



Division of Child Care



CCAP

Operations Manual



KentuckyUnbridledSpirit.com
COMMONWEALTH OF KENTUCKY
Cabinet for Health and Family Services

Department for Community Based Services
Division of Child Care

OPERATION MANUAL
Volume I

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 DCC-90F Notice of Appointment/Request for Information
 DCC-90G Irregular Work Form
 DCC-90H Transfer of Case Record or Material
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- DCC-300 Kentucky Child Care Maximum Payment Rates Chart
- AOC-RU-004 Administrative Office of the Courts Criminal Records Check
- AOC-RU-007 Youth Leader Request form
- DCBS-1 Informed Consent and Release of Information and Records – *Procedural Instructions*
- DPP-010 Open Records Request – *Procedural Instructions*
- DPP-156 Central Registry Check – *Procedural Instructions*
- KCD-2 General Claims Form
- KSP-1 Request for Conviction Record/Child Care – *Procedural Instructions*
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Registered Provider Packet

Chapter 1

GENERAL ADMINISTRATION

1.1 Organizational Structure (Revised 05/01/09)

The Department of Community Based Services (DCBS), within the Cabinet for Health and Family Services (CHFS), is the lead agency designated by the Governor to implement and administer programs funded by the federal CCDF and TANF grants. These grants, as well as money from state sources, fund the Child Care Assistance Program (CCAP).

The Department for Community Based Services consists of seven (7) Divisions:

- Division of Service Regions
- Division of Protection and Permanency
- Division of Violence Prevention Resources
- Division of Family Support
- Division of Information and Quality Improvement
- Division of Child Care
- Division of Administration and Financial Management

The Division of Child Care (DCC) is directly responsible for the administration of the Child Care Assistance Program. DCBS, through DCC, contracts with community based child care service agents who determine eligibility for CCAP, authorize payments, enroll non-regulated providers, and provide ongoing case management services to recipients.

1.2 Child Care Service Agents

DCC contracts with entities throughout the state to perform administrative and case management functions of CCAP. These agencies provide services in all of Kentucky's counties:

Audubon Area Community Services, Inc.

P.O. Box 20004
Owensboro, KY 42304-0004
Toll free: 888-686-2588
FAX: 270-686-1617

Allen	Daviess	Livingston	Ohio
Ballard	Edmonson	Logan	Simpson
Barren	Fulton	Lyon	Todd
Butler	Graves	Marshall	Trigg
Caldwell	Hancock	McLean	Union
Calloway	Hart	McCracken	Warren
Carlisle	Henderson	Metcalfe	Webster
Christian	Hickman	Monroe	

Crittenden Hopkins Muhlenberg

Community Coordinated Child Care (4C)

1215 South Third Street
Louisville, KY 40203
Toll free: 877-316-3552
Telephone number: 502-636-1358
FAX: 502-636-1488

Breckinridge	Henry	Meade	Spencer
Bullitt	Jefferson	Nelson	Trimble
Grayson	Larue	Oldham	Washington
Hardin	Marion	Shelby	

Child Care Council of Kentucky - Bluegrass East

1460 Newtown Pike, STE 101A
Lexington, KY 40511
Toll free: 800-809-7076
FAX: 859-225-5435

Adair	Harlan	Magoffin	Taylor
Bell	Johnson	Martin	Wayne
Breathitt	Knott	McCreary	Whitley
Clay	Knox	Owsley	Wolfe
Clinton	Laurel	Perry	
Cumberland	Lee	Pike	
Floyd	Leslie	Pulaski	
Green	Letcher	Russell	

Child Care Council of Kentucky - Bluegrass North

1460 Newtown Pike, STE 101A
Lexington, KY 40511
Toll free: 800-809-7076
FAX: 859-225-5435

Bath	Carroll	Grant	Mason	Rowan
Boone	Carter	Greenup	Menifee	
Boyd	Elliott	Kenton	Morgan	
Bracken	Fleming	Lawrence	Pendleton	
Campbell	Gallatin	Lewis	Robertson	

Child Care Council of Kentucky - Bluegrass Central

1460 Newtown Pike, STE 101A
Lexington, KY 40511
Toll free: 800-809-7076
FAX: 859-225-5435

Anderson	Fayette	Lincoln	Powell
Bourbon	Franklin	Madison	Rockcastle
Boyle	Garrard	Mercer	Scott

Casey	Harrison	Montgomery	Woodford
Clark	Jackson	Nicholas	
Estill	Jessamine	Owen	

1.3 Purpose of the Child Care Assistance Program

Kentucky's Child Care Assistance Program assists the following families to access and obtain child care:

- Low income families with a working adult which include families receiving Kinship Care and students.
- K-TAP recipients who need child care while they participate in Kentucky Works activities which include employment, education, job preparation activities and job search, and other activities designed to assist the family to attain self sufficiency.
- Families determined by the Division of Protection and Permanency as needing child care to alleviate safety issues in their home.
- Teen parents attending high school or GED classes.

1.4 Goals of the Child Care Assistance Program (Revised 05/01/09)

The goals of the program parallel those of the federal laws that provide funding for Kentucky's child care program. The primary funding sources for child care subsidies are the TANF and CCDF block grants. The goals of those block grants include:

- Promoting parental choice to empower working families to make their own decisions on the child care that best suits the needs of their family.
- Providing consumer education information to help parents make informed choices about child care.
- Providing child care to parents trying to achieve independence from public assistance.
- Implementing health, safety, licensing and registration standards established in state regulations.
- Assisting needy families so children can be cared for in their own homes.
- Reducing dependence of needy parents by promoting job preparation, and work.

1.5 Customer Service Standards (Revised 07/01/10)

Good customer service allows the service agent staff to form a relationship with the applicant/recipient. The child care worker should always try to put themselves in the applicant/recipient's position. The Cabinet and service agent staff should strive to provide customer service that meets or exceeds the following standards:

- Treat all applicants/recipients with dignity, courtesy and respect even in difficult situations. Think about how you or a member of your family would want to be treated when coming in.
- Greet all applicants/recipients with a positive and professional attitude. First time applicants may not feel comfortable coming into the office to apply for child care assistance.
- Maintain a professional work environment.
- Respond to phone calls by the end of the business day.

- Remain positive and professional when responding to challenging phone calls or visits.
- If an applicant/recipient makes the request, provide an appointment convenient to their work schedule and make sure they are aware of the policy relating to the protection of the application date.
- If an applicant/recipient cannot be seen within forty-five (45) minutes of arrival, give them an approximate wait time.
- Offer fair and objective services regardless of race, color, national origin, sex, religion, age and disability.

1.6 Confidentiality

Information contained in child care case records and systems data is confidential and not to be accessed or released for any purpose unrelated to the provision of child care subsidies. As a condition of employment all service agent staff must read, sign, and adhere to the CHFS 219, Employee Privacy and Security of Protected Health, Confidential and Sensitive Information Agreement. A CHFS 219 signed by the employee, their supervisor, and appropriate second level management staff is maintained and available for review upon the request of the Cabinet.

Information contained on the CHFS 219 will be reviewed no less than annually by all service agent staff. An updated, signed, CHFS 219 will be completed by all service agent staff in January of every year.

A facsimile of the required agreement is located on the CHFS intranet website <http://chfsnet.ky.gov/os/oats/forms.htm>

1.7 Access to Computer Data (Revised 05/01/09)

Access to data contained on KICCS, AKKO (KAMES), KVETS (Birth Index), and KCD (Kentucky Claims Debt Management System) and other systems approved by the Cabinet is allowed by individual USER ID's and passwords. USER ID's and passwords are issued to a specific employee and are not to be released or shared with any other person.

Temporary access to an employee's work station can be obtained by contacting the supervisor of the CCAP section in DCC at 502-564-2524.

System access is to be terminated immediately when staff leave the employment of the State or service agent. The supervisor of the CCAP section in DCC is to be advised in writing of all staff resignations, retirements or terminations prior to or on the separation date. Division staff will ensure access to Cabinet systems is revoked.

1.8 Civil Rights

All staff working in CCAP shall comply with Civil Rights laws by meeting the following requirements:

- No discrimination against any individual for reasons of age, race, sex, disability, religious creed, national origin or political belief in any aspect of program operation, including benefit determination,

- hearings, or any other aspect of program operation.
- Advise all applicants of their civil rights, including their right for a hearing on alleged discrimination, at application by giving them the pamphlet, "Civil Rights."
- Explain the pamphlet, "Civil Rights," if an applicant questions their rights or they do not understand their rights.

The following attachment provides information regarding the Civil Rights brochure. Please use the most current version available on the attached web site, or by contacting the office below.

<http://chfsnet.ky.gov/os/ohrm/dem/ClientCivilRights.htm>

EEO Compliance Branch
Cabinet for Health and Family Services
Office of Human Resource Management
275 East Main, Mail Stop 5C-D
Frankfort, KY 40621
Telephone: (502) 564-7770, Extension 4107
Fax: (502) 564-3129

1.9 Health Insurance Portability and Accountability Act (HIPAA) (Revised 05/01/09)

All staff working in CCAP must ensure that office practices and procedures comply with provisions of HIPAA statutes. Following is guidance prepared by CHFS.

Reference: 42 USC 1320d, Public Law 104-191, Title II, Subtitle F, Administrative Simplification, Health Insurance Portability and Accountability Act of 1996

Protected health, confidential and sensitive information is information that is either protected by law or is of such personal or private nature that it is normally not treated as public record. The *Privacy and Security Agreement* at the end of the procedure briefly describes many of the major laws and regulations pertaining to confidential information. HIPAA can be accessed on the Internet at the following Web site: <http://www.hhs.gov/ocr/hipaa>.

45 CFR Section 164.530(a) (1) requires that a covered entity designate a privacy official who is responsible for the development and implementation of the privacy policies and procedures as required by HIPAA. CHFS has designated an individual from Office of the Legal Services (OLS) in the Central Office of the Cabinet to be the HIPAA **Privacy Officer**. Questions and concerns about practices relating to the safeguarding of protected health information are to be directed to the OLS Privacy Officer at (502) 564-7900.

45 CFR Section 164.530(a) (1) also requires that a covered entity designate an official who is responsible for receiving complaints and who is able to provide additional information about HIPAA. CHFS has designated the Ombudsman's Office to act as CHFS's **Compliance Officer**. The Ombudsman's Office will be responsible for receiving complaints and for providing information concerning matters covered by privacy practices. Questions, concerns, and complaints are to be directed to the address and telephone number below.

Cabinet for Health and Family Services
Ombudsman's Office
Attn: HIPAA Compliance Officer
275 East Main Street (1E-B)
Frankfort, KY 40621
(502) 564-5497

1.10 Limited English Proficiency (LEP) Requirements (Revised 07/01/10)

The Civil Rights Act of 1964 and subsequent Executive Order 13166 of August 2000 mandated that individuals with Limited English Proficiency (LEP) be provided language access to all federally funded programs and services. This includes the programs administered by CHFS - K-TAP, Medical Assistance, food benefits, and Child Care. These requirements not only apply to all Cabinet staff but also to any contracted vendors used by the Cabinet to provide services.

- LEP means that an individual is limited in their understanding of the English language either verbally or written. This lack of understanding can be a barrier to accessing programs or services.
- The Cabinet must ensure all LEP individuals have meaningful language access to all programs. Providing meaningful access includes:
 - Identifying LEP individuals and their language needs. This can be done by using the Notice of Interpretation Services poster, commonly known as an "I Speak" poster. The "I Speak" poster displays a message in various languages such as "Mark this box if you read or speak language". The "I Speak" posters are available at <http://chfsnet.ky.gov/os/ohrm/lep> Select "LEP Office Signage and Telephone Resources" to access the poster and other helpful materials.
 - Informing LEP individuals that interpreter services are available at no cost to the individual by:
 - Posting notices in appropriate languages in the local offices;
 - Using "I Speak" posters; and
 - Providing information in appropriate languages in Agency outreach materials.
 - Providing interpreter services, without unreasonable delay and at no cost to the individual. The individual cannot be asked to find and/or pay for an interpreter. There are four options for accessing interpreter services:
 - a. CHFS Language Access Section (LAS) Interpreters;
 - b. CHFS Deemed Qualified Interpreter Service;
 - c. CHFS Approved Community Based Partner Interpreters; and
 - d. Language Services Associates, Inc.Information concerning these four options may be accessed at: <http://chfsnet.ky.gov/os/ohrm/lep> Select "Interpretation Resources".
- Providing translated copies of essential forms and informational materials at no cost to the individual. These forms may be accessed at <http://chfsnet.ky.gov/dcbs/dcbsforms/>. If a translated version of a form is not listed on the Cabinet website, request translation of the form by sending the Translation Request Form (access form through the LEP website) to DCC.

- Interpreter services approved by the Cabinet (using one (1) of the four (4) options) must be provided to LEP individuals, if available, even if the individual wants to use an unapproved interpreter. The Cabinet approved interpreter would sit in on the interview to ensure all questions and responses are interpreted correctly. If the LEP individual chooses to use their own interpreter, the individual signs the form, Waiver of Interpreter Services – Limited English Proficiency (LEP). This form can be accessed from <http://chfsnet.ky.gov/os/ohrm/lep> Select “Interpretation Resources”.
- An LEP individual may select an English-speaking representative to act on their behalf. It is important that a qualified interpreter be used to explain the option and the significance of selecting a representative. In addition, any forms used in the selection process must be interpreted into the appropriate language of the LEP individual.
 - If the English-speaking representative is not accompanied by the LEP individual, no interpreter is needed.
 - If the English-speaking representative is accompanied by the LEP individual, a qualified interpreter must be present either in person or by phone to monitor the interaction between the LEP individual and the representative to ensure the accuracy of the interpretation.

1.11 Interpreter Services for the Deaf or Hard of Hearing

DCBS is required to make reasonable accommodations to ensure all services are accessible to the disabled. Any hearing impaired person applying for program benefits, must have interpreter services made available upon request. If interpreter services cannot be provided at the time requested, arrange for program services to be provided as soon as an interpreter is available.

When interpreter services are required for the deaf or hard of hearing, do the following:

Contact the CCAP Section within DCC at (502) 564-2425 to request the forms referenced in the material below be faxed to the office where they are needed. These forms are not available in an electronic format.

At application or re-determination provide the individual with forms OPB-001-A, Your Right to Effective Communication, and OPB-001-B, Waiver of Interpreter Services. Document in the case record that forms OPB-001-A and OPB-001-B were given to the recipient. Additionally, if completed, file a copy of form OPB-001-B in the case record and provide the client with the original.

Use qualified on-site personnel if available. A qualified interpreter is an interpreter who is able to interpret effectively, accurately, and impartially both receptively and expressively, using any necessary specialized vocabulary; or

Request interpreter assistance from a local school or social service agency; or

Contact the Kentucky Commission on the Deaf and Hard of Hearing (KCDHH) Access Center at (800) 372-2907. The Access Center is a language interpreter referral service for state agencies.

Anytime an interpreter service is used, provide the individual, including a household member, performing the interpreter service with form OPB-002, Interpreter Confidentiality Assurance Form. File a copy in the case record.

Whenever possible, interpreter services involving no additional cost to the agency must be used. In situations when a service is performed by a qualified interpreter and a fee is charged, do the following:

Obtain a signed statement from the qualified interpreter which includes:

Name of interpreter;
Social Security Number;
Address; and

Amount of fee. (See chart below.) This hourly rate includes time spent in travel, time spent interpreting and mealtime, with the exception of mileage. Mileage is paid at the state rate. Additionally, mealtime cannot exceed one (1) hour. Interpreters shall also be paid for at least two (2) hours of service which can include waiting time due to delays in appointments and when an individual does not appear for the appointment.

Suggested fee schedule for individuals with the following certificates:

CSC, CT and CI, RSC, CDI-P, SC: PA, OIC: C, NAD Level V -- \$25 an hour.

CI or CT, IC/TC, NAD Level IV --- \$25 an hour.

IC or TC --- \$20 an hour.

OIC: S/V, OIC: V/S, NAD Level III --- \$20 an hour.

Non-certified interpreters (including NAD Level II and I) \$10 an hour.

Complete form OPB-003, Certification of Interpreter Services provided, after service is rendered, including the above information and mail to:

Office of Fiscal Services
Payables Branch
275 East Main Street, 4E-A
Frankfort, KY 40621

1.12 Relative/Acquaintance Case Processing

A child care worker does not take an application, and the supervisor does not assign a case to a child care worker, if the applicant/recipient is related to or is a close acquaintance of the child care worker, including family members related by birth or marriage. The child care worker is responsible for advising the supervisor if the applicant/recipient is a relative or close acquaintance. Only Supervisors or designated persons are to accept and process applications filed by an employee of the child care service agent or relatives or close acquaintances of service agent employees.

Supervisory staff does not take an application, if the applicant/recipient is related to or is a close acquaintance of the supervisor, including family members related by birth or marriage. The supervisor is responsible for advising management if the applicant/recipient is a relative, or close acquaintance and arrangement will be made for the application to be taken and confidentially maintained.

1.13 Timeliness Standards

All references to days in manual material and procedural instructions mean calendar days unless explicitly stated otherwise. If a ten (10) day time frame falls on a weekend or holiday, the tenth (10th) day is extended to the next work day.

Example: An applicant is given a DCC-90F Notice of Appointment/Request for Information requesting that wage information be provided in a ten (10) day time frame. The tenth (10th) day falls on a Sunday. The applicant/recipient is given until the following Monday to provide the requested information.

1.14 Client Case Records (Revised 05/01/09)

The case record is the official document of CHFS establishing accountability for the expenditure of state and federal funds.

- Each case record contains pertinent facts about each applicant and recipient. Information includes date of application, date and basis of disposition, facts essential to determination of initial and continuing eligibility, need for and provision of assistance, and basis for discontinuing assistance. Discontinued case records are retained for five (5) years to provide accountability for expenditure of funds and for informational purposes unless there is a fraud claim. All case records involving a fraud claim are kept indefinitely.
- Active case records are readily accessible to staff at all times and are:
 - Opened one at a time except for comparative study;
 - Purged of obsolete material, such as duplicate copies;
 - Arranged in proper order;
 - Never stored in desks;
 - Returned to locked file cabinets or storage area in a timely basis.

1.15 Client Review of Case Record

The case record may be reviewed upon request by the applicant/recipient of the Child Care Assistance Program. The case can also be reviewed by other parties with written

authorization from the applicant/recipient.

The applicant/recipient may review any part of the case record except confidential information from someone other than the applicant/recipient, such as child protective services investigation information, and items verified through a system match such as birth verification using KVETS or information verified using AKKO.

Inspection of a case record is conducted in the local office and care must be taken by the service agent to ensure that no part of the record is lost. If requested, copies of parts of the record pertinent to the issue(s) of the service appeal or complaint are provided to the applicant/recipient or their representative.

All efforts shall be made to give the applicant/recipient access to their case record on the date that access is requested or no later than one (1) business day from the date of the request.

1.16 Subpoenaed Information

Never provide case record information as testimony in court without a court order or subpoena, except when:

- Court action involves an appeal of a DCBS/designee decision to circuit court; or
- DCBS/designee is the initiator of court action, including but not limited to fraud or unsuitable home actions initiated by P & P.

If a subpoena requests a court appearance by an employee for an action unrelated to the administration of the DCBS/designee's programs, the employee must obey the subpoena by appearing in court with the case record as directed.

The following are the types of requests encountered most often by DCBS/designee and the response required:

REGULAR SUBPOENA These are often signed by clerks and are simply requests to appear in court. Failure to appear in court at the designated date and time will cause the agency to be held in contempt. The service agent staff must obey the subpoena and appear in court, with the requested information.

GRAND JURY SUBPOENA Although these are not court orders and a judge is not present at the proceeding, information may be released to the grand jury or prosecuting attorney. Failure to provide information will cause DCBS/designee to be held in contempt. All information, requested by and provided to the grand jury, is confidential. **NO** aspect of the case is to be discussed with anyone.

Do not release information to attorneys, absent parents, etc., who appear in the local service agent office with a subpoena. This does **NOT** apply to attorney acting on behalf of DCBS/designee, such as a county attorney involved in child support activities.

