other than their own residence. If the address at which the self-declared provider is approved to provide care is the same address as the child's residence, payment can be made ~~if the child meets the definitions per policy as 'In Home Care Due to Illness/Disability 400-28-35-30'.~~

Federal law dictates that a provider must allow the caretaker unlimited access to their child(ren) while the child is in the provider's care.

Child care providers may not discriminate against children based on race, national origin, ethnicity, sex, religion or disability.

1099 Miscellaneous Tax Form and Internal Revenue Service (IRS) Reports 400-28-105-55

Federal law requires that a "1099 Miscellaneous **Nonemployee Compensation** Tax Form be sent to the provider for each year they received payment from CCAP. These figures are reported to the IRS.

Providers who receive less than \$600 per year from the Department of Human Services will not be issued a "1099 Miscellaneous**Nonemployee Compensation** Tax Form." ~~The Department of Human Services 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.~~

Payments made to the household instead of the provider are not reported on a 1099. Household's will not receive a 1099.

When checks are returned to be canceled, the payment record for the appropriate provider will be adjusted by the Department of Human Services to reflect the correct amount on the "1099 Miscellaneous **Nonemployee Compensation** Tax Form".

Qualified Providers for Certificate and Payment 400-28-105-25

The household's provider must be licensed (including military, tribal and out-of-state), self-declaration, or an approved relative provider. The license must be current, and have an expiration date later than the date of CCAP application.

If a provider is dual licensed, through the state and the tribe, payment will be issued based on the state license.

CCAP will make payment back to the first of the month in which the provider's license is effective.

Provider's may appeal a license denial. Payment for CCAP cannot be made during the appeal process as the provider is not licensed. If the provider wins the appeal, CCAP will make payment back to the effective date of the provider license.

If a CCAP applicant requests child care for a prior month and the provider was not licensed in that prior month, payment cannot be made to that provider for that month.

Ongoing

In an ongoing case where there is more than one provider and one of the provider(s) is no longer licensed the provider must be removed from the certificate effective the month following the month of expiration.

If the provider license expires during the eligibility period, payment can only be up to the expiration date. Any care provided following expiration date **cannot** be paid. Verification of attendance can be requested for any service month when payment is requested, and a provider's license expires.

If the provider is reinstated during the month of expiration, payment can be made for the entire month.

If a child care provider's license is suspended during the certificate period, CCAP will not make payment effective the date of suspension.

If a provider is issued an 'Intent to Revoke', CCAP can continue to make payment until the revocation is final.

NOTE: Providers may appeal a revocation or suspension. When a provider files an appeal, CCAP can continue to pay the provider during the course of the appeal. ~~If the provider loses the appeal, all payments made during the appeal process will be considered overpayments and must be paid back to CCAP by the provider.~~

W-9 Request for Taxpayer Identification Number and Certification 400-28-105-50

A "W-9," Request for Taxpayer Identification Number and Certification" is required from a provider upon initial acceptance of a CCAP household. CCAP will not make payment to providers before a W-9 is on file. W-9s must be submitted at each license renewal. A W-9 is required before license renewal when the following occurs:

- Change in name
- Change in provider type (family to group, group to center, et cetera)
- Change in address
- Change in either Social Security Number (SSN) or Employee Identification Number (EIN) when either is being used as the Taxpayer Identification (TIN)

The W-9'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

A W-9 can also be emailed to dhseap@nd.gov or submitted electronically through the provider's self-service portal.

Payment to the Provider 400-28-135-15

Unless the provider requests the payment to be issued to the family, all Child Care Assistance Program payments are to be issued to the provider.

If the provider chooses to have the payment go to the [caretaker](#), the provider must complete in its entirety, sign and date a [SFN 848](#), Provider's Request to Pay Parent Directly form. The form must be submitted to

the [county social service office](#) and must be filed in the caretaker's file. The provider must still complete a 'W-9, Request for Taxpayer Identification Number and Certification'.

The SFN 848 remains in effect until a written statement revoking the SFN 848 is received from the provider or when a caretaker's case closes. If the caretaker reapplies and is eligible using the same provider as before, a new SFN 848 is required from the provider even if a previous SFN 848 is on file for that provider.

Payments are processed daily with the exception of the end of the State Fiscal Year. At the end of the State Fiscal Year, there is usually a 3 day period when payments are not processed.

Payments are issued through an ~~electronic payment card (debit card)~~, direct deposit, or by check in specific cases.

Note: Checks are mailed two working days after the process date. With exception of weekends and holidays, normal delivery **should** be within five business days after the processing date.

~~The following day care providers receive payments by electronic payment card:~~

- ~~• AR~~ [Approved Relatives](#) (Q)
- ~~• IN~~ [In-Home care](#) (I)
- ~~• NF~~ ~~Non-relative in Family Day Care~~ (F, I)
- ~~• RF~~ ~~Relative in Family Day Care~~ (F, I)
- ~~• SC~~ [Self-Declaration](#) (S)
- ~~• TR~~ [Tribal Registration](#) (R)

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~~The following day care providers will receive payments by direct deposit:~~

- ~~• CT~~ [Centers](#) (C,E,K,M)

- ~~NG~~ [Group Care](#) (G,H)

The following will receive payment by check:

- Payments made to the family instead of provider. The eligibility worker selects this option when entering payments into the Child Care Assistance Program payment system.
- Garnishment of child care payments due to [child support](#) obligation of a provider. Child care payments to individuals with a child support obligation are intercepted by Fiscal Administration, Department of Human Services. Fiscal Administration deducts the required amount and issues the remaining amount to the child care provider. Because of this process, these payments will continue to be issued by check.