

# Colorado Child Care Assistance Program Policy Manual

Revised August 2008

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## **INTRODUCTION**

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The mission of the Colorado Child Care Assistance Program (CCCAP) is to provide eligible families with financial assistance for child care of their choosing; to provide families with timely and efficient access to quality child care; and to assist families in meeting their self-sufficiency goals by providing referrals to needed support services. **(3.901)**

**The following is a list of child care programs and their populations under CCCAP:**

### **LOW-INCOME**

- Low-income families who are in eligible activities and need help paying for child care
- Teen parents who meet the Low-income guidelines and are in school to obtain a high school diploma or GED

### **COLORADO WORKS (TANF)**

- Colorado Works participants who need child care services to support their plan for achieving self-sufficiency

### **CHILD WELFARE CHILD CARE**

- Families with an open Child Welfare case in Program Area 4, 5 or 6 who need child care

### **EMPLOYMENT FIRST**

- Families receiving food stamps and enrolled in the Employment First program. (They cannot be receiving TANF also)

### **COUNTY INCOME ELIGIBILITY**

The county income eligibility cannot be set below 130% of Federal Poverty Guidelines and may not exceed 225% of Federal Poverty Guidelines. Counties do have the option to extend eligibility to families that go over the county income guidelines (counties set the length of time they must have been on assistance) for up to six months as long as they remain under 85% of the State Median income.

It is the counties responsibility to turn in the "Notification of County Eligibility Form" (FPG Attachment A) any year the county's percentage of poverty level changes. This form notifies the State of the maximum poverty level that each county will serve families. When the state receives this information it is entered into CHATS and is referenced when you are determining eligibility for a client.

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## DEFINITIONS (3.903)

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For better understanding, these definitions are provided. The definitions are also found in regulation at section 3.903 of Staff Manual Volume 3.

**“Adverse action”** means any action by the county department or any person or agency acting on its behalf, which adversely affects the person’s eligibility for or right to services provided or authorized under the Colorado Child Care Assistance Program.

**“Application process”** means an application process, which includes all of the following:

- A. The state approved, signed form completed by the applicant or his/her authorized representative, which includes appeal rights, counties with head start programs may accept the head start application in lieu of the low-income child care application for those children enrolled in the head start program; and,
- B. The parent responsibility form; and,
- C. The required verification supporting the information declared on the application form; and,
- D. As a county option an orientation for new applicants may be necessary.

**“Attestation of mental competence”** means a signed statement from an Exempt Child Care Provider declaring that no one in the provider’s home has been determined to be insane or mentally incompetent by a court of competent jurisdiction; and specifically that the mental incompetence or insanity is not of such a degree that the provider cannot safely operate an Exempt Family Child Care Home.

**“Authorized care”** means licensed or legally exempt child care services for which Social/Human Services will authorize payment.

**“Basic Cash Assistance”** means payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs such as food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses. Cash assistance includes supportive services to families who are not employed, such as transportation and child care assistance, as referenced in section 3.617. All State Diversion payments and County Diversion payments of less than four (4) consecutive months are not cash assistance.

**“Child Care Certificate”** means a state prescribed form given to the parent and the provider of the parent's choosing which authorizes the purchase of child care and includes the parental fee, payable by the parent to the provider, for children listed on the child care certificate and will serve as notice to the parent and provider of approval or change of child care services. Colorado's child care certificates are vouchers for the purposes of the Colorado Child Care Assistance Program.

**“Child Care Automated Tracking System (CHATS)”** means the automated system or systems prescribed by the State to support the Colorado Child Care Assistance Program.

**"Child Care Fiscal Agreement"** means state prescribed agreement between a county Department of Human/Social Services and a provider which defines the rate payable to the provider and responsibilities of the county Department of Human/Social Services and the provider.

**"Child Care Providers"** means providers who are licensed or legally exempt including child care centers, preschools, and child care homes. Legally exempt child care includes the child's own home, relative home, or non-relative child care home.

**"Child Care Staff"** means staff that is designated by counties to provide child care subsidy services for eligible Colorado Child Care Assistance Program parents.

**"Child Welfare Child Care"**: Child care assistance to maintain children in their own homes or in the least restrictive out-of-home care when there are no other child care options available. See Staff Manual Volume 7, 7.502, Special Circumstance Child Care (12 CCR 2509-6).

**"Citizen/Legal Resident"** means a citizen of the United States, current legal resident of the United States, or lawfully present in the United States pursuant to H.B. 06S-1023.

**"Colorado Accounts Receivable System (CARS)"** means the automated system prescribed by the state to support recoveries, including state income tax intercepts, from client/recipients of child care assistance.

**"Colorado Child Care Assistance Program (CCCAP)"**: A program of the Division of Child Care, which provides child care subsidies to families in the following programs: Low-Income, Colorado Works, Employment First and Child Welfare. The Division of Child Care is responsible for the oversight and coordination of all child care funds and services, which are awarded to the Colorado Department of Human Services.

**"Colorado Works"** means a program of public assistance, which assists participants in achieving self sufficiency by promoting job preparation and employment.

**"Colorado Works Households"** mean members of the same TANF assistance unit who meet requirements of the Colorado Works program as defined in section 3.600.12 through 3.600.19.

**"Colorado Works Recipient"** means a household that receives basic cash assistance or state diversion payments while working toward achieving self sufficiency through eligible work activities and eventual employment (refer to 3.631.3).

**"Cooperation With Child Support Enforcement (County Option)"** means applying for child support enforcement for all children with an obligor regardless of CCCAP eligibility within thirty (30) calendar days of completing the Child Care Assistance Program application and maintaining compliance with child support enforcement case(s) unless a good cause exemption exists. Cooperation with child support enforcement is determined by the county IV-D Administrator or designee. If child care benefits are terminated due to failure to cooperate, the household will remain ineligible in counties that utilize this option until cooperation is verified.

**“County Department”** means the county department of social/human services or other agency designated by the Board of County Commissioners as the agency responsible for the administration of the Colorado Child Care Assistance Program.

**“Current Immunizations”** means immunization records or a statement from a qualified medical professional showing that immunizations are current and up-to-date according to the recommended shot schedule issued by the Colorado Department of Public Health and Environment for the child(ren) based on their current age unless there is a signed statement from the parent indicating an exemption for religious or medical reasons.

**“Deemed Income”** means countable income from excluded members of the Colorado Works household, as found in section 3.609.2 – 3.609.4.

**“Eligible child”** means a child under the age of thirteen (13) years who needs child care services during a portion of the day, but less than 24 hours, and is physically residing with the eligible applicant/recipient parent(s) during the same period care is needed; or a child with special needs under the age of eighteen (18) (or up to age nineteen (19) if in high school and will graduate by the 19th birthday) and the special needs are verified with a physician's or other appropriate professional's statement, who needs child care services during a portion of the day, but less than 24 hours and is residing with a eligible parent; or, a child who meets the definition under “Child Welfare Child Care”. Any child served through the Colorado Works program or the Low-Income Child Care Program must be a citizen of the United States or a Qualified Alien as defined in section 3.904.2.

**“Employment”** means part time or full time work, for which wages, salary, in-kind income or commissions are received, or financial gains received from self employment.

**“Employment First”** means a self sufficiency program funded by the Department of Agriculture for food benefit recipients not participating in Colorado Works.

**“Employment Verification”** means the county form or a signed statement from the employer or employer's authorized designee stating employment begin date, hourly wage or gross salary amount, work schedule, payment frequency, date of first paycheck and verifiable employer contact information (this is only for initial employment verification).

**“Entered Employment”** means upon starting a new job the employment verification letter shall be used to anticipate income for the first three months. At the beginning of the third month of new employment, the county shall require pay stubs from the previous month to determine an average of actual income for future months (this does not supersede the client's responsibility to report changes in circumstances).

**“Fingerprint Based Criminal Background Check”** means a complete set of fingerprints for all qualified adults eighteen (18) years of age and older residing in the home, taken by a qualified law enforcement agency, and submitted to the Colorado Department of Human Services, Division of Child Care, for subsequent submission to the Colorado Bureau of Investigations (CBI) if the adult has been living in Colorado for more than two years. If the adult has been living in Colorado for less than two years, he/she will also be required to submit a background check with the Federal Bureau of

Investigations (FBI). Costs for this investigation are the responsibility of the person whose fingerprints are being submitted.

**"Fraud"** means an individual who has secured or attempted to secure or aided or abetted another person in securing public assistance to which the individual was not entitled by means of willful misrepresentation/withholding of information or intentional concealment of an essential fact. Fraud is determined as a result of any of the following:

- A. Obtaining a "waiver of intentional program violation"; or
- B. An administrative disqualification hearing; or
- C. Civil or criminal action in a state or federal court.

**"Good Cause Exemption for Child Support"** includes potential physical or emotional harm to the parent, caretaker relative or child, if a pregnancy was related to rape or incest; legal adoption or receiving pre-adoption services; or, the county has determined any other exemptions as part of the county plan as determined by the director or designee.

**"Household composition"** means the applicant/recipient and includes all child(ren) of the eligible applicant/recipient(s), biological parents, caretaker relatives, or other adults financially contributing to the welfare of the child(ren).

**"Incapacitated"** means a physical or mental impairment that substantially reduces or precludes the person from providing care for his/her child(ren). Such condition must be documented by a physician's statement or other medical verification, which establishes a causal relationship between the impairment and the ability to provide child care.

**"Income Eligible"** means that eligibility for child care subsidies is based on income and determined by measuring the countable family income and size against eligibility guidelines. Income eligibility can be based on the most recent prior consecutive month's income for initial application, a best estimate of anticipated income from the employment verification letter, or an average of the previous three through twelve month period for ongoing eligibility.

**"Involuntary Out of the Home"** means circumstances where a parent is out of the home due to circumstances beyond his/her immediate control to include, but not be limited to, incarceration and/or restraining orders.

**"Irregular Income"** means any income in the certification period that totals less than \$50 in a calendar month, such as slight fluctuations in regular monthly income and/or that which is received too infrequently or irregularly to be reasonably anticipated, shall not be counted.

**"Job Search"** means an eligible activity for low-income child care recipients that is limited to thirty (30) actual days of child care in a 12-month period, when approved and monitored to ensure that activities comply with county standards. The 12-month period begins on the first day of job search.

**"Exempt Family Child Care Home Providers"** means a child care provider who is exempt from licensing standards under Social Services Staff Manual, Section 7.701.11 (12 CCR 2509-8). For CCCAP purposes this is specifically a related or non-related unlicensed provider caring for CCCAP children in the child's or provider's home. Exempt Family Child Care Home providers can only care

for one family's children that are not related to them in addition to caring for any children they are related to by blood, marriage or adoption (other than the primary caretaker as defined by "parent" in Section 3.903).

**"Low-Income Program"** means a child care component within the Colorado Child Care Assistance Program (CCCAP) that targets parents who are working and not participants in the Colorado Works or Employment First program.

**"Negative Licensing Action"** means a final agency action resulting in the denial, suspension, or revocation of a license issued. Pursuant to the Child Care Licensing Act or the demotion of such a license to a probationary license. The Colorado Child Care Assistance Program (CCCAP) cannot do business with any provider who has a denied, suspended or revoked child care license.

**"One Parent Eligible Household Composition"** means:

- A. The parent is engaged in an eligible activity, or
- B. A two-parent household is considered a one-parent household when one parent is involuntarily removed from the home.

**"Parent"** means the adult caretaker(s) of an eligible child who is eligible for child care subsidies under the Low-Income program and meets one of the following criteria:

- A. Is the biological parent;
- B. Is a legally established guardian;
- C. Is a caretaker relative (a blood or adoptive relative to include a brother, sister, uncle, aunt, first cousin, nephew, niece, or persons of preceding generations denoted by grand, great, great-great, or great-great-great; a stepparent, stepbrother, stepsister; a spouse of any person included in the preceding groups even after the marriage is terminated by death or divorce); or,
- D. Is an unrelated individual who is financially contributing to the welfare of the child(ren).

**"Parental Education"** means information relayed to parents about their child care options and other information related to child care.

**"Parental Fee"** means a child care co-payment made by a parent to the child care provider and is paid prior to any state/county child care funds being expended.

**"Pay stubs"** means a form or statement from the employer indicating the name of the employee, the gross amount of income, mandatory and voluntary deductions from pay (i.e. FICA, insurance, etc.), net pay and pay date, along with year-to-date gross income.

**“Prudent Person Principle”** means that the rules contained herein are intended to be sufficiently flexible to allow the eligibility worker to exercise reasonable judgment in executing his/her responsibilities.

**“Re-determination (Redet)”** means the state approved form, which is completed at least every six months to update eligibility information, including required verification to determine continued eligibility.

**“Self-employment Status”** means self-employment verified through internal revenue service (IRS) self-employment forms; expected weekly work schedule, including approximate hours and a statement of understanding that, in order to remain eligible for child care assistance, if child care is provided for the employment activity then the taxable gross income divided by number of hours worked must equal at least the current federal minimum wage and income must exceed allowable business expenses. At re-determination new verification of self-employment must be provided.

**“Slot Contracts (County Option)”** means a type of rate paid to providers in communities where care may not be otherwise available to CCCAP children if the county did not reserve slots.

**“Special Needs Child Care Criteria”** means a child with special needs under the age of eighteen (18) (or up to age nineteen (19) if in high school and will graduate by the 19<sup>th</sup> birthday) and that the special needs are verified with a physician’s or other professional’s statement.

**“State or Local Public Benefit”** means any grant, contract, loan, professional license, or commercial license provided by an agency of a state or local government or by appropriated funds of a state or local government.

**“Target Population”** means a population whose eligibility is determined by a different criteria than other child care populations and established by rule.

**“Teen parent”** means a parent under nineteen (19) years of age, (or under 22 years of age if attending high school, GED program, or junior high/middle school), whose child was born prior to the parent’s 20th birthday.