1.17 Case Record Content (Revised 07/01/10)

All case records represent a continuing documentation of eligibility for child care assistance. The case record contains sufficient material to substantiate the validity of all authorized assistance.

All information received by mail or provided in person is to be date stamped or

annotated as to the date of receipt.

The following forms are needed in the case:

APPROVAL ACTIONS:

- **DCC-85** Approval for Child Care Assistance
- **DCC-85A** K-TAP Approval for Child Care Assistance
- **DCC-90** Application for Subsidized Child Care Assistance Program
- **DCC-90.1** Intent to Apply for Child Care Assistance, if completed
- **DCC-91** Client Rights and Responsibilities Sheet
- **DCC-94.1** Notification of Eligibility and Certificate for Child Care Services
- **DCC-105** Child Care Assistance Program Notice of Action
- **DCC-202A/DCC-202B** Case File Checklist

If information was needed from the client to complete their application, a copy of the DCC-90F Notice of Appointment/Request for Information, documenting the request is filed in the case record.

ENROLLMENT OF A CHILD:

To enroll a child with a provider the DCC-94 Child Care Service Agreement and Certificate, must be signed and dated and in the record.

DENIAL ACTIONS:

- **DCC-85** Approval for Child Care Assistance
- **DCC-85A** K-TAP Approval for Child Care Assistance
- **DCC-90** Application for Subsidized Child Care Assistance Program
- **DCC-90.1** Intent to Apply for Child Care Assistance, if completed
- **DCC-105** Child Care Assistance Program Notice of Action
- **DCC-202A/DCC-202B** Case File Checklist

All forms shall be used in the manner prescribed by policy and in accordance with the procedural instructions for each particular form. Service agent staff are to insure that they are familiar with the policies and procedures for all forms they use and that they are using the most current and up-to-date version of any forms used in determining eligibility, documenting work, and making internal or external requests.

The contents of forms given to an applicant/recipient for providing verification or for signature are not to be altered by the child care worker prior to giving the form to the applicant; though small notations may be made to indicate specific information needed, or to generally assist the applicant/recipient or the individual completing the form.

Do not write on, make notations on, or alter in any form or fashion any verification or forms once it has been provided by or signed by the applicant/recipient. Any additional information should be detailed in case comments and can be noted on a separate paper and attached to the original form.

The child care case record of a low income working family determined eligible by the child care service agent shall contain the following:

- Copy of social security cards for all household members; – **Optional**
- Birth verification for all children receiving benefits;
- Proof of identification of person applying for assistance – Driver’s License, Student ID, Military ID, State Issued ID, or two other forms to verify;
- Proof of residence and household composition is verified by completion of the DCC-90C, Residence – Household Verification, form or a similar statement (lease or written statement from someone who knows the client) from a collateral contact familiar with the family’s living situation. This form may be completed by someone living **inside** the home of the applicant as long as that person is not included in the applicant/recipient’s household size. This could include a client living with and paying rent to a parent, other relative, or an unrelated adult.
- Proof of citizenship or legally admitted status, if questionable, for a child;
- Proof of household income and allowable deductions;
- Statement of a health professional regarding need for child care for children thirteen (13) years or older;
- Proof of current immunization certificate if children are cared for by a registered provider and not enrolled in school;
- Proof of required work hours if practicum, student teaching, internship, etc. is qualifying activity; and
- Proof of inability to care for child, if second (2nd) adult is not working.

The child care worker shall maintain the case information for five (5) years after the termination of services.

1.18 Case Documentation (Revised 07/01/10)

Thorough documentation of all case actions is required to be entered in the case history comments. These comments should be a brief narrative which details all the pertinent factors of eligibility and enrollment. The worker is to provide detailed explanations, including the forms of verification used and any other pertinent information, for the following:

- Date of Action/Type of Case/Action Taken
- Case backdating/DCC-90.1 Intent to Apply for Child Care Assistance
- Authorized representatives
- Residency in Kentucky
- Citizenship or legal alien status for all members
- Household composition
 - Are there any ineligible members on the case?
 - Is the case a one (1) parent or two (2) parent household?
- Work requirements
- Income for the household
 - What type of income does the individual have?
 - How was the income verified?
 - How was the income calculated?
 - Are there any deductions from the income?
- Enrollment
- Outcome of the case
 - Approved
 - Pended

- Denied
- Discontinued/Terminated
- If denied or discontinued/terminated, why?
- Any unusual circumstances or case change dates

1.19 Purging Records (Revised 07/01/10)

A. Purging of Client Records

Material not directly related to eligibility or benefit authorization is not retained. To assure records contain only relevant material, case records are purged of all outdated material during the redetermination process.

When a case is in open status, it is acceptable to purge all case record material that is five (5) years or older, by burning or shredding, **EXCEPT** for:

- records involving a claim that has not been paid in full within the last five (5) years;
- all fraud claims related material, such as signed repayment agreements, court determinations, or hearing decisions;
- case records which substantiate either pending disqualifications or disqualifications which are being or have been served;
- cases involved in an audit, until the audit is completed and a response to the audit has been filed.

Cases containing a claim must be clearly marked with a red X and “**Claim DO NOT PURGE**” written on the folder.

When the case has been in closed status for at least five (5) years, it is acceptable to destroy all material, **EXCEPT** for records involving fraud claims, which are retained indefinitely and case records involved in an audit, until the audit is completed.

B. Purging of Provider Records

Material not directly related to the CCAP provider is not retained. To assure records contain only relevant material, case records are purged of all outdated material during the renewal process.

When the provider is in approved status, it is acceptable to purge all case record material that is five (5) years or older, by burning or shredding, **EXCEPT** for:

- records involving a claim that has not been paid in full within the last five (5) years;
- all fraud claims related material, such as signed repayment agreements, court determinations, or hearing decisions;
- case records which substantiate either pending disqualifications or disqualifications which are being or have been served;
- cases involved in an audit, until the audit is completed and a response to the audit has been filed.

Provider records containing a claim must be clearly marked with a red “X” and “**Claim DO NOT PURGE**” written on the folder.

When the provider has been out of approved status for five (5) years or longer, it is acceptable to destroy all material **EXCEPT** for records involving fraud claims, which are retained indefinitely.

1.20 Transfer of Cases

The service agent staff shall, upon request by another service agent staff worker, transfer hard copy case records to other regions in the state. The original file is mailed and a copy of the DCC-90H, Case Transfer of Case Record or Material, kept on file in the original county of eligibility. The Service Agent in the county from which the case is transferred shall send the DCC-90H to the service area or county who will assume case responsibility or vice versa. Verbal requests may be made, but a hard copy request is to follow within ten (10) working days.

A copy of the DCC-90H shall be maintained by the referring agency, in an administrative file, for a minimum of one (1) year. A copy of the entire case record is not maintained by the sending county.

1.21 GLOSSARY (Revised 07/01/10)

Agency Error – An error on the part of the cabinet or its designee.

Anticipated Income – Money reasonably expected to be received in the future, e.g. wages, social security benefits, child support, etc.

Applicant – A child’s natural or adoptive parent or an individual caring for a child in loco parentis who is applying for CCAP.

Authorized Representative - A person designated in a written statement or on a DCC-91C Authorized Representative form by an individual, to act on behalf of the household in completing application/re-determination for CCAP benefits. The designation in writing is waived, if the individual is physically or mentally unable to provide a written statement. The representative is allowed to complete and sign all necessary forms.

Cabinet – The Cabinet for Health and Family Services (CHFS) or its designee. Defined by KRS 199.894(1).

Certificate – Notice provided by the Cabinet or its designee and used by a family to secure child care from a licensed, certified, or registered provider of choice.

Certified Family Child-Care Home – A private home, certified by the Division of Regulated Child Care, which provides full-day or part-day care, day or night, for six (6) or fewer children who are not related to the provider. The children, nieces, nephews, grandchildren, or children in legal custody of the provider may also be cared for, but at no time is the certified provider permitted to have more than ten (10) children in care.

Change in Circumstance – A change that affects eligibility or benefit amounts.

Child – A person under nineteen (19) years of age.

Child Care Assistance Program (CCAP) – Kentucky's child care subsidy program providing families, who meet the eligibility requirements of 922 KAR 2:160, with the financial resources to find and afford quality child care.

Child Care and Development Fund (CCDF) – The child care programs conducted under the provisions of the Child Care and Development Block Grant Act, as amended. The Fund consists of Discretionary Funds authorized under section 658B of the amended ACT, and Mandatory and Matching Funds appropriated under section 418 of the Social Security Act.

Child Care Certificate – Defined by 45 C.F.R. 98.2

Child Care Protective Services – Defined in 922 KAR 1:330, Section 1(3).

Child Care Provider - The individual, business, or business proprietor who is receiving, or has received, payment for child care services under CCAP.

Child Care Resource & Referral (CCR&R) – A community-based agency that delivers coordinated services to help families access early care and education and school-age child care options.

Child Prevention – Cases registered for a service that involve a child who has been assessed by Protection and Permanency staff to be at risk of being abused, neglected, dependent or exploited. Family must have a Family in Need of Services Assessment (FINSAs) completed by Protection and Permanency.

Child Protection - Cases registered for a service in which the Protection and Permanency case file contains appropriate documentation that substantiates child abuse, neglect, dependency or exploitation. This category may, with appropriate supervisory approval, include child care services to prevent abuse, neglect, dependency or exploitation.

Civil Monetary Penalties (CMP) - Issued by the Division of Regulated Child Care (DRCC) as a result of a child care licensee's failure to meet state regulatory requirements. The penalty is based upon the gravity of the occurrence, the number and type of previous violations, the reasonable diligence exercised by the child-care center and efforts to correct the violation and the amount of assessment necessary to assure immediate and continued compliance.

Claim – An amount owed to the cabinet as a result of an overpayment of CCAP.

Claimant – A current or former CCAP recipient or child care provider subject to a claim.

Compromise a Claim – Accepting less than the full value of a claim.

Copayment – The amount a family receiving child care assistance is required to contribute toward the cost of care, determined on a sliding scale that is based on income and family size.

Director – Individual responsible for the day-to-day operation of a licensed or certified facility for the care of children.

Division of Child Care (DCC) – The entity within the Cabinet for Health and Family Services that administers CCAP.

Division of Regulated Child Care (DRCC) – A Division within the Office of the Inspector General (OIG) responsible for licensure of Type I center-based child care facilities and Type II home based child care facilities and certification of family child-care homes.

Earned Income - Money derived from direct involvement in a work-related activity (e.g., wages, self-employment, etc.).

Employment – Public or private, permanent or temporary work for an average of twenty (20) hours per week.

Excluded Income - An amount received but not counted in determining eligibility.

Family – An applicant or parent and a child, and another responsible adult, if present, residing in the same home.

Family Child Care Home – Defined by KRS 199.894(5); is described in KRS 199.8982; and means a home certified in accordance with 922 KAR 2:100.

Family in Need of Service Assessment (FINSA) – A process of collecting information and evaluating risk factors in order to determine strengths and needs of a family. These assessments are completed by Protection and Permanency staff.

Fraudulent Activity – An individual's, including child care providers, deliberate, untimely reporting of changes or misrepresentation of a known technical or financial eligibility requirement that is established by a court of law and results in an overpayment of CCAP funds.

Full-Day – Child Care that is provided for five (5) hours or more per day.

General Education Development Certificate (GED) - A certificate earned by an individual who has passed an examination which indicates that the individual possesses the basic skills equivalent to those of a high school graduate.

Health Professional – A person actively licensed as a physician, physician's assistant, advanced registered nurse practitioner, qualified mental health professional as defined by KRS 600.020(48) or registered nurse as defined by KRS 314.011(5).

Hearing Officer – Defined by KRS 13B.010(7).

Improper Payment – Defined by KRS 45.237(1)(d) or 45 C.F.R. 98.100(d).

Inadvertent Error Claim – An overpayment resulting from a misunderstanding or unintended error on the part of a recipient or a child care provider.

Income - The money received from statutory benefits, wages, self-employment, rental property, investments, business operations, etc.

Income Eligible - A family at or below income guidelines established for CCAP.

Infant – A child who is less than one (1) year old.

In loco parentis – A person acting in place of a parent, including a legal guardian, an individual related by blood, marriage, or adoption of child or a non-relative, if the non-relative pursuing legal custody within one (1) year of application.

Intentional Program Violation - (IPV) – A CCAP recipient or child care provider having intentionally made a false or misleading statement, misrepresented, concealed or withheld facts.

Kentucky Integrated Child Care System (KICCS) – A web based software program, which supports the operation of the Child Care Assistance Program, the certification program, and child care licensing administered by the Cabinet for Health and Family Services (CHFS).

Kentucky Transitional Assistance Program (K-TAP) – “K-TAP” means Kentucky’s Temporary Assistance for Needy Families or “TANF” money payment program established in 921 KAR Chapter 2.

Kentucky Works Program (KWP) - An employment and training program which assists K-TAP recipients to gain self-support.

Kinship Care Program - A payment program for children placed with an approved relative as an alternative to foster care.

Licensed Child Care Facility - A Type I or Type II child care facility, regulated by the Cabinet for Health and Family Services, Office of the Inspector General, Division of Regulated Child Care.

Non-Traditional Hours – Child care is routinely provided between the hours of 7:00 PM and 5:00 AM, including the weekend from Friday 7:00 PM through Monday 5:00 AM.

Non-Urban County – Means a county without a first (1st), second (2nd) or third (3rd) class city as specified in KRS 81.010(1) through (3).

Overpayment – A CCAP payment which exceeded the amount a CCAP recipient or a child care provider was eligible to receive.

Parent – A parent by blood, marriage, or adoption and also means a legal guardian, or other person standing in loco parentis.

Part-Day – Child care that is provided for less than five (5) hours per day.

Preschool Child - A child, who has reached the third (3rd) birthday up to, but not including, the sixth (6th) birthday.

Preventive Services – Defined by KRS 620.020(9).

Qualified Alien – A child who meets the requirements of 921 KAR 2:006, Section 1(15).

Recipient – A family who has been found eligible for CCAP.

Registered Provider – A child care provider who meets the requirements of 922 KAR 2:180.

Registration - The process by which unregulated providers become eligible to be paid for providing child care services for a CCAP eligible family by completing the application packet for provider registration and obtaining approval by the Division of Child Care or its designee.

Related – Having one (1) of the following relationships with the provider: child, stepchild, grandchild, great-grandchild, niece, nephew, sibling, child in legal custody of the provider, or child living with the provider acting in loco parentis.

Responsible Adult – A person other than the applicant who is in the child's household and who is the natural parent, adoptive parent, or stepparent or the spouse of an individual caring for a child in loco parentis.

Retirement, Survivors, and Disability Insurance (RSDI) - The Social Security benefit payable under Title II of the Social Security Act to retirees, survivors or disabled individuals.

School Age Child – A child who has reached the sixth (6th) birthday.

Self-Employment - Earnings directly from an individual's trade or business from which no taxes are withheld prior to being paid to the individual.

Service Agent – An agency under contract with the Cabinet for Health and Families Services (CHFS) to administer the Child Care Assistance Program (CCAP).

Special Needs Child – A child who has a severe problem or multiple problems that require ongoing specialized care.

Supplemental Security Income (SSI) - The federal program of money payments to aged, blind and disabled persons under Title XVI of the Social Security Act as amended.

Teenage Parent – Parent who is nineteen (19) years of age or younger.

Terminate a Claim – Ceasing all collection actions on a claim.

Temporary Assistance for Needy Families (TANF) – This is a federal funding source for financial aid and support services including child care for families attempting to gain self-sufficiency.

Term – Educational session that includes but is not limited to: semester, quarter, intercession, or summer school.

Timely Report - The report of changes within ten (10) calendar days of the day the change becomes known to the individual.

Toddler – A child, who has reached the first (1st) birthday up to, but not including, the third (3rd) birthday.

Type I Child Day Care Facility - A Type I child-care center is a child-care center licensed to regularly provide child care services for four (4) or more children in a nonresidential setting, or thirteen (13) or more children in a designated space separate from the primary residence of a licensee.

Type II Child Care Center – A Type II Child Care center is located in the primary residence of the licensee where care is regularly provided for seven (7), but not more than twelve (12) children, including children related to the licensee.

Underpayment - A payment which was less than the amount a recipient or a child care provider was eligible to receive.

Unearned Income - Money received which does not involve direct physical or mental activity by the individual (e.g., social security, child support).

Urban County - Defined as a county listed in KRS 81.010(1) through (3) as having a first (1st), second (2nd), or third (3rd) class city.

Chapter 2

APPLICATIONS

2.1 General Procedures for Applications/Reapplications (Revised 07/01/10)

These general policies apply to applications for child care assistance by low income working families. Procedures for handling approvals for child care that are generated by Department for Community Based Services staff via the DCC-85 Approval for Child Care Assistance, or DCC-85A K-TAP Approval for Child Care Assistance, process are outlined in Chapter 3 DCBS Approvals.

No individual is refused the opportunity to apply. Conditions of eligibility or agency procedures do not preclude the opportunity for an individual to apply and obtain a determination of eligibility or ineligibility. Service agent staff must be available to take an application on a walk-in basis on Monday-Friday from 8:00 a.m. to 4:30 p.m. No applicant shall be denied the right to be seen on the date they arrive at the local office. The applicant may be assisted by any individual in the application process, and may be accompanied by this individual in all contacts with the agency.

Individuals inquiring as to eligibility requirements by telephone are advised to complete an application in the county where they live, as soon as possible.

The individual may preserve the filing date of application by completing and mailing a DCC-90.1 Intent to Apply for Child Care Assistance, to the service agent. The date of application for a mailed DCC-90.1 is the day it is received by the service agent.

For an inquiry not resulting in an application, complete the form DCC-90E CCAP Inquiry according to procedural instructions.

If the individual is **PHYSICALLY UNABLE** to come to the office to make application:

- Allow the household the option of designating a representative to complete the application process. The representative is designated in writing by the individual, unless the individual is physically or mentally unable to complete a written statement or on the DCC-91C Authorized Representative form.
- If the physically impaired individual, including a disabled, blind and hearing impaired individual, has no friend or relative to help with the application process and interview, refer that individual to county and community resources.
- Phone interviews may be requested, but documentation concerning the applicant's disability should be included in the case comments.
- Make a home visit to complete the application process, if all other options fail.

If the individual is physically or mentally disabled or is elderly, provide consideration to any special needs the individual may have no matter where the interview is conducted. Special needs may include, but are not limited to:

- Interpreter services for hearing impaired individuals.
- Additional space for the interview to accommodate an individual in a wheelchair; or
- Scheduling appointments at a time which corresponds to the use of special transportation services.

If the individual is non-English speaking, and needs assistance in obtaining interpreter services, the State may provide for these services.

If the individual is seen by the service agent staff but cannot stay to complete the full on-line application, the service agent staff can complete the Intent to Apply on-line for the applicant to sign. If the individual cannot stay to see the service agent staff, the client shall be offered a hard copy DCC-90.1 to complete. The child care worker will transfer the information from the hard copy application to the online system within three (3) business days. When the intent to apply process is initiated to preserve the filing date the service agent staff schedules an appointment within fourteen (14) days using form DCC-90F, Notice of Appointment/Request for Information, to complete the application process.

The date of application is the day:

- The DCC-90 is completed either hardcopy or online;
- The individual comes in the office and completes and signs the intent to apply by submitting a hardcopy form DCC-90.1 or seeing the service agent staff who initiates the intent to apply on-line;
- A signed hardcopy form DCC-90.1 is received in the office of the service agent staff; or
- Of contact with the Agency by a physically impaired individual who needs special assistance due to the impairment.

When the applicant lives in a county other than the one in which they are applying, the case is transferred electronically at the end of the Intent to Apply process. When the user clicks the Transfer button, the case is automatically transferred to the county in which the applicant lives. The case appears in the work basket of the local supervisor who is responsible for assigning the case to an appropriate child care worker within two (2) working days of receipt of the application.

- The service agent staff completes the Intent to Apply process online to protect the filing date and transfers it to the work basket of the supervisor where the client lives;
- The service agent staff explains to the individual that the application will be processed, if still pending, and maintained in the county of residence;
- The service agent staff transfers the hardcopy case file using form DCC-90H, Transfer of Case Record or Material, to the county of residence;
- The child care office in the county of residence schedules an interview using the DCC-90F to complete the application process and requests any needed

information. The pending application is processed using the original application date.

