

Par.1. **Material Transmitted and Purpose** – Transmitted with this Manual Letter are changes to Service Chapter 400-28, Child Care Assistance Program. This manual letter also incorporates changes made with:

- IM 5444 - CCAP Incapacity Updates & Policy Clarifications
- IM 5446 – CCAP Age Range Changes
- IM 5448 – Afghani Special Immigrants

Par. 2. **Effective Date** – Changes included in the manual letter are effective February 1, 2022, unless otherwise indicated.

Applications and reviews received on or after February 1 will be subject to the new income limits. Graduated eligibility will no longer be applicable.

1. 400-28-20-10 Date of Application and Benefit Start Date. Updated to remove SFN 598 as an application.

Date of Application and Benefit Start Date 400-28-20-10

Households can apply for the Child Care Assistance Program in person, by mail, fax or electronically using one of the following:

- ~~SFN 598 Child Care Assistance Program Application~~
- SFN 405 Application for Assistance
- SPACES self-service portal (SSP)

An SFN 616 Child Care Request for Payment form or provider payment request from the SSP is not required at time of application.

Applications may be received, filed and maintained at any county office within the state, based on what is most convenient for the applicant or recipient.

CCAP does not require an interview in order to determine eligibility. Households are not required to identify a provider at the time of application.

Date of Application and Benefit Start Date

The date of the application is the date the signed application is received in the county office.

The county office must document on the application the date the application was received in the county office.

Note: Applications received after business hours, on weekends or holidays are considered received on the next business day.

The application is considered signed as long as the signature is found anywhere on the application, other than in answer to a question.

If an unsigned application is received, the unsigned application must be returned to the applicant for signature. The county must document the date the signed application is received in the office. This date will become the application date.

Benefits will begin on the first day of the month in which the **signed** application is considered received in the county office.

Prior Month

Applicants may request assistance for the month prior to the application month (prior month). Households may request the prior month up to the last day of the month following the month of application. Requests for prior months made after the time of application must be submitted in writing to the county office.

Example:

A household applies for CCAP on April 3rd and is approved on April 15th. The household's benefit start date is April 1st. The household has until May 31st to request the prior month.

If eligible, the system will determine eligibility and make payment for the prior month based on actuals.

If eligibility already exists for the requested prior month, a new eligibility determination is not made and payment for that month is based on the previous determination

2. 400-28-25-15 Graduated Eligibility. The following section has been repealed. Graduated Eligibility will no longer apply, as income at application and review will be 85% SMI as of February 1, 2022.

Graduated Eligibility 400-28-25-15

~~At the time of review, households will continue to be eligible for another 12 month period if the household's income is over the initial application income limit of 60% SMI but is under 85% SMI as indicated on the DN 241 Sliding Fee Schedule.~~

~~Households are allowed one 12 month graduated eligibility period during the review cycle. At the time of second review, after being approved for a 12 month graduated eligibility period, if the household continues to be over 60% SMI, but below 85% SMI, the review is denied.~~

~~If the household is allowed a 12 month graduated eligibility period and is under 60% SMI at the time of second review, the household remains eligible for another 12 month period. This is not considered a graduated eligibility period as the household is now at or below the initial eligibility income limits. If the household would submit another review (third review) and the income is above 60% SMI, but below 85% SMI, the household is eligible for another 12 months graduated eligibility period.~~

~~At any point that CCAP closes and a household reapplies and is eligible at initial application, the household may be eligible for another 12 month graduated eligibility period at review.~~

~~Households are not limited in the number of graduated eligibility periods they may receive, as long as the periods are not consecutive.~~

~~If the household's income is above 85% SMI the review is denied.~~

~~All other eligibility criteria must be met in order to continue assistance.~~

~~Example 1:~~

~~A household submitted an application October 15th and was approved for a 12 month period effective October 1st — September 30th. At the time of application, the household's income was below 60% SMI. The household submits a review in September and provides verification that the household's income is now over 60% SMI, but is below 85% SMI. All other eligibility criteria is met. The household is approved for another 12 month period from October 1st — September 30th.~~

~~The household submits a second review the following September and provides verification that the household's income remains above 60% SMI but below 85% SMI. The household's review is denied as they had already received an additional 12 month period.~~

~~Example 2:~~

~~A household submitted an application October 15th and was approved for a 12 month period effective October 1st — September 30th. At the time of application, the household's income was below 60% SMI. The household submits a review in September and provides verification that the household's income is now over 60% SMI, but is below 85% SMI. All other eligibility criteria is met. The household is approved for another 12 month period from October 1st — September 30th.~~

~~The household submits a second review the following September and provides verification that the household's income is now at or below 60% SMI. The household's review is approved for another 12 month period.~~

3. 400-28-35-15 Incapacity of a Caretaker/Child. The title of this section has changed. This was updated with IM 5444.

