



North Carolina Department of Health and Human Services
DIVISION OF CHILD DEVELOPMENT

319 Chapanoke Road • 2201 Mail Service Center • Raleigh, NC 27699-2201
Tel: (919) 662-4499 • Fax: (919) 662-4570 • Courier Number: 56-20-17
Michael F. Easley, Governor • Carmen Hooker Odom, Secretary • Cynthia L. Bennett, Director

SUBSIDIZED CHILD CARE SERVICES MANUAL – CHANGE NOTICE 3-07

TO: County Departments of Social Services
Other Local Purchasing Agencies

FROM: Cynthia L. Bennett

SUBJECT: Revisions to the Subsidized Child Care Services Manual

ISSUE DATE: August 6, 2007

The purpose of this change notice is to communicate changes that have been made to the Subsidized Child Care Services Manual. A summary of the changes are indicated below. These changes are effective September 1, 2007 and are identified in the manual by a line in the left margin.

Chapter 3 – Roles and Responsibilities

Changes in this chapter reflect the current roles and responsibilities of various agencies that have fiscal and programmatic management of the Subsidized Child Care Program (SCC). All references to state-level contractors were removed as the contracts no longer exist. Revisions also include updates for the role that each Section or Unit within the Division has in implementing or managing the SCC Program.

Chapter 4 – Application, Eligibility Determination and Documentation

This chapter was revised to indicate that when a child is removed from his home through the Multiple Response System (MRS) and placed in another county, the county which implemented MRS is responsible for paying for child care.

Chapter 5 – Establishing Need and a Plan of Care

A revision was made in this chapter to limit the termination of services to a maximum of 90 days for repeatedly changing jobs during a 12 month period. In addition, the Child Care to Support Education/Training Leading to Employment section was reorganized to initially address services to those not limited to two (2) years prior to addressing other educational activities that are limited.

Chapter 6 – Serving Children With Special Needs

This chapter was revised to reflect the changes in the service definition for children with special needs as defined by the Early Intervention Branch in the Women's and Children's Health Section of the Division of Public Health and the Exceptional Children Division of the Department of Public Instruction (DPI). Changes also include the Children's Developmental Service Agency as the agency responsible for conducting the eligibility assessments for the North Carolina Early Intervention Infant-Toddler Program.



1998 WINNER
INNOVATIONS IN AMERICAN GOVERNMENT AWARD

Chapter 7: Family Definition and Determining Income Eligibility

A revision was made to this chapter to include clarification regarding the definition of financial responsibility. Information about anticipated income was moved to the section that addresses verifying income to clarify the agency's responsibility regarding verification.

Chapter 8 – Parental Fees

A revision was made in this chapter to indicate that a parental fee may be reduced when the parent's income decreases by less than \$100.

Chapter 10 – Waiting List Policies

In this chapter, a revision was made to clarify that Smart Start or other funds may be used to pay for services to avoid terminations.

Chapter 11 – Responding to Eligibility Changes and Redetermination

This chapter was revised to include the requirement for verbal contact with the provider on the first day of the five (5) workday notice period.

Chapter 12 – Licensing Requirements for Child Care Centers

This chapter was revised to reflect changes in the star rated licensing system from a three component to two. In addition, the examples of child care arrangements that are exempt from licensing requirements were revised.

Chapter 13 – Licensing Requirements for Family Child Care Homes

This chapter was revised to reflect changes in the star rated licensing system from a three component to two. In addition, the additional examples of child care arrangements that are exempt from licensing requirements were revised.

Chapter 16 – Approval and Enrollment Procedures for Licensed Facilities

A revision was made to this chapter to clarify that rates are not submitted to the Division with the Application for Enrollment form. In addition, all references to the DPI certified centers were removed as all these centers must now be licensed in order to receive subsidy funding.

Chapter 17 – Approval Process for Nonlicensed Homes and In-Home Care

This chapter was revised to reflect the requirement for any home provider applying for subsidy and moving from one county to another to complete a criminal records checks (CRC) if twelve months has elapsed since the last CRC.

Chapter 18 – Child Care Transportation

Changes in this chapter were made to reflect the current requirements regarding child safety restraints.