2.2 Content of the Interview (Revised 07/01/10)

During the application interview, the service agent staff ask the individual each question from the application and discuss any responses, which need clarification or are inconsistent. At a minimum, the following items are covered:

- View and copy documentation of birth dates for children for whom benefits are requested. Birthdates of children born in Kentucky can be verified by the Birth Index File (KVETS) search;
- View and copy proof of identity of the applicant;
- Request, but not require, social security numbers for all members;
- If the citizenship of a child cannot be established by birth verification obtain proof of citizenship or legal status;
- Establish and verify residence and household composition by completion of the DCC-90C Residence – Household Verification form, or a similar statement (lease or written statement from someone who knows the client) from a collateral contact familiar with the family's living situation, who is not a member of the child care case;
- If a child is age thirteen (13) or older and care is requested, proof is needed of the child's inability to care for themselves (court order, physician's statement, or a statement from a health professional as defined by KRS 600.020(48));
- Collect current documentation of immunization for children requesting care, if needed;
- All sources and amounts of income are declared and verified;
- All allowed deductions from income are verified;
- Remind the applicant/recipient that all changes in circumstance must be reported within ten (10) calendar days of the date of change, as well as any changes which occur prior to processing the application. Review form DCC-91 Client Rights and Responsibilities Sheet and have the client sign and date;
- Explain policy relating to overpayments.
 - Determine if there is an outstanding claim.
 - Discuss with the applicant/recipient repayment of any claim.

If the applicant needs assistance locating or choosing a child care provider, provide resource or referral information per local protocol. Provide the client with a DCC- 112 Selecting Quality Child Care for My Child. The applicant is responsible for providing all verification needed to complete the application. If items are not available at the interview, the worker requests them in writing using the DCC-90F.

2.3 Case Action on Applications (Revised 07/01/10)

Approval of Applications

Approve the application if all technical and financial eligibility factors are met and eligibility is unquestioned.

Reinstatement for Applications Denied in Error

Reinstatement is to allow the service agent staff the ability to restore eligibility when the case was **erroneously** inactivated within the last thirty (30) days.

Conditions that must be met to reinstate:

- Must be an existing case
- Case status must be inactive
- Case inactivation date must be less than thirty (30) days prior to the current date
- Redetermination date is in the future

Instances of when it may be appropriate to use reinstatement include:

- Request for information is sent but the requested information is not received so the case discontinued. It is then discovered the requested information was turned in, but misplaced. The case is reinstated and updated with the information received.
- Case denied due to unforeseen circumstances.

Denial of Applications

Deny the application if all technical and financial eligibility factors are not met; or deny the application on the thirtieth (30th) day if eligibility cannot be established due to the applicant's failure to present necessary information as requested by the DCC-90F or to clarify inconsistencies.

2.4 Standard of Promptness for Applications (Revised 07/01/10)

When verification is received on an application, the information is to be entered on KICCS within three (3) days of receipt. Process cases no later than thirty (30) days from the date of the application. The first day of the thirty (30) day period begins the day after the date of application and ends at close of business of the thirtieth (30th) day following the date of application. If this day is on a weekend or holiday, the thirtieth (30th) day is the next work day.

If the application is processed within the standard of promptness and the individual is ongoing ineligible as of the day of processing:

- Deny the application
- Issue DCC-105 Child Care Assistance Program Notice of Action to applicant
- DO NOT issue payments to a child care provider.

2.5 Eligibility Periods (Revised 07/01/10)

Service agent staff has thirty (30) calendar days from the date the application is signed to determine eligibility for low income working families. If the application is approved for benefits, the determination is valid for twelve (12) months. The twelve

(12) month period begins on the date of application and is valid until twelve (12) months later.

EXAMPLE: If a parent or responsible adult apply for child care services on 6-17-2007, and the application is approved on June 30, 2007 for child care benefits, the eligibility period is **6-17-2007 through 6-16-2008**.

DCBS staff determine the eligibility period for cases approved by the DCC-85 or DCC-85A process.

If future changes are known at the time of approval that may affect eligibility or need for care, the case is flagged for action by service agent staff by entering a case change date and documenting the need for the change.

NOTE: Once eligibility is determined no individual is required to re-provide verification of eligibility as part of a standard review process or without a documented reason for the request.

EXAMPLE: The family approved in June will need care for a school aged child over Christmas break. A case change date is entered to review the need for care in December.

2.6 Eligibility Types (Revised 06/01/09)

Eligibility for child care services is determined by the service agent staff for the following family types:

- **CCIE:** Low income families with working adults
- **CCTK:** Former K-TAP recipients who are employed
- **TENF:** Teen parent attending high school or equivalent (can be DCBS-approval)

Eligibility for child care services is determined by the DCBS worker using the DCC-85 or DCC-85A for the following family types:

- **CCP:** A family where abuse, neglect, or dependency is substantiated. These are Child Protective Services (CPS) cases.
- **CCP:** A family in need of child care to prevent the need for Child Protective Services or to prevent the escalation of a case opened based on a Family in Need of Services Assessment (FINSA)
- **TANF:** A K-TAP family with a member(s) who is working.
- **TCCN:** A K-TAP family with a member(s) who is a Kentucky Works participant and not working.

Chapter 3

DCBS APPROVALS

3.1 DCBS Approvals – (Revised 07/01/10)

DCBS field staff are divided into nine (9) service regions. A Service Region Administrator is responsible for all the staff within a service region who determine eligibility for Kentucky Temporary Assistance Program (K-TAP) and provide protection and permanency services to families.

The listing of the Service Region Areas and counties is located at <http://chfsnet.ky.gov/dcbs/ServiceRegions>.

Eligibility for child care services is determined by workers within the Department for Community Based Services (DCBS) for the following family situations:

- Families who receive K-TAP and contain an adult who works or is otherwise required to participate in the Kentucky Works Program (KWP).
- Families who receive child preventive or protective services and require child care as a part of the service plan to maintain the safety of a child.

The DCBS worker determines if child care is needed and approves the service by completing the DCC-85 Approval for Child Care Assistance, or DCC-85A K-TAP Approval for Child Care Assistance form.

A recipient approved by the DCBS worker for child care services is not required to complete an application interview or provide additional copies of documentation maintained by DCBS of eligibility factors to the child care staff.

The DCBS worker is responsible for notifying the child care service agent staff of changes reported to the agency that impact child care services. These changes include, but are not limited to:

- Removal of a child from a home
- Beginning or ending a job
- Address changes
- Child care provider changes
- Income changes
- Discontinuance or closure of a K-TAP
- Changes in household composition
- Approval of Kinship Care

The DCBS worker is responsible for:

- Determining initial eligibility for child care for K-TAP or P & P clients, completing and routing a DCC-85 or DCC-85A within ten (10) days of approval to the

appropriate service agent staff. If not received within ninety (90) days of care start date, no payment will be made.

- Providing the client with page three (3) of the DCC-85 or a copy of the DCC-85A confirming eligibility for child care services.
- Providing the client with a DCC-112 Selecting Quality Child Care for My Child.
- Determining continuing eligibility for K-TAP or P & P clients when advised by the service agent staff that a re-determination is due. Completing and routing a DCC-85 or DCC-85A if the recipient remains eligible for child care services.
- Providing appropriate notice to recipients determined no longer eligible for child care services under the DCBS approval process.
- Completing referrals to the child care worker by use of the form DCC-86 Referral for Low Income Child Care Assistance for families needing child care services but not eligible under the DCBS DCC-85/DCC-85A process.

The child care service agent staff is responsible for:

- Transferring information provided on the DCC-85 or DCC-85A and entering pertinent information from AKKO and other systems to the KICCS system.
- Assisting the recipient in locating suitable child care if requested to do so.
- Requesting proof of current immunization if verification is needed.
- Issuing a DCC-94 Child Care Service Agreement and Certificate to confirm enrollment and co-payment information.
- Issuing and obtaining the client's signature on a DCC-91 Client Rights and Responsibilities Sheet.
- Processing changes reported by DCBS staff, the recipient, or child care provider that impact child care services.
- Sending notification to recipients regarding changes made in the child care case.
- Maintaining the child care case record.
- Processing payments to providers.

3.2 Completion and Routing of DCBS Approvals (Revised 07/01/10)

The DCC-85 or DCC-85A can be completed in hard copy fashion or electronically as determined by local agreement. All shaded sections of the DCC-85 or DCC-85A form are required entries. If information is not representative of the current CCAP application, contact DCC staff per local protocol for other missing items. **All DCC-85's and DCC-85A's are to be entered into KICCS within three (3) days of receipt by the child care service agent.**

The DCC-90, Application for Subsidized Child Care Assistance, generated by the KICCS system is filed in the child care case record and is not required to be signed by the recipient. A DCC-91 and a DCC-90F, Notice of Appointment/Request for Information, are sent to the recipient indicating the fact sheet must be signed and returned to the service agent staff no later than thirty (30) days from the date of approval. If the service agent staff determines additional information is needed from the recipient in order to process the application or complete enrollment of children needing care with a provider, a DCC-90F that accompanies the DCC-91 indicates the needed information. A copy of the DCC-90F is provided to the DCBS worker who completed the DCC-85 or DCC-85A if information in addition to the fact sheet is needed.

An interview with the service agent staff to complete the eligibility determination cannot be required of the client.

The DCBS worker determines the schedule for child care services based on the work activities or safety requirements of the case. Travel time to and from the site of the child care provider and fluctuating work or training schedules are factored into this determination. The need for child care is documented on the DCC-85 or DCC-85A and is used to determine the most appropriate child care arrangement that will meet the needs of the family.

The DCBS worker indicates any extenuating circumstances in the comments section of the DCC-85 or DCC-85A. This includes but is not limited to:

- Required notification of absences from child care if requested by the DCBS worker.
- Required use of child care if specified in a case plan to address safety issues.
- Restrictions on the choice of a child care provider due to safety issues.
- Schedules that may require the use of multiple child care providers.
- Short term need for child care.
- Any special needs of a child.
- Upcoming known changes that may affect child care.
- An explanation regarding the imposition and amount of court ordered co-payments for child care.
- Two (2) month income disregard
- KWP (Kentucky Works Program) sanction

The third page of the DCC-85 or a copy of the DCC-85A is given to the recipient to document their eligibility for child care subsidies. The recipient is instructed to provide the sheet to their child care provider to verify they are eligible to receive CCAP payments so enrollment can take place. If the provider chooses to enroll the children it is the recipient's responsibility to advise the service agent staff of the name and location of the provider in order that forms relating to provider approval and payment can be issued.

3.3 Family Support Approvals (Revised 09/15/10)

Families who receive K-TAP benefits may be eligible for child care assistance if a responsible adult is:

- Participating in KWP, or
- Working, or
- A teen parent attending high school or GED classes

The child care eligibility code used for child care for these families is:

- **TANF** for a K-TAP Family with a Working Adult
- **TCCN** for all Other K-TAP Families
- **TENF** for Teen Parents

A completed DCC-85A from a DCBS Family Support worker must include the expected duration of participation, the days of the week care is needed, and if part day or full

day care is appropriate. The approval includes adult(s) information, information on children included in the household who need care, in order for adults to meet KWP requirements, and provider information, if known.

AKKO will serve as verification of Social Security numbers, citizenship, birth dates and parent income. The service agent staff shall not require that this information be re-verified for a case approved by the DCC 85/DCC 85A process.

All K-TAP cases approved by the DCC-85A process are re-determined no more than every twelve (12) months.

Notify the Family Support worker if the recipient fails to return requested information needed to enroll a child and/or authorize child care payments.

3.4 Discontinuance of K-TAP (Revised 07/01/10)

The discontinuance of K-TAP does not automatically end the eligibility period of the child care case established when the DCC-85A was processed. Upon notice from the Family Support worker that the K-TAP case has been discontinued, action is taken by the service agent staff to remove the K-TAP income and act on any other reported changes. A face to face interview is not scheduled with recipient in order to initiate changes in the child care case. If additional information is needed a DCC-90F is sent to the family. If all changes result in negative action being taken in the child care case, a DCC-105 Child Care Assistance Program Notice of Action is sent to the family by the service agent staff.

If the family remains eligible for child care assistance, no change is made to the existing re-determination date or eligibility type. At the next re-determination, the family must provide verification of technical factors that are required of other low income working families and the case is determined as a CCIE case.

3.5 Protection and Permanency (P&P) Approvals (Revised 07/01/10)

P & P staff may approve child care using the DCC-85 when families need the service as:

- A preventive service to meet the child care needs of a family with a case opened due to a Family in Need of Services Assessment (FINSAs) in order to stabilize the situation and prevent escalation to an environment at increased risk of abuse or neglect.
- A protective service provided when abuse, neglect, or dependency is substantiated and the family has need for child care services, as indicated in the case plan and/or after care plan.
 - **CCP** for Preventive or Protection approvals

Foster care children are not eligible for CCAP subsidies.

All DCC-85 forms generated by P & P staff for protective service cases only require the written approval of the FSOS (Family Services Office Supervisor) or designee.

Family co-payments may be waived for protective cases only. If the co-payment is waived this must be indicated on the DCC-85 with the reason for waiver indicated in the justification section. If co-payments by the family are court ordered the amount of the co-payment assessed to the parent must adhere to the order. The amount of the court ordered co-payment is indicated on the DCC-85.

For instances where the co-payment is not waived or the amount is not court ordered the co-payment amount is determined by the co-payment chart based on income entered on the DCC-85.

The DCC-85 will serve as verification of social security numbers, birthdates, citizenship, and parent income. The child care worker shall not require that this information be re-verified for a case approved by the DCC 85 process.

Special attention and care is to be afforded to instructions provided by the P & P worker regarding the required type of provider, days of the week care is to be accessed, and any comments recorded on the DCC-85. This is necessary to ensure the safety and proper care of children approved for child care subsidies by DCBS staff working in P & P programs.

The eligibility period for P & P approvals shall not exceed six (6) months.

Parents are responsible for providing immunization records for the children unless exceptions apply or the P & P worker supplies the needed documentation. Child care benefits shall be available for a period of thirty (30) days while the family obtains the necessary proof of immunization.

3.6 Redetermination Process for DCBS Approvals (Revised 09/01/10)

DCBS staff is responsible for determining continued eligibility for recipients approved by the DCC-85 or DCC-85A process. If DCBS determines an approval is no longer appropriate, the DCBS worker will provide notice of ineligibility to the recipient.

All cases appear in the work basket of the service agent staff forty-five (45) days prior to the ending date of eligibility. Cases approved by a DCBS worker are identified on this listing. Within three (3) work days of work basket notification, the service agent staff shall notify DCBS staff of the impending end date of eligibility and request that form DCC-85 or DCC-85A be forwarded within fifteen (15) days approving continued eligibility if appropriate.

If there is no response within fifteen (15) days to the initial request, the service agent staff will send a **second request** to the DCBS worker. Concurrently, the service agent staff will send a DCC-90F to the recipient indicating an approval for child care assistance has not been received from their worker in DCBS and giving them a time and date appointment to apply as a CCIE case. Document in the case record all efforts to obtain a DCC-85 or DCC-85A from DCBS. Sufficient documentation of efforts are written requests sent to DCBS and DCC-90F sent to the recipient. No further action is required by the service agent staff to complete the re-determination, as the case will automatically discontinue in the event required documents are not returned. If the client makes contact and requests child care assistance, the case is processed using low income criteria.

If a re-determination DCC-85 or DCC-85A is received, process and assign an eligibility period of:

- No more than twelve (12) months for K-TAP recipients
- No more than six (6) months for protection and permanency clients

3.7 Erroneous DCBS Approvals (Revised 07/01/10)

During the DCBS approval process, the DCBS worker provides the individual with page 3 of the DCC-85 or a copy of the DCC-85A which serves as documentation that the family is eligible for child care services and is used to obtain services from a provider. If it is determined prior to enrolling the child with a provider that the approval is erroneous and the recipient does not meet low income eligibility criteria, immediate contact is made with the recipient to inform them that services are not appropriate. No further action is taken by the service agent staff. The service agent staff contacts the DCBS worker prior to any action taken.

If it is determined after enrollment of a child with a provider has been completed that the approval is erroneous and the recipient does not meet low income eligibility criteria immediate contact with DCBS staff is made and:

- A DCC-105 is sent to the recipient advising child care payments will terminate.
- A DCC-94D Provider Notification of Intent to Terminate Payment is sent to the child care provider.
- Payment, if requested on a DCC-97 Provider Billing Form is authorized for the period beginning with the date the children were enrolled for service and ending with the termination date.

3.8 Enrollment Fees (Revised 07/01/10)

Enrollment fees can be paid for KWP recipients approved by Family Support in addition to Protection cases that are under the 200% Federal Poverty Level. **Enrollment fees are paid only for these two groups of recipients.** The fee payment must be requested in writing by the provider.

The Child Care Service Agents collect fee information from licensed centers on the DCC-94B, Licensed and Certified Provider Information Form. The amount of the fee must be indicated on the DCC-94B in order for a fee payment to be authorized to the provider.

Enrollment fees are paid to Licensed Type I and Type II centers and Certified Family Child Care centers, if this is their policy to charge the fee to the general public. If non CCAP families are not charged a fee, then fees are not paid for CCAP families.

Enrollment fees are not paid to registered child care providers.

3.9 DCBS Referrals (Revised 07/01/10)

DCBS workers provide services to many families who do not meet the eligibility criteria required for generation of the DCC-85 or DCC-85A. These families include low income recipients of:

- food benefits
- Medicaid
- Kinship Care
- child only K-TAP cases who live with a non-responsible relative not included in the case

Eligibility for child care assistance for these families is determined by the CCAP service agents.

Former K-TAP recipients referred by DCBS for services within (12) twelve months of K-TAP discontinuance must meet all requirements of any other low income family with the exception of meeting the 150% FPL income guideline. The income guideline for these families is 165% FPL.

DCBS staff may refer recipients who indicate a need for child care services by use of the DCC-86. The form is provided to the recipient and the child care worker to facilitate the filing of an application for assistance.

Chapter 4

Low Income Working Families

4.1 Application Process (Revised 07/01/10)

Applications are accepted and processed by the service agent staff for the general public and individuals referred by DCBS staff by the DCC-86, Referral for Low Income Child Care Assistance, form.

Any person has the right to apply for Child Care Assistance on the day they make contact with the Service Agent.

4.2 Income Guidelines (Revised 07/01/10)

The family applying for low income subsidized child care services must have gross countable income at or less than 150% of the federal poverty level.

2010 150% - FPL Income Limits	
HH2	\$1,821
HH3	\$2,289
HH4	\$2,756
HH5	\$3,224
HH6	\$3,691
HH7	\$4,159
HH8	\$4,626
HH9	\$5,094
HH10	\$5,561
HH11	\$6,029
HH12	\$6,496

Families who have been approved for child care services remain income eligible as long as countable gross income is less than or equal to 165% of the federal poverty level.

2010 165% - FPL Income Limits	
HH2	\$2,003
HH3	\$2,518
HH4	\$3,032
HH5	\$3,546
HH6	\$4,060
HH7	\$4,575
HH8	\$5,089
HH9	\$5,603
HH10	\$6,117
HH11	\$6,632
HH12	\$7,146

NOTE: A client who is terminated at 165% of the federal poverty level can reapply within thirty (30) days of the termination and be reapproved at the 165% income limit. Clients who reapply after thirty (30) days will reapply at 150% of the federal poverty level income guidelines.

4.3 Former K-TAP Recipients (Revised 06/01/09)

Applications for child care benefits from former K-TAP recipients are accepted and processed by service agent staff. CCAP benefits may be approved if the family's gross countable income is at or below 165% of the federal poverty level **and** the adult's K-TAP benefits were discontinued within twelve (12) months of applying for child care. Former K-TAP recipients must meet the same technical eligibility and verification requirements as other low income families.

A completed DCC-86 from a DCBS family support worker or AKKO verification is necessary for approval of CCAP benefits at the higher gross income standard. The block on the form indicating the adult is a former K-TAP recipient should be checked and the effective date of K-TAP discontinuance indicated.