**“Timely Written Notice”** means, for the purpose of CCCAP rules, that any adverse action shall be preceded by a prior notice period of eleven (11) calendar days. “timely” notice means that written notice is mailed to the applicant or recipient the day following the date the action was taken. The eleven (11) calendar day prior notice period constitutes the period during which assistance is continued and no adverse action is to be taken during this time.

**“Training (County Option)”** means educational programs including post secondary training for a bachelor’s degree or less, or vocational or technical job skills training for a period of up to 48 months per eligible adult applicant/recipient. Educational activities such as GED, high school diploma, English as a Second Language or Adult Basic Education are considered training for a period of up to 6 months per eligible adult applicant/recipient.

**"Two Parent Eligible Household Compositions"** include:

- A. A two parent household where both parents being engaged in an eligible activity during the same hours and neither can care for the child(ren); or,
- B. A two parent household when one parent is voluntarily absent from the home for a temporary period of time but both parents are in an eligible activity; or,
- C. A two parent household when one parent is away from the home due to employment but both parents are in eligible activities; or,
- D. One parent is engaged in an eligible activity and the second parent is incapacitated such that, according to a medical professional (i.e. a physician or licensed certified psychologist), they are unable to care for the child/ren.

**"Voluntarily Out of the Home"** means circumstances where a parent is out of the home due to his/her choice to include, but not limited to, work, vacations, family emergencies and/or military service.

**"Willful Misrepresentation/Withholding of Information"** means a willful misstatement, including understatement, overstatement, or omission, whether oral or written, made by a recipient in response to oral or written questions from the department, and/or a willful failure by a recipient to report changes in income, or other circumstances which may affect the amount of payment.

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## ELIGIBILITY FOR CHILD CARE ASSISTANCE UNDER OTHER PROGRAMS

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For programs other than Low-Income Child Care Assistance, child care eligibility is determined by workers in the specific program area. For specific questions about these other program areas, contact program staff in the respective program at the State Department of Human Services.

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### ELIGIBILITY FOR COLORADO WORKS (TANF) CHILD CARE

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Child care is a support service for families who are participating in the Colorado Works/TANF program. The eligibility for Colorado Works child care is determined by Colorado Works/TANF guidelines.

Children up to the age of 13 are eligible for child care. Children with special needs may receive care up to the age of 18 (or 19 if in high school and she/he will graduate by 19).

Examples of Colorado Works/TANF families who may be eligible for child care:

1. Any Colorado Works/TANF family who is participating in a Colorado Works approved activity.
2. Any family participating in the State Diversion program. Low-income child care eligibility should be assessed for long term assistance. Special codes should be used in CHATS.
3. Colorado Works/TANF applicants who have not yet received their benefits but are required to participate in Colorado Works activities, (i.e.: Assessment, job search, etc.), for a period of up to 45 days.
4. Families in which the primary parent or caretaker has been sanctioned, but the Colorado Works/TANF case remains open, and only if they are participating in activities to lift the sanction.
5. Employed Colorado Works/TANF families who are still eligible to receive a cash assistance grant. These families are required to pay a parental fee based on the fee schedule in Appendix B.

### Questions and Answers

1. *If a Colorado Works participant obtains employment, do you automatically discontinue Colorado Works/TANF child care?*

No. When a Colorado Works participant gets a job, the Colorado Works technician will make the determination as to whether or not the client will remain eligible for TANF benefits. If the family remains eligible for TANF benefits, then you would continue care under the Colorado Works program. The family would then be required to pay a parental fee according to the parental fee schedule, based on their gross income. If the determination is made that the family may be ineligible for TANF benefits, then the family should be coded as PT in the CHATS system and transferred to low-income via the county's transition policy.

2. *If a grandmother is receiving TANF benefits for her grandchildren but not herself, and she returns to work, is she covered under Colorado Works/TANF child care?*

No. Colorado Works/TANF child care is for families in which the primary parent or caretaker is also receiving TANF benefits for themselves. The caretaker who is not receiving benefits would need to be referred to the Low-Income Child Care Program and would be required to meet Low-Income eligibility criteria.

3. *How long should a family receive TANF child care when they receive State diversion funds?*

The family should receive TANF child care in the month that they receive the diversion funds. After that month, the family should apply for Low-Income child care.

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#### **ELIGIBILITY FOR CHILD WELFARE CHILD CARE**

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Child Welfare child care is a capped program. Annual allocations are issued to county departments of social services. The allocations are based on a formula that includes each county's total number of families enrolled in Program Areas 4, 5 and 6 and their county's child care rate limits. Counties are expected to manage their expenditures to their allocations.

County Child Welfare staff determines Eligibility for Child Welfare Child Care. The purpose of this care is to maintain children in their own homes or in the least restrictive out-of-home care when there no other child care options are available. *Refer to Volume 7, Section 7.502 for eligibility rules.*

The county that has custody of a child is responsible for the financial and casework decisions related to the case. The need for continuing child care must be reviewed every 90 days.

Efforts should be made to coordinate child care eligibility and to use the low-income program whenever possible for eligible activities. Child Welfare families are not required to pay a parental fee, but Child Welfare workers can impose a parental fee.

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#### **ELIGIBILITY FOR EMPLOYMENT FIRST CHILD CARE**

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Families enrolled in Employment First may access child care support services. *Refer to the Food Stamp Staff Manual, Section B-4215 for eligibility rules.*

Participants in the Employment First program may be reimbursed for child care costs associated with seeking employment, attending school, or participating in workfare. Once someone finds employment and begins working they can no longer receive child care reimbursement through Employment First. Additionally, a person must be receiving Food Assistance (formerly known as Food Stamps). It is suggested that counties use Employment First Child Care as the last resource for child care due to limited funding. Employment First families pay no parental fees.

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## PARENT EDUCATION (SECTION 3.905 A.)

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The purpose of *parental education* is to inform parents about child care options and how to make the best choice possible for their children. In order for parents to be educated consumers and to choose the type of care that best meets their needs, they must receive information on all child care options available in the community.

*Parental education is required for Low-Income, Colorado Works/TANF, and Employment First families. In the Child Welfare Child Care program, households who are in a position to choose their child care arrangements also must receive parental education. In protection cases, the Child Welfare worker becomes more involved in selecting the type of care most appropriate for the child.*

*Counties are encouraged to work with their local child care resource and referral program to coordinate efforts on making child care choices.*

The following is a list of information that child care staff must share with parents in the education process:

- Information on State child care licensing requirements
- The difference between exempt family child care home providers and licensed child care providers
- Parental rights (see Table below)
- How to make a complaint against a provider
- What to look for in a good provider
- How to monitor the child care services they receive
- Their responsibility to work out disputes with their provider\*
- Earned Income Tax Credit information
- Health Insurance Options
- Child Support Enforcement
- This does not include problems, which might constitute complaints related to abuse, licensing, or illegal care situations.

### Parent Education applies to:

- ✓ Low-Income
- ✓ Colorado Works/TANF
- ✓ Employment First
- ✓ Child Welfare (child care for protection reasons excluded)

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**REFERRAL TO OTHER SERVICES**

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Child care workers should screen applicants for non-child care assistance needs and should refer applicants to appropriate services or agencies. Clients requiring protective services must be referred immediately. Possible referrals may include:

**Health Care Options:**  
Counties are required to discuss health insurance options with participants.  
3.905 A

- Resource and referral agencies
- Food banks
- Employment agencies
- LEAP (Low-Income Energy Assistance Program)
- Mental health centers
- Voter Registration
- Health
- Low-income housing
- Training agencies
- Consumer credit counseling
- Other related community services

**Table - Parental Rights**

The right to visit your child unannounced at various times of the day.
The right to make a reasonable number of phone calls to your child.
The right to receive frequent updates on your child.
The right to know the policies regarding billing for sick time, vacations and holidays.
The right to file a complaint against your child care provider.
The right to know if the provider's license is current and if any licensing violations exist.
The right to receive advance notice of any changes in your child's care.

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**PARENTAL FEES (VOLUME 3, SECTION 3.905 B)**

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A *parental fee* is the co-payment made by a parent to the child care provider. This parental fee represents the parent's portion of the child care costs. The parental fee should always be the first dollars used for child care in a month. Parental fees are due on the first day of each month. The county pays the balance of the amount billed after deducting the parental fee whether or not the parent has actually made the payment. If the child care costs are less than the parental fee, the parent is only responsible for the cost of care.

Colorado Works recipients in a paid employment activity will pay parental fees based on the gross countable income including deemed income.

The parental fee becomes effective the first **full** month of care following the date of application and allowing for proper notice. Parental fees are non-refundable and should not be pro-rated for a partial month of service.

**Any changes in parental fees require prior notice to the provider and parent at least 11 days before the change is effective.**

Parental fees shall be reviewed upon a reported change or at re-determination. The adjusted parental fee will be based on an average of at least the last three months gross income or a best estimate of new employment or a change in the parent's regular monthly income. The fee change shall be effective the first full calendar month after the change is reported, verified and prior notice is provided

For example, if a Low-Income client submits an application for child care on the first of January and care is authorized in mid-January, then the fee would become effective February 1st. No pro-rated fee would be assessed for the month of January. In addition, parents must always receive prior notice of 11 days when a parent fee is established or changed.

### **Reduction of Parental Fees (3.905 B 8)**

In some cases, due to financial hardship, the family may find it difficult to pay the parental fee. In these cases, the parental fee can be reduced to the hardship fee of \$5.00. Procedures should be in place at the county level to determine what constitutes a hardship and when a parental fee can be reduced. To reduce a client's parental fee, the hardship reason must be documented in the case file and written approval must be obtained from the county director or his/her designee. A reduction of a parental fee is a **temporary** reduction for up to **three (3)** months (although hardship awards may be extended if conditions causing the hardship persist).

**Teen households where all parents are in junior high, high school or obtaining their GED for whom payment of the parental fee would produce a hardship do not have to pay a parental fee but this must be documented in the case file. (3.905 B 1 a)**

Parents will be terminated from the program if they do not pay assessed parental fees or if an acceptable payment schedule has not been made between the provider and parent (3.905 B 9)

- *If parents apply for child care after they have been terminated for non-payment of parental fees, they may access child care again only if they pay their past due parental fees or make acceptable payment arrangements (3.905 B 8). If a family fails to pay their parental fees and the provider files a complaint with the county it is recommended that the family should be given 30 days to resolve the matter with the provider. If acceptable arrangements are not made in that period of time, child care benefits should be terminated with notification to the client in accordance with Section 3.924.3 (3.905 B 9). If there is an unpaid parent fee and the county has determined that the client has made a verified good faith effort to make payment to the provider the client can receive assistance with child care. The verified good faith effort needs to be documented and the county needs to monitor future prompt payment of parental fees.*

## Questions and Answers

1. *What if the client is using more than one child care provider? Who receives the parent fee?*

The parental fee should be paid to the provider that provides the most units of child care. This is easier to manage, both for the parent and the county worker, rather than splitting the fee between two providers.

2. *What happens when the parent fee is more than the cost of care?*

The parent should pay only the cost of care. If the parental fee is frequently more than the cost of care, the parent should consider withdrawing from the program.

3. *What if a provider states that parent fees are overdue, but the parent says the parent fees are paid?*

Parents should **always** obtain some type of a receipt for payment of parent fees as documentation of payment.

4. *What if the parent changes providers mid-month and the parent fees have been paid in full?*

No parent fee would be assessed to the new provider until the next month of care.

5. *What if the parent changes providers mid-month, but fees are partially paid or not paid?*

In this case, the worker would need to go in and change the authorization to show a parent fee of whatever was actually paid to the first provider and they would assign the remaining amount to the new provider for that same month. Parent fees would then be assessed to the new provider. This does not require noticing because the AMOUNT of the parent fee is not being changed, only whom the fee is being paid to is changed.

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## PROVIDERS

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### ELIGIBLE FACILITIES (VOLUME 3, SECTION 3.906)

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#### Licensed Child Care Facilities (3.906 B)

##### Home Care Options

- Regular Day Care Homes
- Infant Toddler Homes
- Large Day Care Homes

##### Center Care Options

- Child Care Centers
- Pre-Schools
- School-age facilities

These facilities are distinguished one from another by their location, staff-to-child ratios, age of children in care and other factors.

##### Licensed Home Care

Licensed home care occurs in a "place of residence," in someone's home. The licensee must be a resident in that home.

*Regular Day Care Homes* are usually licensed for six children plus two additional school-age children. Of the six primary children, no more than two of those can be under two years of age unless the license specifically states that more young children can be in care.

*Large day care homes* are licensed for a maximum of twelve children with two caregivers if more than eight children are present. No more than two children under two years of age may be in care whether or not older siblings are in care.

*Infant toddler homes* are licensed for four children with one caregiver. No children over three years of age may be in care. No more than two children under twelve months of age may be in care, including the caregiver's own children.

##### Licensed Center Care

Child care centers may be licensed as an *Infant* and/or *Toddler nursery*. Infant nurseries are for children six weeks to eighteen months of age. Toddler nurseries are for children twelve months of age and walking independently to three years of age. The maximum age for children in care is specified on the license. Care for children over that age should not be authorized. The capacity of a center is based on space available.

\* In other age combinations, the staff ratio for the youngest child must be utilized if more than 20% of the group is composed of younger children.

*Preschools* may be part of a child care center or may be separately licensed. Licensed preschools are commonly part-day programs.

*School-age child care centers* are licensed for children who are school-age and in full-day school. These programs offer before and after school care during the school year and full day care during off school times. The full day programs are also known as day camps.

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## EXEMPT CHILD CARE (VOLUME 3, SECTION 3.906 A)

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Exempt child care providers are not required to have a child care license because they do not provide the level of care that requires a license.

An eligible provider **CANNOT** be:

- A parent as defined in Section 3.903: biological parent, step-parent, significant other who is taking the place of a parent, or a person in common-law marriage with the biological parent.
- Younger than 18 years of age

Relative Home - A relative home is child care by a relative of the child in the relative's home, not in the home of the child.