Incapacity of a Caretaker/Child** 400-28-35-15**

In a household with one caretaker, child care can be allowed when:

- The caretaker is disabled or physically, mentally, or emotionally incapable of providing care.
- A child within the household is unable to attend child care due to the child being disabled or physically, mentally, or emotionally incapable of receiving care by someone other than the caretaker, however there is a need for other children within the household to attend a child care setting outside of the home.

In a household with two caretakers, child care can be allowed when:

- One of the caretakers is in an allowable activity.
- The other caretaker is disabled or physically, mentally, or emotionally incapable of providing care.
- A child within the household is unable to attend child care due to the child being disabled or physically, mentally, or emotionally incapable of receiving care by someone other than the caretaker, however there is a need for other children within the household to attend a child care setting outside of the home, while one caretaker remains with the child that is unable to attend child care.

Verification of the caretaker's incapacity must be obtained from the caretaker's physician, psychologist, health care or other qualified professional or from the Social Security Administration indicating that the caretaker is unable to care for the child(ren)-, or verification of the child that is unable to attend a child care setting, and the need for the other children in the home to be in a child care setting. This information must be submitted to the CCAP State Determination Team for a decision. The CCAP

State Determination Team will render a decision and notify the eligibility worker if the request has been approved or denied. If approved, the CCAP State Determination Team will determine the length of the approval.

Approval of allowable child care hours may be limited to the number of days and hours per week recommended by the medical professional.

In order for eligibility based on incapacity to continue, the caretaker will need to submit current documentation of the incapacity before the end of the approval period determined by the CCAP State Determination Team, or at the time of review, whichever is first. This information must be submitted to the CCAP State Determination Team for a decision.

At the time it is determined the caretaker is no longer incapacitated the case must close unless otherwise eligible.

4. 400-28-50-25-05 Documentation Verification of Citizenship. Policy changed in IM 5448.

Documentation/Verification of Citizenship 400-28-50-25-05

9. Iraqi and Afghani Special Immigrants

- Iraqi passport with immigrant visa stamp noting the individual has been admitted under IV (Immigrant Visa) Category SQ1, SQ2, SQ3, and Department of Homeland Security (DHS) stamp or notation on passport or I-94 showing date of entry; or
- Afghan passport with an immigrant visa stamp noting that the individual has been admitted under IV (Immigrant Visa) Category SQ1, SI1, SQ2, SI2, SQ3, SI3; or

- DHS Form I-551 showing Afghan nationality or Afghan passport, with an IV (Immigrant Visa) code of SQ6, SI6, SQ7, SI7, SQ9 or SI9.
- I-94 noting SQ or SI Parole (per section 602(B)(1) AAPA/Sec 1059(a) NDAA 2006).

5. 400-28-55-05 Allowable Activities. This was updated in IM 5444.

Allowable Activities 400-28-55-05

Caretakers must be participating in an allowable activity to be eligible for assistance under the Child Care Assistance Program (CCAP).

The following are allowable CCAP activities **at application review and after initial eligibility** has been established:

1. Work – Work is an activity in which an individual is engaged through employment or self-employment. Work must entail personal involvement and effort on the part of the applicant or recipient.

The following are allowable work activities:

- Paid employment
 - Paid work studies, internships or assistantships (this includes when an individual is in a non-allowable postsecondary education program).
- Self-employment

Paid employment must be considered suitable employment. Employment is suitable if it meets the following conditions:

1. The wage offered is not less than the highest of the applicable Federal minimum wage, the applicable State minimum wage, or 80% of the Federal minimum wage if neither the Federal nor State minimum wage is applicable (waiters/waitresses).