The twelve months begins with the effective date of K-TAP discontinuance. Example: K-TAP is discontinued November 15, 2007. The effective date of discontinuance is December 1, 2007. The 165% income guideline is appropriate for an application filed anytime during the period December 1, 2007, through November 30, 2008.

The eligibility type for these cases is **CCTK**.

4.4 Teen Parents (Revised 12/01/08)

A teen parent is defined as any parent age nineteen (19) or younger who needs child care assistance in order to attend high school or pursue a GED in a classroom setting.

Teen parents **do not need** a DCBS approval in order to be eligible for child care assistance.

For teen parent child care assistance applicants, the teen and his/her child(ren) are considered a nuclear family, even if they are residing with other family members. Any income that the teen parent has is used in determining eligibility and in assessing daily family co-pays. No other adult member of the household is counted in terms of family size or income, unless the teenager is married and living with his or her spouse or living with the parent of the child(ren).

EXAMPLE: Tamara, a sixteen (16) year old with a three (3) month old son, lives with her parents. She goes to high school and needs child care. Tamara receives child support of twenty-five dollars (\$25) per week from the child's father. Child support income is the only income considered in the child care case. The family size is two (2).

EXAMPLE: Heather, a seventeen (17) year old, lives with her eighteen (18) year old boyfriend, Philip, and their one (1) year old daughter. They live in the basement of Heather's parents' home. Philip works twenty (20) hours per week and Heather goes to GED classes. Philips' wages are the only income considered in the child care case. The family size is three (3).

Non K-TAP/CPS teen parents must meet income eligibility guidelines in order to receive child care assistance. A teen parent who is working, but not attending school or pursuing a GED, must meet the same work hour requirement and income guidelines as low income working families. A teen parent who works, in addition to attending high school or pursuing a GED, **is not** required to work a minimum of twenty (20) hours per week.

Non K-TAP/CPS teen parents must work (but not required twenty (20) hours) during summer break in order to continue to receive CCAP. Child care will only be paid for the teen parent's work schedule.

4.5 Kinship Care (Revised 07/01/10)

Kinship Care is a program funded by TANF that places a child with a qualified relative caregiver as an alternative to foster care. Kinship Care recipients receive a monthly check and various supportive services that do not include the provision of child care subsidies.

Participation in the Kinship Care program does not establish entitlement to child care assistance benefits. Kinship caregivers must meet the same eligibility criteria as other low income working families.

Kinship Care payments are not counted in household income.

A Kinship Care case cannot be approved under the **CCP** category. If the DCBS worker receives a request for child care assistance from a Kinship care individual, the individual is referred to the service agent utilizing the DCC-86. The application process, required verification, income guidelines, and technical criteria for low income working families are used to determine the family's eligibility for child care subsidies.

4.6 Education Activities

Low income working families may receive child care services while they attend education activities. These families must meet work requirements. Proof of enrollment from the school or institution is required prior to authorizing child care to cover time spent in educational activities. The DCC-90A, Certification of School Enrollment, is used to obtain enrollment information from the school. Other acceptable verification of enrollment includes a class schedule or a written statement from a school official.

Child care can be authorized while the adult(s) in the family attend:

- High School
- GED classes including online classes provided outside the home
- Licensed or accredited vocational or technical school
- Accredited college or universities including online classes

Enrollment can be full or part time. There are no limits on the length of time a working adult can attend school and receive child care services.

4.7 Joint Custody

When parents share custody of a child and both parents need child care assistance, each parent applies for the period of time the child resides in his/her home and pays the corresponding parental fee. There are two (2) separate applications and parental fees even if the child is with the same child care provider.

Chapter 5

TECHNICAL ELIGIBILITY

A child who receives subsidized child care services must meet technical requirements that include age, residency, citizenship, relationship to adult(s) in the home, immunization, and work requirements for adults. In addition to eligibility requirements placed on the family, there are limitations to the type of provider that can be paid with CCAP funds.

5.1 Age of the Child (Revised 09/01/10)

A child meets the age requirement if he/she is:

- Birth through twelve (12) years old; or
- Age thirteen (13) but under age nineteen (19), and not capable of caring for themself.

Age is verified by:

- State authorized/numbered birth certificate (including delayed registration at least one (1) year old);
- Verification of birth registrations through IMS Program, Birth Certificate Inquiry (Birth Index File - KVETS);
- Hospital record (containing the child's name, date of birth, parents' names, hospital name and address and official signature of hospital personnel);
- Baptismal record;
- Statement from attending physician/midwife;
- Adoption record; or
- INS records (e.g. passport, immigration papers which includes child's name and birthdate).

If care is requested for a child who is age thirteen (13) but under age nineteen (19), written verification must be obtained verifying the need for care. Verification may be provided by:

- A qualified health professional approved by the Cabinet such as a school or comprehensive care center.
- A court order or similar documentation indicating the child is under court supervision.

If a child was born out of state and birth verification is not available at time of approval, consider the child as a child in the case not needing care until the birth date is verified. Make every effort to assist the client in obtaining birth verification for the child. Link – <http://vitalchek.com>

5.2 Residency Requirements (Revised 07/01/09)

An applicant requesting child care services must be a verified resident of Kentucky.

There is no requirement placed upon the duration of residency. Residence is verified by documentation which reasonably establishes that the applicant resides in Kentucky and can be verified in conjunction with other information such as, but not limited to, household composition, school attendance, income, identity, etc.

5.3 Household Composition (Revised 09/01/10)

The names and relationships to the applicant of all individuals who reside at the same physical address as the applicant are to be verified at each application, re-determination, and at any occurrence of a change in the household's composition.

Household composition is verified by a DCC-90C, Residence-Household Verification, a current lease which lists all residents at the applicants address if the lease is current and no older than one (1) year old, or a written statement or collateral contact from an individual who has knowledge of the client's living situation. AKKO can be used only if a recertification, application, or address change has been completed within the last thirty (30) days.

The verification of household composition may be completed by or obtained from a collateral contact familiar with the family's living situation. This form may be completed by someone living inside the home of the applicant as long as that person is not included in the applicant's household size. This could include an applicant living with and paying rent to a parent, other relative, or an unrelated adult.

The service agent staff is to document in case comments any unusual circumstance related to household composition including, but not limited to, the reason for accepting verification from an individual residing with the applicant, the name and telephone number for any collateral contacts made, and any other information that has a bearing on the determination of eligibility for the case.

5.4 Temporary Absence (Revised 09/01/10)

A responsible relative, either applicant or applicant's spouse is considered to be in the household if they are temporarily out of the home. A temporary absence can include being absent due to being in the military, hospital, or employment as long as there is intent to return to the household and there is a continuing ongoing relationship. The income of this person is considered when computing household income and the person is included in this family size.

5.5 Citizenship/Alien Status Requirements (Revised 07/01/10)

A child must be a U.S. citizen or qualified alien to be eligible for child care benefits. This includes children born in the United States to non citizen parents. Alien status is verified by Immigration Naturalization Services (INS) documents.

Adults in the home are not required to meet citizenship requirements.

Use the following chart as a guide to the INS documentation. This is not an all inclusive chart. A child may have a different INS document that identifies the alien status and date of entry. Accept any INS documentation provided by the applicant

that verifies the child's status and date of entry unless it is questionable. Have the applicant resolve any questionable status through INS.

Status of Alien	INS Document
Permanent resident alien before August 22, 1996	I-151 or I-551
Permanent resident alien on or after August 22, 1996 If veteran of US Military If active duty US Military	I-551 DD-214 Discharge Certificate Any document showing active status
Refugee	I-94 marked with "admitted under INA 207", "Refugee", or "Refugee - Conditional Entrant"
Asylee	I-94 marked with "admitted under INA 208" or INS letter
Deportation Withheld	I-94 marked with "admitted under INA 243(h)" or letter from immigration Judge
Amerasians	I-94 or I-551 marked with an identifier in comments - AM1, AM2, AM3, AM6, AM7 or AM8
Parolees	I-94 marked with "admitted under INA 212(d)(5)" The date will read "Indefinite"
Conditional Entrants	I-94 marked with "admitted under INA 203(a)(7)"
Cuban/Haitians	I-94 may be marked "admitted under INA 207", "Refugee" or "Refugee - Conditional Entrant"
Battered Aliens	I-94 admitted under INA 204(a)(1)(A) or (B), or whose deportation is suspended under INA 244(a)(3)
Victims of Human Trafficking and Eligible Relatives	I-94 or VISA with "T-1" category. Eligible relatives of the victims have T-2, T-3, T-4 or T-5 category designations.

5.6 Eligible Living Situations (Revised 09/01/10)

In order to be eligible for child care benefits, the child must be living with a parent.

The person eligible to apply for benefits on behalf of the child is considered the head of household. If there are two (2) adults present in the home, the second adult, or responsible adult, must be included in the determination of household size and income if they are:

- A natural or adoptive parent
- A step parent
- The spouse of the head of household
- The in loco parentis spouse

If there is a common child of the two (2) adults in the home, the case is considered as one (1) household with all household members included.

Examples:

Household consists of mother and father who have a child in common. Mother also has a child from a previous relationship and a father has two (2) children from previous relationship that all live in the same household. Household size is six (6) and all household members are considered.

Child lives with her aunt, the aunt's husband (uncle by marriage to child), and two (2) cousins, ages six (6) and eight (8). This is a five (5) person family consisting of two (2) adults and three (3) children.

Child lives with an adult unrelated to her, that person's spouse, and their two (2) children. This is a five (5) person family consisting of two (2) adults and three (3) children.

5.7 Child's Immunization Certificate (Revised 07/01/10)

A parent must present to the service agent staff a current immunization certificate showing that the child is immunized in order to receive child care services under CCAP unless the child is currently attending:

- A licensed child care center,
- Certified child care home,
- Public school,
- Head Start, or
- Other entity that requires proof of immunization as a condition of enrollment.

If a child served by CCAP is not immunized, child care assistance benefits may continue for a period of thirty (30) days while the family takes the necessary action to comply with the immunization requirement.

Exemptions from immunization requirements are available for children whose parents provide written documentation of religious objections to immunization or when immunization is injurious to the health of the child based on the written opinion of the child's attending physician.

5.8 Work Requirements for Low Income Working Families (Revised 07/01/10)

Eligible Work Activities

To receive a subsidy payment for child care, a family must contain a gainfully employed adult or adults. Employment means public or private, permanent or temporary work that is performed for a wage, is self-employment, or is unpaid such as student teaching, an internship, job training required as a factor of eligibility for Unemployment Insurance Benefits (UIB), or practicum. In order for an activity to be counted towards required works hours, it must fall into one of these categories.

Note: Unpaid work such as a practicum, internship, job training, or student teaching must be entered on the KICCS system in order for technical

requirements to be met. The unpaid work must be a requirement to obtain their degree or receive unemployment benefits.

Single Parent Households

Any household which contains only one (1) parent will be required to meet the following guidelines. This includes households where one parent is temporarily absent from the household for a period of over thirty (30) days due to incarceration or hospitalization. The nature and length of the absence must be verified and documentation kept in the case record.

The requirement for a single parent family is that they work a minimum of twenty (20) hours per week. A combination of employment activities can be used to meet the required number of hours.

Example 1: Christy is a single mother of two (2) children and she is working at a fast food restaurant twenty-five (25) hours per week. Christy meets the work requirement of twenty (20) hours per week

Example 2: Sally works at McDonald's and her weekly hours fluctuate. In a four (4) week month, she worked fifteen (15) hours, thirty (30) hours, twenty (20) hours, and sixteen (16) hours. She averages twenty (20) hours a week over a month's time and meets the work requirement.

Example 3: Joe works fifteen (15) hours per week for a car dealership and has a second job working ten (10) hours per week at a video store. Joe's combined work hours of twenty-five (25) hours per week meets the minimum work requirement.

Example 4: John was laid off over a month ago and is receiving UIB. Unemployment has waived the job search requirement for John but requires that he attend a job training center twenty (20) hours per week in order to remain eligible. John has provided proof of his income from unemployment and a statement from the job training center that he is required to attend the center twenty (20) hours a week in order to remain eligible for unemployment benefits. John's unpaid work of twenty (20) hours per week meets the work requirement.

Two Parent Households

The requirement for two (2) parent families is a combined average of forty (40) hours per week with neither parent working less than an average of five (5) hours a week unless one (1) adult is verified as mentally or physically unable to provide care for the children. In instances where there is an incapacitated parent in the home the minimum work requirement for the non-incapacitated parent is twenty (20) hours per week. The incapacitated parent must provide a doctor's statement verifying that he/she is unable to care for the child.

Example 1: Sue and Ted are married and both work. Sue averages fifteen (15) hours per week in an unpaid practicum; Ted averages twenty-five (25) hours per week at a paying job. The family meets the work requirement.

Example 2: Sue and Ted are married. Sue works twenty-two (22) hours per week. Ted is off of work due to a back injury. He has provided a doctor's statement that he is unable to care for the child in the home. This family meets the work requirement.

Verifying Work Hours

In all circumstances it is the responsibility of the applicant to provide third party verification of the number of hours worked, and/or requirement and attendance to an unpaid work setting.

Determining Work Hours (Employment)

To determine the number of work hours to be considered for an individual with taxed wages the service agent staff uses the same information which is being used to calculate the income for that individual.

Calculate the individual's work hours by totaling the hours for all representative periods and dividing by the number of periods considered to determine the average hours per pay period. Once the average number of hours per pay period has been determined, compare the average to the table below for the appropriate pay frequency.

Pay Frequency	Required Work Hours
Weekly	20
Bi-Weekly	40
Semi-Monthly	43.34
Monthly	86.68

EXAMPLE: An individual is paid semi-monthly and has returned her paychecks for the prior two (2) months. Her paystubs show that she worked the following work hours:

June 15th – 44 hrs, June 30th – 42 hrs, July 15th – 40 hrs, July 30th – 42 hrs

Step 1: Total the hours worked 44+42+40+42 = **168 total hours**

Step 2: Determine average hours/period 168 ÷ 4 = **42 hours/period**

This individual would be ineligible as they are not working an average of 43.34 hours per semi-monthly period.

NOTE: To exclude any pay period from the determination of hours or income the period must clearly be unrepresentative of ongoing work hours and income and the reason for the exclusion **must** be thoroughly documented in case comments.

Example 1: Jane has provided her prior two months check stubs. She is paid bi-weekly and averages twenty (20) hours per week. However, on one (1) check in the prior two (2) months she was out for a week due to a sick child. If the check is included in the calculation of work hours the client will be ineligible due to not meeting the twenty (20) hour work requirement. Because the missed period of work is not a normal occurrence it should be excluded from the

calculation of both work hours and income as non-representative of her ongoing situation.

Example 2: Jerry has provided his prior two months check stubs. He is paid bi-weekly and typically works eighteen (18) hours per week. However, in one period of the prior month he worked two extra shifts for a co-worker out with a sick child. If the check with the extra hours is included the client is be eligible as his average would be greater than twenty hours per week. The check with the added hours would not be included as it is not representative of the individual's ongoing situation.

Example 3: Julie works on an as needed basis and has provided a DCC-90D which verifies her prior two months income. Her work hours fluctuate from fifteen (15) hours to thirty-five (35) hours on a regular basis. All periods would be considered in the calculation of work hours and income because the fluctuations are a normal part of her employment and are representative of the ongoing situation.

Determining Work Hours (Self-Employment)

The applicant's statement shall be acceptable at initial application or the first report of self-employment income. The service agent will inform the applicant that they are required to keep and provide records of the hours they actually work for any future actions to be taken on their cases.

Self-employed individuals who work in their own home can meet the work requirement provided that the individual can provide a work schedule which indicates the hours that care is needed and the individual states that they are unable to perform the enterprise with children present in the home. Service agent staff will need to inquire closely into self-employed individuals who work in their own home to determine the nature of the enterprise and how having child care will be beneficial to the household.

Example 1: Jeff does automotive repair out of his garage during the day and states that he works from 8:00 AM to 5:00 PM each day. Jeff states that he cannot have his five (5) year old son at the house because he cannot watch him all day and the dangerous nature of many of the tools he works with does not allow the child to be with him while he works. Jeff's self employment would meet the work requirement.

Example 2: Claudia operates an internet based business out of her home. She says she works between thirty-five (35) to forty (40) hours per week but that she does not have a set schedule and some of time she works when the children are home. As Claudia cannot provide a schedule and can complete her job whether the children are present or not she would not meet the work requirement.

NOTE: If, after discussion with local supervision, the specific situation is still questionable then service agent staff should forward the specific case scenario with a case number/SSN, financial records from the applicant, the applicant's schedule, and any additional pertinent information to the Division of Child Care, CHFS DCC PolicyQuestions. Upon receipt of the case information central office staff will review and render a decision as to whether the individual's situation meets the work requirements.

5.9 Work Requirement Exceptions - (Revised 09/01/10)

A recipient's eligibility may be maintained during periods when they are not meeting the minimum work requirements if the recipient meets the following specified criteria. Child care assistance can be paid for up to six (6) weeks for a health related break in employment due to childbirth/surgery/illness and up to four (4) weeks due to loss of employment through no fault of their own. The recipient must provide verification for required leave through a statement from a health professional or verified birth or adoption of a child and verification from the employer of anticipated return to work. Maternity leave/surgery/illness must be reported in a timely manner, within ten (10) calendar days, or payment **will not** be made to the provider.

Eligibility may be maintained for up to twelve (12) weeks if the qualified health professional verifies the medical condition requires additional leave; however, no payments will be issued after the initial six (6) weeks. The recipient and provider must be notified that any fees charged during this period are to be negotiated between the recipient and the provider. The continued eligibility for child care assistance cannot exceed twelve (12) weeks per occurrence and must have prior approval.

To resume child care assistance, the recipient must provide verification of the return to an eligible work activity prior to the end of the twelve (12) weeks. If the recipient has returned to an eligible work activity then the child care worker is to take action to re-enroll the eligible children with a provider of the recipient's choosing. Service agent staff should follow standard notification procedures regarding eligibility to both the recipient and provider.

If a recipient fails to make contact or becomes ineligible for services, the service agent staff must send a notice to the recipient and provider to reflect the case is being discontinued due to no eligibility.

An illness of more than two (2) weeks must be verified by a statement from a health professional and a statement from the employer confirming the work status of the adult.

There is no change to employment information unless the recipient is not receiving payment for an extended period of time. If the recipient is on leave without pay for a minimum of two (2) weeks then the worker processes a case change. This time frame cannot exceed twelve (12) weeks.

The above exceptions are only applicable if changes are reported in a timely manner, within ten (10) calendar days.

Good Cause for leaving employment includes:

- Discrimination by an employer based on age, race, sex, disability, religious beliefs, national origin or political beliefs;
- Work demands or conditions that render continued employment unreasonable, such as working without being paid on schedule;
- Resignations by persons under the age of sixty (60) which are recognized by the employer as retirement;

- Leaving employment which becomes unsuitable after the acceptance of employment;
- Acceptance of bona fide offer of employment of twenty (20) hours a week and because of circumstances beyond the control of the member either does not materialize or results in employment of less than twenty (20) hours a week;
- Leaving a job in connection with patterns of employment in which workers frequently move from one employer to another, such as migrant farm labor or construction work. Although employment at the new site had not begun, quitting the previous employment is considered with good cause if it is part of the pattern of employment.
- Military personnel who choose not to re-enlist; or
- Lack of adequate child care for children.
- Receipt of unemployment compensation verifies good cause.

5.10 Technically Ineligible Families (Revised 07/01/10)

Families are not eligible for CCAP benefits if care is provided by:

- A natural or adoptive parent;
- A step parent;
- A person acting "in loco parentis" or their spouse;
- A legal guardian or their spouse;
- A person living in the same residence as the child;
- A member of the K-TAP or food benefits case in which the child is included;
- A provider who is not licensed, certified, or registered;
- An alternative program such as Head Start, public preschool or kindergarten; or
- Another child care provider if the family operates a child care business in their home.

Chapter 6

INCOME

6.1 Excluded Income (Revised 07/01/10)

Excluded income is income received by the family but not considered in determining gross income. The following is a list of income which is excluded.