In-Home by Relative - In-home care by a relative is child care by a relative in the child's own home.

In-Home by Non-Relative - In-home care by a non-relative is child care by a person not related to the child in the child's own home.

A exempt family child care home provider can take care of children from two different families who are not related to the provider if the children are not in care at the same time.

Other Exempt - Other exempt family child care home providers include child care providers who provide child care in another state and child care centers who are not required to have a state child care license (EFACB's). The most common instances of child care centers that do not require a state license in Colorado are the child care facilities on military installations or Indian Reservations that are licensed for child care by the federal government. Exempt Facilities must be registered in Trails and also must sign a licensed fiscal agreement in order to be paid.

Counties are required to list a relationship code in CHATS on authorization screens if the provider is exempt. These codes must be accurate.

### **Registering Exempt Family Child Care Home Providers (3.909)**

All exempt home providers must provide the following information:

- Name
- Physical Address and Mailing Address
- Phone number
- Date of Birth
- Social Security Number or Tax Id Number
- Citizenship Verification and affidavit
- Complete fingerprint background check packet for household

Exempt family child care home providers will also be asked to sign a form entitled Child Care Standards For Non-Licensed Providers (see Appendix A). By signing this form, the provider is promising to meet the standards set forth for as long as they are providing care under the CCCAP program. If they fail to meet those standards, the county may terminate the Fiscal Agreement. This form also attests to the provider's mental competence.

### **Criminal Record Checks/Central Registry (3.906)**

Upon identification of an exempt family child care home provider, the following forms must be given to the provider:

- Exempt family child care home provider cover letter on CDHS letterhead
- The exempt family child care home provider information sheet. Upon completion of the exempt family child care home provider information sheet:
  - 1) The original will need to be kept in the provider file for original signature,
  - 2) A copy will need to be given to the provider and
  - 3) A copy will also go in the fingerprint card envelope, to be sent to the state with the correct fee, Money Order or Cashier's Check, and fingerprint cards for all household members. This copy will be used by the State to determine if the packet is complete for processing.
- Fingerprint card instruction sheet
- Sufficient fingerprint cards for anyone living in the provider's household who is eighteen (18) years of age or older (qualified adult), and the envelope for the fingerprint cards. (This envelope needs to be addressed to Colorado Department of Human Services (CDHS), Division of Child Care (DCC) – Exempt, 1575 Sherman Street, Denver CO 80203-1714). All county filled fields should be completed.

The county worker will need to open the provider's service in Trails and enter at least everyone in the provider's household who is eighteen (18) and over in order to get a Provider ID, if one is not already established, and the Provider ID will need to be put in field 18 on the fingerprint card with an "E" following to identify them as an Exempt Family Child Care Home provider.

Counties must complete a review for confirmed incidents of Child Abuse and/or Neglect through TRAILS and enter that information into the provider notes in CHATS. If there are confirmed incidents, then the county will have to decide whether or not to contract with this provider. If the provider does not have any confirmed incidents of Child Abuse or Neglect in TRAILS then the provider can continue in the process.

The provider will need to take the fingerprint cards to a person trained in administering fingerprints, (i.e. Police Department, Sheriff's Department, etc.), and there may be a nominal fee for this service. Once the fingerprints are complete, all cards for that provider and their household members will need to be placed in the envelope with the exempt family child care home provider information sheet along with the applicable background check fees and administrative costs paid in certified funds (see exempt family child care home provider cover letter for amounts) and mailed to CDHS. This

payment may be made in one lump sum. If there are multiple payments from household members they should all be made through certified funds. Funds need to be made out to Colorado Department of Human Services (CDHS).

Once the provider has submitted a complete packet, the Colorado Department of Human Services (CDHS), Division of Child Care will finish coding the Fingerprint cards with the statute, indicate if a Federal Bureau of Investigation check is necessary and list the OCA number. Once this is complete, the Colorado Department of Human Services (CDHS), Division of Child Care will forward the fingerprint cards to the Colorado Bureau of Investigation (CBI) for review. At this time, the Colorado Department of Human Services (CDHS), Division of Child Care will release the authorization screens to authorize payment for the provider.

The provider will need to sign a fiscal agreement and you will need to enter it into CHATS. However, no child care authorizations can be entered until the Colorado Department of Human Services (CDHS), Division of Child Care has received the completed background check fingerprint cards, provider information sheet, and correct fees.

The Colorado Bureau of Investigation will enter the additional information from the fingerprint cards into their database and run an initial criminal background check including possible charges, alias names, and ICON check. This information is then transferred to our Criminal Background Check Unit (CBC). If charges are found, CBC will prepare a letter to providers listing possible charges and asking for disposition of the charges listed. CBC will allow 15 days for the provider to respond before sending out a second letter to the provider and county asking for disposition. If CBC does not hear back from the provider on the disposition prior to the end of the second 15-day letter time frame they will notify the county, identified on the fingerprint card, that they have not been able to reach the provider so the county can either get the disposition information from the provider and give it to CBC or close down the provider authorization. Once the provider has given CBC the disposition, then CBC will notify the state and the state will notify the county if there are any must take charges and if they must close any authorizations. Once the fingerprint process has been completed on an individual it does not need to be completed again unless the provider is removed from the flagging system.

## Questions and Answers

1. *Do exempt family child care home providers have to submit to the background check no matter what program the client is on (i.e. Child Welfare Child Care, TANF Child Care, etc.)?*

No matter what program the client is on all exempt family child care home providers have to submit to the background check.

2. *What if the provider is watching the child/ren in the parent's home? Who has to submit to the background investigation?*

Regardless of where the care is being given the provider and everyone in the provider's household 18 years of age and over must submit to the background check.

3. *What if "must take action" charges are on the parent of the children in care?*

The county cannot pay the provider to care for the children.

4. *What if there is a change in who the provider is but all of the household members have already submitted to the background check?*

5. A new information sheet and new fingerprint cards are needed for all members of the household but the county needs to write transfer in the reason fingerprinted box and pay a fee of \$2.00 per fingerprint card for transferring the records from one exempt provider id to another exempt provider id.

6. *What if the provider was an exempt provider and now is applying for a license?*

7. If they are applying at the same time to be a licensed provider and want to be an exempt provider while the license is pending then they need to turn in the fingerprint cards with the licensing application and Division of Child Care will add the date the licensing application was entered into the system as the effective date. If they submitted the fingerprint packet to be an exempt provider and later want to become a licensed provider they will have to resubmit fingerprint cards and fees with their license.

8. *What if the provider already had fingerprints done to be a teacher, law enforcement, etc?*

9. The provider will need to submit new fingerprint cards and fees to the Division of Child Care because we cannot transfer results from other agencies.

### **W-9's (required by Human Services Accounting Rules)**

**All** child care providers will be asked to submit a Form W-9. This is an Internal Revenue Service (IRS) form that counties are **required** to have on file before they pay for services. At the end of each year, the state will send providers a Form 1099. This will tell the provider and the IRS how much the provider was paid during the year by CCCAP.

### **Counties are responsible for collecting and maintaining W-9 forms on all providers.**

### **Direct Deposit for Providers**

All counties are required to use the Electronic Benefits Transfer (EBT) process for child care payments. All CHATS payroll funds are transferred to JP Morgan Chase, who is then responsible for disbursement of those funds to the providers. It is mandatory that all licensed centers have their child care payments directly deposited into their bank account. All new providers must be provided with an ACH Clearinghouse form that they must complete and return to the EBT department in order to set up the direct deposit. Homes and exempt family child care home providers are encouraged to have direct deposit, but may elect for payment on their Quest card instead.

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## FISCAL AGREEMENT FOR ALL PROVIDERS (3.911 C)

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A fiscal agreement between the county and the child care provider is a contract. It outlines the provider's responsibilities and the rates the county agrees to pay. See Appendix A.

Fiscal agreements between the county and the provider are generally renewed each year but can be as long as three years. New agreements should be signed if the provider has a name, child care type or location change. For rate changes an amendment may be signed. An amendment form is available for this purpose. See Appendix A.

With every Fiscal Agreement, licensed providers should submit a copy of their private pay rates, those rates that they charge the general public. CCCAP rates can never exceed a provider's private rates.

**Fiscal agreements cannot start prior to the date they are signed and received by the county.**

### Questions and Answers

1. *When can a county deny or terminate a Fiscal Agreement?*

A county can terminate or deny a fiscal agreement at any time for any reason. For the county to terminate a fiscal agreement for any reason other than when the county believes a child's health or safety is endangered or when the provider is under a negative licensing action, the county must give the provider 30 days advance notice by registered mail. In the case of a danger to a child's health or safety, or negative licensing action against the provider, the county may terminate the agreement immediately with verbal notice followed by written notice to the provider within 7 calendar days. Any termination notice must also include information regarding their right to an informal conference.

2. *Is a fiscal agreement binding like a contract?*

Yes.

3. *Do the providers have any rights if their fiscal agreement is terminated or denied?*

Yes, but those rights are very limited. Providers may request and must be granted an informal conference in three specific instances: (1) when a Fiscal Agreement is denied, (2) when a Fiscal Agreement is terminated, and (3) when there is a dispute over payment decisions made by the county. When the issue involves payment decisions, the provider can request that state program staff be present, although that presence may be by telephone. In all other instances, the conference should be with county staff and the supervisor along with the county director or his/her designee. According to the rules, the informal conference must be held within two weeks of the date of the provider's written request. The county must provide a written decision to the provider, within two weeks of the conference being held, of what their final decision was.

## Payment to the Parent

Counties may choose to make child care payments to the client **only if the client is using a exempt family child care home provider**. The county will register the name, address, social security number, date-of-birth, and telephone number of the provider, but does not enter into a fiscal agreement with the provider. The parent must sign the Child Care Services Parental Payment Agreement. The Attendance Record and Billing form is to be completed and signed by both the parent and the provider. Payment is made directly to the parent and they are required to complete the EBT/direct deposit form. The parent is required to pay the provider the full amount of the payment, plus the amount of any parental fee. If a parent does not pay their provider, they lose their eligibility for child care benefits until satisfactory payment arrangements have been made between the parent and the provider. The parent is responsible for reporting this income to the Internal Revenue Service and for providing a 1099 form to the provider each year.

## Questions and Answers

1. *Are counties required to pay the parents when a parent chooses an exempt family child care home provider?*

No. Counties may opt to pay the parent instead of the provider, but are not required to do so.

2. *When can you terminate a parental payment agreement?*

You can only terminate a parental payment agreement when the parent is no longer eligible for benefits or when the parent changes child care providers. There must be a parental payment agreement in place for each exempt family child care home provider used by the parent. If a parent changes to licensed care no new parental payment agreement would be signed.

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## CERTIFICATES (3.905 D 1)

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The Child Care Certificate contains information on child care arrangements, which have been authorized by the county child care worker. A copy of the Certificate is sent to the parent and the provider, so that all parties concerned are aware of the arrangements. The number of units per month, parental fee, rate of reimbursement, and additional comments are recorded on the Certificate.

Each time changes occur to the number of units, parental fees, reimbursement rates, a change to the Certificate must be made and copies sent to the provider and parent.

Certificates must be sent at least 11 days prior to any negative change in eligibility. (Examples: Change in parent fee, lowering child care rates, lowering Registration, Activity or Transportation fees, lowering the amount of care authorized, etc.)

A Certificate must be sent to the provider and parent within 7 working days of initial authorization of child care arrangements. (3.905 D 1).

Certificates contain a start and end date. It is mandatory to fill in the start date and end date. The following are guidelines for end date entries:

- |  |   |
|--|---|
| • Low-Income employed  | At least the six-month Re-determination                 |
| • Low-Income adult education                                   | Up to 48 months (county option)                         |
| • Low-Income teen parent in high school/teen parenting program | At least the six-month Re-determination                 |
| • Colorado Works (TANF)  | Case management decision                                |
| • Child Welfare  | 90 Days (to coincide with Case Management Plan reviews) |
| • Employment First   | Case management decision                                |

Detailed instructions on Certificate completion can be found in the CHATS Manual.

Detailed notes are required on Certificates to add specifics to the authorization. (i.e. specific work schedule, information needed.)

In the Low-Income Program, when a child is not going to be in care for an extended period of time the child care worker should close the certificate. This will mean that no child care will be paid until a new certificate is in place or the case is closed because the family no longer needs child care.

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## **PROVIDER RATES (3.910)**

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Counties may opt to adopt baseline State rate limits based on the State Market Rate Survey (conducted every two years), or they may elect to set their own rate limits. Counties who elect to set their own rates must notify the state regarding implementation of their rates.

- **Licensed** providers must submit their private pay charges including their registration, transportation, and activity charges. The county sets up a Fiscal Agreement based on the provider's charges, but no higher than the county's limit. Providers may not charge a county more than their private pay rates.
- **Exempt family child care home provider** rates are set by the county. The county sets up a Fiscal Agreement based on the rate established by the county.

### **Questions and Answers**

*When can a county change its rate limits?*

Counties can change rates limits whenever the county chooses, but it is the county's responsibility to change their rates in CHATS and the county must provide prompt notice to the State regarding new rates.

### **Part-time and Full-time Rates (3.910 A)**

Part-time rates are set at 55% of the county's full-time rate limit or the county may opt to set their part-time rates as determined by their own county policy. Child Care for eligible activities should include reasonable transportation time to/from the child care location and to/from the eligible activity.

- ⇒ Part-time rates are paid when less than five hours of care are used.
- ⇒ Full-time rates are paid when five or more hours of care are used.
- ⇒ Providers who care for children more than eleven hours of care in one day can receive a full-time rate and a part-time rate.

**Example:**

Child "A" receives care from 7:00 am to 6:00 p.m. = Full-time unit

Child "B" receives care from 7:00 am to 8:00 p.m. = Full- *and* part-time unit

**Special Needs Rates**

A county may pay additional rates for special needs children. A physician or other appropriate professional defines what constitutes a special needs child.