2. The employment is on a piece-rate basis, and the average hourly yield the employee can reasonably be expected to earn is not less than the highest of the applicable Federal minimum wage, the applicable State minimum wage or 80% of the Federal minimum wage if neither the Federal or State minimum wage is applicable.

Note: Child care providers must be licensed, self-declared or registered by a tribe in order to be considered an allowable activity. Approved relative providers are not considered to be in an allowable activity.

6. 400-28-75-10 Prospecting Income for the Eligibility Period. Income limits at application and review will increase to 85% SMI on February 1, 2022.

Prospecting Income for the Eligibility Period 400-28-75-10

Gross [income](#), **either earned or unearned**, must be determined prospectively as eligibility is determined for a specific certificate period.

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

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

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

Total countable household income at the time of application **and review** must be at or below ~~60~~**85%** SMI, based on the DN 241 Sliding Fee Schedule.

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

Prospected income amounts are rounded down to the nearest dollar.

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

Example 1:

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

Example 2:

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

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

Example:

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

Adding or Removing a Household Member

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

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

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

When removing a household member during the certificate period, all gross income and deductions of that individual are removed effective the month the household member is removed from the household if it results in an increase in benefits.

Waived Co-Pay

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

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

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

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

7. 400-28-105-15 In Home Child Care When Provider and Child Reside in Same Home. This was updated in IM 5444.

In Home Child Care When Provider and Child Reside in Same Home 400-28-105-15

If the provider and the child live in the same home, care may be allowed only when the provider is not the caretaker of the child in the CCAP household. The provider must be licensed.

Example 1: A caretaker lives with their child and their mother (grandma) in the same home. The grandma is a licensed provider who provides care from the home. Care can be allowed for the child in the household since grandma is the provider and not a caretaker in the CCAP household.

Example 2: A caretaker is a licensed provider that provides care from their home. The caretaker applies for CCAP for their child, listing themselves as the provider. CCAP will not pay for child care costs since the provider is a caretaker of the child in the CCAP household.

Example 3: A caretaker is the owner of a daycare facility where their child attends. The caretaker applies for CCAP for their child, listing their daycare facility as the provider. CCAP will not pay for child care costs when the caretaker is also the owner of a facility where their child attends.

8. 400-28-130-15-15 Registration Fee. This was updated in IM 5444.

Registration Fee 400-28-130-15-15

CCAP may pay for [registration fees](#) charged by Center (C,E,K,M) or Group/Family (F, G, H) type providers.

A registration fee may also be referred to as an annual enrollment fee or a deposit. ~~Registration~~ These fees may only be paid when the fee is required by a provider to enroll or continue enrollment of a child in the child care setting. Fees that are charged separately from the registration fee (transportation, meals, etc.) will not be paid.

Before a registration fee can be paid, the household or provider must submit verification of the registration fee. The SFN 616 does not serve as verification of a registration fee. Registration fees can be paid in the month that they are incurred, once verified.

Registration fees must be submitted within 2 months following the month the fee was incurred. All verifications must be submitted by the close of the last business day of the month in which the form is due.

Exception:

Registration fees incurred for the month prior to application, when assistance is requested for the prior month, must be submitted within 3 months from the month the fee was incurred.

Registration fees will be paid directly to the provider. Payment for the registration fee will be received by the provider in the form identified in 'Payment to the Provider 400-28-135-15.

Registration fees can be paid once per child in a household, per calendar year. The registration fee will be paid up to the maximum amount set by the state based on the DN 241 Child Care Sliding Fee Schedule. The fee will only be applied to one provider, even if the provider's fee does not meet or exceed the maximum amount set by the state.

Example 1:

A child is attending a center type provider. The provider requires a registration fee to enroll the child for the month of June. The provider's fee is \$100. The maximum rate the state will pay is \$150. The \$100 will be issued. Three months later, the child attends a different provider who also charges a registration fee for September. The second fee cannot be paid as a registration fee was paid in June for the child.

Example 2:

A child is attending a center type provider. The provider requires a registration fee to enroll the child for the month of November. The provider's fee is \$100. The maximum rate the state will pay is \$150. The \$100 will be issued. Three months later, the child attends a different provider who also charges a registration fee for February. The second fee can be paid as the previous registration fee was paid in the prior calendar year.

