



North Carolina Department of Health and Human Services

**DIVISION OF CHILD DEVELOPMENT**

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Deborah J. Cassidy, Director

**SUBSIDIZED CHILD CARE SERVICES MANUAL – CHANGE NOTICE #4-09**

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

**FROM:** Deborah J. Cassidy 

**SUBJECT:** Revisions to the Subsidized Child Care Services Manual

**ISSUE DATE:** September 15, 2009

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 22, 2009 and are identified by a line in the left margin of the documents.

**Chapter 2: Funding for Subsidized Child Care Services**

A revision was made in this chapter to reflect an increase from 4% to 5% in the maximum amount of services support funding available to counties. This change was approved by the 2009 General Assembly.

**Appendix A – Subsidized Child Care Forms**

The Child Care Voucher Continuation Page (DCD-0446-2) was changed to add the parent's language preference and the child's ethnicity. It is necessary to collect this data in order to meet federal reporting requirements. Child care staff should reference the Instructions for the Child Care Voucher (DCD-0446) dated July 2009 to provide the applicable codes for language preference and ethnicity. Revisions to the Continuation Page were also made to clarify parental access and the appeals and hearing process.

**Instructions for Maintenance of Subsidized Child Care Services Manual**

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

**Remove**  
Pages 7-8, Chapter 2

DCD Form 0446-2  
Dated September 2007

**Insert**  
Pages 7-8, Chapter 2

DCD Form 0446-2  
Dated September 2009

Change Notice #4-09  
Page 2 of 2  
September 15, 2009

### **Pen and Ink Change**

#### **Appendix A Subsidized Child Care Forms**

Form number DCD-0446-2, Copy of Child Care Voucher Continuation Page (**remove the date 9/07 and insert 9/09**).

The Change Notice, revised policy and interactive form will be available September 22, 2009 on the Home Page of the Division's web site at [www.ncchildcare.net](http://www.ncchildcare.net) under the *What's New* tab. Child care staff in your agency should print and retain a copy of the revised chapter and form in their Subsidized Child Care Services Manual. In addition, they should maintain a copy of the Change Notice in Appendix E of the manual. The manual can be accessed on-line at <http://info.dhhs.state.nc.us/olm/manuals/dcd/ccs/man/index.htm>.

The Division has an adequate supply of the Child Care Voucher Continuation Page (DCD-0446-2) dated September 2007 and will not print the revised form until the supply is depleted. If child care staff continue to use the September 2007 form, the parent's language preference (Lang Pref) must be inserted at the top of each continuation page. In addition, the ethnicity for each child listed on the form must be inserted in the child's information box after the completion of the race data. Local purchasing agencies will remain compliant with subsidy policy if the instructions for insertion of the language preference and ethnicity are followed for the Continuation Page dated September 2007. However, child care staff may choose to use and print the interactive Voucher Continuation Page dated September 2009 from the Division's web site. Questions regarding the manual materials should be directed to your Subsidy Services Consultant.

Enclosures

DJC/SY

Expenditures for July Services: \$71,208.15

Year-to-date expenditures: \$141,536.41 divided by two (2) months = \$70,768.21 x 12 = \$849,218.52 divided by \$773,841.00 = 1.0974 or 110% *spending coefficient through July*.

**NOTE:** During the summer months, the spending coefficient may be above 100% due to the increase in the hours of care from part-time to full-time for school-age children. When the school year resumes in the fall the spending coefficient should decrease.

It is important that local purchasing agencies spend subsidized child care funds in accordance with state or federal regulations. Improper payments are not eligible for reimbursement with state and federal funds and may require corrections in the Subsidized Child Care Reimbursement System. Any agency administering the Subsidized Child Care (SCC) Program must provide records of administration of the SCC Program upon request for review by staff of local, state, or federal agencies.

### VIII. SERVICES SUPPORT FUNDING

A portion of a county's initial allocation is designated for services support. In addition, DCD may designate a portion of any **new** funds that become available for allocation from Child Care and Development Funds (CCDF) or State funds during the state fiscal year for services support. The maximum amount available for services support is 5% of the county's allocation or \$80,000, whichever amount is greater. If a county is reallocated funds during a fiscal year, a portion of the reallocated amount may not be designated for services support.