For example, a child may need constant attention, due to a physical disability, therefore the provider incurs a higher cost of care. (3.905 D 3) A higher special needs rate for each child must be negotiated and connected to a specific reason for higher rates and the provider must implement the same policy for private pay families.

It is not mandatory for a county to pay higher rates for special needs. A county should consider the impact on availability of care for special needs children if reasonable rate accommodations are not made. Higher rates should be tied to the needs of the child and the individualized care plan developed by the provider to meet those needs (3.905 D 3).

**Special Needs Rates Apply To:**

- Low-Income
- Colorado Works/TANF
- Child Welfare
- Employment First

Special needs children are eligible for child care up to the age of 18, or 19 if in high school and will graduate by their 19th birthday.

**Alternative Care Rates**

A county may set rates for types of care that are difficult to find like weekend, night and sick care. Counties should set rates that will ensure that this type of care is available to CCCAP parents. For technical assistance in setting these rates, administrators should contact State CCCAP staff.

Counties should have a policy defining alternative child care rates, which include definitions of the types of care and any conditions. For example, a county has a weekend rate that begins on Saturday and ends Sunday.

A county may pay a regular rate and alternative rate in the same day. For example: The child is in care from 12:00 p.m. until 10:00 p.m. The county could pay a full time regular rate from 12:00 to 6:00 p.m. The county could also pay an alternative part time rate for care provided from 6:00 to 10:00 p.m.

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## **PAYMENT POLICIES**

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Counties are encouraged to develop and implement payment policies that address what care will be authorized and paid. Counties may consider the following types of policies:

### **Absences**

The county should determine the maximum number of absences that will be paid and for what reasons.

### **Activity Fees (3.905 D 4)**

Counties decide what the maximum amount is that they will pay for activity fees.

- The provider must submit a copy of their private pay charges for activity fees before payment can be made.
- Activity fees are payable only for those activities in which all children participate. Activity fees do not cover individualized, extra or optional activities.
- Parents should be offered age appropriate activities in place of any optional activities.

### **Authorization of Child Care Between Employment and Teen Parent Education**

The rules allow for child care benefits between eligible activities if the child care arrangements would otherwise be lost.

### **Authorization for 24 Hours of Child Care**

Care for a child is allowable for less than 24 hours. Occasionally 24-hour care is needed in limited situations. The director or designee should approve these situations. The Child Care Assistance Program is not designed to pay for 24-hour care for long periods of time.

### **Changes of providers (3.907 A)**

Clients prior to the change must report a planned change of providers unless it is an emergency situation. Failure to do so may result in the county's disapproval of payment for the new provider in the month the change was made.

When providers dispute payment decisions made by the county, they can request an informal conference to be held with the county director or designee, the supervisor and the county staff responsible for the decision. If requested by the provider, state program staff may be asked to attend, by phone, to interpret the payment policies.

### **Holiday Pay**

Counties choose which, if any, holidays will be paid and what the payment policy is going to be.

- Full-time or part-time payment is based on the child's typical unit of care.

### **Registration Fees (3.905 D 6)**

Counties may opt to set their own limit on registration fees. A year begins when the registration payment is first made for a child. The provider must submit a copy of their private pay charges for registration fees before payment can be made.

## **Sick Care**

A child can be approved for sick care costs from a provider other than the primary provider.

Informal emergency or sick child care providers can be reimbursed as long as they are registered with the county. No payment can be made until the provider is registered with the appropriate county and a Fiscal Agreement is in place.

## **Sleep time**

Each county determines the policy for sleep time.

## **Study time**

Each county determines the policy for study time when the parent is in an education activity.

## **Transportation (3.905 D 5)**

Counties may opt to set their own limit on transportation fees. A year begins when the transportation fee payment is first made for a child. The following policies apply to transportation fee payments:

- The provider must submit a copy of their private pay charges for transportation fees before payment can be made.
- Transportation fees are payable for transporting children from one provider to another; or transporting children from one provider to a school.

### **Examples of Non-Allowable Transportation Fee Charges:**

- Transporting a child from the child's home to the provider's place of business
- Charging transportation fees as part of an activity cost

## **Unscheduled Care**

Counties can pay for a maximum number of days of unscheduled care per month. The intent of this rule is to give counties the flexibility to deal with extraordinary circumstances. It is not to provide parents with days off without the kids around. The days of unscheduled child care is in addition to any sick days the county department reimburses.

## **Questions and Answers**

1. *Can providers ask CCCAP parents to pay more than the county's rates or other additional costs?*

Parents cannot be asked to pay more for child care over and above what the county is paying. Parents also cannot be charged for registration, activity or transportation fees once those amounts are expended for the year.

2. *What can parents be asked to pay beyond their parental fee?*

**Optional Activities** - Parents can be asked to pay for optional activities such as swimming lessons or dance lessons. These would be activities that are made available at the option of all parents and are not automatically assumed to include all the children in care. Child Care providers must offer no-cost age-appropriate alternatives for CCCAP children.

**Late Fees** - Parents can be required to pay late fees. These are charged primarily by centers that have specific business hours. Centers frequently have a policy under which they charge parents for care that extends beyond their business hours. This fee could be as much as \$1.00/minute for each minute that the parent is late after closing time. CCCAP parents can be charged for those late fees just as private pay parents would.

**Termination Pay** - Depending on the provider's contract, a provider can require parents to give two weeks notice before terminating their care. CCCAP is not bound by that agreement but CCCAP parents may be. This issue is one between the parent and the provider and is governed by the language of the contract. Child care workers should not attempt to resolve this issue but should leave it to the parent and the provider to resolve.

**Absences beyond the county maximum-** Counties determine the number of absences paid per county policies. Any additional absences beyond the county maximum are the responsibility of the parent. If a child is absent from child care due to illness, the parent may contact the county department to request additional absences with a Doctor's note.

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## **PROVIDER COMPLAINTS (3.912)**

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- Complaints regarding licensed day care homes alleging violation of licensing regulations should be forwarded to the State Department of Human Services, Division of Child Care licensing staff or the appropriate contract county the same day it is received.
- Complaints regarding exempt family child care home providers providing illegal child care (care for more than one family's children) should also be forwarded to state child care licensing staff or the appropriate contract county. (3.912.1 C 2).
- Complaints regarding child care centers alleging violation of licensing regulations should be forwarded the same day as received to state child care licensing staff. (3.912.1 C 1).
- Complaints regarding exempt family child care home providers alleging violation of non-discrimination laws, denial of parental access, or health and safety issues that do not reach the level of child protection concerns should be forwarded to the Division of Child Care, Child Care Assistance Program staff. (3.912. 1 D 2).

In addition to the above procedure, any complaint regarding a child care provider alleging child abuse or neglect should also be forwarded to the appropriate county child protection unit immediately. (3.912.1 A).

The only anonymous complaints that should be taken are those, which allege child abuse or neglect. All other complaints must include information regarding the person making the complaint. Complainant information will be maintained as confidential by the investigating unit. (3.912. 1 C).

If county staff or parents have concerns about a exempt family child care home provider, they can contact state CCCAP licensing staff and/or the Colorado Office of Resource and Referral Agencies (CORRA) to determine if any substantiated complaints regarding that provider have been received. If requested, copies of complaint information will be sent or faxed to counties for their review.

When a provider and a client have a difference of opinion or a personal disagreement, the client should be encouraged to work directly with the provider to resolve the problem. (3.912).

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### **PROVIDER RESPONSIBILITIES (3.911)**

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- Providers must report changes in their licensing status or could face recovery of benefits paid.
- Providers must maintain sign in/out sheets for CCCAP children and provide these in a timely manner to counties upon request. Providers must maintain these for three years plus the current year.
- Providers must report non-payment of parental fees no later than the end of the month it was not received.
- Providers shall offer free, age appropriate alternatives to voluntary activities.
- Additional provider responsibilities can be found on the Fiscal Agreement or in Volume 3, Section 3.911.

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### **CLIENT RESPONSIBILITIES (3.905 C)**

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- Clients and county staff must sign and date the statement of responsibility. The client must receive a copy.
- Clients must report and verify any changes in writing within 11 calendar days.
- Clients must provide verification of immunization to either their child care provider or the county as required by the county.

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### **CLIENT RIGHTS (3.915)**

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- Use or disclosure of information to anyone regarding current or previous clients is prohibited except for purposes directly connected to the administration of public assistance, welfare and related state department activities. Such activities include: Administration of county child care programs (establish eligibility, determine amount and type of child care assistance to be provided, providing child care assistance), or any investigation, prosecution or criminal or civil proceeding in connection with the administration of the program (3.915.2 A and B).

- Clients have the right to confidentiality regarding all aspects of their case including information about their income; household members and their child care arrangements. No information about a particular client should be released without the express written consent of the client. (3.915.2).
- Clients have the right to have their case handled in a matter consistent with State and Federal Anti-Discrimination Laws. (3.915.1).

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### **CLIENT APPEALS AND EVIDENTIARY HEARINGS (3.840, 3.850 AND 3.915.4)**

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Clients must receive advance notice of termination from the Low-Income program. That notice should include information regarding the client's right to appeal the decision.

Clients have the right to appeal any adverse decision on the part of the county. The client is entitled to request a county dispute resolution conference or a state level fair hearing pursuant to Section 3.840 and 3.850.

#### **Continuation of Benefits**

If a client requests a hearing within the time limit, the client can request that benefits continue until there is a hearing decision. If the county prevails at hearing, the county will initiate a recovery from the client of benefits paid from the original termination date (3.830).

If an evidentiary hearing is held, the child care worker should expect to testify regarding the case and to present documents contained in the client's case file. The county bears the burden of proof for any decision they make. For this reason, it is important to have all documentation complete through each step of the client's case. It should not be necessary to go back and document what happened after the fact.

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### **RECOVERIES (3.916)**

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Recoveries should be made in accordance with the Administrative Rules in Volume 3. When payment has been made to the provider through no fault of the provider, the county should recover from the client. Parents have to report and verify all changes in writing within 11 calendar days.

If a county finds out that they have been paying a provider for an ineligible family, the county cannot recover the costs from the provider. The only option the county has is to recover from the family. A Child Care Recovery Statement should be used to compute and document the recovery. A copy should be sent to the person against whom the recovery will be made. Notice of their right to appeal the recovery is set forth on the back of the statement.

Recoveries should be established whenever there has been an overpayment with the exception of when client is not at fault for the overpayment, **AND** the client reported the change within a timely reporting period.

If the provider submits incorrect billing resulting in an overpayment, the recovery can be entered as a negative adjustment in CHATS. If the provider no longer does business with a county, the county

can establish a recovery but it will have to be tracked manually and any payments entered into the CFMS payment system.

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### **TERMINATION/DENIAL OF CHILD CARE (3.915.3 & .922)**

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Child care benefits can be terminated for a number of reasons. A complete list of termination reasons can be found in Appendix F. When child care is terminated the client must receive proper notice **in advance** of the discontinuation of benefits (3.915.3). If the county fails to give this advance notice, the county can be held liable for the child care costs until such advance notice is given. **The county must continue to pay child care benefits during the notice period.**

The CHATS system automatically schedules terminations for 11 days from the date of the worker's action to comply with this requirement.

Below are some instances when a case should be terminated.

- If written verification of earned or unearned income is not available or received within the 30-day deadline, the client is no longer eligible for child care subsidies. (3.919 3 c) A termination should be sent to that client.
- If information from the re-determination indicates that the client is no longer income eligible, a termination notice should be sent.
- If a review of a child's attendance record indicates unexplained or frequent and/or consistent absences, the rules state counties shall take action to correct the problem or terminate placement (3.913 N 1).

Termination of benefits to any client requires that advance notice be given and appeal information be provided. Failure to do so may result in the termination being overturned at a hearing. See the section on Client Appeals and Evidentiary Hearings.

A copy of the termination notice should be kept in the client's file in the event of an appeal.

**All termination notices must clearly and accurately state all reasons for the termination.**

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### **COUNTY ALLOCATIONS (VOLUME 3, SECTION 3.914)**

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Counties receive an allocation each year. This allocation is based on a formula, which accounts for population factors and utilization from the previous year. There is an allocation committee, which meets on a quarterly basis to make recommendations regarding this process.

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## LOW-INCOME CHILD CARE ASSISTANCE PROGRAM

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The Low-Income component of the Colorado Child Care Assistance Program is meant to target families who are employed or in training. Eligible families receive assistance with child care costs to support them in their employment or training endeavors. In SFY 2006-2007, 84.8% of all families enrolled in Low-Income Child Care were employed. The remaining 15.2% were in training, job search or teen parenting programs.

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### LOW-INCOME ELIGIBILITY (VOLUME 3, SECTION 3.919 A)

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Low-Income households must meet the following eligibility guidelines:

1. An application must be completed and signed (see Appendix A). It is not necessary for county staff to have a face-to-face interview with an applicant. At county discretion there may be an orientation for new clients.
2. The applicant must be in a one or two-parent family, who is in an eligible activity and needs help paying for child care for the same period they are in the eligible activity.
3. The household has a total gross monthly income equal to or less than the maximum income guideline set by the county.
4. All applicants and recipients must be residents of the county from which assistance is sought and received.

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### MISCELLANEOUS ELIGIBILITY INFORMATION

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#### Forms Required for the Eligibility Process

The following forms must be completed for any client applying for Low-Income child care subsidies:

<b>Forms Required for the Eligibility Process</b>		
<b>Form #</b>	<b>Form Name</b>	<b>Signatures Required</b>
SS-1	Application for Child Care Services†	Primary applicant only†
SS-5	Client Responsibilities Agreement	Primary applicant only
<b>Optional Forms for the Eligibility Process</b>		
	Affidavit for an Unrelated Child	Parent and Primary Applicant

† Exceptions: Colorado Works participants transferring to the Low-income program OR the Head Start application in counties that elect to utilize that option.