1. All **earned** income received by a child;
2. K-TAP child only payments, including back payments;
3. Kinship Care payments, including back payments;
4. Educational grants, loans, scholarships, and work study income;
5. Kentucky Works supportive services payments;
6. The value of United States Department of Agriculture food program benefits;
7. Food benefits;
8. Payments made directly to a third (3rd) party such as a doctor, pharmacist, landlord, utility provider, etc. by another individual or organization on behalf of a family member for which no work was performed; or unless the money is legally obligated to the client such as court ordered child support;
9. In-kind income;
10. Transportation reimbursements for an employment related duty;
11. Non-emergency medical transportation payments;
12. Monies received from federal disaster and state disaster assistance;
13. Home produce utilized for household consumption;
14. Highway relocation assistance;
15. Urban renewal assistance;
16. Housing subsidies received from state, federal, or local governments even if paid directly to the recipient;
17. Funds distributed to certain Indian tribes.
18. Supportive services and reimbursements to individuals volunteering as Senior Health Aides or members of the Service Corps of Retired Executives or Active Corps of Executives;
19. If less than the minimum wage, payments made to an individual in the Volunteers in Service to America (VISTA), Foster Grandparents, Retired and Senior Volunteer Program, or Senior Companion Program;
20. Any payment made by the Division of Protection and Permanency for child foster care, foster care, or personal care assistance;
21. LIHEAP and other energy assistance payments;
22. The principal of a verified loan;
23. Up to \$12,000 to Aleutians and up to \$20,000 to individuals of Japanese ancestry for payments made by the United States Government to compensate for hardships experienced during World War II. (All recipients of this income are provided with written verification by the U.S. Government.);
24. Payments made from the Agent Orange Settlement Fund; (one (1) time only payment)

25. Earned Income Tax Credit (EIC) payments;
26. Any payments received from the Radiation Exposure Compensation Trust
27. Fund;
28. Payments made to individuals because of their status as victims of Nazi persecution;
29. Income received from temporary employment from the United States Department of Commerce, Bureau of the Census;
30. Payments made from Crime Victims Funds in accordance with Section 234 of the Antiterrorism and Effective Death Penalty Act of 1996;
31. Loan assistance through the Farm Service Agency (FSA EM) pursuant to Section 321(a) of the Consolidated Farm and Rural Development Act;
32. Section 401 of the Veterans Benefits and Health Care Improvement Act of 2000, Public Law 106-419, provided for certain benefits for individuals with covered birth defects who are the natural children of women veterans who served in Vietnam during the Vietnam era. There is no age limit for recipients of these benefits. These individuals receive the benefits until they die.
33. A discount or subsidy provided to Medicare beneficiaries pursuant to Section 1860D-31(g)(6) of the Social Security Act;
34. Cash grants under the Department of State or Department of Justice Reception and Placement Programs; or
35. Vocational rehabilitation reimbursements for an individual participating in Preparing Adults for Competitive Employment.
36. Income which is received as a non-recurring lump sum payment.
37. Income or earnings from a program funded under the Work Investment Act (WIA).

6.2 Countable Income (Revised 07/01/10)

Countable income is any money received by any individual of an applicant/recipient household which is not excluded and can reasonably be anticipated to continue. Countable income can be earned income from employment, tips, self-employment, or contract or can be unearned income from child support, SSI, RSDI, UIB, retirement and pensions, or any other form of income for which no work is performed and which the household receives on a regular and ongoing basis. All countable income must be verified and documented at each application, recertification, and at any anticipated, known, reported, or suspected change in the individual's income.

6.3 Earned Income - Taxed Wages (Revised 07/01/10)

Taxed wages are any income from full-time or part-time employment where the individual's portion of taxes is withheld by the employer prior to being paid to an individual. Tip income, odd job, occasional, seasonal, or contract employment is all included as taxed wages when taxes are withheld prior to receipt of the income.

6.3.1 – Verification of Taxed Wages (Revised 07/01/10)

A. Prior Two (2) Months Income - For an individual with two (2) or more months of unchanged work history with their current employer verify actual gross income received by the individual for all pay periods in the two (2) full calendar months preceding the month of application or Intent to Apply.

B. Employer Anticipated Wages- For an individual with new employment or with less than two (2) months of unchanged work history obtain verification of the estimated work hours and rate of pay the employer expects the individual will be working. If information is returned by an individual which indicates a recent change in work hours or pay the worker may use employer anticipated amounts or some form of alternate calculation as detailed below.

NOTE: Employer anticipated wages are **NOT** an acceptable form of verification for an individual who has two or more prior months of unchanged work circumstances.

C. Alternate Verification - In many circumstance it may be necessary to use verification other than the prior two (2) months or the employer anticipated amounts to correctly anticipate an individual's representative income. Alternate forms of verification can include one (1) prior month, a current month, partial prior and/or current months, or some combination of these. Whenever an alternate source of verification is obtained and used it is required that case history comments be entered to explain the type of and reason for the alternate verification.

D. Tip Income - Countable tip income is monies received in addition to wages for services performed by the employee. Countable tip income includes the allocated or tip credit reported by the employer for tax purposes which may appear on the paycheck stub.

Tip income may be verified by:

1. Using the individual's daily tip log of actual tips received. A tip log is any record kept by the individual of tips received each day that shows date of receipt and amount; or
2. Using the allocated tip or tip credit amount shown on the paycheck stub.

For new applications or new tip income when verification is not available, use the individual's statement of anticipated tips. When tip income is reported, advise the individual of his/her responsibility of maintaining a daily tip log or obtaining third party verification of tip income.

E. Contract Income – Contract income is any taxed income for which the individual has a signed employment contract which has specific terms regarding the amount of pay that an individual will be paid over a specified period of time or for completion of specified tasks, duties or projects. Contract income is verified by a copy of the individual's current employment contract.

F. Ended Taxed Wages – If an individual reports a change of employment or the end of a job the worker can accept the client statement of the end of the job unless there is a documented reason to doubt the end of the employment.

G. Acceptable Forms of Verification – All countable taxed wages are to be verified at each application, redetermination, and at any known, anticipated, reported, or suspected change in income.

NOTE: No individual is required to re-provide verification of income once eligibility has been determined as part of a standard review process or without a documented reason for the request.

The following types of verification may be used to verify taxed wages provided it details the information required to be verified.

1. Copies of actual check stubs received.
2. DCC-90D Verification of Employment and Wages signed and completed by employer.
3. Written statement from the employer.
4. Employer printout of actual wages received.
5. Work Number automated verification system.
6. Collateral Contact. (the name and telephone number of all collateral contacts must be documented in case history comments)
7. Employment Contract.
8. Tip logs. (The individual's statement may only be accepted for initial application or at the beginning of new employment with tip income)

H. Using Work Number Express Information – The Work Number Express Service is only to be used to verify employment/earnings on individuals in a household with a signed application/redetermination form consenting to verification of information. Do not use the service to obtain personal information on yourself, family members or acquaintances.

When a search is completed on The Work Number Express Service, a summary screen is generated which lists all of the employers in The Work Number database for that individual. The screen displays company name, employment status and last pay date for each employer listed. There is no charge to the agency for viewing the information on this summary screen. A status code of "no longer employed" or "inactive" along with the last pay date for an employer from the summary screen is acceptable verification of terminated employment without obtaining a full report on that employer.

For additional information on wages and hours, check the box in the "Get Verification" column next to each employer you need. Once you click "Submit", the Department will be charged for each employer selected. As there is a cost for each wage verification request, please limit the request to one (1) per household member, per employer for that household member, for each case action (e.g. recertification, application or change in job or wages).

No case should be denied or discontinued for failure to return verification of taxed wages without a documented attempt to obtain the information through the Work Number.

6.3.2 – Calculation of Taxed Wages (Revised 07/01/10)

A. Using actual amounts received - The following procedures are to be used when calculating income using actual income amounts whether for the prior two (2) months or for an alternate verification source.

1. Cents are not rounded in any step of the calculation.
2. Only income which is representative of ongoing income is to be included in

the calculation.

3. Determine the average amount of income received per pay period by totaling the income from all representative pay periods and dividing the total by the total number of pay periods.
4. Determine average monthly income by multiplying the average amount received per pay period by the appropriate multiplier below.

Monthly Income Multiplier Table

Pay Frequency	Multiplier
Weekly	4.334
Bi-Weekly	2.167
Semi-Monthly	2
Monthly	n/a

Example: An individual works consistently twenty-five (25) hours per week at \$7.25 per hour. He/she is paid weekly. Twenty-five (25) hours per week multiplied by \$7.25 per hour equals \$181.25 per week. \$181.25 per week multiplied by 4.334 equals \$785.54.

B. Using employer anticipated income - If an individual has recently started a job, has not received two (2) calendar months of wages, or past wages are not reflective of current income, the monthly anticipated income is determined in the following manner.

1. Multiply the hourly rate of pay by the estimated number of hours to be worked in a pay period to determine the average income per pay period.
2. Multiply the average income per pay period by the appropriate multiplier as identified in the Monthly Income Multiplier Table above.

C. Calculating Tip Income - Calculate tip income in the following manner:

1. Use the same time period used in determining the monthly amount of earned income for determining tip income (e.g., if income is determined by using the prior two (2) calendar months' wages, then use the prior two (2) calendar months' amount of tips shown on the daily tip log or use the allocated tip or tip credit amount shown on the paycheck stub).
2. If daily tip log is used, add the monthly tip income to the calculated monthly earned income for the total monthly wages.
3. If using an individual's statement of tips, determine the average amount of tips received per pay period and multiply that amount by the correct multiplier above.

D. Calculating Contract Income –Contract income is calculated by determining the length of the contract in months and averaging the full amount to be paid to a monthly amount.

NOTE: Contract income is counted for the full term of the contract whether the amount is paid out prior to the end of the contract period.

6.3.3 – Special Considerations with Taxed Wages (Revised 07/01/10)

1. Exclude from wages reimbursement for transportation in performance of duties, if identifiable.
2. DO NOT deduct garnishments on salary.
3. Consider living allowances (stipends) paid by programs established under the National and Community Services Trust Act of 1993 (such as Americorp) as earned income.
4. Consider all VISTA payments paid through Americorp that equal or exceed the minimum wage, as earned income; exclude all income less than minimum wage. To determine if the VISTA payment equals or exceeds the applicable minimum wage, send a written request to: State Director of ACTION, 600 Federal Place, Room 372-D, Louisville, Ky. 40202.

6.4 Self-Employment (Revised 07/01/10)

An individual is considered to be self-employed when he/she is working in his/her own business, trade or profession rather than working for an employer. Self-employment income is ANY income paid to an individual for products or services from which NO taxes are withheld PRIOR to receipt of income by the individual. If Social Security and income taxes are being withheld by an employer, the individual is not self-employed.

Self-employment income may be received annually, or monthly, or it may fluctuate, as in a seasonal self-employment activity.

The following are some common types of self-employment enterprises:

1. Small business owners such as grocers, hobby shops, restaurants, etc.
2. Individuals who subcontract skills or labor to another person or entity who does not withhold taxes such as carpenters, painters, performers, etc.
 - a. These individuals may or may not receive a Form 1099 for tax filing purposes.
 - b. Many subcontractors may work for another individual or company on an ongoing basis but if the employer does not withhold taxes then the employee is self-employed (**see Example 1**).
3. Individuals who receive income from farming such as tobacco farmers, some horse farms, and owners of small farms that are operated as a profitable enterprise.
4. Individuals who receive income from rental property, boarders, or roomers.
5. Individuals who perform odd jobs, seasonal work, or any activity for which they receive monetary compensation that is not taxed. This would include such activities as hobby activities from which an individual profits, selling plasma, selling aluminum cans or scrap metals, seasonal yard work, etc. (**see Example 2**)

Example 1: Jonah works for Smith & Johnson Home Builders as a carpenter. He has been working for the company for a period of eight (8) years. When Jonah returns his verification of income from the company they have indicated that they do not withhold taxes from Jonah's check. Jonah is self-employed and the verification from Smith and

Johnson is insufficient. Jonah will need to provide verification of his income as outlined in MS 6.4.1 Verifying Self-Employment.

Example 2: In her spare time Martha works out of her home creating flower arrangements that she sells at a local flea market on weekends to get a little spending money. Martha has been doing this for a period of several years and has not filed taxes on it as she considers it a hobby. This is self-employment income. Martha will be required to provide verification of the income as outlined in MS 6.4.1 Verification of Self-Employment.

Note: Owners of businesses which file taxes as corporations are handled differently from self-employment income and are addressed In MS 6.4.3 Consideration of S-Corporation Income.

6.4.1 Verification of Self-Employment Income (Revised 07/01/10)

A. Established Self-Employment Enterprise - The business records of the self-employment activity are the primary source of verification of self-employment income. Acceptable sources of verification include, but are not limited to:

1. Statements of an outside accountant;
2. Ledger books, records or receipts maintained by the applicant;
3. Information from the most recent IRS tax forms.
4. DCC-90G Irregular Work Form

When using tax records to verify self-employment income and deductions it is important that service agents gather information from the correct forms. Most self-employed individuals will have a Form 1040 Schedule C, C-EZ, E, or F. The type of form is based upon the nature of the self-employment. These forms are to be used to determine the income and deductions for the self-employment. DO NOT use figures from Form 1040 such as business or farm income or (loss) or adjusted gross income. It is possible for individuals to have more than one of these forms as one must be completed for each self employment enterprise in which that individual is engaged.

B. New Self-Employment Enterprise - If an applicant has just started a new business, the applicant's statement of gross income may be accepted as a last alternative **only** if no business or tax records are available. This statement shall **not** be accepted for operating expenses. If the service agent staff accepts the applicant's signed, written statement of gross income, the reason the applicant has no business records must be documented. In addition, service agent staff advises the applicant that at subsequent case changes and re-determinations it will be necessary to provide adequate business records to establish income in order to continue to receive services.

For instances when the applicant's statement of income is used, the service agent staff enters a case change date in KICCS, three (3) months from the date of eligibility determination, in order to request actual business records and recalculate income. A DCC-90F Notice of Appointment/Request for Information is sent to the applicant requesting the business records for the last three (3) months, thirty (30) days prior to the end of the three (3) month period.

Example 1: Martha makes and sells flower arrangements at a local flea market. She has considered this a hobby and has never kept records or filed taxes on any profits she has made from this enterprise. Martha can write a statement as verification of the income since she does not have records. However, she cannot claim any deductions unless she can provide receipts or records for her expenses related to the business.

The service agent will calculate the income as outlined in MS 6.4.2 Calculation of Self-Employment Income, document why Martha's statement was accepted, inform Martha that she must keep and provide her records for any future actions, and enter a case change for three (3) months from date of eligibility. Thirty (30) days prior to the end of the third (3rd) month the service agent will send a DCC-90F requesting the business records from Martha. If returned the income would be recalculated for the new verification. If not returned then the case will be terminated.

Example 2: Jonas is a carpenter who subcontracts with Smith and Johnson homebuilders. He has provided a written statement from the company showing the amounts paid to him in the prior two months. However, no taxes are being withheld from his pay. This is self-employment and the verification is not acceptable as it may not be representative of his ongoing income. The Service Agent will send a DCC-90F to Jonas and request his tax records for the prior year.

C. End of Self-Employment Income – Self-employment income may only be ended when an individual is no longer actively pursuing and does not anticipate any future income from the enterprise. Reductions in income as a result of seasonal or market fluctuations do not constitute an end to the income unless the individual has no intent of pursuing further income from the self-employment. The individual's statement may be accepted for the end of income unless there is a documented reason to doubt the end of the income.

6.4.2 Calculating Self-Employment Income (Revised 10/01/10)

The amount of self-employment that is countable to an individual is the total amount of earnings before deductions reduced by any allowed operational expenses, which are listed below. Self-employment income will be counted and verified for the period in which it was received.

Self-employment income remains countable as long as the individual is actively involved in or pursuing income from the self-employment enterprise, regardless of market and seasonal fluctuations.

Example: Jonah subcontracts as a carpenter with a home builder. He has provided his income taxes for the prior year which have been used to determine his income. During his eligibility period Jonah contacts the local service agent to report a reduction in his income. The service agent determines that Jonah is still working as a carpenter and that his income is reduced currently due to weather conditions and because the builder has not had any work for him. Due to the fact that these are seasonal and market fluctuations with self-employment no change would be made to the case.

The DCC-90J Self-Employment (Non-Farm) Income Worksheet or DCC 90K Self-Employment (Farm) Income Worksheet is used to document self employment income and deductions.

Note: If an applicant's allowable deductions exceed their self-employment income then the service agent staff will enter one (1) dollar for the amount of monthly income in KICCS to allow the system to count the hours worked. This will allow the case to be approved in KICCS.

A. Enterprise in operation for more than a year

If the self-employment enterprise has been in operation for at least one (1) year, the service agent staff will enter the verified gross income and allowable deductions for the last calendar year into KICCS. KICCS will automatically calculate the countable monthly income. Do not round.

B. Enterprise in operation for less than a year

If the self-employment enterprise has been in operation for less than a year the service agent staff will need to determine the number of months that the individual has been involved in the enterprise. Divide the gross income by the number of months the business has been in operation. Do not round. This is the gross monthly income. Divide the allowable deductions by the number of months of operation. Do not round. This is the monthly deductions for self-employment. Subtract the monthly deductions from monthly income. The difference is the countable income, or profit.

C. Operational Expenses

Operational expenses are the cost of carrying on a trade or business. To be deductible, an operational expense must be connected with or pertaining to a trade or business.

Operational expenses, based on deductions allowed by the Internal Revenue Service (IRS), are outlined on the DCC-90J and DCC-90K. Either the DCC-90J or DCC 90K is completed at the time that eligibility is determined for an applicant with self-employment income.

Depreciation, although allowed by the (IRS) as a deduction, **is not allowable** deductions for purposes of determining eligibility for subsidized child care.

1. Allowable Deductions-Non-Farm Business

The following list indicates the non-farm business expenses allowed by the IRS which are deductible for determination of eligibility:

- a. Advertising;
- b. Car and truck expenses;
- c. Commissions and fees;
- d. Contract labor;
- e. Employee benefit programs;
- f. Insurance (other than health);
- g. Interest (mortgage and/or other);
- h. Legal and professional services;
- i. Office expense;

- j. Pension and profit-sharing plans;
- k. Rent or lease of vehicles, machinery and equipment and other business property;
- l. Repairs and maintenance;
- m. Supplies;
- n. Taxes and licenses;
- o. Travel, meals and entertainment;
- p. Utilities;
- q. Wages (less employment credits);
- r. Other expenses;
- s. Expenses for business use of the applicant's home;
- t. Depletions.

2. Allowable Deductions- Farm Income

The following list indicates the farm expenses allowed by the IRS which are deductible for determination of eligibility:

- a. Car and truck expenses;
- b. Chemicals;
- c. Conservation expenses;
- d. Custom hire (machine work);
- e. Benefit programs;
- f. Feed;
- g. Fertilizer and lime;
- h. Freight and trucking;
- i. Gasoline, fuel and oil;
- j. Insurance (other than health);
- k. Interest (mortgage and/or other);
- l. Labor hired (less employment credits);
- m. Pension and profit-sharing plans;
- n. Rent or lease expenses (vehicles, machinery, equipment and other-land, animals, etc.)
- o. Repairs and maintenance;
- p. Seeds and plants;
- q. Storage and warehousing;
- r. Supplies;
- s. Taxes;
- t. Utilities;
- u. Veterinary, breeding and medicine;
- v. Other expenses (such as accounting/record keeping fees, attorney fees or advertising);
- w. Depletions.

6.4.3 S Corporation Consideration (Revised 07/01/10)

An S Corporation is a type of closely held corporation in which more than 50% of the value of outstanding stock is owned (directly or indirectly) by five (5) or fewer individuals in the last half of a tax year. The income of these closely-held corporations is reported together with the household's other income on its tax Form 1040 schedule E and other supplements.

Service agent staff is to request and review the following information in order to make an accurate determination of income for an individual in an S Corporation.

1. Tax records for the previous calendar year for both the individual and the S-Corporation.
2. Verification of any payments made as wages to the applicant from the corporate account.
3. Verification of both the applicant's and the corporation's bank records for the previous calendar year.

