

**Subsidized Child Care Assistance Program Policy Manual**  
**Chapter 3 Attachment 1**  
**DSS/LPA Responsibilities**

**SUBSIDIZED CHILD CARE ASSISTANCE PROGRAM**  
**DSS/LPA RESPONSIBILITIES**

This attachment provides an overview of the responsibilities of the Department of Social Services (DSS) and the Local Purchasing Agency (LPA) staff in managing the Subsidized Child Care Assistance (SCCA) Program.

**A. Service Provision**

1. Determine recipient eligibility for child care assistance. This includes initial eligibility determinations as well as redeterminations as needed when changes are reported which impact eligibility and at the end of the 12-month eligibility period. The eligibility determination process also includes issuing Child Care Vouchers ([DCDEE-0446](#)) to eligible recipients and notifying recipients and providers of changes.
2. Provide information to recipients regarding the types of child care arrangements available in the area as well as information on how to select appropriate care so that recipients can choose a child care setting that best suits the needs of their family.
3. Maintain a waiting list for child care assistance, if needed.

**B. Provider Enrollment and Maintenance**

All providers who wish to participate in the Subsidized Child Care Assistance program are required to enroll through the NC FAST Provider Portal. The purpose of the provider enrollment process is to determine if the provider is meeting all of the requirements to participate in the SCCA program. Providers will use the NC FAST Provider Portal to:

- i. Enroll in the Subsidized Child Care Assistance Program. To complete this, providers must:
  1. Providers must obtain a Business North Carolina Identity Management ID (NCID).

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2. Contact their home county (where the facility is located) and have their NCID linked to their facility.
3. Review and sign the Child Care Provider Agreement once per calendar year
4. Enroll in direct deposit with the State's payment vendor.
5. Accept or reject vouchers electronically.
6. Record attendance.
7. Submit and complete accurate attendance rosters.
8. Maintain private pay rates for services.

ii. Creating an NCID:

Providers must create and maintain a Business NCID. The business NCID will be the secure username and password used to access information specific to their facility, such as vouchers and attendance tracking. To create a Business NCID, go to the North Carolina Identity Management (NCID) website at <https://ncid.nc.gov>. If multiple staff members from the facility use the Provider Portal, each must have a unique Business NCID. Each person who creates a Business NCID must have a valid email address.

In order to finalize access, the Provider must contact the local county DSS/LPA to verify the Provider's identity and have the business NCID linked to the Provider's account. If multiple staff members receive a business NCID it is requested that NCID's for each staff member be provided to the LPA at one time. This process is designed to ensure that all business NCIDs are linked to the appropriate accounts in NC FAST and that a Provider's Business NCID and account is linked correctly.

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- iii. Entering Services and Rates in the NC FAST Provider Portal:

After completing the NCID process, the provider can enter the following information regarding the facility:

1. Services (ages of children served)
2. Shifts offered (first, second, third)
3. Days worked (holidays, inclement weather days, and teacher workdays)
4. Private pay rates
5. Review display of approved subsidy rates and Child Care Provider Agreement

**C. Enroll in Direct Deposit**

Providers are required to have a bank account to enroll with the State's direct deposit vendor. NC FAST will use direct deposit to make payments to Providers for services provided. All payments will be made through direct deposit once per month, while payments from County funds will remain under the discretion of the County.

**D. The Provider Agreement**

Upon enrollment in the Subsidized Child Care Assistance (SCCA) Program, each individual child care program must have a signed Child Care Provider Agreement. The Child Care Provider Agreement is required for initial enrollment and once per calendar year thereafter. The Provider Agreement must be in NC for review by local, state, and federal officials. The Child Care Provider Agreement informs the provider of the requirements for participation in the SCCA Program and the policies for payment. The Child Care Provider Agreement is used to purchase SCCA services from all types of providers.