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**COMPLETED APPLICATION (VOLUME 3, SECTION 3.919 B.)**

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A Low-Income application must be completed and signed by the applicant.

- When the application process is complete and for those applicants that are determined to be eligible, the effective date shall be the date the application was completed, signed and received by the county. *Counties may date stamp completed applications and make applicants eligible for child care assistance effective on the date the application was stamped.*

**Example:** Applicant drops off a complete and signed application dated June 1, 2007. An appointment cannot be scheduled until June 15, 2007. The agency date stamps the application on June 1, 2007. The applicant would be eligible for child care assistance beginning June 1, 2007.

- The county will make a decision on whether to approve or deny an application within fifteen days of receiving the completed application and all verification.
- Counties with Head Start programs may choose to accept the Head Start application in lieu of the Low-Income Child Care application for those children enrolled in the Head Start program.
- For families ending their participation in the Colorado Works Program due to employment or training, a Low-Income Child Care application is not required. Initial eligibility information shall be obtained from Colorado Works or any other public assistance program. These families, however, will be required to complete and sign a client responsibility form as set forth in Section 3.919, C.
- Written verification of all earned and unearned income is required for Low-Income Child Care applicants. Written documentation must be submitted to the county department within 30 calendar days of the date of application. If written documentation is not immediately available for either the earned or unearned income, verbal verification may suffice; however, within 30 calendar days of date of application, written verification must be recorded or the client is no longer eligible for child care subsidies. (3.919 3 b).

**Example:** Once the applicant has signed an Authorization to Supply Information Form or the authorization portion of the application, a child care worker may contact an employer to verbally verify an applicant's salary until written verification can be obtained.

- Written verification of self-employment status and proof of financial gain must be submitted at time of application. Self-employed clients must maintain an average income that exceeds their business expenses to remain eligible. If child care is provided for the employment activity then the income from self-employment divided by the number of hours child care is provided must equal the current Federal Minimum Wage to remain eligible for child care assistance (3.919 F 2).

Self-employment status can be verified with copies of federal tax forms for self-employed workers. See section on self-employment.

- All applicants must be informed of their appeal rights at the time of application.

**Denials**

Once an application is received, the applicant must either be approved for benefits or be formally denied benefits. Every application received should be entered into the CHATS system. If an applicant is not eligible for Low-Income child care, s/he must receive a denial notice and be given information regarding appeal rights (3.915.3 & 3.915.4).

A denial notice may be sent if required verifications are not submitted within 30 days as required. If all verification is not received within 30 days of the application a denial notice must be sent. The county may request a new application after 30 days. Any denial notice sent under the Low-Income program must notify the applicant of his or her right to a county dispute resolution conference or a state level fair hearing. (3.840, 3.850 & 3.9915.4).

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**INCOME GUIDELINES (VOLUME 3, SECTION 3.919 F)**

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All Low-Income clients must have a total gross monthly income that does not exceed the maximum defined by the county of residence of the applicant based on family size. *Gross monthly income* is calculated for the entire household and is defined as the sum of earned and unearned gross monthly income received in a calendar month regardless of when it was earned, less any verified court-ordered child support payments made for children outside of the household, as outlined in Section 3.920 C.

<b>Gross Monthly Income</b>	
	Earned income (Gross)
+	Unearned income
-	Court-ordered Child support payments made for children outside of the household
=	<b>Total Gross Monthly Income</b>

For new or changed income a period shorter than a calendar month may be used to arrive at a projected monthly amount.

If monthly income is reasonably certain but the amount is expected to fluctuate then an average of income up to a 12-month period may be used to determine the monthly amount.

**Earned Income**

- *Earned income* is defined as the monthly equivalent of all earnings received (before taxes and other deductions), no matter when it was earned.
- *For self-employed parents, taxable gross income is calculated by subtracting verified business expenses from gross receipts as defined in Section 3.920 2.*
- When calculating the total gross monthly income, or net taxable income for self-employed parents, earned income is included for:
  - ✓ All employed parents in the household

For all earned income if child care is provided for the employment activity then the gross monthly income or taxable gross income divided by the number of hours child care is being provided must equal at least the current Federal Minimum Wage in order to remain eligible for child care assistance. (The current Federal Minimum Wage can be located at: [www.dol.gov/dol/wages/](http://www.dol.gov/dol/wages/))

Some employers deduct or "garnish" child support payment made for children outside of the household from a paycheck. In this instance, the gross income should be calculated carefully such that child support payments (garnishments) are not deducted twice from gross income.

When calculating the gross monthly earned income for a **teen parent(s)**, earned income is included for:

- ✓ The teen parent applicant
- ✓ Other household residents including but not limited to the legal spouse, common-law spouse, significant other (unrelated individual) of the teen parent applicant who contributes financially to the household and takes the place of a parent (3.903, "Parent"), or the biological parent of any of the children in the teen household

If a teen applicant is living with her/his parents or other adults whom the teen does not include as part of the household, do **not** include those adults' income when calculating gross monthly earned income. (Section 3.919 F 2 h).

<b>Income verification can be (3.919 F 3):</b>	<b>Income verification cannot be:</b>
• A letter from the employer	• A client's statement
• Check stubs or copies of checks	• Annual tax filing or W-2
• Business receipts	

For clients with more than one job, the earned income is first figured for each source of income and then totaled to calculate the total gross monthly earned income. Gross monthly earned income is calculated by:

1. Determining the gross amount earned per pay period, and
2. Using the appropriate formula to translate this amount into a monthly figure (see Table 2, How to Translate Income into a Monthly Figure, below)

**Gross monthly earned income changes only when the salary changes.** The gross monthly earned income does **not** change if the client has an additional pay period during the month. *If a parent earns \$6.00 per hour, works 40 hours per week, and is paid weekly, the salary is \$1,039.20 per month regardless of whether s/he receives 4 or 5 checks in the month.*

**Table 2**

<b>How to Translate Income into a Monthly Figure</b>	
<b>Pay Period</b>	<b>Formula</b>
Monthly ( <i>same amount each month</i> )	Use gross salary
Monthly ( <i>amount differs each month</i> )	Add gross salary from 3 consecutive months ÷ 3 (Average may be for up to 12 consecutive months)
2 times per month	Gross salary x 2
Every 2 weeks	Gross salary ÷ 2 x 4.33
Weekly	Gross salary x 4.33
Hourly	Hourly wage x hours per week x 4.33

**Unearned Income**

*Unearned income* is defined as the monthly equivalent of income received outside of regular work income, such as social security income, veteran's benefits, or disability benefits. When calculating the gross monthly income, unearned income is included for:

- ✓ All parents in the household
- ✓ All children in the household
- ✓ All other countable members of the household
- ✓

When calculating the gross monthly income for a **teen parent(s)**, unearned income is included for:

- ✓ The teen parent applicant
- ✓ Teen spouse or significant other (unrelated individual)
- ✓ The child(ren) of the teen parent applicant

*Unearned income is **not** included for the adults with whom the teen parent applicant is living but whom the teen parent does not include as part of the household.*

For clients who receive more than one type of unearned income, the unearned income is calculated for each source and then totaled to arrive at the gross monthly unearned income. Gross monthly unearned income is calculated by:

1. Determining the gross amount received each period, and
2. Using the appropriate formula to translate this amount into a monthly figure (see Table 2, How to Translate Income into a Monthly Figure)

An easy way to remember what type of Social Security income is included or excluded:

Supplemental Security Income (SSI) is considered an income exclusion; **all** other social security income is considered an income inclusion.

- *When a client receives a lump sum income (such as inheritance, lottery winnings or severance pay) it is included as income in the month it was received or can be averaged up to a 12 month*

period. If a client receives a lump sum in January and informs you in January, you may add the lump sum to the household's other income and determine eligibility for the month of February or divide the lump sum by up to 12 months and add the average to each month's income.

- Lump sum awards from life insurance benefits, health insurance benefits and personal injury lawsuits shall be calculated less any amounts spent to cover illness, medical expenses or burial expenses (3.920.A, 12-13).
- Income from the State or county for foster care or an adoption subsidy may not be counted as unearned income (3.920.B, 12).

### Child Support as Unearned Income

Child support received by the applicant for the support of members of the household is considered unearned income. Whether support payments are made regularly or sporadically, a monthly average should be calculated and added to other unearned income for the household. Irregular child support income shall be averaged over a period of time up to 12 months (3.919 F, 2 i).

Child Support Payment verification can be:
• A letter from the county DSS
• Canceled checks or money order receipts
• Verbal verification from the child support unit
• ACSES computer check

### Irregular Income

*Irregular income* is income that differs in amount from month-to-month. (Section 3.919 F). Some examples of irregular income are when the client:

- Is not paid regularly or works on commission
- Have earnings that differ with each paycheck
- Receives overtime pay or a bonus
- Does not have a regular work schedule
- Works part-time or "on-call" hours
- Receives unearned income at irregular intervals such as child support

Many Low-Income clients have irregular income.

An average gross monthly income must be calculated for the client who has an irregular income. Irregular income should first be averaged on a quarterly or three month basis. If an accurate computation cannot be made on a quarterly basis, then the client's income can be calculated by averaging up to a 12-month basis (3.919 F, 2, d). **Re-determinations are conducted every six months; as such, counties cannot require that clients submit income verification on a monthly basis. Clients may, however, choose to submit monthly income verification.**

**Table 3**

<b>How to Calculate an Average Gross Monthly Income</b>	
1.	Add gross income received from previous quarter (3 months) up to the previous 12 months before taxes and other deductions
2.	Translate the income into a monthly figure using formulas from Table 2
3.	+ unearned income
4.	- child support payments made for children outside of the household from previous quarter or up to previous 12 months
5.	÷ by 3 for a quarterly average or up to 12 for a 12 month average
6.	= average gross monthly income

**Questions and Answers – Earned and Unearned Income**

1. *How should seasonal employment income be calculated?*

Seasonal income should be averaged in a way that provides the truest picture of the client's annual income. Any calculation should include payroll/income information from both high and low earning months. For example, a seasonal agricultural worker's income may be calculated most accurately over a 12-month average to include summer (high), spring and fall/winter (low) seasons.

2. *It can be confusing when a client gets paid weekly or every two weeks and, as a result, sometimes gets an extra check in a month. What is the best way to calculate the gross monthly income for these clients?*

Don't let an extra paycheck confuse you! Workers should total the pay stubs presented by the client then divide by the number of weeks covered by the stubs to get a weekly average. The weekly average should then be multiplied by 4.33 to obtain a monthly average. Income only changes when the rate or salary changes, not because of a 5<sup>th</sup> paycheck in a month.

Self-employed applicants must maintain an average income that exceeds their business expenses, if child care is provided for the employment activity then the taxable gross earnings that divided by the number of hours child care was provided is equivalent to at least the current Federal Minimum Wage to remain eligible for child care assistance.

**Self-Employment Income (3.919 F, 2, c)**

For clients who claim to be self-employed, the child care worker must verify their self-employment status. This can be done through several types of documentation. The client may possess a business license issued by the city or state or have a Federal Employer Identification Number (FEIN) issued by the Internal Revenue Service (IRS) and/or some other verification from the IRS that they are self-employed.

Regardless of their licensing status, self-employed persons must file specific tax forms with the IRS. The IRS requires that self-employed persons file Schedule C, Profit or Loss from Business. Some self-employed persons may be able to file Schedule C-EZ if their business has gross receipts of under \$25,000 and expenses of \$2000 or less and they had no employees. If the client filed either of these forms for the previous year, copies would document the self-employment status of the client.

The IRS also requires that persons with \$400 of net earnings file a Schedule SE, Self-Employment Tax. This form would show the amount of self-employment tax paid for the previous year. In addition, some persons are required to estimate and pay their tax liability in advance. This is done on Form 1040-ES, Estimated Tax for Individuals. If a self-employed person calculates and pays estimated taxes on self-employment earnings that would verify their self-employment status.

**Net Profit** means that income exceeds expenses regardless of the amount.

Once a child care worker has verified a client's self-employment status, the client must then prove that s/he is making a net profit. Reviewing a bookkeeper's ledger, an auditor's report or a client's balance sheet can do this. Regardless of the information reviewed, the child care worker must be sure that the client is showing a net profit from her/his self-employment and has average earnings that when child care is provided for the employment activity then the hours of child care provided is equivalent to at least the current Federal Minimum Wage. Earned income for self-employed clients is calculated by adding total business proceeds and subtracting allowable business deductions.

### **Income Inclusions/Exclusions (3.920 A, B)**

*Income inclusions* are those items that are included when calculating the gross monthly income.

*Income exclusions* are not counted as income when calculating gross monthly income. Both categories include either earned or unearned income. A list of income inclusions/exclusions is located in Appendix C.

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### **ELIGIBLE HOUSEHOLDS (VOLUME 3, SECTION 3.919 G)**

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An *eligible household* is defined as a one or two parent family who meets income and other eligibility criteria. A *household* consists of the following members:

- 1) The primary applicant
- 2) The legal spouse, common-law spouse, biological parent of any of the children in the household, or a significant other who contributes financially contributing to the welfare of the child. (Section 3.903, "Parent")
- 3) A biological child, a child for whom there is legal guardianship, a child for whom the parent(s) is the caretaker relative, a child for whom the parent(s) is unrelated but is financially responsible for the child

- 4) Other household members who are included as dependents/members on primary applicant's tax returns.

<b>Common-Law Marriage</b>
In Colorado, a couple is considered to be in a common-law marriage when they provide a written statement declaring that they are in a common-law marriage or present themselves to any legal entity as married.