The use of a portion of the allocation for services support is an option a county may choose to exercise. Counties may choose to use their total allocation solely for the purchase of services, or a lesser amount may be used for services support with the remainder designated for the purchase of services. If a county chooses to reduce the amount of their services support, the DSS director must submit a written request to the Subsidy Services Section designating the amount to be used for the purchase of services. A revised funding authorization will be issued indicating the decrease in services support and the increase in funds to purchase services. The services support expenditures for June are paid for and reimbursed in July; therefore, each county's allocation covers services support provided during the service months of June through May. The DSS – 1571 system is used by the counties to report and claim reimbursement. However, if a local partnership allocates services support funds to an agency other than the local DSS, these funds are allocated through a contract and cover services support provided during the service months of July through June. These expenditures are reported and reimbursed using the Financial Status Report (FSR) form.

The services support funding does not have restrictions on use other than the funding may be used to support staff working only with the child care program, for purposes such as salaries, employee benefits, travel, training, computers, computer software, communication

and supplies. The DSS – 1571 is utilized to report costs that are incurred and paid during a month. Administrative (services support) costs must be reported based on the current system the county uses, that is, either direct charged or cost allocated. Other purchases, such as computers, computer software, and installation may be direct charged if the equipment is to be used by staff working solely with the child care program. Written requests must be submitted by the DSS director and approved by DCD and the DHHS Controller. Instructions and procedures concerning the DSS – 1571 and the request to direct charge equipment are found in the DSS Fiscal Manual. The website address for the DSS Fiscal Manual is <http://info.dhhs.state.nc.us/olm/manuals/ooc/fsc/man/index.htm>.

Child's Name: Date of Birth: Gender:  male  female
Parent must pay the following fee beginning: Race:  I  A  B  P  W Ethnicity:  N  U  C  H  M  P

Table with columns: Type of Care, Monthly Parent Fee, Daily Parent Fee, EIS ID No., DCS ID No., Cat. Code, Need Code, Child eligible for.

Transportation Payments: begin on and end on

Days/Hours Child Care is Needed: M T W Th F S S From a.m./p.m. Until a.m./p.m.

Dates School Age Care is Needed: From: Until: Before/After School/Summer
1) Enter dates: month/day/year From: Until: Before/After School/Summer
2) Circle type of care needed. From: Until: Before/After School/Summer

Child's Name: Date of Birth: Gender:  male  female
Parent must pay the following fee beginning: Race:  I  A  B  P  W Ethnicity:  N  U  C  H  M  P

Table with columns: Type of Care, Monthly Parent Fee, Daily Parent Fee, EIS ID No., DCS ID No., Cat. Code, Need Code, Child eligible for.

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Dates School Age Care is Needed: From: Until: Before/After School/Summer
1) Enter dates: month/day/year From: Until: Before/After School/Summer
2) Circle type of care needed. From: Until: Before/After School/Summer

## **TO PARENT OR RESPONSIBLE ADULT (RA):**

This information serves to notify you of action taken regarding the child care assistance being provided for the child listed on the front of the **Child Care Voucher** and the child(ren) listed on the **continuation page** of the **Child Care Voucher**. You are responsible for paying the child care provider any parent fees set by the local purchasing agency. Also, you must notify your child care provider any time that your child/ren is going to be absent from the child care facility. Please keep this form in your files.

### **RELEASE OF INFORMATION**

The information on this form is necessary to provide eligibility and payment information for child care services. Your signature on the reverse side gives your consent for information on this form and any future changes which affect your child care plan or the payment for your child care assistance to be given to the child care provider which you select. A copy of this form is given to the child care provider. The child care provider has signed an agreement to keep all information confidential.

### **HOW TO GET A FAIR HEARING**

You are reminded that you have a right to request and obtain a fair hearing if you disagree with the decisions about your child care assistance as stated on this form. The hearing will establish whether this action was correct and will give you benefits if it was wrong. If you wish to request a fair hearing, you must contact the child care supervisor/coordinator of the local purchasing agency within **sixty (60) calendar days** after the effective date of the action taken. The effective date is stated on the Child Care Action Notice (DCD-0450). You may ask for the hearing either orally or in writing.