The provider must read and have knowledge of the terms of the Child Care Provider Agreement. The Child Care Provider

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Agreement is then signed by the owner, or the person responsible for the operation of the facility. The owner can delegate that responsibility to someone else within the facility. The Child Care Provider Agreement must be signed before any payment is issued and must be renewed annually (once per calendar year).

The Child Care Provider Agreement is effective from the date it is signed by the provider, and it remains in effect unless it is terminated by the DSS/LPA, or the provider is no longer eligible to participate in the SCCA Program. The agreement must be renewed annually (once per calendar year). The provider will not be eligible for retroactive payments for providing care if a family had not been approved for SCCA services, a Child Care Voucher authorizing payment must be given to the parent, and the provider who meets the requirements for participation in the SCCA Program. Even though the date of the child's eligibility may be earlier than the date the provider signed the Child Care Provider Agreement, a payment cannot be made - until there is a signed agreement in place.

The Child Care Provider Agreement terminates when the center changes ownership. A new Child Care Provider Agreement must be signed if the new owner wishes to be enrolled in the SCCA Program. For licensed family child care homes, the Child Care Provider Agreement terminates when the approved caregiver changes. A new Child Care Provider Agreement must be signed by the new caregiver. The Child Care Provider Agreement does not terminate when a center or home changes location, or changes facility type (changes from being a family child care home to a center in a home or vice versa); however, a new Approval Notice is issued. DCDEE may terminate the Child Care Provider Agreement if the provider receives a star rating of less than three and if the provider fails to comply with the terms of the provider agreement.

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The provider is given notice of termination except when the center or home has been closed by DCDEE or when the LPA has no more funds for SCCA services. There are certain types of Administrative Actions, which will allow NC FAST/DCDEE to not approve a provider for enrollment or to terminate the Child Care Provider Agreement. Included in these are the following:

- i. When the license has been summarily suspended and the facility is closed by the DCDEE;
- ii. When the license has been revoked or denied;
- iii. When the provider has received a Notice to Cease Operations; or
- iv. If there are other situations where an LPA has concerns about repeated instances of noncompliance, they should contact DCDEE's Subsidy Services Section, to determine if the LPA can be authorized to discontinue payment. Examples of noncompliance could be violations of record keeping or payment policies. The termination of subsidy payment remains in effect even if the provider appeals any action or situation listed above.

**NOTE:** A provider will also be permanently disqualified from participating in the SCCA Program when there is a sanction imposed for fraudulent misrepresentation.

Refer to SCCA rule 10A NCAC 10 .0308 and [Chapter 17: Payment Policies](#) for information regarding terminating the Child Care Provider Agreement.

### **E. The Approval Notice**

The enrollment process is electronic and results in the issuance of an Approval Notice. The Approval Notice serves as notification that the provider is eligible to receive State and Federal subsidy funds for child care. In order to receive an Approval Notice, the program must meet the applicable licensing requirements for the age groups of children in care.

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The Approval Notice is generated in NC FAST by the Division of Child Development and Early Education (DCDEE) and can be viewed in NC FAST. The information on the Approval Notice includes the provider's private paying rate, the market rate, and the approved subsidy rate in addition to the same information that is printed on the License or Notice of Compliance.

All providers who choose to care for children receiving SCCA funding must have an Approval Notice in order to receive payment, with the exception of:

- i. Out-of-state providers
- ii. Department of Défense providers
- iii. G.S. 110-106 programs requesting that direct payments be made to parents.

**F. Licensed and Regulated Child Care Providers**

In order to receive subsidy funds, providers operating child care programs such as preschools, before-and after-school programs, summer day camps, and other child care programs which are not required to be regulated according to State law, **must** be licensed and be issued an Approval Notice. Religious-sponsored programs do not have to be licensed to operate and may operate with a Notice of Compliance. A Notice of Compliance must be obtained before religious-sponsored programs can be issued an Approval Notice and receive payment.

The LPA/DSS are available but not expected to assist providers with the enrollment process.