The countable income from an S Corporation is the applicant's share of profits, any wages drawn off the corporation by the applicant or other household members, and any disbursements from the corporate account to the applicant in the form of cash, check, or payment of personal expenses. (See Example)

Example: Johnny is the sole proprietor of a small photography business and files his taxes as an S Corporation. In the prior year the corporation profited \$12,000 after business expenses. Johnny has issued himself a paycheck of \$500 twice each month as an employee of the corporation. Additionally, review of the corporation bank records for the prior year show that Johnny drew money from the account for personal use in the amount of \$600 on four (4) different occasions.

Johnny's income would be calculated as follows:

1. \$12,000 would be entered on the system for self-employment income as the annual profits of the company.
2. The prior two months of income would be entered as wages on the employment screens.
3. The four (4) disbursements would be totaled to 2,400 and then averaged from the annual amount by dividing by twelve (12) for a total monthly amount of \$200. This amount would be entered as Other Unearned Income.

The monthly countable income for the case would be \$1,000 for self-employment, \$1,000 for wages, and \$200 for Other Unearned Income for a total countable income of \$2,200.

6.5 Unearned Income (Revised 07/01/10)

Unearned income is any income paid to the household for which no work is performed. Consider the following unearned income if received by any member of the household, including children.

1. Child Support payments paid to the household whether paid directly to the household by the individual or through the Division of Child Support Enforcement
2. Supplemental Security Income (SSI) and Retirement, Survivors and Disability Insurance (RSDI) payments made to any member of the household from the Social Security Administration (SSA).
3. Annuities, (Prorate over a twelve (12) month)
4. Lottery winnings paid annually, (Prorate over a twelve (12) months)
5. Pensions,
6. Retirement payments,

7. Veteran's or disability benefits, including Agent Orange payments issued by the Department of Veterans Affairs,
8. Worker's compensation,
9. Unemployment insurance benefits,
10. Strike benefits.
11. Any portion of a K-TAP grant, excluding payee only cases, which do not include the parent in the K-TAP grant,
12. Statutory benefits which are due the household but which are diverted to a third party or protective payee for purposes such as managing a household's expenses even if the household has the option of receiving a direct payment.
13. All money payments from any source which can be construed as a gain or benefit, including, but not limited to royalties and payments from government sponsored programs unless otherwise excluded.
14. Contributions made to the household from individuals not living with the family.
15. Monies that are legally obligated and otherwise payable to the household, but which are diverted by the provider of the payment to a third party for household expenses are counted as income. The distinction is whether the person or organization making the payment on behalf of a household is using funds that otherwise are payable to the household. If an employer, or agency who owes these funds to a household diverts them instead to a third party to pay for a household expense, these payments are still counted as income to the household (e.g., garnishment on wages).

NOTE: The unearned income of children, excluding payments issued for Kinship Care and payments issued as child only payments for K-TAP, are countable. Service agent staff are to verify and include the gross amounts of any non-excluded, unearned income issued on behalf of a child for all households at the first application or redetermination after 07/01/2010. The unearned income of children shall remain excluded from consideration for current recipient households until the household is terminated and reapplies or comes due for redetermination.

6.5.1 Verification of Unearned Income (Revised 07/01/10)

Use the following types of documentation for unearned income:

1. Award letters or verification forms from Social Security
2. Job service card
3. Company pension statement
4. Internal Revenue Service records
5. Veterans records
6. Railroad Retirement records
7. Support orders
8. Union records
9. Statement or copy of checks from the non-custodial parent for support payments
10. Statement from the person or entity providing income to the individual

6.5.2 Calculation of Unearned Income (Revised 07/01/10)

The gross monthly amount of all unearned income types is countable, regardless of the amount issued to the individual.

1. Cents are not rounded in any step of the calculation.
2. For unearned income which is received on a weekly, bi-weekly, or semi-monthly basis convert the income to a monthly amount by multiplying the amount received in each period by the correct multiplier as shown in the table below.

Monthly Income Multiplier Table

Pay Frequency	Multiplier
Weekly	4.334
Bi-Weekly	2.167
Semi-Monthly	2
Monthly	n/a

3. If monthly income fluctuates, average the amounts received in the prior three (3) calendar months unless it does not represent the ongoing situation.

6.5.3 Child Support and/or Spousal Support (Revised 07/01/10)

Count child support or spousal support payments made directly to the household by non-household members or by the Division of Child Support (DCS) as income.

Child and/or spousal support income is the amount of legally established or voluntary child/spousal support regularly received by the family. Voluntary payments are those amounts made by a legal, alleged, or adjudicated parent when there is no court order for support. Any amount of a military allotment designated as child/spousal support is considered as child/spousal support.

Child support income is considered in the child care assistance case and attributed to the adult.

A. Verifying Child Support Income - The following may be used to verify child support income.

1. A printout from the entity which issues the payments.
2. A written statement or DCC-90B Child Support and Income Verification from the non-custodial parent if the child support is paid voluntarily.
3. Collateral contact with the person or entity from whom the payments are received. (contact information for the person or entity must be documented in case comments)
4. A client-provided ReliaCard statement.

If an individual cannot obtain verification of child support income due to an uncooperative non-custodial parent or an unreasonable cost associated with obtaining the verification, the individual's statement may be accepted upon first being reported. Check stubs, bank statements, AKKO, or other documentary evidence can be used to support the client's statement in this instance but cannot be used as primary verification. For any subsequent actions the individual must maintain a record, log, and any other available documentary evidence as verification.

NOTE: Comments must be entered to document the reason for accepting the individual's statement and that the individual has been informed of the requirement to maintain a record for future case actions.

B. Calculating Child Support -To calculate the monthly amount of child support:

1. If representative of the ongoing amount of child support; manually calculate the total amount of child support for the three (3) prior months (do not round) and average the total to get the average monthly amount (do not round).

Example: In the prior three (3) months the non-custodial parent paid the following amounts. **Prior month 1:** \$100, **Prior month 2:** \$0.00, **Prior month 3:** \$200. The income from all three (3) months would be totaled to \$300 and divided by three (3) months for an average monthly income of \$100 of countable income.

2. If not representative (e.g., received less than three (3) months, reduction in amount paid; etc.); Use the monthly amount that best represents the ongoing child support income. For Child Support income which is received on a weekly, bi-weekly, or semi-monthly basis convert the income to a monthly amount by multiplying the amount received in the representative periods by the correct multiplier as shown in the table below.

Monthly Income Multiplier Table

Pay Frequency	Multiplier
Weekly	4.334
Bi-Weekly	2.167
Semi-Monthly	2
Monthly	n/a

C. Ending Child Support

1. Court Ordered Support – Regularly Received – Child support which is court ordered and is received on a regular basis can be ended when verification has been provided which shows,

- a. Change in court order,
- b. Incarceration of the Non-Custodial Parent (NCP),
- c. Death of NCP,
- d. Other circumstance which shows the NCP will no longer be able to make payments,
- e. That no payments have been received in the prior three (3) months, or
- f. That the payments have ceased and no new payments have been issued to the client.

2. Court Ordered Support – Irregularly Received - Child support which is court ordered and received on an irregular basis can only be ended when verification has been received that no new payments will be issued due to a,

- a. Change in court order,
- b. Incarceration of the Non-Custodial Parent (NCP),
- c. Death of NCP,
- d. Other circumstance which shows the NCP will no longer be able to make payments,
- e. When no payments have been received in the prior three (3) months.

Otherwise use the prior three (3) months of actual payments to calculate the child support income.

3. Voluntary Support - Support which is paid directly to the recipient by the NCP can be ended when,

- a. A written statement from the NCP has been received that they will no longer be making payments,
- b. Incarceration of the NCP,
- c. Death of NCP, or
- d. Other circumstance which shows the NCP will no longer be able to make payments,

6.6 Child Support Deduction (Revised 07/01/10)

Prior to comparing the family's gross income to the allowed scale for size and type deductions are allowed for actual legally obligated child support payments paid by the head of household or responsible adult to a child living outside the home. The amount of the monthly deduction is determined in the same manner as when calculating the monthly amount or child support. See Manual Section 6.5.3 Child Support and/or Spousal Support.

NOTE: The total deduction **may not** exceed the amount that the individual is legally obligated to pay, regardless of the amount actually paid.

6.7 Defining the Family Size for Determining Income Eligibility (Revised 07/01/10)

A family, for purposes of an eligibility determination for child care, consists of the head of household, a responsible adult if present, and any children under age nineteen (19) and living in the home.

Example 1: Household consists of Susie, her boyfriend, and Susie's two (2) children, ages three (3) and six (6). Susie needs child care for her children. Susie is the head of household. Family size is three (3) and consists of Susie and her two (2) children. Susie's income is counted.

Example 2: Household consists of Mary, her husband, Tim, and their two (2) children, ages three (3) and six (6). Mary and Tim need child care for the three (3) year old. Mary is the head of household. Tim is the responsible adult. Family size is four (4) and consists of Mary, Tim, and their two (2) children. Mary and Tim's income is counted.

Example 3: Household consists of Cindy, Cindy's mom, Hilda, and Cindy's two (2) children, ages three (3) and six (6). Cindy needs child care for her children. Cindy is the head of household. Family size is three (3) and consists of Cindy and her two (2) children. Cindy's income is counted.

Example 4: Household consists of Jenny, sixteen (16), Connie (Jenny's aunt), Sam (Connie's husband), Otto (Jenny's cousin) and Drew, Jenny's baby. Jenny is a teen parent and needs child care for her baby. Jenny is the head of household. Family size is two (2) and consists of Jenny and Drew. Jenny's income is counted.

Example 5: Household consists of Mimi, her husband Sam, Tootie, their sixteen (16) year old daughter, and their three (3) month old nephew, Jason. Mimi needs child care for Jason. Mimi is head of household. Sam is the responsible adult. Household size is four (4) and consists of Mimi, Sam, Tootie and Jason. Mimi and Sam's income is counted.

6.8 – Income Guidelines (Revised 07/01/10)

The family applying for low income subsidized child care services must have gross countable adjusted income at or less than 150% of the federal poverty level.

2010 150% - FPL Income Limits	
HH2	\$1,821
HH3	\$2,289
HH4	\$2,756
HH5	\$3,224
HH6	\$3,691
HH7	\$4,159
HH8	\$4,626
HH9	\$5,094
HH10	\$5,561
HH11	\$6,029
HH12	\$6,496

Families who have been approved for child care services remain income eligible as long as gross countable adjusted income is less than or equal to 165% of the federal poverty level.

2010 165% - FPL Income Limits	
HH2	\$2,003
HH3	\$2,518
HH4	\$3,032
HH5	\$3,546
HH6	\$4,060
HH7	\$4,575
HH8	\$5,088
HH9	\$5,603
HH10	\$6,117
HH11	\$6,632
HH12	\$7,146

Chapter 7

Child Care Services

7.1 Eligible Providers (Revised 07/01/10)

Families may select an eligible child care provider of their choice. Protection and Permanency staff may limit the choice of a child care provider to a licensed or certified center or home depending on the safety concerns present in the family's situation.

In order to receive payment from the Child Care Assistance Program (CCAP) a provider must be a:

- Child care facility with a current license issued by the Office of the Inspector General (OIG), Division of Regulated Child Care (DRCC);
- Family child care home provider certified by OIG, DRCC, to care for up to six (6) unrelated children;
- Child care provider approved and registered by service agent staff and care for no more than three (3) unrelated children. Requirements and procedures for registered providers are located in Chapter 12 Registered Providers.

7.2 Determining Need for Child Care (Revised 07/01/10)

In order to qualify for child care services, the family must need child care for one (1) or more of the following reasons:

- To maintain employment;
- To support child protective services;
- To attend school, if a teen parent;
- To attend activities as required participation in Kentucky Works.

For families who are approved for child care due to employment, services may be provided to cover time spent in educational activities.

Child care must accommodate the work and school schedule of the adults and allow for commuting time. Additionally, there may be circumstances that keep the child in care for more hours than usual, such as a child suspended from school, school closed for damages, and snow days.

For low income cases, the DCC-90I Work and School Schedule completed by the adult can be used to determine the child care arrangement that best meets the needs of the family.

For cases approved by the DCBS worker, information provided on the DCC-85 or DCC-85A is used to determine the hours and days of the week care is needed.

Full day care is defined as five (5) or more hours per day. Part day care is defined as less than five (5) hours per day. Payments to all providers are made based on the child's daily attendance.

7.3 Part-time Care (Revised 07/01/10)

Child care services will be paid according to the parent's schedule. The parent may select services from a licensed, certified or registered provider. If a parent selects services from a provider who offers full-week care, then the parent is responsible to pay the difference.

Example: Mother works Monday, Wednesday, and Friday 8-5. She wants to use Kiddy Corner that offers only full week care. Full day care is authorized Monday, Wednesday, and Friday at Kiddy Corner. The client is responsible to pay the remaining charges to Kiddy Corner.

7.4 Multiple Providers

The schedule of the adult or child may require the use of more than one (1) provider to meet the need for child care.

Example: Mother works days Monday through Friday and attends college classes three (3) nights per week. Her children attend Kindercare while she works. Their grandmother, a registered provider, watches them in the evening when their mother goes to class. Full day care, Monday through Friday, is authorized for Kindercare. Part day care is authorized three (3) days per week to the grandmother.

Example: Children are school aged and attend a licensed after-school program when school is in session. During Christmas break, they are cared for by their aunt, a registered provider. Part-day care is authorized to the after school program while school is in session in December. For the two (2) weeks school is out, the aunt is authorized to receive full day payments.

Example: Mother works a fluctuating schedule at McDonald's that includes some weekends. Her children attend an after school program during the week. On weekends, their aunt, a registered provider, cares for them. Part day care is authorized for the after school program, and depending on the hours scheduled on the weekends, full day or part day care is authorized for the time spent in the aunt's care.

7.5 Absence Policy (Revised 07/01/10)

Some licensed and certified child centers operate on a full week schedule and charge a full week rate regardless of the number of days the child attends. CCAP payment is based on the absence policy applicable to the type of child care provider.

Payment is authorized for days the child is physically present in the licensed child care center, certified home, or, in the care of a registered provider. Providers indicate on

the DCC-97 Provider Billing Form all days when care is not provided due to the child's absence.

Payment is not authorized to a licensed provider for more than five (5) absences per child per month unless the additional absences were due to:

- A death in the family;
- Illness of the child or applicant; or
- A disaster verified by utility provider, local, state, or federal government.

The family and licensed provider are responsible to verify in writing the above exceptions. Verification is maintained with attendance records for a five (5) year period by the licensed provider.

Payment is not authorized to a certified family care home for more than five (5) absences per child per month.

Payment is not authorized to a registered child care provider for any absences.

7.6 Child Care Certificate to Access Child Care Services (Revised 07/01/10)

Families who are determined eligible for child care subsidies by service agent staff are provided with a DCC-94.1 Notification of Eligibility and Certificate for Child Care Services if a provider is not selected at the time of application. This notice is proof of eligibility and is used by the client to access child care services from a child care provider. A copy of the DCC-85 or DCC-85A is provided to families approved to access child care services from a child care provider.

Families have thirty (30) days from the date of approval for child care services to choose a provider. Failure to access child care services within this time frame will result in a DCC-105 Child Care Assistance Program Notice of Action proposing discontinuance being issued and subsequent closure of the child care assistance case by the service agent staff.

When the family has chosen an approved provider, the service agent staff will enter enrollment information on the KICCS system and generate a DCC-94 Child Care Service Agreement and Certificate. This service agreement confirms enrollment, rates, children cared for, schedules, and family co-payments. It is sent to the child care provider with a DCC-94C Provider Notification/Service Agreement letter requesting that it be signed and returned within ten (10) days. Payment cannot be authorized to a provider without their representative signing and returning the service agreement to service agent staff.

If the DCC-94 is not returned within the ten (10) day timeframe, the worker sends a DCC-111 Parent Notice of Need to Change Child Care Providers to the client. The DCC-111 advises that the provider has not been approved to be paid for child care services and the client must choose a new provider within ten (10) days. If the DCC-94 is not returned within twenty (20) days of the enrollment start date the worker will enter an Enrollment End Date in KICCS and the provider will not receive payment. There is no

xception to this for DCBS approvals as the DCC-85 (page 3) or the DCC-85A indicates payments will be made if the provider is approved to receive payments on the client's behalf.

7.7 Consumer Education

Among the goals of the Child Care Development Fund (CCDF) is to encourage states to provide consumer education information to help parents make informed choices about child care.

Parents are to be informed about:

- The availability of Resource and Referral Agencies in their community to assist in locating and assessing child care services;
- Choosing quality child care and provided a DCC-112 Selecting Quality Child Care for My Child;
- KRS 199.898 Rights for children in child-care programs and their parents, custodians, or guardians-Posting and distribution requirements.

Chapter 8

CASE CHANGES AND REDETERMINATIONS

8.1 Required Action on Changes (Revised 07/01/10)

When a change report is received, the Service Agent staff is responsible for:

- Requesting information needed to document a reported change on a DCC-90F Notice of Appointment/Request for Information.
- Issuing a DCC-94 Child Care Service Agreement and Certificate confirming when benefits and co-payments increase or decrease.
- Issuing a DCC-105 Child Care Assistance Program Notice of Action confirming if benefits will decrease or end and the household circumstances.
- Providing all necessary provider documents and notices.

8.2 Changes in Eligibility Factors (Revised 07/01/10)

Changes that may affect eligibility or benefit amounts include:

- Beginning or ending employment
- Change in an employer
- Increase or decrease in the number of work hours
- Increase or decrease in the rate of pay
- Increase or decrease in recipient members
- Change in self employment activities
- Change in the scheduled hours care is needed
- Beginning or ending an educational activity
- Change in child care providers
- Change in address or residence
- Change in marital status
- Beginning or ending receipt of any type of unearned income
- Increase or decrease in any type of unearned income

8.3 Known Changes within an Eligibility Period (Revised 07/01/10)

The KICCS system is programmed to identify known or anticipated changes in advance. Forty-five (45) days prior to the case change date, an item will be automatically posted to the work basket alerting the responsible service agent staff of the known change.

Changes are automatically identified for cases in which the age of the recipient impacts eligibility. These include:

- A child's thirteenth (13th) birthday when special needs are not present

- A child's nineteenth (19th) birthday when special needs are present
- A teen parent's twentieth (20th) birthday

Other future known or anticipated changes to the recipient's circumstances that impact eligibility are flagged for action by service agent staff. Staff enters a case change date and documents in case comments the reason for the change.

Depending on the circumstances the service agent staff may send a DCC-90F to the recipient requesting verification.

Example: Recipient reports at redetermination interview in May that she will not be attending summer school classes and won't need child care services for the time spent at school. She will continue to work for her current employer. She does plan to return to school in the fall and will need care for her children while she attends evening classes. The next term starts September 20. The service agent staff enters a case change date of September 20 and case comments to check on school enrollment. The case change appears in the work basket forty-five (45) days prior to September 20. The service agent staff mails a DCC-90F requesting the recipient return a completed DCC-90A Certification of School Enrollment, and DCC-90I Work and School Schedule if she plans to return to school and needs child care services.

Example: Recipient has six (6) month probation at work with an anticipated raise date of October 30. A case change date of October 30 and case comments are entered to review the employment situation. The case change will appear in the work basket forty-five (45) days prior to October 30, prompting the service agent staff to contact the recipient to confirm employment situation.

Provider Changes (Revised 09/01/10)

The service agent staff takes action on a recipient's request to change a provider.

Payment of services is made only to provider actually providing care of child.

A DCC-94D, Provider Notification of Intent to Terminate Payment, is sent to the provider when services will cease due to the request of a different provider by the recipient.

A DCC-94 is issued to the new provider with a DCC-94C Provider Notification/Service Agreement Letter advising the agreement be signed and returned within a ten (10) day time frame. A provider's failure to return the DCC-94 within the time frame results in a DCC-111 Parent Notice of Need to Change Child Care Providers being sent to the recipient advising that the provider has not been approved to be paid for child care services. The recipient is notified to choose a new provider within ten (10) days.

Recipients have the right to change child care providers up to three (3) times in a twelve (12) month period. Any subsequent changes must be approved by the service agent and initiated due to a:

- Disaster
- Closure

- Recipient circumstances such as relocation of the recipient's residence or work location, illness or death, or
- Risk to health, welfare, or safety of the child or parent.