**Definition of a Parent (3.903)**

A *parent* is defined as the adult caretaker(s) of an eligible child. The *parent* can be:

- The biological parent of the child
- A legally established guardian
- A caretaker relative, defined as:
  1. A blood or adoptive relative including a brother, sister, uncle, aunt, first cousin, nephew, niece, or persons of preceding generations denoted by grand, great, or great-great, or
  2. A stepparent, stepbrother, stepsister, or
  3. A spouse of any person included in the preceding groups even after the marriage is terminated by death or divorce.
- An unrelated individual who is taking the place of a parent for an eligible child and who has obtained an affidavit from the child's biological parent or legal guardian which identifies the unrelated individual as the child's primary caretaker.
- A parent may also be a "significant other" (unrelated individual) who
  1. Is financially contributing to the welfare of the child/ren

**Definition of Single and Two Parent Households**

An eligible household can be a single or two-parent household. (3.919 G)

Examples of eligible *single parent households* are:

- One parent in an eligible activity and needing care for that same period
- One parent in an eligible activity and one parent involuntarily removed from the home (such as incarceration or institutionalization)

Examples of eligible *two parent households* include:

- One parent is in an eligible activity and the second is in an eligible activity during the same hours and need child care for that same period due to being unavailable to care for the children.
- One parent is in an eligible activity and the second parent is incapacitated. The incapacitated condition must be documented by a physician's statement, or other medical verification, which establishes a causal relationship between the impairment and the ability to care for children.

<b>Incapacitated</b>
Incapacitated means a physical or mental impairment that substantially reduces or precludes the person from providing care for his/her children.

- A household in which one parent is in an eligible activity and the second parent is voluntarily absent from the home for a temporary period of time. Temporary is typically three months or less but may be more in certain circumstances and the circumstances must be well-documented.
- A household where one parent is in an eligible activity but needs child care for the same period and the second parent is absent from the home due to an eligible activity.

Examples of **ineligible** single or two parent households for Low-Income Child Care include:

- Any household where the parent is eligible for Colorado Works or Employment First child care
- A single parent that is incapacitated
- A household that is ineligible to receive Low-Income child care subsidies because of non-payment of parental fees
- A two-parent household where one parent is in an eligible activity, but the other parent is not. Each parent's activity is subject to all activity requirements.
- **By county option**, a household terminated for failure to meet the rule which requires that income exceed county child care costs (20% rule) unless that household can show that they now meet that rule requirement
- Certified foster parents (relative or non-relative) who receive Title IV-E funds under foster care provider reimbursement rates for child maintenance shall not receive low-income child care for those same children. ("Foster care reimbursement rates for child maintenance" is reimbursement to cover the cost of providing food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, and reasonable travel time to the child's home for visitation; refer to Social Services Staff Manual, Section 7.418.1, (A)(12 CCR 2509-6))

## **TEEN PARENT HOUSEHOLDS**

A *teen parent* is a parent who is under 19 years of age, or under 22 years of age if attending high school, GED program, or junior high/middle school, whose child was born prior to the parent's 20th birthday. (Section 3.903) The teen parent's household does not include the teen's parents or other adults with whom the teen is living other than the father to the teen's child.

### **Changes in Household Size**

Temporary Changes - Some households undergo temporary changes in size, such as children visiting relatives or parents during the summer months. Other households experience permanent changes in size, such as children moving to reside with another family member. For households undergoing temporary changes, neither the parental fee nor the income ceiling should be adjusted to reflect the change in size. A temporary decrease or increase is defined as three months or less.

Permanent Changes - For households that undergo a permanent change, the parental fee and income ceiling should be adjusted to reflect the change in size.

### **Shared Custody Cases**

Shared custody occurs when parents of a child(ren) live in separate households but maintain a specified sharing of custodial duties for the child. Written verification of the arrangements must be

obtained, such as a court order or a statement signed by both parents. Child care can then be authorized on the days when the parent has the child and is participating in their eligible activity. Both parents can receive child care assistance if they each meet all other eligibility criteria.

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**ELIGIBLE CHILD (VOLUME 3, SECTION 3.903 & 3.919 I)**

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An *eligible child* is defined as:

- A child under the age of 13 years who needs child care services during a portion of the day, but less than 24 hours, and is residing with a parent who is in an eligible activity during the same period care is being provided. *If 24-hour care is needed occasionally due to an employment-related reason, it is acceptable to authorize such care but this should only be occasionally used.*
- A child *with special needs* under the age of 18 or who will have graduated from high school by their 19th birthday who needs child care services (not respite care, private duty nursing, etc.) during any portion of the day but less than 24 hours and is residing with a parent who is in an eligible activity. *A special need is defined as a medical, physical or emotional disability that requires a higher level of care than a typical child in care.*

Child care applications for special needs children must include a physician's or other appropriate professional's (social worker, county health nurse, psychologist, etc.) statement verifying that the child has special needs. The application is not complete if the physician's statement is not included. No child with special needs can be approved for care at a special needs rate, even on a temporary basis, if a professional's statement is not on file for the child.

When any provider cares for a special needs child and receives a higher rate because of the child's special needs, the provider must develop an individualized care plan for that child. Any rate above the county's base rate should be negotiated based on the individualized plan and the specific care needs of the child.

Children under age 13 may be approved at a regular rate until the special needs are verified and the individualized care plan is in place. For children 13 years of age and over, special needs must be verified and the individualized care plan must be in place before care is authorized.

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**CITIZENSHIP REQUIREMENTS (VOLUME 3, SECTION 3.903 "ELIGIBLE CHILD")**

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Children receiving care must be U.S. citizens or aliens lawfully admitted for permanent residence. Verification of citizenship status for the child must be provided in order to determine eligibility. (This may include birth certificates or any other verification accepted by the Colorado Department of Revenue to verify citizenship status. (Section 3.140.1) If verification is not available at the time of application a family may be given a reasonable amount of time to secure that information before the child becomes ineligible for child care. The reason for the delay in providing the documentation must be well-documented.

*The citizenship requirement does not apply to parents.*

Revised 8/2008

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## ELIGIBLE ACTIVITIES (VOLUME 3, SECTION 3.919 J)

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All parents who are eligible for Low-Income child care subsidies must be involved in one of the following activities at the same time that child care is needed:

- Employment
- Job Search
- Training/Education (County option and for Teen Parents)

*Time Limit: Child care assistance for Low-Income households is not limited as long as the household continues to meet eligibility criteria.*

### Employment

Income-eligible parents are eligible for child care subsidies while they are employed. *Employment* is defined as:

- Any regularly scheduled part time or full time work, for which wages, salary, in-kind income or commissions are received, or financial gains received from self-employment.

Clients can be employed on a part-time, full-time, seasonal or on-call basis. It is not the responsibility of the child care worker to evaluate the appropriateness of a client's employment.

### Employment/Job Training:

Job training is usually provided by an employer, such as on-the-job training or work experience. The activity can be a combination of an employer-sponsored classroom training and on-the-job. The position must include a wage during the job training or the employer must consider the client an employee.

*If a parent receives wages for a work-study position that is part of a financial aid/grant package, while enrolled in a training program, the child care needed for work-study time is connected to training - not employment. This parent would not be eligible for child care benefits unless the county has opted to include training as an eligible activity. If the work-study is not part of a financial aid/grant package, it should be considered employment. In which case, the wages earned under work-study would be counted as income. If the student is working outside of work-study as a "student hourly" employee, the activity is employment since the activity is outside of the financial aid package.*

### Misc. Employment Eligibility Information:

- An employed parent who is on a union-organized strike (not organized by employees) is eligible for child care benefits while s/he is required to walk on the picket line. Strike benefits would be counted as income in this case.
- A parent who is employed or in job training is eligible for child care benefits while s/he is required to report for jury duty.

### Job Search (3.904.1 F 3)

*Time Limit: Thirty (30) days per parent per consecutive twelve-month period, beginning with the first day of job search activity.*

Low-Income households, including teens, can access up to 30 days of child care subsidies within a 12 month period for job search purposes. The 30 days is based on the year that begins with a client's first day of job search and does not have to be consecutive. If a client begins job search activities but does not notify the county until a later date, the job search days begin with the client's first day of job search. After the end of the 12 months, the client becomes eligible for another 30 days of job-search child care for the next consecutive 12 months.

Each unit of child care utilized shall count as one day of job search child care, whether the unit is full-time or part-time.

New applicants or those Low-income clients who lose their jobs while in the Low-income program, will be approved and monitored by the county worker to ensure that job search activities comply with county standards.

During job-search child care, the client's parental fee may be adjusted based on the reduced income level or the parental fee can be reduced to as low as \$5.00 for hardship reasons up to six months per hardship award (although awards may extend as long as the hardship exists) upon written justification and at the discretion of the county director, during unemployment. (3.905 B 8)

#### Questions and Answers:

*What if the parent is looking for work 12 or more hours in a day? Does that affect the number of days the parent is in job search?*

If a parent is looking for work and their child is in care for 12 or more hours in a day that would count as two days of job search since the county is paying for two units of care. (One full-time and one part-time unit)

### Training/Education (County Option) (3.919.1 J 4)

Counties have the **option of including training/education as an eligible activity** for all Low-Income clients. If a county opts to include training/education, clients may receive assistance as designated by the county up to a maximum of 48 months of child care assistance and an additional 6 months of Adult Basic Education, GED, English as a Second Language and other basic skills training.

Post secondary education can be an Associate's degree or Bachelor's degree but is limited to a first Bachelor's degree. No advanced degrees (Master's or Ph.D.) will be allowed under this activity.

If a county elects to provide child care assistance to parents in training/education, the county **cannot** impose additional criteria or target certain types of training. If a county decides to stop providing child care assistance for training/education, the county must continue assistance to enrolled parents under designated eligibility requirements in effect when the parent became enrolled.

For those students enrolled in post-secondary education, financial assistance through any grant or loan program for educational purposes, such as the Carl D. Perkins Vocational and Applied Technology Education Act, Basic Educational Opportunity Grants, Supplementary Educational Opportunity Grants, National Direct Student Loans, Guaranteed Student Loans, PELL grants, the PLUS program, the Byrd Honor Scholarship programs or College Work Study program (as described above) **may not** be counted as income.

The definition of one month of training is 10 units (part-time or full-time) of child care per month. In other words, if a parent uses 10 or more units of child care in a month while in training, that month counts against the total number of months of training available to the parent.

The "20%" rule (explained under the Re-determination section of this manual) does not apply to parents in training in the following situations:

- Single parent households in training are exempt from the rule
- Single parent households where the parent is in training and working *if the primary activity is determined to be training (most of the authorized child care units are connected to training)*
- Two parent households where one parent is in training and the other is employed *if one of the parents is enrolled in training as their primary activity*

Finally, counties should keep track of the number of months used for training. When the client gets close to the end of eligibility for training, the worker should discuss the situation with the client.

Tracking of months in this way is beneficial because:

- 1) No extra months are used for training, resulting in a recovery and
- 2) The parent has the opportunity to make other arrangements for child care if training is to continue.

### Questions and Answers:

1. *What if the parent has a Bachelor's degree in another field, can they receive child care for the education in their new field?*

No, regardless of what field the Bachelor's or a higher degree is in, or what country the degree was from, the client cannot utilize education as an eligible activity.

2. *What if the parent attends school one day a week? Can the units be added up over several months to equal the 10 units of care and count a month of child care?*

No, the education is based on 10 units in a calendar month equaling a month of child care towards the education maximum.

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## LOW-INCOME PROGRAM CASE MANAGEMENT

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Case management is made up of activities that ensure a family's ongoing eligibility for the program, provide the family with assistance in child care selection decisions, referring the family to other community services as necessary, keep the family and child care provider informed about relevant

child care arrangements and changes, and work closely with other CCCAP components to transition and/or coordinate services to families.

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## **CLIENT FILE**

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Counties should develop their own procedures on how client files are organized. The following documents must be maintained in all Low-Income client files:

- Original signed Application (except for Colorado Works to Low-Income transfers)
- Verification of eligibility for the child care program
- Copy of the Client Responsibilities form
- Copies of any Change of Eligibility forms submitted by clients
- Authorization to Supply Information
- Re-determination forms
- Copies of Denials or Terminations sent
  - Copies of individualized care plans and special needs verification for special needs children receiving care at a different rate
- Verification of job search activities in compliance with county standards

Log notes or ROC sheets are part of the client's file used to add entries not included on standard forms. Any problems or difficulties parents have are indicated here, as well as any referral information, extraordinary situations, problems related to eligibility re-determination and other information useful to the child care worker. These notes must be documented on the CO5 screen and can be printed for the file if an audit is requested.

Client files should be kept for the current year plus three previous years.

It is helpful to put all information in the file with the most recent on top. If files are requested for an audit you **must** send a cover letter describing how the files are organized so that the auditor or program specialist can easily find the documentation they are looking for.

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## **RE-DETERMINATION (3.921)**

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Re-determinations are defined as the semi-annual evaluation of on-going eligibility in the Low-Income program. In addition to the semi-annual re-determination, clients are required to inform counties of any changes within ten days of them occurring (3.905 C and 3.921 C).

Re-determinations are conducted at least every six months through the mail, unless your county has a waiver. The following is a description of the timelines anticipated by the CHATS system. Mailing labels are printed at the first of the month for those clients with re-determinations due the next calendar month. Re-determination of Eligibility forms can be mailed to parents after the first of the month (as soon as the labels and reports are printed) and should be returned to the County along with all required verification no later than the 15th of the month it is due. If forms and all verification are not returned and proper notice is given, parents are ineligible effective the following month. (When forms are mailed include a notice listing all verification needed so that if all information is not returned with the form then the county can close the case.)

EXAMPLE	
ACTION	TIMELINE
Re-determination form mailed to client	6/1/07
Deadline for return to the county	7/15/07
Form not returned, mail termination notice	7/16/07
Termination for failure to return and provide verification	11 days from the date of the notice

Verbal verification of income from the employer can be given at time of re-determination if they have just started a new job, but written verification must be provided within 30 days or the family is not eligible for further child care subsidies.

Re-determinations **CANNOT** be done over the phone. A signed re-determination form must be submitted to the county. However, no face-to-face interview is required. Employed parents must submit written proof of employment, scheduled hours that child care is needed and wage information. Self-employed parents must show a net profit from their self employment (3.920 A 2).