A hearing will be scheduled for you with an official of your local purchasing agency. The hearing will be held within five (5) calendar days of your request unless you postpone it for good reasons. If you have good cause, the hearing may be delayed up to ten (10) additional calendar days. If you are dissatisfied with the decision made at that hearing, you may have a second hearing with an impartial official from the **NC Department of Health and Human Services**. You must contact the child care supervisor/coordinator within fifteen (15) calendar days of the receipt of the decision from the local hearing to request a second hearing. If the results of your state hearing are not satisfactory, then you or your attorney may submit a petition for judicial review in superior court of the county from which the case originated. The decision made by the superior court is final.

### **YOUR RIGHT TO BE REPRESENTED**

At either of these hearings, you may have someone such as a relative or friend represent you. You may have an attorney represent you, however, you must pay for your attorney's legal services unless free legal services are available in your community. If you are interested in free legal services, contact your child care worker or call **Careline Information and Referral Service at 1-800-662-7030**.

### **CHILD CARE ASSISTANCE MAY CONTINUE**

If your child care payments were stopped or changed for any reason other than lack of public child care funds, *you may* keep receiving child care until the local hearing decision is made, provided you ask for a fair hearing on or before the effective date of the action indicated on the Child Care Action Notice (DCD-0450). However, if your hearing shows that the action stated the Action Notice is correct, then you will have to repay the cost of the child care received while you waited for the hearing. If you do not want to continue to receive services as before, you may ask your child care worker to change or stop the services.

### **MUST REPORT CHANGES WITHIN 5 WORKDAYS!**

Changes in your situation may affect the amount of benefits you receive. You must report all changes to your child care worker of the local purchasing agency within five (5) workdays. According to North Carolina state law, anyone who obtains or attempts to obtain assistance for himself or someone else by intentionally saying something that is untrue, or intentionally misrepresenting something as true, or intentionally not giving all necessary information may be guilty of a misdemeanor or felony and a sanction may be imposed by the local purchasing agency. You may also have to repay all child care assistance after the changes occurred if you did not report the change to your child care worker on time. Be careful! If you do not know whether a change is important, ask your child care worker.

### **YOUR RIGHT TO SEE YOUR RECORD**

If you ask, your child care worker will show you (and the person speaking for you) your child care record before your hearing. You may also see any other information to be used at the hearings, if you ask. You can get free copies of this information. You may see this information again at your hearings.

### **DO YOU UNDERSTAND YOUR RIGHTS AND YOUR RESPONSIBILITIES?**

Do you understand how to get a hearing? If you have any questions or want more information, please contact your child care worker as soon as possible.

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Agency Use Only: CHILD CARE SYSTEM CATEGORY CODES:							
SCC	SCC-WORK FIRST			FUND SOURCE			
009 With regard to income	005 Work First Family Assistance without countable income	15 Smart Start	72 TANF Federal				
019 Without regard to income	006 Work First Family Assistance with countable income	20 Foster Care	73 TANF (child only- 200% poverty)				
020 Foster Care Recipients	055 Teen Parent - Work First Family Assistance	25 SCC	85 Emergency Care				
054 Teen Parent	017 Non-WF Family Assistance employed with countable income	55 County Funds					
070 Military (income exceeds guidelines)	018 Non-WF Family Assistance non-custodial parent with countable income	71 Work First (MOE)					
071 Military (within income guidelines)							
NEED CODES:		Children without Special Needs					
Child Care	Seek Employment	Employed	CPS	Post-Sec. Educ./Training	Develop. Needs	CWS	HS Educ./GED
Full Time	801	811	821	831	841	851	871
3/4 Time	802	812	822	832	842	852	872
1/2 Time	803	813	823	833	843	853	873
Transportation	809	819	829	839	849	859	879
NEED CODES:		Children with Special Needs					
Child Care	Seek Employment	Employed	CPS	Post-Sec. Educ./Training	Develop. Needs	CWS	HS Educ./GED
Full Time	401	411	421	431	441	451	471
3/4 Time	402	412	422	432	442	452	472
1/2 Time	403	413	423	433	443	453	473
Transportation	409	419	429	439	449	459	479

\*Refer to Subsidized Child Care Reimbursement Manual for explanation of codes.

Blue Copy: Local Purchasing Agency  
DCD-0446-2  
Rev. 09/09