If a recipient changes child care providers more than three (3) times in a twelve (12) month period and does so for reasons that are not approved by the service agent, child care assistance is discontinued. The recipient is not eligible to receive child care assistance for the remainder of the twelve (12) month period.

If the recipient chooses an unregulated provider, follow processes outlined in Chapter 12 Registered Providers to register the new provider if appropriate.

Provider Closures (Revised 07/01/10)

When services to a provider will cease due to the provider's failure to meet regulatory requirements, notice is sent to the provider.

For licensed and certified providers, denial, revocation and suspension notices are generated by the Division of Regulated Child Care. For a registered provider who is closed or revoked, service agent staff generates a DCC- 108, Notice of Adverse Action for Child Care Providers and Early Care and Education Professionals. Notice is sent by service agent staff to recipients of CCAP advising that a different provider must be chosen. The DCC-111 is used for this purpose.

8.4 Time Frames for Processing Changes (Revised 07/01/10)

Changes must be reported within ten (10) calendar days of when the change is known by the recipient. Recipients receiving child care assistance must be given ten (10) calendar days notice prior to a negative action being taken by the service agent staff. A DCC-105 is used to notify the recipient of the change and effective date of reduced or discontinued benefits. Failure to report a change timely could result in not receiving benefits they were eligible to receive or erroneous benefits being issued and a subsequent overpayment and possible referral for fraud investigation.

Workers have three (3) days to enter a reported change and send a DCC-90F and required forms to the recipient requesting verification of the change. Recipients are given ten (10) day from the date the DCC-90F is sent to provide the verification.

Example: Recipient begins maternity leave on March 18 and does not report change until March 31. Child care assistance is to be discontinued as change was not reported timely.

Example: Recipient's employment ends due to temporary layoff on April 2 and reports change on April 9. Child care assistance can continue for four (4) weeks coverage allowed.

Example: Recipient reports on October 12 she has obtained a second job and reduced the hours of her current employment. The worker send's a DCC 90F requesting verification of the changed information to the recipient no later than

October 15 and allows the recipient until October 25 to provide employment verification and a new schedule of child care need (if it changes).

If the recipient fails to provide requested information, on October 26th a DCC-105 proposing discontinuance of child care benefits is prepared and provided to the recipient. The recipient is allowed an additional ten (10) calendar days to comply with the request before benefits are terminated.

8.5 Effective Dates (Revised 07/01/10)

The effective date of a change to an active case is dependent on whether it impacts the recipient positively or negatively.

Positive Action to a Case

For changes that result in a positive action to the case, such as a decrease in co-payment or adding a child, the effective date is the first administratively feasible date.

If adding a new member, this will be the date of the change report to add the new member if all technical and financial eligibility factors are met.

Example: Recipient reports a newborn on June 11 and requests assistance for newborn. The baby is starting day care the same day the change is reported. The worker requests the baby's birth verification and proof of household composition on a DCC-90F and gives the recipient ten (10) days to provide the requested information. On June 16, all requested information is returned and the worker processes the case change. The additional member causes the required co-payment to decrease. The revised service agreement will indicate a start date of June 11 and the new lower co-payment for the baby and other children in the case.

For other changes that decrease the co-payment (note exception* below) the effective date of the change is the date the change was reported by the recipient if all requested documentation of the change is provided.

*Changes cannot be made to retroactively waive a co-payment or change an eligibility type as a result of the receipt of a DCBS approval form. The change cannot precede the last DCC-97, Provider Billing Form, submitted date.

Example: A recipient reports on June 19 that the adult will no longer receive alimony payments and provides a letter from the ex-spouse stating payments stopped in May due to a revised court order. Action is taken by the worker on June 25 to remove this income from the case which results in a reduction in the required co-payment. The revised service agreement will indicate a start date of June 19 for the reduced co-payment amount.

Example: A mother and her two (2) children have an active child care assistance case based on her low income employment. On June 25, the worker receives a DCC-85, Approval for Child Care Assistance, due to protection needs of one (1) of the children and waiving the co-payment. The DCC 85 indicates a start date of May 15. Payment for the month of May has already been made. The revised service agreement will indicate a start date of June 1 for the waived co-payment.

Negative Action to a Case

Changes that reduce benefits to the recipient, such as removing a child from the assistance case, or increasing the co-payment require ten (10) days advance notice to the recipient prior to the negative action being processed. A DCC-105 is sent to the recipient in advance of action being taken on the system to reduce or discontinue child care benefits. Day one (1) of the advance notice period is the day after the date on the DCC-105. The ten (10) day period expires at the end of the tenth day following the date on the notice. If the tenth day is a weekend or holiday, the advance notice expires on the next work day. The effective date of the decreased benefit is the first day after the expiration of the ten day notice period.

Example: Recipient reports on June 11 that her six (6) year old has permanently moved back with his father. A DCC-105 is mailed to the recipient on June 11. The notice expires on June 21. The effective date of the decreased benefit is June 22. A recipient may concurrently report positive and negative changes that must be considered separately and might have different effective dates.

Example: Recipient reports the birth of a baby and an increase in income. An action is completed on June 11 to add the child who has started care that same day. The recipient is provided with a DCC-90F and given ten (10) days to bring in proof of increased wages, birth certificate, etc. This information is returned on June 21. The worker processes the case and determines the co-pay will increase. A DCC-105 is mailed to the recipient advising the co-payment will increase effective July 3. (The ten (10) day notice started on June 22. The tenth day is July 1, a Sunday, so the advance notice expires on Monday, July 2. The effective day of the increased co-payment is July 3). The baby will be added effective June 11; however the co-payment increase will be effective July 3.

For changes reported during the redetermination process, the effective day is the first day of the new re-determination period. This date is the interview date if the changes are positive or there are no changes to the case. If there are negative changes to be made, a DCC-105 is sent to the recipient to allow for ten (10) day notice prior to benefits being decreased. The changes are effective after the ten (10) day notice to the recipient or the first day of the new eligibility period if there is less than ten (10) days left in the current eligibility period.

If the day falls on a weekend or holiday, the next business day is considered the last day prior to action being taken or information provided.

8.6 Required Documentation (Revised 07/01/10)

Case notes are required to indicate any action taken to effect a change in eligibility, need for care, co-payments, or providers. Changes that increase benefits to the recipient, such as the addition of a child or changes that decrease a co-payment obligation, require verification. The DCC-90F is used to request needed information from the recipient.

Reported changes with an unknown impact to the case require verification prior to processing.

Reported changes that negatively impact the technical or financial eligibility of the case do not require verification prior to sending a DCC-105 to the recipient.

Examples: Recipient reports another child in the home. A DCC-90F is sent to the recipient requesting that proof of birth and household composition be provided. The child is added when all necessary information is provided and eligibility for the child is established.

Recipient reports a change in employment and decrease in wages. A DCC-90F is sent to the recipient requesting proof of employment from the new employer as well as completion of an updated DCC-90I Work and School Schedule. The change is processed when wage information is provided. The need for child care is reviewed, if verification indicates changes are appropriate, with the recipient.

Recipient reports getting married. Her husband is a college student and works a part time job. He has children from a previous marriage who live with him and need care. A DCC-90F is sent to the recipient requesting proof of birth for husband's children, social security numbers for new members (optional), proof of household composition, proof of husband's employment and school enrollment, and a DCC-90I. The change is processed when all requested information is provided. If the cumulative effect of all changes is an increase in the required co-payment, a DCC-105 is sent to the recipient advising of the effective date of the increase. If all information is provided as requested and technical and financial eligibility is established for the case, the new members are added effective with the date of report from the recipient.

Recipient reports she got married and is moving to Nevada. A DCC-105 is mailed proposing discontinuance of the child care case.

8.7 Required Actions on Redeterminations (Revised 09/01/10)

Cases due for a re-determination of eligibility appear in the work basket forty-five (45) days prior to end date of the eligibility period.

A DCC-90F is sent to recipients thirty (30) days prior to their redetermination date. The DCC-90F shall contain the exact date eligibility will expire and an appointment with specific date and time that the recipient can have their eligibility redetermined. The appointment should be no more than fifteen (15) days from the date the DCC-90F is sent.

The process for redetermining eligibility for cases approved by DCBS are outlined in Chapter 3.

At redetermination all eligibility factors are reviewed and updated as needed. Any changes in the recipient's situation are verified and considered.

All sources and amounts of income and deductions must be reverified at redetermination.

Forms required to be completed and signed at re-determination are:

- DCC-90 Application for Subsidized Child Care Assistance
- DCC-91 Recipient Rights and Responsibilities Sheet
- DCC-94 Child Care Service Agreement & Certificate – signed by both provider and client unless case is approved through DCBS. If case is DCBS approval only provider must sign form.

Cases approved by service agent staff are assigned an eligibility period of twelve (12) months.

A DCC-94D Provider Notification of Payment Termination is not to be sent to the provider if termination of payment is a result of the redetermination process as the provider would not receive a new certificate with a new eligibility period.

Chapter 9

PAYMENTS

Child care subsidy payments are issued to providers through the automated Kentucky Integrated Child Care System (KICCS). Payment for subsidized child care services is determined by eligibility, need for care and provider charges, and is based on the child's attendance.

9.1 DCC-94 Child Care Service Agreement and Certificate (Revised 09/01/09)

KICCS allows for the printing of the DCC-94, Child Care Service Agreement and Certificate, which authorizes child care assistance to be paid. The DCC-94 specifies the child(ren) enrolled with the provider, each child's schedule, the state reimbursement rate, the parental co-pay, and the legal obligations of the service agent, the parent/guardian, and the child care provider. Service agent staff process the DCC-94 as follows:

- Prints the DCC-94 from KICCS upon determination of eligibility and enrollment of the child(ren).
- Reviews the DCC-94 with the parent/guardian, answers any questions and both the service agent staff and the parent/guardian sign the form. The child care worker's return address and phone number shall be included on the form.
- Sends the original DCC-94 to the child care provider with the DCC-94C Provider Notification/Service Agreement Letter for him or her to sign and return the form to service agent staff within ten (10) calendar days, in order to assure payment for services.
- Upon return of the signed DCC-94, service agent staff files the form in the case record, and enters the certificate as received in KICCS. **Note: the DCC-94 must be entered as received in KICCS before a payment can be made.**

The service agent staff shall advise all parties that **no** payments will be made until the DCC-94 has been signed by the parent/guardian, the child care worker, and the child care provider, and returned to the child care worker. Parents' signatures are not required on the cases approved by the DCBS approval.

If the DCC-94 is not returned within ten (10) calendar days on initial approvals, the child care worker shall send a DCC-111 Parent Notice of Need to Change Child Care Providers notifying the parent that the provider has not been approved for child care services due to failure to return the signed DCC-94. A copy of the form sent to the parent shall be filed in the case record and the action noted in Case Comments in KICCS.

9.2 Payment Process (Revised 09/01/09)

The DCC-97 Provider Billing Form (PBF) is a KICCS generated form that is submitted by approved providers to request payment for child care services. The DCC-97 is generated, but can be printed by payment period, provider or service area. Service agent fiscal staff are responsible for printing and mailing the DCC-97 to approved

providers **starting** on the first work day of each month to collect attendance information to be completed within three (3) working days.

The DCC-97 is processed based on where the child resides.

Provider billing payments for the prior month are processed by the service agent staff after the 1st day of each month, within ten (10) calendar days of receipt. Providers with inquiries about the timeframe for payment to reference KRS Chapter 45.453 Budget and Financial Administrations, Time Period for Payment.

Providers shall receive payment within thirty (30) working days of processing the PBF, except when there are payment discrepancies in the payment amount billed and the amount owed to the provider. In these instances, the Cabinet is not held to the thirty (30) day time period for payment.

The provider is required to enter codes as exceptions for any day(s) the child(ren) was scheduled to attend but was absent, initial each page, sign and date the form and return the form to service agent fiscal staff within five (5) calendar days of receipt. The exception codes, per type of providers, are listed on the PBF cover letters and in Section 9.3 PBF Exception Codes.

Upon receipt of a completed and signed DCC-97, the child care fiscal staff opens the billing form in KICCS and enters any exceptions. The child care fiscal staff completes PBF Notes (if applicable), and enters the total payment amount in the area designated on the last page of the DCC-97.

Note: The DCC-97 is still referred to as an EAV (PBF) in KICCS and that is why EAV (PBF) is still used for the billing form in manual references to processing the billings in KICCS.

9.3 PBF Exception Codes – (Revised 09/01/09)

The DCC-97 displays the expected attendance schedule and a blank exception line. Exceptions are changes from the expected schedule. If a child's attendance is different from the expected schedule, the provider must enter exception codes. The exception codes for each provider type are as follows:

Licensed Provider

01 - full day

02 - part day

40 - excused absence (five (5) per month permitted without documentation of the reason)

401 – flex excused absence (five (5) per month permitted) full day

402 - flex excused absence (five (5) per month permitted) part day

43 - holiday, closed but payment requested

431 – flex closed but payment requested (scheduled holiday) full day

432 - flex closed but payment requested (scheduled holiday) part day

45 - extraordinary absence (for absences which exceed five (5) days, written documentation of illness (except for maternity leave), natural disaster, or death in the family must be on file and retained with the provider's daily attendance sign-in sheets)

451- flex extraordinary absence full day

- 452 - flex extraordinary absence part day
- 50 - unexcused absence – any absence which exceeds five (5) per month and is not documented by one of the four (4) reasons shown for code 45
- 55 - closed, no payment requested
- 60 - last day attended –payable day
- 601- flex last day attended – payable full day
- 602 - flex last day attended – payable part day

Certified Providers

- 01 - full day
- 02 - part day
- 40 - excused absence (five (5) per month permitted)
- 401 – flex excused absence (five (5) per month permitted) full day
- 402 - flex excused absence (five (5) per month permitted) part day
- 43 - holiday, closed but payment requested
- 431 – flex closed but payment requested (scheduled holiday) full day
- 432 - flex closed but payment requested (scheduled holiday) part day
- 50 - unexcused absence – any absence in excess of five (5) per month
- 55 - closed, no payment requested
- 60 - last day attended –payable day
- 601- flex last day attended – payable full day
- 602 - flex last day attended – payable part day

Registered Providers

- 01 - full day
- 02 - part day
- 50 - absence
- 60 – last day attended –payable day
- 601 – flex last day attended – payable full day
- 602 – flex last day attended – payable part day

For children whose enrollment is entered into KICCS after the PBF has been printed and mailed for the payment period, a billing form is generated in KICCS. KICCS tracks PBFs that need to be sent and the PBFs are printed in the next run by payment period. Once a child's billing form is printed, mailed, and signed and returned by the provider, it can be processed for payment in KICCS.

The child care worker **shall not** make payments or accept adjustment requests ninety (90) or more days after the service month.

Examples for evaluating coding and authorizing payment of the PBF:

Child is scheduled for PD Monday-Thursday and FD on Friday. A schedule note is entered specifying this schedule in the system. The provider requests FD payment for a Monday and indicates the reason for the request on the PBF. Payment is allowed for FD on that Monday due to the parent's schedule for that particular day.

A school age child is scheduled PD Monday-Friday. The provider requests FD payment for a Friday due to the child being suspended from school and indicates this on the PBF. Payment is allowed as this accommodates the parent's schedule and the child's need for care.

Child is scheduled for FD Monday-Friday. Provider requests PD for a Wednesday. Payment is authorized as PD for that Wednesday as the need for that day was PD only.

Child is scheduled for FD Monday-Friday. The provider indicates the child's enrollment was terminated on the tenth by entering code '60' (last day attended) on the PBF. The remainder of the month is not payable as the child is not enrolled. The worker enters code '55' (no payment requested) in the remainder of the month and inserts a note that the enrollment has ended with that provider.

Child is scheduled FD Monday-Friday with a licensed provider and has a back-up provider. The child is ill on a Tuesday and is cared for by the back up provider. The licensed provider reports the absence and receives payment for the day as this is the first of the five (5) allowed excused absences in a month. The back up provider is paid as they reported attendance for that Tuesday on their PBF.

*Note: If the child's eligibility has been approved, payments are made to accommodate the parent's work/school/ training schedule and allow the parent to maintain their employment or continue to participate in an approved activity.

9.4 Prior Period Adjustment (PPA) (Revised 09/01/09)

In limited circumstances when a child care provider is paid incorrectly, a PPA is processed in KICCS. A PPA occurs when the provider is underpaid and the child who was involved in the underpayment has a paid PBF for the time period in question. If the child who was involved in the underpayment is no longer active or attending the center or home, a PPA can only be processed by field staff if there was active enrollment with that child and provider for the time period in question, otherwise payment is issued by the Division of Child Care (DCC).

Only one (1) PPA can be entered in KICCS per child, per provider, per month.

9.5 Remittance Statements (Revised 09/01/09)

Service agent fiscal staff are responsible for sending the provider a copy of the Remittance Statement. KICCS will generate the remittances automatically for each service area after every payment run and the remittance report will be available for fiscal staff to print and send the next morning. Providers can request a duplicate remittance from the service agent staff.

The remittance statement provides an explanation to the provider of the payment amount for each child and allows the provider to review the information and determine if the payment amounts are correct. In the event that payments are incorrect, the provider must contact the child care worker within ninety (90) calendar days of receipt of the Remittance Statement.

9.6 Child Care Provider Payments (Revised 07/01/10)

Provider payments are issued as a check payment unless the provider chooses to change the method to receive their payment to either an electronic (direct) deposit or EFT (debit card).

Options other than check are requested by completing form DCC-93 and submitting to DCC Central Office.

- If the DCC- 93 is incomplete, it will be returned to the provider with a request for the additional information.
- The DCC-93 is processed monthly between the 20th and the last business day.
- DCC notifies the Provider once the DCC-93 has been processed.

Payment options can be changed a total of three (3) times within a calendar year unless there is a change in provider type or provider number (registration, certification, or license) or extenuating circumstances which are determined by DCC.

9.7 Payment Rates and Definitions

Rates for payment of child care services include a base rate for each type of care as well as incentive/special rates (if applicable). Rates are based on a full day, which is defined as care five (5) to eighteen (18) hours per day, or a part day, which is defined as less than five (5) hours of care per day. Providers for families receiving child care assistance must agree to accept the applicable rate(s) as full payment of care for up to an eighteen (18) hour period. The total number of hours a child can remain in care shall not exceed eighteen (18) consecutive hours of care in a twenty-four (24) hour period even if the child is with more than one (1) provider in that eighteen (18) hour period of time.

A parent who leaves a child past the provider's established closing time shall be responsible for payment of a late fee provided all parents are expected to pay the late fee.

To the extent funds are available the cabinet makes payments as listed in the DCC-300 Kentucky Child Care Maximum Payment Rates Chart.

The rates in the DCC-300 represent the maximum payment rates on per day, per child, per child care provider basis. (See chart on the next page.)

Out of state providers will be paid the child care rate established for the county in which the child resides.

9.8 Kentucky Child Care Maximum Payment Rate Chart (Revised 07/01/10)

CENTRAL REGION means Adair, Anderson, **Boone, Bourbon, Boyle, Campbell**, Carroll, Casey, **Clark**, Clinton, Cumberland, Estill, **Fayette, Franklin**, Garrard, Green, Harrison, Henry, **Jefferson, Jessamine, Kenton**, Lincoln, **Madison**, McCreary, Mercer, Nicholas, Owen, Powell, **Pulaski**, Russell, Shelby, Spencer, **Taylor**, Trimble and Wayne counties.

	Licensed				Certified				Registered			
	Full Day		Part Day		Full Day		Part Day		Full Day		Part Day	
	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban
Infant/Toddler	24	20	18	14	21	18	17	14	13	13	8	8
Preschool	21	17	15	10	19	17	15	10	12	12	7	7
School-Age	20	16	13	9	18	17	13	10	11	11	6	6

EAST REGION means Bath, **Bell, Boyd**, Bracken, Breathitt, Clay, Elliott, Fleming, Floyd, **Greenup**, Harlan, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Magoffin, Martin, **Mason**, Menifee, Montgomery, Morgan, Owsley, **Perry, Pike**, Robertson, Rockcastle, Rowan, Whitley, and Wolfe counties.