If the eligible activity is employment then the countable employment income divided by the number of hours that child care is needed must be at least equal to the current Federal Minimum Wage.

If the re-determination form has not been received by the county department by the 15th of the month, or it is incomplete, then a termination notice must be sent terminating care 11 days later. On the 15th day of the month, CHATS will automatically terminate the authorization on the last day of the month for those cases that show the re-determination month to be the current month.

If a client is determined to be ineligible based on information received from the re-determination, a termination is sent on the same timeline as outlined above.

Any termination notice must clearly and accurately state the reason for the termination and be done in accordance with Section 3.915.3. Example: A termination notice is sent because a client has not submitted the re-determination. As soon as the client received the notice, the client immediately delivers the re-determination paperwork to the county child care worker. When the worker reviews the re-determination, it is determined that the client now exceeds the income guidelines. The worker cannot close the case based on the previous termination notice. A new termination notice must be sent listing the correct reason and giving proper advance notice (3.915.3). If the re-determination is received but not complete, the worker must use the correct termination code indicating that the case closure is due to an incomplete re-determination rather than failure to file the re-determination.

Teen parents must submit information verifying their continued enrollment in a GED or high school diploma program at the time of re-determination. (Section 3.919 J 4 a)

Counties may elect to limit re-determinations to coincide with the Head Start eligibility period (3.921 F).

To implement this option, contact your local Head Start program to identify their eligibility period. You can then set re-determination time frames in CHATS accordingly.

## 20% Eligibility Rule (Volume 3, Section 3.919 F 4) (County Option)

Counties have the option of adopting the 20% rule as a county policy. The 20% rule is the requirement that the family's gross earned income must exceed the county's portion of the child care payments by 20%. (Unearned income does not count in this calculation of income.) Working families enrolled in the Low-Income component of CCCAP and whose monthly household income is above 130% of the federal poverty level, must meet the 20% rule when their first six-month re-determination of eligibility is calculated and every six months thereafter.

The 20% rule cannot be applied to families at or below 130% of poverty. Counties are required by State law to provide child care services to those families.

- Families with one or two children in care must earn at least 20% more than what the county pays in child care costs.
- Families with three or more children in care must earn at least 10% more than what the county pays in child care costs.
- A county may exempt a family from the 10% requirement if five or more children are in care.
- A parent may volunteer to pay a higher parental fee in order to meet the 10% or 20% requirement.
- Families must meet the conditions of this rule to remain eligible for Low-Income assistance.
- Families who become ineligible for Low-Income assistance because of this rule, are terminated and re-apply at a later date, must meet the conditions of the rule at the time of re-application (rather than at the first six-month re-determination).

A county CHATS report (Rpt #916, "6 Month Payment History") is printed at the same time monthly re-determination labels are printed. A separate page will be printed for each family with the following information: child care costs paid by the county for each child for the last six months and an average monthly child care cost for each family. The average monthly cost should be used as the amount that is compared to the family's earned income in calculating eligibility under the 20% rule. Under the average monthly child care costs, the report lists an amount that is 20% higher than the average monthly costs and an amount that is 10% higher than the average monthly cost. Two copies of the report are printed - one for the parent and one for the county.

The Division of Child Care has developed an Information Sheet for Parents that explains the 20% policy. This sheet should be mailed to parents, along with the re-determination paperwork and the CHATS report. Counties are encouraged to make copies of this form - it will not be stocked in Central Stores. See Appendix A.

The information sheet instructs parents to call their child care worker if their child care eligibility is questionable because of the 20% rule. The following options are available to parents:

- Parents may volunteer to increase their parental fees by the amount that would make them eligible under the 10% or 20% requirement.
- Parents with more than one child in care may volunteer to pay the child care costs for one of the children themselves.

- Parents may change their child care arrangements to reduce county costs.

These tools were developed to provide relevant and timely information to county workers and parents in order to assess eligibility for Low-Income child care. Counties do not have to use them. However, counties must inform parents of the 20% rule when parents are accepted into Low-Income, and 20% eligibility must be determined in a timely manner when re-determinations are due. If a Low-Income family does not meet the 20% eligibility criteria, even after exploring the options listed above, the child care worker must terminate the case.

### **Questions and Answers (20% rule)**

1. *In calculating the family's income, do we include all sources of income?*

No. For purposes of determining eligibility under the 20% rule, only earned household income is counted. Unearned income, such as child support, is not counted.

2. *Does this rule affect families enrolled in training program or teens enrolled in school?*

No. This rule pertains to employed families only (except as described below).

3. *How about a one parent family where the parent is in training and employed?*

If the parent's primary activity is employment (most of the authorized child care units are connected to this activity), the parent must meet the 20% rule; if the primary activity is training, the parent does not have to meet the 20% rule.

4. *How about two parent families where one parent is in training and the other is employed?*

The rule would not pertain to these families if one of the parents were enrolled in training as their primary activity.

5. *If a child is receiving a higher rate, based on special needs, must the household meet the 20% rule?*

No.

6. *What happens in situations where a child is receiving school-age care for 9 months (part time units) and full time care during the summer months?*

It is anticipated that the average monthly cost of care, based on 6 months of information, will address this concern. However, if the family's re-determination period is such that three months of full time care causes the family not to meet the 20% rule, the county may waive the 20% rule.

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### **CHANGE OF CIRCUMSTANCE (3.921)**

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Families must report and verify all changes 10 days of the change occurring. Families who do not report these changes, and are consequently found ineligible for the program, shall be terminated from the program and recoveries made.

In addition to the re-determination parents shall report and verify all changes within ten calendar days of the date they occur. If the reported change is substantial in nature the county may require a re-determination prior to the due date. Substantial changes include:

- Changes in Household composition
- Changes in eligible activity
- Changes in employment

If a parent fails to report changes, which make the family ineligible for all or a portion of the child care subsidies, the county shall recover the appropriate subsidies.

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## **CHANGES OF PROVIDERS**

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Provider changes during any calendar month will not be approved without prior authorization of the county. The certificate form shall be used to notify parents, providers and other county offices of changes in subsidy (3.915.3).

If the parent changes providers without proper notification to the county and provider, it is up to the county whether or not they will continue to pay for care. Section 3.907 specifically excludes counties from being required to pay in this situation.

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## **MISCELLANEOUS CASE MANAGEMENT**

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- In a situation where the children will not require child care for a short period of time, the authorization should be closed and the case left open until the children resume care. This should occur when the children will be out of care for three months or less. For example, if the children in a family go to visit a non-custodial parent for the summer, the authorization should be terminated and the case left open. When the children return and need care, a new authorization should be set up. If longer than three months, the case shall be closed. This should be well documented on the CO5 screen to make it clear to others what took place.
- The Low-Income program allows clients to have their case re-opened within 30 days of termination, without submitting a new application, if they have corrected that which was the basis for the termination.
- With regard to services to students enrolled in grades 1 through 12, no funds may be used for services provided during the regular school day, for any services for which the students received academic credit toward graduation, or for any instructional services, which supplant or duplicate the academic program of any public or private school, this applies to grades 1 through 12. (Federal Regulation: 42 USC 9858d(b))

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## **INTER-COUNTY TRANSFERS**

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Households who move from one county to another are not guaranteed continued Low-Income assistance in the new county. The following policies apply to transfers:

- The client notifies the sending county (the county in which the client currently resides) of the need to transfer services.
- The sending county contacts the receiving county (where the client is moving) to determine what the client needs to do to receive child care in the new county. REMEMBER INCOME ELIGIBILITY LEVELS CAN VARY FROM ONE COUNTY TO ANOTHER.
- The sending county informs the client of what is required by the receiving county.
- The counties shall negotiate the length of time the sending county will continue paying for child care. However, this length of time is not to exceed one month from the date the client moved into the receiving county.

### **Questions and Answers**

1. *What happens when one county authorizes Low-Income child care for training and then the client moves to another county that does not recognize training as an eligible activity?*

The client will not be able to transfer their Low-Income case to the new county and will be terminated from the program. It is the client's responsibility to obtain the needed information on the new county although it is good practice to assist the client in obtaining the needed information.

2. *Can income eligibility differences between counties impact a client's ability to transfer from one county to another?*

Yes. Although a client may have been eligible in one county, she/he may not be eligible in a different county if that county has a lower income eligibility level.

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## APPENDIX A - FORMS

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**The forms listed are in alphabetical order. A description of the form is given along with an explanation of its use. You should ensure that your county has current forms.**

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### **Affidavit for an Unrelated Child (SS-68)**

This form is used by Low-Income child care applicants who are requesting child care for an unrelated child. The form contains two sections. Section I should be completed when the parent or legal guardian of the child for whom child care is requested is available. Section II should be completed only if the parent or legal guardian for whom care is requested is not available. The form should be completed, signed, notarized and submitted with the *Application for Child Care Services*.

Commodity Number: 394-25-67-6804

### **Application for Child Care Services**

The application is used by people who need help paying for their child care and are seeking that help from the Low-Income child care program. The application contains information about necessary documentation that must be submitted along with the application. The purpose of the application is to obtain adequate information to determine a family's eligibility.

Commodity Number: 394-25-67-0021

### **Attendance Record and Billing Form (5730.2)**

The billing form is mailed to child care providers monthly. The providers submit attendance information and their billing for payment by the county. This form is generated by the CHATS system to include the names and authorization numbers of the CCCAP children in care with a particular provider.

Commodity Number: 615-8214-7304

### **Authorization to Release Information Form (SS-3)**

The purpose of this form is to enable the county worker to verify eligibility items with outside agencies or individuals. For example, verify unearned income with the Social Security Administration. By signing this form, the applicant gives permission for the county to obtain the necessary information. This form should identify the source of the information to be obtained before the client is asked to sign it.

Commodity Number: 394-25-67-0302

### **Change of Eligibility Form (SS-7A)**

The Change of Eligibility forms are given to clients at the time of their enrollment in the Low-Income program. In the event that their employment status, wage, household composition or other circumstance changes which may impact their eligibility in the Low-Income program, clients are required to report those changes within 10 days of the change(s).

Commodity Number: 394-25-67-0716

### **Child Care Certificate (5730.1)**

The child care certificate is used to confirm to both parents and providers that child care has been authorized for a child. This form sets forth the number of units of child care authorized, the rate of reimbursement and the parental fee. When any change is made to the authorization, a new certificate will be generated by CHATS to be sent to the provider and the client family.

### **Child Care Fiscal Agreement (SS-67)**

The fiscal agreement serves as a contract between a child care provider and the county. It outlines both the provider's responsibilities and those of the county department. It also specifically states the reimbursement rate at which the provider will be paid.

Commodity Number: 394-25-67-6705

### **Child Care Fiscal Agreement Amendment**

This form is used when amending a fiscal agreement because of a rate change. This does not replace the fiscal agreement that is in effect but simply amends it.

Commodity Number: 394-25-18-5707

### **Child Care Services Parental Payment Agreement**

This is the fiscal agreement used for counties that choose to pay the parent rather than the Exempt Family Child Care Home Provider.

### **Child Care Standards for Non-Licensed Providers, Self-Assurance Form (SS-31)**

The self-assurance form is used when entering into a fiscal agreement with a child care provider that is not licensed or when both a parent and a provider when the county opts to pay the parent who is using an exempt family child care home provider. Providers who are exempt from licensing are not inspected or monitored in any way. The self-assurance form outlines standards that CCCAP expects those providers to maintain. Failure to maintain those standards would be grounds for termination of the fiscal agreement. This form is also used to attest to the provider's mental competence.

Commodity Number: 394-25-67-3108

### **Client Responsibilities Agreement Form (SS-5)**

The parent is informed of their responsibilities while they are receiving child care subsidies and must sign a Client Responsibilities form. This form includes responsibilities for payment of parental fees, reporting any changes in income, working with her/his provider and other responsibilities. This form is required for the Low-Income program.

Commodity Number: 394-25-67-0518

### **Denial of Application for Child Care Services**

The denial notice is generated by CHATS when an application is denied. It serves as notice to the client of the denial, the reason for the denial and the client's right to appeal.

### **Information Sheet for Parents**

This information sheet explains the 10%-20% rule and its ramifications to parents. It should be included with the re-determination form and the CHATS 20% report regarding the cost of care.

### **Low-Income Child Care Recovery Statement**

This form should be used to calculate and document recoveries that are done through the Low-Income program. The form includes a copy of the client's appeal rights on the back side.

**Parental Fee Schedule:** The parental fee schedule is distributed to counties yearly via agency letter along with updated Federal Poverty Level Guidelines. The schedule is used to establish the monthly parental share or parent fee for each family depending on income and household size.

### **Parental Information and Resource Packet**

This packet of information should be given to all parents receiving child care assistance. It includes information on the Earned Income Tax Credit, the Child Support Enforcement program and Tips for Choosing Child Care. Specific information is also included regarding the parent's responsibilities under the Low-Income child care program.

Commodity Number: 615-82-14-1018

### **Provider Handbook**

The Provider Handbook should be sent to all providers under CCCAP. It explains, in general terms, how the CCCAP program works and answers questions that are commonly raised by providers regarding, rates, payment and record keeping.

Commodity Number:

### **Re-determination of Eligibility Form (SS-7)**

The re-determination form is used to evaluate a client's continuing eligibility in the Low-Income child care program. This form is filled out every six months. Clients are asked about employment and training status, wages, work hours, and family/household composition.

Commodity Number: 394-25-67-0708

### **Self-Employment Worksheet (SS-69)**

This form is to be used by applicants who are self-employed. Its purpose is to itemize the applicant's net income from self-employment. Self-employed applicants must show net gains in order to qualify for the Low-Income child care program.

Commodity Number: 394-25-67-6903

### **Termination Notice for Child Care Services**

The termination notice is generated by CHATS when a case is terminated. It serves as notice to the client of the termination, the reason for the termination and the client's right to appeal.