1. The enrollment process includes requiring providers to complete an Application for Enrollment to be a Provider of a Subsidized Child Care) (initially and on an annual basis) and Child Care Provider Agreement. The enrollment process also includes the criminal records check procedures.

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2. Explain the SCCA program to the child care facility owner(s) or designated staff such as the facility director.
3. Provide training for providers on issues such as the purpose of subsidy forms (e.g., the Child Care voucher and Action Notice) attendance reporting policies, record keeping requirements, due dates of reports, collecting parental fees, payment rates and policies, how to review the Provider Reimbursement Summary (if applicable) and signs of child maltreatment.
4. Explain the reimbursement payment summary to providers so they can reconcile their records.
5. Monitor participating providers for compliance with requirements of the SCCA Program. This could involve on-site visits to various child care arrangements, following up on attendance discrepancies and/or over-enrollment and reporting compliance concerns to Regulatory Services Section Licensing Consultants.

**G. Administrative Accountability**

1. Implement payment policies such as acquiring the provider's signature on the Child Care Provider Agreement, ensuring providers enter payment rate information in the NC FAST provider portal and providing copies of their local waiting list policies.
2. Maintain a file containing copies of the Child Care Provider Agreement, Application for Enrollment to be a Provider of Subsidized Child Care (DCD-0451), rate information and a signed copy of local policies for those providers from whom the agency is purchasing care.
3. Maintain an individual provider file containing all current Child Care Vouchers (DCD-0446) and Child Care Action Notices (DCD-0450) that support the payment to the provider.
4. Follow policies regarding payment for services and/or reimbursement from the state.
5. Monitor the allocation of child care funding to ensure that the budget is maintained, and the maximum use of funding is attained. Review monthly expenditure reports of all funding sources. In

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addition, LPA fund manager can monitor spending payment and obligations in NC FAST.

6. Assess and evaluate needs for additional child care funds and services. Determine if additional funding needs to be requested from the county or the Division of Child Development and Early Education (DCDEE).
7. DCDEE suggests for best practice that the local DSS/LPA keep and maintain a list of the types of child care arrangements needed in the community for reference when information is requested about unmet child care needs.
8. Work with other agencies such as resource and referral agencies or the local Smart Start partnership to communicate the need for development of additional spaces, programs, and funds to meet the needs of low-income families. The accomplishment of program development and expansion is dependent upon the availability of time, interest, skills, and resources.
9. Coordinate with any other agencies which have funds for subsidized child care to help ensure that all available subsidy funding is maximized, and quality child care services are available to children and families in the community.
10. Provide a uniform manner to notify recipients and providers of local policies.
11. Utilize forms developed by DCDEE and NC FAST for subsidized child care.
12. Maintain family case files which include required forms and updating the case narrative in NC FAST according to requirements in the policy manual.
13. Review information from the Division of Child Development and Early Education regarding investigations of child maltreatment in child care programs in the county and be available to participate or consult in the investigation, if needed. Establish intra-agency communication with the Child Protective Services Unit regarding investigations.
14. Review local and state policies with recipients and providers on making false statements or failure to disclose facts and obtaining

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subsidy funds for themselves or others that they are not eligible for.

15. Review the sanctions that may be imposed by the Division for fraudulent misrepresentation.
16. Provide information to providers and recipients about their right to a fair hearing and the procedure to appeal decisions of the local purchasing agency or the Division. Refer to the Child Care Vouchers (DCD-0446), Child Care Application (DCDEE-0456), Child Care Action Notices (DCD-0450), and Chapter 24: Appeals and Fair Hearings for more information.
17. Determine if sanctions may be needed for instances in which child care subsidy funds are obtained through fraudulent acts by recipients and providers. Refer to Chapter 19: Fraudulent Misrepresentation and Overpayments.
18. The LPA must maintain a list of providers who have had sanctions imposed or received a Notice of Administrative Action or a sanction has been imposed which prohibits enrolling new children or participating in the SCCA Program.
19. The LPA must maintain a list of recipients who have had sanctions imposed which prohibits receiving subsidy assistance.