

- A child attends in the morning only and another child attends only in the afternoon (if both children are school-age, care can only be approved for one (1) of the children for holidays, inclement weather, or teacher workdays);
- Two (2) children share the same space, one attends two (2) days a week and another child attends three (3) different days during the same week; or

NOTE: In each of these circumstances the provider may receive payment for more children than approved on the license, but there should never be more children in attendance, at one time, than the number for which the provider is licensed.

If payment is made for any child that exceeds the approved capacity, the provider will be required to pay back the overpayment to the LPA. **The provider has the responsibility when accepting a Child Care Voucher (DCD-0446) to make sure that the program will not exceed the approved capacity.** An administrative action may be brought by DCDEE's Regulatory Services Section against a provider if the provider fails to maintain compliance within their licensed capacity. Refer to [Chapter 15: Noncompliance with Licensing Regulation](#) for more information on Administrative Actions.

Overpayments by the LPA to the provider must be corrected through the SCCRS back to the date of their occurrence. Refer to [Chapter 23: Fraudulent Misrepresentation and Overpayments](#) for more information.

VI. USING MORE THAN ONE SOURCE OF FUNDS TO PAY CHILD CARE COSTS

The provider may receive payment for child care services from two (2) or more sources of funds, for an individual child provided the total payment (including the parent fee) does not exceed the private paying rate which has been reported to the LPA. When a provider receives payment from two (2) or more sources for an individual child, the provider must notify the LPA of the child(ren) who will be receiving multiple sources of assistance and the amount to be paid by the other funding source. It is the responsibility of the LPA to explain this requirement to the provider at the time the Child Care Provider Agreement (DCD-0452) is signed (refer to the [DCD-0452](#) for more information). In addition, the provider should include information about other funding used for a specific child on the monthly attendance sheet.

A. Public Funds

More than one funding source may be used to pay for a child enrolled in a child care program. That part of the program or the hours of care that are paid by other funding sources cannot also be paid with subsidized child care funds. Some examples of these public funds are:

1. Head Start

Federal Head Start funding is expected to pay for all required services during the hours of operation in which Head Start services are provided. Head Start programs usually operate four (4) or five (5) days a week for five (5) or six (6) hours a day. Most programs are funded for nine (9) or ten (10) months per year. However, many Head Start agencies offer child care during the hours before and after the regular Head Start program and during the summer months when Head Start is not in operation. If a Head Start program wants to participate in the Subsidized Child Care Program, those hours of the program that are **not** funded by Head Start can be approved for a child eligible for subsidized child care.

2. Local Education Agency

When a **preschool age** child is enrolled in a certified developmental day facility, the local purchasing agency pays the appropriate rate determined by the net cost study which is indicated on the Approval Notice. The child's approved plan of care determines the portion of the day for which payment will be made.

When a **school-age child** is placed by the local education agency (LEA) in a certified developmental day facility, the LEA pays the center for basic education and related services for the school portion of the day for that child. The LPA cannot use subsidy funds to pay for the hours that school operates.

If the child needs before and/or after-school care and the certified developmental day program offers child care, the LPA may pay a part-time rate for that service (before and/or after-school). In order to pay for before and/or after-school care, the LPA must determine what the school hours are, what hours are for before and/or after-school care, and if private paying parents are charged for that time. Payment would be at 50% or 75%, based on the hours of care needed. The LPA may also pay a full day rate for child care provided to school-age children at a certified developmental day facility on public school holidays, teacher workdays, and during summer vacation, if care is needed. If the parent is required to pay a parental fee, the fee is subtracted from the amount to be paid by the LPA.

See Chapter 21: Payment Rates for information regarding payments to certified developmental day centers.

B. Grants, Loans, and Scholarships

A parent may receive financial aid which is *designated for child care*, e.g., from the state funded child care program through the community college system or other community college funding, based on criteria established by the local community college. The amount of the financial aid will be subtracted from the payment made by the LPA to the provider. The parent must use the financial aid to pay the provider. Communication between the financial aid officer and the child care worker will assure that efforts are not duplicated and the applicant receives the maximum benefit for which she is eligible. Funds received in hand from other grants, loans, or scholarships (e.g., Pell grant) are not designated specifically for child care and the parent cannot be required to use such funds to pay for child care services.

To determine the amount of payment in this situation, the parent's fee is subtracted from the grant first; the remainder is then applied to the amount that the LPA pays. The difference is the amount that the LPA can pay.

C. Employer Benefits

Child care workers should discuss with parents/responsible adults the possibility of receiving employer benefits or discounts for child care. An employer benefit is usually paid to an employee to assist with the cost of child care. When a parent receives a child care benefit from her employer, the benefit is first applied to the parent's fee and then to the amount the LPA pays to the provider. The LPA pays the remaining balance of the payment.

VII. SUSPENSION OF SUBSIDIZED CHILD CARE PAYMENTS**A. Reasons for Suspension or Termination**

Subsidized child care payments are subject to termination for failure by the provider to meet licensing requirements that jeopardize the health and safety of children. LPAs may not make subsidized child care payments to a provider or issue new Child Care Vouchers ([DCD-0446](#)) in the following situations.

1. When the license has been summarily suspended and the facility is closed by DCDEE.
2. When the license has been revoked or denied.
3. When the provider has received a Notice to Cease Operations (applies to a religious-sponsored facility operating under G. S. 110-106).
4. If there are other situations where an LPA has concerns about repeated instances of noncompliance they should contact the Subsidy Services