Example 3: A child is attending a center type provider. The provider requires a deposit to enroll the child for the month of January. The provider's fee is \$140. The maximum rate the state will pay is \$150. The \$140 will be issued. While this fee is not listed as a registration fee, the deposit can be paid as it is needed to enroll the child in the child care setting.

9. 400-28-135-05 Basis for Allowable Child Care Rate of Payments.
Policy changed in IM 5446.

Basis for Allowable Child Care Rate of Payments 400-28-135-05

The allowable amount of child care is based on:

- Type of provider

- Household income
- Household size
- Level of Care
- Child's Age
 - Infant care - birth through the month **they turn 18 months** of ~~their first birthday~~
 - Toddler – ~~1 and~~ **18 months to** 2 years through the month of their third birthday
 - Preschool – 3 to 5 years through the month of their sixth birthday
 - School Age - 6 to 13 years through the month of their thirteenth birthday
 - Youth ages 13 – 19 years of age who are special needs children or courted order child care
- A child who meets the definition of disability and who is attending a Quality Rating Improvement System (QRIS) provider will be eligible to receive an additional 10% of the state max rate.
 - Written verification is required and should state the nature of the special needs and if for a child age thirteen (13) under age
 1. A qualified health professional, a physician, physician's assistant, advanced registered nurse practitioner, qualified mental health professional as defined by KRS 600.020 (48) or registered nurse defined by KRS 314.011(5).
 2. A court order or similar documentation indicating the child is under court supervision.

3. An Individual Education Program (IEP) provided by the school.

NOTE: A child that is receiving SSI would still need the written verification explained above

- o Verification is not mandatory and is only required to receive the additional 10% of the state max rate.

10.400-28-145 Case Closings. Removed statement for households who have received a period of graduated eligibility.

Case Closings 400-28-145

Cases must be closed when one or more of the following happens:

1. The [caretaker\(s\)](#) is no longer participating in an allowable activity and has received three months of continued assistance for activity search.
2. There is no child in the child care unit who meets the eligibility criteria.
3. The caretaker does not return a completed SFN 841, Child Care Assistance Program Review, form by the end of the month in which the review is due.
4. If the review form is received but:
 - a. Is not submitted timely
 - b. Is incomplete and further eligibility cannot be determined
 - c. Indicates the household's income exceeds 85% SMI for the family size ~~or the household had received a 12-month graduated eligibility period with the last submitted review.~~

- d. The child(ren) for whom child care is being requested is determined not to have a [need](#).
- 5. The caretaker moves out of state
- 6. The caretaker requests that the case be closed (request to close a case may be made verbally or in writing)
- 7. Following the imposition of an Intentional Program Violation against an individual in the household.
- 8. Caretaker whose name the case is in enters a public institution.
- 9. Factual information exists confirming the caretaker whose name the case is in is deceased.
- 10. Loss of contact.
- 11. When the household's monthly gross income, minus allowable expenses, exceeds 85% SMI, per DN 241 Sliding Fee Schedule for its household size.

A notice of eligibility must be sent to close a case at the end of the current month up to the last business day of the month.

The notice must inform the household of the date of CCAP closure.

When the notice is generated the mail date will be the next business day.

- 8. 400-28-165-40 SFN 598. The following section has been repealed as this is no longer a form used for CCAP.

~~SFN 598, Child Care Assistance Program Application 400-28-165-40~~

[SFN 598](#), ~~Child Care Assistance Program Application may be used by anyone applying only for the Child Care Assistance Program.~~

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

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

9. 400-28-165-55 SFN 841. The following section has been repealed as this is no longer a form used for CCAP.

~~SFN 841, Child Care Assistance Program Review 400-28-165-55~~

[SFN 841](#), ~~Child Care Assistance Program Review is used by caretakers to complete their review.~~

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

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

The following section has been repealed:

- 10.400-28-165-80 DN 759. The following section has been repealed as this is no longer a form used for CCAP.

~~DN 759 Client's Right to Appeal 400 28 165 80~~

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~~A copy of the [DN 759](#) Client's Right to Appeal (62 kb pdf) is available at this link.~~

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~~This document is presented in Adobe Acrobat and requires the Adobe Acrobat reader. If you do not currently have Adobe Acrobat reader installed, you may download a free copy by clicking the Get Adobe Reader icon below.~~