### **Form W-9-Request for Taxpayer Identification Number and Certification**

The W-9 is an Internal Revenue Service form used to request information regarding a person's taxpayer identification number (social security number) or a business' federal employer identification number (FEIN). This information is then used for reporting purposes. At each year end, a 1099 form is printed and sent to the Internal Revenue Service and the provider/vendor regarding non-taxed payments made to the provider/vendor.

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## APPENDIX B - LOW-INCOME PROGRAM ONLY

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### 3.920 INCOME ELIGIBILITY INCLUSIONS/EXCLUSIONS/ADJUSTMENTS

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#### **A. INCOME INCLUSIONS (3.920 A)**

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1. Wages, salary, armed forces pay, commissions, tips, and cash bonuses are counted before deductions are made for taxes, bonds, pensions, union dues and similar deductions. If child care is provided for an employment activity then taxable gross wages divided by the number of hours must equal at least the current federal minimum wage.
2. Taxable gross income from non-farm self-employment (gross receipts minus expenses from one's own business, professional enterprise, or partnership).
  - a. These verified expenses include, but are not limited to:
    - 1) The rent of business premises;
    - 2) Wholesale cost of merchandise;
    - 3) Utilities;
    - 4) Taxes;
    - 5) Mileage expense for business purposes only
    - 6) Labor; and,
    - 7) Upkeep of necessary equipment.
  - b. The following are not allowed as business expenses from self employment:
    - 1) Depreciation of equipment;
    - 2) The cost of and payment on the principal of loans for capital asset or durable goods; and,
    - 3) Personal expenses such as personal income tax payments, lunches, and transportation to and from work.
  - c. If child care is provided for an employment activity then taxable gross wages divided by the number of hours must equal at least the current federal minimum wage. To determine a valid monthly income taxable gross income may be averaged for a period of up to 12 months.
3. Taxable gross income from farm self-employment (gross receipts minus operating expenses from the operation of a farm by a person on his own account, as an owner, renter or sharecropper). Gross receipts include the value of all products sold, government crop loans, money received from the rental of farm equipment to others, and incidental receipts from the

sale of wood, sand, gravel, and similar items. Operating expenses include cost of feed, fertilizer, seed, and other farming supplies, cash wages paid to farmhands, cash rent, interest on farm mortgages, farm building repairs, farm taxes (not state and federal income taxes), and similar expenses. The value of fuel, food, or other farm products used for family living is not included as part of net income. If child care is provided for an employment activity, then taxable gross wages divided by the number of hours must equal at least the current federal minimum wage. To determine a valid monthly income taxable gross income may be averaged for a period of up to twelve (12) months. For all other cases where receipt of income is reasonably certain but the monthly amount is expected to fluctuate a period of up to twelve (12) months shall be used to arrive at an average monthly amount.

4. An in-kind benefit is any gain or benefit received by the household, which is not in the form of money such as meals, clothing, public housing or produce from a garden.
5. Vendor payments are money payments that are not payable directly to a household, but are paid to a third party for a household expense and are countable when the person or organization making the payment on behalf of a household is using funds that otherwise would need to be paid to the household.
6. Railroad retirement insurance.
7. Veteran's pensions paid by the Veteran's Administration to disabled members of the armed forces or to survivors of deceased veterans, subsistence allowances paid to veterans for education and on-the-job training, and "refunds" paid to veterans as GI insurance premiums.
8. Pensions and annuities include retirement benefit payments, 401(k) payments, IRA payments, pension payments or any other payment from an account meant to provide for a retired person or their survivors. Early payout from these accounts is countable income minus the amount deducted for penalties.
9. Dividends, interest (on savings or bonds), income from estates or trusts, net rental income or royalties include dividends from stockholders or memberships in association, interest on savings or bonds, periodic receipts from estates or trust funds, net income from rental of a house, store, or other property to others, receipts from boarders or lodgers, and net royalties.
11. Inheritance, gifts, and prizes.

12. Proceeds of a life insurance policy, minus the amount expended by the beneficiary for the purpose of the insured individual's last illness and burial, which are not covered by other benefits.
13. Proceeds of a health insurance policy or personal injury lawsuit to the extent that they exceed the amount to be expended or required to be expended for medical care.
14. Strike benefits.
15. Lease bonuses and royalties e.g., oil and mineral.
16. Social Security pensions, survivor's benefits and permanent disability insurance payments made prior to deductions for medical insurance.
17. Unemployment insurance benefits.
18. Worker's compensation received for injuries incurred at work.
19. Maintenance payments made by an ex-spouse for support of the spouse as a result of a dissolution of a marriage.
20. Child support payments.
21. Military allotments.
22. Public cash assistance grants including Old Age Pension (OAP), Aid To The Needy Disabled (AND) and Temporary Assistance To Needy Families (TANF) (refer to definitions in Section 3.903).
23. Non-recurring lump sum payments are included as income only in the month received. If the payment was not reported in the month received, it will be included as income the month following receipt.
24. WIA wages earned in work experience or on-the-job training.
25. AmeriCorps income.
26. Cares payments – refugee payments from Refugee Services.

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**B. INCOME EXCLUSIONS (3.920 B)**

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1. Earnings of a child in the household. If the child is a teen parent this exclusion does not apply (refer to 3.919, (f), (2), (h))
2. Supplemental Security Income under Title XVI.
3. Any payment made from the Agent Orange Settlement Fund, pursuant to P.L. No. 101-201.
4. The value of Food Stamp coupons.
5. Benefits received under Title VII, Nutrition Program for the Elderly, of the Older Americans Act.
6. The value of supplemental food assistance received under the special food services program for children provided for in the National School Lunch Act and under the Child Nutrition Act, including benefits received from the special supplemental food program for women, infants and children (WIC).
7. Payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act.
8. Experimental Housing Allowance Program (EHAP) payments made by HUD under Section 23 of the U.S. Housing Act.
9. Payments made from Indian judgment funds and tribal funds held in trust by the Secretary of the Interior and/or distributed per capita.
10. Distributions from a native corporation formed pursuant to the Alaska Native Claims Settlement Act (ANCSA).
11. Major disaster and emergency assistance provided to individuals and families, and comparable disaster assistance provided by states, local governments and disaster assistance organizations.
12. Payments received from the county or state for providing foster care, or for an adoption subsidy.
13. Payments to volunteers serving as foster grandparents, senior health aides, or senior companions, and to persons serving in the Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE) and any other program under Title I (VISTA) when the value of all such payments adjusted to reflect the number of hours such volunteers are

serving is not equivalent to or greater than the minimum wage, and Title II and III of the Domestic Volunteer Services Act.

14. Low-Income Energy Assistance (LEAP) Program benefits.
15. Social security benefit payments and the accrued amount thereof to a recipient when an individual plan for self-care and/or self-support has been developed.
16. Earned Income Tax Credit (EIC) payments.
17. Monies received pursuant to the "Civil Liberties Act of 1988," P.L. No. 100-383 (by eligible persons of Japanese ancestry or certain specified survivors, and certain eligible Aleuts).
18. Any grant or loan to any undergraduate student for educational purposes made or insured under any programs administered by the Commissioner of Education (Basic Educational Opportunity Grants, Supplementary Educational Opportunity Grants, National Direct Student Loans, and Guaranteed Student Loans); Pell Grant Program, the PLUS Program, the Byrd Honor Scholarship programs, and the College Work Study Program.
19. Training allowances granted by WIA to enable any individual, whether dependent child or caretaker relative, to participate in a training program are exempt.
20. Payments received from the youth incentive entitlement pilot projects, the youth community conservation and improvement projects, and the youth employment and training programs under the Youth Employment and Demonstration Project Act.
21. Any portion of educational loans and grants obtained and used under conditions that preclude their use for current living costs.
22. Financial assistance received under the Carl D. Perkins Vocational and Applied Technology Education Act that is made available for attendance costs. Attendance costs include: tuition, fees, rental or purchase of equipment, materials, supplies, transportation, dependent care and miscellaneous personal expenses.
23. Any money received from the Radiation Exposure Compensation Trust Fund, pursuant to Public Law No. 101-426 as amended by Public Law No. 101-510.
24. Resettlement and placement (R & P) vendor payments for refugees.
25. Supportive service payments under the Colorado Works Program.

26. Home care allowance under adult categories of assistance.
27. Loans from private individuals as well as commercial institutions.

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**C. INCOME ADJUSTMENTS 3.920.C**

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Verified court-ordered child support payments for children not living in the household shall be deducted prior to applying the monthly gross income to the maximum gross monthly income guidelines and when calculating parent fees. There must be verification that payments are actually made. Such verification must be made at the time of initial approval of eligibility for services and at the time of each re-determination of eligibility, or more frequently if there has been a change in support payments.

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## APPENDIX C - PARENT EDUCATION

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### Tips for Choosing Child Care

#### 1. Determine Basic Child Care Needs of the Family

- What location is convenient?
  - What type of program (child care center, family day care home, etc.) will best meet the needs of your child?
- What days and hours of care are needed?
- How much can you afford to spend on child care?

Once you have determined basic child care needs, visit a number of facilities; observe and ask questions about the following:

#### 2. Determine the Program's Status

- Is the child care facility providing care for more than one unrelated family's children? If so, it should be licensed.
- When was the last time the facility was visited by a child care licensing inspector? What was the result of that inspection?
- Have complaints been filed against the facility? If so, what were the complaints and how were they resolved?
- Ask to see a copy of the license and the most recent report of inspection.

#### 3. Obtain References

- Ask for names and phone numbers of parents who have used this care in the past and others whose children are currently enrolled.
- Call them for their appraisal of the quality of care provided by the facility.

#### 4. Observe and Ask Questions about the Caregiver(s)

- Do they appear to enjoy working with children?
- Do they smile, show affection, and appear to be patient?
  - Do they treat each child with respect and, if the need arises, use positive, non-punitive forms of discipline?
- Are they trained in CPR, first-aid, and child development?

#### 5. Observe and Ask Questions about the Physical Environment

- Is the indoor space clean, well lit, orderly, and appealing?
- Are there areas in the room that allow children to participate in quiet activities?
  - Does the outdoor space offer a variety of play opportunities, and is it free of potential health and safety hazards?
- Is there a sufficient number of toys available that are in good repair and of interest to children?

- Are snacks and meals nutritious? Are menus posted?
  - Does the program have a plan for handling emergencies, and are emergency phone numbers placed near the phone?
- Are parents permitted to visit the program at any time without prior notice?

6. Observe the Children in Care

- Do the children seem to be happy?
- Are they busily engaged in interesting and satisfying activities?

7. Once your child is in care, continue to monitor the facility.

- Visit the facility at various times of the day. Some visits should be unannounced.
- Call or visit the caregiver whenever you have questions or concerns.
- Observe your child's behavior before and after care. Talk with your child about the hours spent in care.
- If you have concerns about the facility that cannot be resolved comfortably with the director or caregiver, file a complaint with the Colorado Department of Social Services, Office of Child Care Services, by calling 1-800-799-5876 or 303-866-5958.
- If you suspect that child abuse or neglect has occurred at the facility, contact your local department of social services or local law enforcement agency immediately.

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## APPENDIX D – TERMINATION/DENIAL CODES

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The following is a list of termination codes for Low-Income program cases. For the most current list of codes, consult the C30 screen on the CHATS system. The Help screen will show all the codes available at the time.

### Termination Reason Codes

- A1 Income Exceeds Maximum Allowed
- A5 Income Did Not Exceed Cc Cost By 20%
- A7 Income Did Not Exceed Cc Cost By 10%
- B1 Re-determination Not Completed
- B2 Re-det Incomplete - Info Not Provided
- C1 Fail To Report Changes
- C5 Failed To Provide Verification Of Self-Employment
- C6 Self-Employment Avg. Income Did Not Exceed Exp.
- D1 Parent No Longer In An Eligible Activity
- D2 Time In Job Search Has Expired
- D3 Time In Education/Training Has Expired
- D4 Citizenship discontinue code
- E1 Parental Fees Unpaid & No Repayment Plan
- F1 Parent Is Receiving TANF
- F2 NO SS5 RETURNED FOR CWKS TRANSITION
- G1 Child Over Age Limit
- G5 Spec Need Over Age 18 Not Grad By Age 19
- G6 No Affidavit For Unrelated Child
- G7 Failure To Provide Immunization Info
- H7 No Eligible Children In Household
- I1 No Training Verification Provided
- I2 No Documentation For Disabled Parent
- I3 No Earned Income Verification Provided
- I4 No Unearned Income Verification Provided
- I5 No Citizenship Verification Provided
- V1 Withdrawal Requested
- V5 Unable To Contact Parent
- V6 Withdrawal Requested-Can't Find Provider
- O6 Client Moved Out Of County
- O7 No Eligible Child Care Provider
- O8 Other \*

## Denial Reason Codes

- C6 No State Id
- C7 No SS5 Returned For Cwks Transition
- C8 Failure To Cooperate With CSE
- C9 Client Does Not Live In County
- D1 Citizenship Denial Code
- D2 Your Case Closed For Provider Denial
- R1 Income Exceeds Max For Household Size.
- R2 Child Is Not A Us Citizen/Legal Alien
- R3 Verification Of Impairment Not Provided
- R4 Parent Not In An Eligible Activity
- R5 No Eligible Children
- R6 Child Is Overage
- R7 Affidavit Not Provided For Unrelated Kid
- R8 Household Is Already Receiving TANF
- S1 County "Freeze"
- S2 Non-Payment Of The Parental Fee
- S3 Non-Payment Of Low-Income Parental Fee
- V1 Income Verification Not Provided
- V2 Activity Verification Not Provided
- Z1 No State Id
- 01 Parent Active On Case #:
- 02 Member Is Active On Case #:
- 08 Other \*
- 09 Withdrawal

*\*This code should only be used when all other codes do not apply. The notice must be clear and complete, referencing the regulation number.*

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