



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Child Development and Early
Education

ROY COOPER • Governor
KODY H. KINSLEY • Secretary
ARIEL FORD • Director

SUBSIDIZED CHILD CARE ASSISTANCE ADMINISTRATIVE LETTER #01-23

TO: Directors of County Departments of Social Services
Directors of Other Local Purchasing Agencies

SUBJECT: Changes to Subsidized Child Care Assistance (SCCA) Program Policy

ATTENTION: Child Care Coordinators
Other DSS Personnel who work with the SCCA Program

ISSUE DATE: April 19, 2023

EFFECTIVE DATE: May 1, 2023

The purpose of this Administrative Letter is to communicate SCCA policy regarding:

- (1) Initial Application Submission
- (2) Recertification Application Submission
- (3) Base Periods
- (4) Calculation of Income

Initial Application Submission

1. General Information

Policy in the SCCA Manual, Chapter 4 Section III. C., states “The local agency has 30 calendar days from the date the application is signed to determine eligibility. Eligibility determination is valid for twelve months for child care services provided the client remains eligible. The twelve-month period of eligibility begins on the date the application was signed if eligibility is established no more than 30 calendar days from that date.”

2. Policy

The local agency has 30 calendar days from the date the signed application is received in the agency to complete eligibility determination and process the application in NC FAST. The 12-month period of eligibility begins on the date the application was received in agency.

3. Procedure

When an application is submitted by mail, the date the agency receives the application will be the first day of the certification period and the date entered in NC FAST as the application date regardless of when the application was signed and dated.

When an application is submitted by email and the documents are legible, the application shall be accepted. The date the agency receives the application by email will be the first day of the certification period and the date entered in NC FAST as the application date regardless of when the application was signed and dated.

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION

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When an application is submitted by fax and the documents are legible, the application shall be accepted. The date the child care worker receives the application by fax or the date stamp on the faxed application will be the first day of the certification period and the date entered in NC FAST as the application date regardless of when the application was signed and dated.

If a faxed or emailed application is not legible, the county worker must contact the applicant and request that the application be resubmitted in a legible format. The date the application is resubmitted and legible will be the first day of the certification period and the date entered in NC FAST as the application date regardless of when the application was signed and dated. If a faxed or emailed application is not accepted via fax or email, the county worker must document the reason for declining the application and notify the applicant.

When an application is completed and signed during a face-to-face appointment, the date of the face-to-face appointment will be the first day of the certification period and the date entered in NC FAST as the application date.

In all situations, apart from face-to-face applications, applications shall not be keyed in NC FAST until a signed paper application is received in the agency.

Please see attached **Application, Recertification & Base Periods Guide** for reference.

Recertification Application Submission

1. General Information

Policy in the SCCA Manual, Chapter 11, Section V states “In order for an individual to continue to receive child care services, eligibility must be redetermined annually.” The policy and procedures below provide clarity to existing policies regarding recertification submission and certification period dates.

2. Policy

NC FAST begins the recertification process approximately 45 calendar days, on the 15th of each month, before the end of an active child care case certification period. An automatically generated recertification packet is mailed to the recipient through DHHS Central Print. The recertification application packet contains an instruction letter informing the recipient that a recertification on their case is due, the Child Care Recertification form, and the Rights and Responsibilities (NCF-20106) document.

When a recertification application is submitted **more than 30 calendar days** prior to the end of the recipient’s certification end date, the child care worker has until the end of the certification period to complete the recertification.

For example:

- Signed recertification application received on 5-24-2019.
- Certification end date is 6-30-2019.
- Recertification application must be processed by 6-30-2019.

When a recertification application is submitted **less than 30 calendar days** prior to the end of the recipient’s certification end date, the child care worker has 30 calendar days from the date the recertification application is received in the agency to complete the recertification.

If the 30th calendar day falls on a weekend day or holiday, the recertification application must be **submitted** by the recipient and the child care worker must **start the recertification process** in NC FAST no later than the last business day before the weekend day or holiday.

For example:

- Signed recertification application received on Friday, 4-9-2021.
- Certification end date is 4-30-2021.
- The 30th day is Sunday, 5-9-2021.
- Recertification application must be processed by Friday, 5-7-2021.

3. Procedure

When a recertification application is submitted more than 30 calendar days prior to the end of the recipient's certification end date, the child care worker has until the end of the certification period to complete the recertification in NC FAST.

When a recertification application is submitted less than 30 calendar days prior to the end of the recipient's certification end date, the child care worker has 30 calendar days from the date the recertification application was received in the agency to complete the recertification in NC FAST.

When a recertification application is submitted by mail, the recertification application must be received in the agency on or before the last day of the recipient's certification period in order to be considered timely. The date the agency receives the recertification application is the date entered in NC FAST regardless of when the application was signed and dated.

When a recertification application is submitted by fax or email and the documents are legible, the recertification application shall be accepted. The date the agency receives the recertification application by fax or email is the date entered in NC FAST regardless of when the application was signed and dated.