Chapter 19 – The Child Care Provider Agreement

Revisions were made in this chapter to clarify that each facility enrolled in the SCC Program must have a signed Provider Agreement on file at each location and in the provider's file at the LPA. In addition, changes were made to reflect that annual enrollment is defined as once per calendar year.

Chapter 20 – Payment Policies

This chapter was revised to clarify the number of days the LPA can pay for care when the provider will no longer care for the child. Clarification was provided regarding payment for child care for pre-school children who receive care outside their regular school hours. In addition, a new sample form was created for the LPA to use indicating understanding and receipt of the local policies by the provider.

Chapter 21 – Payment Rates

A revision was made to require certified developmental day center providers to complete the cost study in order to continue to receive subsidy payments. The question and answer document related to the More at Four Pre-Kindergarten Program was also revised.

Chapter 22 – Local Policy Options

This chapter was revised to remove the local policy option allowing the LPA to establish policies different from those in the Subsidized Child Care Services Manual.

Chapter 23 – Fraudulent Misrepresentation and Overpayments

A revision was made to this chapter to clarify when corrections are made in the Subsidized Child Care Reimbursement System (SCCRS).

Appendix A – Subsidized Child Care Forms

Forms in the appendix were revised to reflect organization and name changes, inclusion of SCC Category and Funds Source Codes and removal of references to DPI centers.

Appendix C – Special Needs Reference Materials

A revision was made to update program guidelines and fund sources for children with special needs.

Appendix F – Subsidized Child Care System Reimbursement Codes

New fund source codes, 55, 72 and 73 have been added to track local funds that counties have accessed to provide subsidy services for children. Two new category codes were added to identify active duty military families receiving subsidy services. Category code 070 is used when both parents are employed and the family's total income before exclusions exceeds 75% state median income. Category code 071 is used with most need codes and fund sources.

