

I. CHAPTER OVERVIEW

To enroll in the Subsidized Child Care Program (SCC), each individual child care program must have a signed Child Care Provider Agreement ([DCD-0452](#)). The Child Care Provider Agreement is required for initial enrollment and once per calendar year thereafter. The LPA must maintain a signed copy of the Child Care Provider Agreement for each facility in the agency's provider file for review by local, state, and federal officials. The provider retains the original signed copy of the agreement. The Child Care Provider Agreement informs the provider of the requirements for participation in the SCC Program and the policies for payment. The Child Care Provider Agreement is used to purchase SCC services from all types of providers.

II. REQUIREMENTS

The LPA reviews and explains the terms of the Child Care Provider Agreement with the provider. The Child Care Provider Agreement is then signed by the owner, or the person responsible for the operation of the facility. If the owner delegates that responsibility to someone else, the transfer of authority must be stated in writing and kept in the individual provider file at the LPA. The Child Care Provider Agreement must be signed before any payment is issued and must be **renewed annually** (once per calendar year). After the Child Care Provider Agreement is signed by the provider, the original is given to the provider by the LPA. The provider must maintain current and past copies of the signed Child Care Provider Agreement **until the LPA provides authorization to destroy them.**

III. PROCEDURES

A. Other Required Forms

In addition to the Child Care Provider Agreement, the LPA must have on file with the Provider Agreement, documents that include the provider's private paying rates, information about reporting absences, maintaining and submitting child care attendance records, and any payment policies that the LPA imposes in addition to those required by the Division of Child Development and Early Education (DCDEE). Refer to [Chapter 22: Local Policy Options](#) for information regarding local policies. It is recommended that the LPA share a copy of the Approval Notice with the provider that may be attached to the Provider Agreement or kept on file. The Approval Notice will provide information about the provider's program (such as shifts of care and age range).

The Application For Enrollment to be a Provider of Subsidized Child Care ([DCD-0451](#)) must have either:

1. The rates attached; or
2. The rates listed on the Private Paying Rates and Other Fees ([DCD-0458](#)) form.

If the LPA establishes any payment policies in addition to those described in this chapter or in the Child Care Provider Agreement (DCD-0452) provided by DCDEE, then the policies must be reviewed and approved by the director of the LPA and the local governing board prior to submission to the Subsidy Services Consultant. The Subsidy Services Consultant reviews the documents and follows the approval process set by the Division. The Division issues an approval letter with the final versions of the approved policies or Child Care Provider Agreement to the LPA. The local payment policies must be reviewed with each provider at the time the Child Care Provider Agreement is signed initially and annually thereafter. A signed and dated copy of the local payment policies must be on file in the LPA which includes the signature of an LPA staff person and the provider. The recommended list of items to be addressed is included in [Chapter 22: Local Policy Options](#).

NOTE: The payment policies or revised Child Care Provider Agreement developed by the LPA cannot be implemented until the letter of approval is issued from the Division.

B. Limitations

The LPA cannot refuse to purchase care from a provider based on the location of the facility or on the length of time the facility has been operating. The LPA cannot allot a specific number of child care spaces to an eligible provider or make additional program requirements for any center or home.

NOTE: The local Smart Start partnership may choose to restrict the use of Smart Start funds only to facilities with higher star ratings.

In addition, the LPA cannot refuse to purchase care from a provider who is under investigation for or has been substantiated for child abuse or neglect. The LPA is allowed and encouraged to share general information with parents regarding an investigation or substantiation of child abuse or neglect so that parents may make an informed decision about choosing or continuing to use a child care provider. (See [Chapter 9: Parental Choice and Voucher Procedures](#) for further information.) Refer to [Chapter 20: Payment Policies](#) for instances when payment cannot be made.

C. Amendments

Local payment policies which were signed by the provider and LPA may be amended if *any* of the terms of the local policies change during the agreement period. Each LPA develops its own document with an effective date and signatures of the parties (child care staff or supervisor and provider). The county developed document must be submitted to the [Subsidy Services Consultant](#) for review and approval before implementation.

The LPA may modify the Child Care Provider Agreement if such alterations are required by the LPA. Any modifications to DCDEE issued forms, including the Child Care Provider Agreement, must be submitted to the staff in the Subsidy Services Section at least 30 calendar days prior to the proposed effective date and must have county DSS Board approval. Changes to the Child Care Provider Agreement must be accompanied by the form used for submitting changes that is found in [Chapter 3: Roles and Responsibilities](#).

D. Effective Date

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 LPA or the provider is no longer eligible to participate in the SCC Program. The agreement must be renewed annually (once per calendar year). The provider may be eligible for retroactive payments for providing care if a family had been approved for SCC services, a Child Care Voucher ([DCD-0446](#)) authorizing payment had been given to the parent, and the provider met the requirements for participation in the SCC 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 can be made as long as a signed agreement is in place before the payment is issued.

E. Termination of the Child Care Provider Agreement

In the case of a child care center, 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 SCC Program.

In the case of a licensed family child care home, 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. The Child Care Provider Agreement may need to be amended if the capacity or other conditions listed on the new Approval Notice change as a result of the new location. The changes need to be entered in red ink, dated and initialed by both parties (child care staff or supervisor

and provider) to the Child Care Provider Agreement.

The LPA 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 agreement*. (See [Chapter 20: Payment Policies](#) for information regarding terminating the Child Care Provider Agreement (DCD-0452).) The provider is given a notice of termination *except* when the center or home has been closed by DCDEE or when the LPA has no more funds for SCC services.

There are certain types of Administrative Actions, which will allow the LPA to not approve a provider for enrollment or to terminate the Child Care Provider Agreement. Included in these are the following:

1. When the license has been summarily suspended and the facility is closed by the DCDEE;
2. When the license has been revoked or denied;
3. When the provider has received a Notice to Cease Operations; or
4. 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 could also be permanently disqualified from participating in the SCC Program when there is a sanction imposed for a second incidence of fraudulent misrepresentation.

Refer to [Chapter 15: Noncompliance with Licensing Requirements](#) for a listing of [Administrative Actions](#) available to DCDEE and [Chapter 23: Fraudulent Misrepresentation and Overpayments](#) for information regarding imposing sanctions.