If a faxed or emailed recertification application is not legible, the child care worker must contact the applicant and request that the recertification application be resubmitted in a legible format. The legible recertification application must be resubmitted prior to the end of the certification period. The legible recertification application shall not be accepted or processed if submitted after the certification period end date. The date the legible recertification application is resubmitted will be the date entered in NC FAST as the recertification application received date regardless of when it was signed and dated. If a faxed or emailed recertification application is not accepted, the child care worker must document the reason for declining the recertification application and notify the applicant.

When a recertification application is completed and signed during a face-to-face appointment, the date of the face-to-face appointment is the date entered in NC FAST.

In all situations, recertification applications must be received in the agency on or before the last day of the recipient's certification period in order to be processed as a recertification.

Please see attached **Application, Recertification & Base Periods Guide** for reference.

Base Periods

1. General Information

Policy in Section 4070.2 of the Integrated Eligibility Manual (IEM) states that “Base periods are the periods of time that are the basis for determining income eligibility. The base period establishes a set period of time for workers to create a “snapshot” of a budget unit’s income and for which income must be verified. The base period should be an accurate representation of the income the household is expected to have available during the certification period.”

2. Policy

The base period for initial applications is the month prior to the month the initial application is received in the agency.

The base period for recertification applications is the month prior to when the recertification application is received in agency. See examples below.

Example	Cert. Period End Date	Date Received	Base Period	Documentation
#1 Initial Application	N/A	02/15/2021	January 2021	All income from January 2021
#2 Initial Application	N/A	01/29/2021	December 2020	All income from December 2020
#3 Recertification Application	02/28/2021	01/20/2021	December 2020	All income from December 2020
#4 Recertification Application	02/28/2021	02/15/2021	January 2021	All income from January 2021

Representative Income is income from the base period that is reflective of the recipient’s future income and must be used to calculate the amount that is reasonably expected to be available to the recipient’s household during the certification period.

Non-representative income is income from the base period that is received irregularly, has changed, or terminated, and cannot be reasonably expected to be available to the recipient’s household during the certification period.

3. Procedure

The following are static base periods used for representative income:

One Month

The base period for most income is the month prior to the month of application or redetermination if representative.

Three Months

The base period for child support, spousal support, and alimony is the three months prior to the month of application or redetermination if representative. Calculate by adding the income from the three months together and divide by 3 to obtain a monthly average. Child support income should not be deemed from the Food and Nutrition program as their conversion policies are based on frequency of payment and this is not SCCA policy.

Twelve Months

If the income is received annually or from self-employment, the base period is 12 months.

Note: Refer to Administrative Letter #01-16 regarding Gainful Employment for newly self-employed recipients.

When the child care worker is assessing a family for application or recertification, the above base periods must be discussed. Documentation requested from the recipient shall be based on the above base periods. For the majority of representative income, a 1-month base period is used. When child support is received a 3-month base period is used.

Please see attached **Application, Recertification & Base Periods Guide** for reference.

Calculation of Income

1. General Information

The computation of gross monthly income is made based on an assessment of the family's income that is available during the appropriate based period. It includes asking questions to ascertain the client's situation, considering all sources of income, determining what income is counted for the eligibility for child care services, verifying all sources of countable income, and making accurate calculations.

2. Policy

New income is **income** that was not previously available to the household but is now or will be available to the household during the certification period. New income can include the following but is not limited to:

1. New employment
2. Increase / Decrease in rate of pay
3. New position with same employer
4. Increase/ Decrease in work hours

During redetermination, to align with the recertification packet, the recipient may provide their last 4 pay stubs as stated on the recertification packet. The child care worker shall accept the last 4 pay stubs regardless of where the pay stubs fall in the appropriate base period. The child worker shall thoroughly document in NC FAST the reason the last 4 paystubs are being used (i.e., Used check stubs provided by family based on language in the recertification packet). If this occurs and proper documentation is added to NC FAST as to why the check stubs were used outside of the appropriate base period, this will not result in a finding when counties are monitored by the Division.

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If reported income is not representative, the child care worker must determine which budgeting method is the most representative estimate of the budget unit's income over the certification period. **The child care worker must provide detailed documentation of what was used for representative income and why it was used.**

If new income provided is representative, use the appropriate base period income to average gross income.

If new income is not representative due to the household not receiving a full month's income, it may be necessary to project income for future months. Project income by using the best available information about the number of hours, rate of pay, and frequency of pay expected to be received over the certification period.

3. Procedure

The following steps must be used for determining representative income when non-representative income is in the base period:

1. Explore alternative budgeting methods for averaging income. The child care worker may consider one of the following or other alternative budgeting methods:
 - a. an average income of the three months prior to application,
 - b. an average of six months prior to application, or
 - c. an average that includes three months prior to the application and three months of anticipated future income.
2. Project using the best available information about the number of hours, rate of pay, and frequency of pay expected to be received over the certification period. **The child care worker must provide detailed documentation of what budgeting method was used and why it was used.**

If you have questions about the information in this letter, or other Subsidized Child Care Assistance Program questions, please contact dcdee.subsidy.policy.help@dhhs.nc.gov to reach technical assistance and policy consultation.

Sincerely,



Ariel S. Ford

AE/LD