Change Notice #3-07
Page 4 of 7
August 6, 2007

Instructions for Maintenance of Subsidized Child Care Services Manual

Remove

Pages i-vii of **Table of Contents**
Dated February 2005

Pages 1-10 of **Chapter 3**
Dated October 2002

Attachments 1-4 of **Chapter 3**
Dated February 2005

Pages 1-9 of **Chapter 4**
Dated October 2002

Pages 5-15 of **Chapter 5**
Dated October 2002

Pages 1-3 of **Chapter 6**
Dated October 2002

Pages 1-16 of **Chapter 7**
Dated October 2002

Pages 11-12 of **Chapter 8**
Dated October 2002

Pages 5-6 of **Chapter 10**
Dated October 2002

Page 7 of **Chapter 11**
Dated October 2002

Pages 1-5 of **Chapter 12**
Dated October 2002

Pages 1-5 of **Chapter 13**
Dated October 2002

Pages 1-12 of **Chapter 16**
Dated October 2002

Insert

Pages i-vi of revised **Table of Contents**
Dated September 2007

Pages 1-10 of revised **Chapter 3**
Dated September 2007

Attachments 1 and 2 of revised **Chapter 3**
Dated September 2007

Pages 1-9 of revised **Chapter 4** and
Attachment 3 Dated September 2007

Pages 5-15 of revised **Chapter 5**
Dated September 2007

Pages 1-3 of revised **Chapter 6**
Dated September 2007

Pages 1-16 of revised **Chapter 7**
Dated September 2007

Pages 11-12 of revised **Chapter 8**
Dated September 2007

Pages 5-6 of revised **Chapter 10**
Dated September 2007

Page 7 of revised **Chapter 11**
Dated September 2007

Pages 1-4 of revised **Chapter 12**
Dated September 2007

Pages 1-3 of revised **Chapter 13**
Dated September 2007

Pages 1-11 of revised **Chapter 16**
Dated September 2007

Change Notice #3-07
Page 5 of 7
August 6, 2007

Remove

Pages 3-10 of **Chapter 17**
Dated October 2002

Pages 1-6 of **Chapter 18**
Dated October 2002

Pages 1-4 of **Chapter 19**
Dated October 2002

Pages 5-21 of **Chapter 20**
Dated October 2002

Pages 7-8 of **Chapter 21** and
Attachment 1 Dated March 2003

Pages 3-4 of **Chapter 22**
Dated October 2002

Pages 5-6 of **Chapter 23**
Dated October 2002

DCD Form 0038
Dated January 2000

DCD Form 0039
Dated January 2000

DCD Form 0093
Dated October 2001

DCD Form 0094
Dated January 2000

DCD Form 0377
Dated February 2000

DCD Form 0404
Dated October 2001

DCD Form 0446
Dated January 2004

Insert

Pages 3-10 of revised **Chapter 17**
Dated September 2007

Pages 1-6 of revised **Chapter 18**
Dated September 2007

Pages 1-4 of revised **Chapter 19**
Dated September 2007

Pages 5-21 of revised **Chapter 20** and
Attachment 8 Dated September 2007

Pages 7-8 of revised **Chapter 21** and
Attachment 1 Dated September 2007

Page 3 of revised **Chapter 22**
Dated September 2007

Pages 5-6 of revised **Chapter 23**
Dated September 2007

DCD Form 0038
Dated September 2007

DCD Form 0039
Dated September 2007

DCD Form 0093
Dated September 2007

DCD Form 0094
Dated September 2007

DCD Form 0377
Dated September 2007

DCD Form 0404
Dated September 2007

DCD Form 0446
Dated September 2007

Change Notice #3-07
Page 6 of 7
August 6, 2007

Remove

DCD Form 0446-2
Dated October 2002

DCD Form 0450
Dated January 2004

DCD Form 0450-2
Dated October 2002

DCD Form 0451
Dated February 2005

DCD Form 0454A
Dated December 2004

DCD Form 0454B
Dated January 2005

DCD Form 0458
Dated April 2005

Pages 1-2 of **Appendix A**
Dated February 2005

Pages 5-14 of **Appendix C**
Dated January 2001

Appendix F
Dated October 2002

Pen and Ink Changes

Chapter 11: Responding to Eligibility Changes and Redetermination

Page 4, Section V. B. line 2 – When an annual redetermination of eligibility occurs, the recipient must sign (**remove “the” and insert “a new”**) Application For Child Care Services (DCD-0456).

Chapter 23: Fraudulent Misrepresentation And Overpayments

Page 15, Section III. B. first line – North Carolina Administrative Code (**delete “10 NCAC 46D .0114” and insert “10A NCAC 10 .0309”**) requires the correction of errors for child care subsidy funds that were not spent in accordance with state or federal regulations.

Insert

DCD Form 0446-2
Dated September 2007

DCD Form 0450
Dated September 2007

DCD Form 0450-2
Dated September 2007

DCD Form 0451
Dated September 2007

DCD Form 0454A
Dated September 2007

DCD Form 0454B
Dated September 2007

DCD Form 0458
Dated September 2007

Pages 1-2 of revised **Appendix A**
Dated September 2007

Pages 5-15 of revised **Appendix C**
Dated September 2007

Appendix F
Dated September 2007

Change Notice #3-07
Page 7 of 7
August 6, 2007

Pen and Ink Changes

Appendix A: Subsidized Child Care Forms

Page 3, Typical Order of Usage of Forms Section – DCD-0377 Copy of Child's (delete "Identifying" and insert "Health") and Emergency Information for Family Child Care Homes.

Appendix C: Special Needs Reference Material

Renumber pages 15-24 to become pages 16-25.

Note

A copy of this **Change Notice** should be retained in your manual in **Appendix E**.

Your agency must maintain at least one copy of the previous manual material for reference during single audits, state monitoring visits and fraud investigations. Please share this information with all staff. We recommend that staff review the changes to become familiar with the new information.

Only a limited number of copies of this Change Notice will be printed. If your agency needs additional copies and cannot make them at the local level, please contact **Celeste Pleasant** in the Subsidy Services Section at 919-662-4561. The manual can be assessed on-line at <http://info.dhhs.state.nc.us/olm/manuals/dcd/ccs/man/index.htm>. Questions regarding the manual materials should be directed to your Subsidy Services Consultant.

Enclosures

CLB/SY