	Licensed				Certified				Registered			
	Full Day		Part Day		Full Day		Part Day		Full Day		Part Day	
	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban
Infant/Toddler	19	18	14	13	17	17	14	13	10	10	6	6
Preschool	16	15	11	11	16	15	11	11	10	10	6	6
School-Age	16	15	11	11	16	15	9	9	10	10	6	6

WEST REGION means Allen, Ballard, **Barren**, Breckenridge, Butler, Caldwell, **Calloway**, Carlisle, **Christian**, Crittenden, **Daviess**, Edmonson, Fulton, **Graves**, Grayson, Hancock, **Hardin**, Hart, **Henderson**, Hickman, Hopkins, Larue, Livingston, Logan, Lyon, **McCracken**, McLean, Marion, Marshall, Meade, Metcalfe, Monroe, Muhlenberg, Nelson, Ohio, Simpson, Todd, Trigg, Union, **Warren**, Washington, and Webster counties.

	Licensed				Certified				Registered			
	Full Day		Part Day		Full Day		Part Day		Full Day		Part Day	
	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban	Urban	Nonurban
Infant/Toddler	19	18	14	13	17	16	13	12	10	10	6	6
Preschool	18	16	15	14	16	15	12	12	10	10	6	6
School-Age	17	16	15	14	16	15	13	12	10	10	6	6

The following child care maximum payment rates shall be effective for Carter County.

	Licensed		Certified		Registered	
	Full Day	Part Day	Full Day	Part Day	Full Day	Part Day
Infant/Toddler	19	14	17	14	10	6
Preschool	15	11	15	11	10	6
School-Age	15	11	15	9	10	6

The following child care maximum payment rates shall be effective for Bullitt, Gallatin, Grant, Oldham, Pendleton, Scott, and Woodford counties.

	Licensed		Certified		Registered	
	Full Day	Part Day	Full Day	Part Day	Full Day	Part Day
Infant/Toddler	23	18	20	17	13	8
Preschool	20	15	18	15	12	7
School-Age	19	13	17	13	11	6

**** Only counties in BOLD print are considered Urban Counties. ****

When the provider’s customary rate exceeds the Kentucky Child Care Maximum Payment Rate, families shall be responsible for the difference plus their co-pay. Families will also be responsible for registration fees, activity fees, transportation fees, and any other charges required by the provider not included in the daily payment rate, with one (1) exception. Enrollment fees can be paid for families approved through a DCBS approval.

A provider cannot charge participants in the child care assistance program a higher rate for child care than is being charged to the public.

9.9 Determination of Rates (Revised 09/01/09)

KICCS determines the daily payment rates that are entered on the automated DCC-94. The amount is determined based on the following:

- The customary and usual rate that is charged to the public by the provider, less the family co-payment.
- The maximum daily payment rate according to the region, type of care, age of child and if full-day or part-day, less the parent co-pay per child. (Refer to the DCC-300).
- Payment to a provider for an individual child is limited to one (1) full day in a twenty-four (24) hour period.
- Whether or not a provider is approved for an incentive/special rate due to the child's special needs, or due to non-traditional hours and/or accreditation.

Age	KICCS Code
Birth through 12 months	Infant 1 (IN-1)
1 to 2nd birthday	Toddler 1 (TD-1)
2 to 3rd birthday	Toddler 2 (TD-2)
3 to 4th birthday	Preschool 1 (PS-1)
4 to 5th birthday	Preschool 2 (PS-2)
5 to 6th birthday	Preschool 3 (PS-3)
6 to 8th birthday	School age 1 (SA-1)
8 to 13th birthday	School age 2 (SA-2)
13 to 19th birthday	School age 3 (SA-3)

9.10 Incentive/Special Rates (Revised 07/01/10)

An additional one (1) dollar per day to the maximum daily rate can be paid for the following:

- Care is provided between the hours of 7 PM and 5 AM on weekdays or from 7 PM Friday through 5 AM Monday based on the parent’s schedule. (Non-traditional hours)
- Care is provided for a child with a special need under the age of thirteen (13).
- Care is provided for a child age thirteen (13) through eighteen (18) who is physically or mentally incapable of self care or under court supervision.

An additional two (2) dollars per day to the maximum daily rate can be paid if this amount is charged to the public and the provider is accredited by the:

- National Association for the Education for Young Children (NAEYC);
- National Early Childhood Program Accreditation;
- National Association for Family Child Care (NAFCC);
- Council on Accreditation; or
- Other accrediting body approved by the Early Childhood Development Authority or the cabinet.

9.11 Criteria for Non-payment (Revised 07/01/10)

Payment under the Child Care Assistance Program (CCAP) shall not be made:

- To an alternative program such as Head Start, state preschool or state kindergarten; or
- To another child care provider, if the family operates the child care business in the home.
- To AmeriCorps; to verify that an AmeriCorps member has applied for child care benefits through AmeriCorps, the service agent staff shall contact National Association of Child Care Resource and Referral Agencies (NACCRRA) at (703) 341-4152 or (703) 341-4115.
- Until a registered provider who is either conditionally or fully approved as a child care provider.
- Until the completed DCC-94B, Licensed or Certified Provider Information Form, is returned for entry into KICCS.
- Until the signed DCC-94, Child Care Service Agreement and Certificate, has been returned to the service agent and entered as received in KICCS.
- To a licensed provider for more than five (5) absences per child during a month if the provider fails to verify in writing, and maintain with attendance records that the additional absences were related to:
 - A death in the family;
 - Illness of child or applicant; or
 - Disaster verified by utility provider, local, state, or federal government.
- To a certified provider for more than five (5) absences per child during the month;
- To a registered provider for any absences;
- If criminal records background checks reveal convictions that impact the safety and security of children in care in accordance with KRS 199.8994(6);
- If a family no longer meets the technical or financial eligibility requirements under CCAP; or
- To a provider requesting retroactive payments more than ninety (90) days from the date the provider requested the payment.

9.12 Enrollment Fees (Revised 04/01/10)

Enrollment fees can be paid for recipients approved by Family Support and recipients approved by Protection and Permanency and the household income is less than 200% of the poverty level. Enrollment fees are paid **only** for these two groups of recipients. **The enrollment fee must be a written request from the provider. An email from the provider will also suffice as a written request.** This request must be attached to the enrollment fee payment request. When service agent fiscal staff collects enrollment fee information from licensed and certified providers via the DCC-

94B. The DCC-94B must have the amount of the enrollment fee listed and must be current and complete in order for a fee payment to be authorized. The DCC-94B (all three (3) pages of the form), the DCC-94 (first page only), and the provider's written request may be faxed to (502) 564-3464 or mailed to DCC and will be returned to the service agent staff if incomplete or not current. **CCP or TANF should be written on the copy of the DCC-94.**

Enrollment fees are paid to only Licensed Type I and Type II centers or Certified Family Child Care Homes who charge enrollment fees to the general public. Enrollment fees may be paid per child or family. Enrollment fees are **not** paid to registered providers and may not be paid to a provider more than one (1) time in a twelve (12) month period.

9.13 Steps for Processing Payment of Enrollment Fees (Revised 06/01/09)

Family Support Enrollment Fees

The enrollment fee is verified via the DCC 94B and the DCC 94. Eligibility for the family to have enrollment fee paid by DCC is verified by the service agent accessing computer program AKKO verifying that the family is actively receiving K-TAP benefits or has received benefits within the last twelve (12) months. Eligibility can also be verified through contact with the Family Support worker.

Protection and Permanency Enrollment Fees

The enrollment fee is verified via the DCC 94B and the DCC 94. Eligibility for the family to have enrollment fee paid by DCC is verified by the DCC central office staff through KAMES or AKKO. If the family is receiving any benefits then the 200% of Federal Poverty Level guideline is met.

If the family is not receiving any benefits through the Family Support programs, local office P & P worker will be contacted by P & P central office staff to secure the needed income verification and return the information to DCC.

Service agent fiscal staff are not to request payments for enrollment fees unless a provider or the recipient request the payment be made. Payment for enrollment fees is not an automatic payment as many providers waive the enrollment fee for DCBS approvals. DCC fiscal staff reviews and processes the enrollment fee payment, and handles provider calls regarding the status of the payment.

Enrollment Fee Contact Information

Service agent staff shall direct all provider inquires regarding Family Support and P & P enrollment fees approvals to DCC staff at (502) 564-2524.

Chapter 10

CO-PAYMENTS

Co-payments are determined by the amount of countable income in the household, household size, and number of children needing care.

10.1 Waiving of Co-payments (Revised 07/01/10)

DCBS Protection and Permanency workers/supervisors are the **only** DCBS staff that can authorize waiver of the co-payment.

Family co-payments may be waived, **for protection cases only**, by the protection and permanency worker with the approval of the Family Services Office Supervisor (FSOS) or designee. If the co-payment is waived this shall be indicated on the DCC-85, Approval of Child Care Assistance, with the specific justification reason for waiver indicated in the justification section of the form.

When the DCC-85 indicates that the co-payment has been waived, service agent staff shows the co-payment as waived when completing the Authorization Screen for the case in KICCS.

10.2 Court Orders (Revised 09/01/09)

If a court orders a parent to pay a portion of the child's child care expenses, that co-payment amount shall be made in lieu of the family co-payment. The amount of the court ordered co-payment shall be indicated on the DCC-85.

10.3 Co-Payment Override (Revised 07/01/10)

The pre-determined co-pay can be overridden to:

- Accommodate a court-ordered co-pay amount
- Process employment earnings for a TANF (Temporary Assistance for Needy Families) case (or a case transitioning from TANF) in which the two month income disregard is used.

The co-pay override can be entered in KICCS with a start and end date to enable two-month disregard cases to be handled a single time when the income is entered. KICCS II automatically adjusts the co-pay amount and allocation per the end date and displays the known change in co-pay on the DCC 94 Child Care Service Agreement and Certificate.

10.4 Allocation of Co-pay in KICCS

KICCS is programmed to determine the child likely to have the greatest need for care and will allocate to other children in the case only if the co-payment cannot be absorbed by the first child

10.5 Co-Payment Chart (Revised 07/01/10)

Family Co-Payment Per Day								
Income Range Monthly		Family Size 2 Family Co-Pay With 1 Child	Family Size 3 Family Co-Pay		Family Size 4 Family Co-Pay		Family Size 5 or More Family Co-Pay	
			With 1 Child	With 2 or more	With 1 Child	With 2 or more	With 1 Child	With 2 or more
0	899.99	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
900	999.99	\$2.00	\$2.00	\$3.00	\$2.00	\$2.00	\$2.00	\$2.00
1,000	1,099.99	\$3.00	\$3.00	\$3.00	\$2.00	\$3.00	\$2.00	\$3.00
1,100	1,199.99	\$4.00	\$4.00	\$4.00	\$3.00	\$3.00	\$2.00	\$3.00
1,200	1,299.99	\$4.00	\$4.00	\$5.00	\$4.00	\$4.00	\$3.00	\$3.00
1,300	1,399.99	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00	\$3.00	\$4.00
1,400	1,499.99	\$6.00	\$5.00	\$6.00	\$5.00	\$6.00	\$4.00	\$4.00
1,500	1,599.99	\$7.00	\$6.00	\$6.00	\$6.00	\$6.00	\$5.00	\$5.00
1,600	1,699.99	\$8.00	\$6.00	\$7.00	\$6.00	\$7.00	\$6.00	\$6.00
1,700	1,799.99	\$9.00	\$7.00	\$8.00	\$7.00	\$8.00	\$6.00	\$7.00
1,800	1,899.99	\$10.00	\$8.00	\$9.00	\$7.00	\$8.00	\$7.00	\$8.00
1,900	1,999.99	\$10.00	\$9.00	\$10.00	\$8.00	\$9.00	\$8.00	\$9.00
2,000	2,099.99	\$11.00	\$10.00	\$11.00	\$8.00	\$9.00	\$8.00	\$9.00
2,100	2,199.99	\$12.00	\$10.00	\$11.00	\$9.00	\$10.00	\$9.00	\$10.00
2,200	2,299.99	\$12.00	\$11.00	\$12.00	\$10.00	\$11.00	\$9.00	\$10.00
2,300	2,399.99	\$12.00	\$12.00	\$13.00	\$11.00	\$12.00	\$9.00	\$10.00
2,400	2,499.99	\$12.00	\$12.00	\$13.00	\$12.00	\$13.00	\$10.00	\$11.00
2,500	2,599.99	\$12.00	\$13.00	\$14.00	\$12.00	\$13.00	\$10.00	\$11.00
2,600	2,699.99	\$12.00	\$13.00	\$14.00	\$13.00	\$14.00	\$12.00	\$13.00
2,700	2,799.99	\$12.00	\$13.00	\$14.00	\$13.00	\$14.00	\$13.00	\$14.00
2,800	2,899.99	\$12.00	\$13.00	\$14.00	\$14.00	\$15.00	\$14.00	\$15.00
2,900	2,999.99	\$12.00	\$13.00	\$14.00	\$14.00	\$15.00	\$16.00	\$17.00
3,000	3,099.99	\$12.00	\$13.00	\$14.00	\$15.00	\$16.00	\$18.00	\$19.00
3,100	3,199.99	\$12.00	\$13.00	\$14.00	\$15.00	\$16.00	\$20.00	\$21.00
3,200	3,299.99	\$12.00	\$13.00	\$14.00	\$15.00	\$16.00	\$20.00	\$21.00
3,300	3,399.99	\$12.00	\$13.00	\$14.00	\$15.00	\$16.00	\$22.00	\$23.00
3,400	3,499.99	\$12.00	\$13.00	\$14.00	\$15.00	\$16.00	\$22.00	\$23.00
3,500	3,599.99	\$12.00	\$13.00	\$14.00	\$15.00	\$16.00	\$24.00	\$25.00
3,600	3,699.99	\$12.00	\$13.00	\$14.00	\$15.00	\$16.00	\$25.00	\$25.00

EFFECTIVE DATE: 07/01/10

10.6 Co-payment Increases (Revised 07/01/10)

If a change in family income results in an increase in the amount of the co-payment, the child care worker shall give a ten (10) calendar day notice to the parent, via the DCC-105 Child Care Assistance Program Notice of Action, of the increase in co-payment **unless** the change occurs during a re-determination and the current eligibility period ends in less than ten (10) days.

10.7 Failure to Pay Co-Pay (Revised 07/01/10)

Providers are required to notify the service agent if a family has failed to comply with a required co-payment for two (2) weeks.

When notified the service agent shall:

- Request the provider develop a payment plan with the family;
- Not make payment to a subsequent provider until the family demonstrates compliance with the payment plan, unless approval is granted by the service agent due to:
 - A disaster verified by utility provider, local, state, or federal government;
 - Closure of a provider;
 - Family circumstances such as relocation, illness, or death; or
 - A risk to the health, welfare or safety of the child or parent.
- Terminate CCAP for the family for failure to complete a payment plan with ten (10) days of notification to do so by the provider.
- Terminate CCAP for a family who fails to make two (2) payments in accordance with an agreed upon payment plan.

Chapter 11

MOTOR VEHICLE REGISTRATION CHILD CARE FUND

Any person requesting registration or renewing a motor vehicle registration at the local county clerk's office has the opportunity to make a voluntary monetary donation to the child care assistance fund. The fund is to be used for working families whose income exceeds the state income limits for child care assistance under the Child Care Assistance Program.

Collections from this fund are distributed to the three (3) Child Care Service Agents. The amount of the funding varies by service area.

11.1 Eligibility and Documentation (Revised 07/01/10)

Assistance funded by this source may be provided to working parents who meet eligibility criteria of the CCAP program with the exception of gross income. Only proof of identity, residence in the service area, and income is needed. Applicants or recipients for CCAP services who are determined not eligible or discontinued ongoing benefits solely due to excess income may be assisted by this fund.

Authorization of payments will be documented in a case record. Case records shall be maintained for five (5) years.

11.2 Allowable Expenses

Funding from this source can be used to pay:

- ✓ Child care payments;
- ✓ Enrollment fees;
- ✓ Activity/day trip fees;
- ✓ Material fees;
- ✓ Transportation fees;
- ✓ Other items relating to child care with prior approval of the Cabinet.

11.3 Other Requirements

The child care provider must be certified, licensed, or currently registered by the Cabinet for Health and Family Services or its designee. The child care provider shall also be in good standing as a registered, certified, or licensed provider.

Child care payments shall be made directly to the child care provider. Authorization for payment is not made on KICCS. The process for payment and all tracking mechanisms are determined by the Service Agent.

11.4 Reports/Tracking

As required by contract, each CCAP service agent will submit a quarterly and annual report regarding the expenditure of this source of funding to the Division of Child Care by the fifteenth (15th) day of the month following the end of the reporting period. Each CCAP service agent will receive an annual report of funds collected from vehicle registration donations by county for prior calendar year.

Chapter 12

REGISTERED PROVIDERS

A family determined eligible for the Child Care Assistance Program (CCAP) may choose a private individual such as a relative or neighbor to care for their children. In order to be paid CCAP funds for providing child care services these individuals must meet minimum health, safety, and training requirements and be registered by the State. The individual must apply for registration, provide all requested information, and meet all regulatory requirements.

12.1 General Requirements (Revised 09/01/10)

Individuals wishing to be registered must meet the following general requirements:

- Not live in the same residence as the child in care.
- Not hold a current license to operate a Type I or Type II child care center.
- Not hold a current certificate to operate a Family Child Care Home.
- Not care for more than three (3) unrelated children.
- Must post and comply with KRS 199.898.
- Not provide other home based services such as a personal care home; a family care home; an adult day care home; or supports for community living.

NOTE: Two (2) adults living in the same residence may both be approved as registered providers as long as they are both not providing the care in the residence at the same time.

Registered providers must comply with provisions of KRS 199.898 which include:

- No use of physical or mental abuse
- No use of abusive language or punishment
- Allow parent access to the child in care at all times
- Provide information about regulatory standards to parents

NOTE: A foster parent must be approved through an SRA before becoming a Registered Provider. If approved, the provider **cannot** receive CCAP payment for foster children.

12.2 Application Process (Revised 07/01/10)

An individual wishing to apply for registered status may indicate their intent to file an application by notifying the service agent staff by:

- Appearing in person at the local child care service agent office,
- Contacting the service agent by phone or in writing, or
- Being named by a family approved for CCAP benefits as their choice to provide unregulated child care services.

On the day the applicant indicates an intent to apply for registered status, service agent staff will mail or provide the applicant with a **Registered Provider Packet** located in Chapter 17, Child Care Forms and instructions to provide all necessary forms and verification within a thirty (30) day time frame. The parent may enroll with the provider, but payment will not be made until all documents have been received and approved. Payment will be made based on client and provider eligibility.

EXAMPLE: Client's eligibility is approved for child care on April 5th. The provider chosen applies on April 8th. This provider completes all requirements with the exception of training and is conditionally approved on April 18th. CCAP payments will be retroactive back to the application date of April 8th.

If a client chooses a registered provider that resides in another service area, the registered provider will complete the application process in the service area of their residence. The service areas determining client eligibility and provider approval will need to communicate during the eligibility process.

The Registered Provider Packet includes:

- A DCC-95 Application for Registered Child Care Provider in Provider's Home, or DCC-96 Application for Registered Child Care Provider in Child's Home
- A sufficient number of DPP-156 Central Registry Check, forms to insure the applicant and all adults in the applicant's home, if care is to be provided there, submit to a child abuse and neglect check.
- A sufficient number of AOC-PT-49 Administrative Office of the Courts Criminal Records Check, or KSP Request for Conviction Records/Child Care_forms to ensure the applicant and all adults in the applicant's home, if care is to be provided there, submit to a criminal background check.
- A DCC-94A Registered Child Care Provider Information Form and supplement.
- A DCC-95A Health Statement form to be completed for the applicant.
 - Information provided on the DCC-95A must be based upon an examination completed not more than sixty (60) days prior to completion of the form by the health care provider.
 - A DCC-95A remains valid for the period of certification unless a change occurs which has the potential to invalidate the provider's eligibility.
 - A new DCC-95A based upon an up-to-date examination of not more than sixty (60) days will be required at each renewal (see Section 12.7 below).
- An IRS W-9 request for Taxpayer Identification Number and Certification_to confirm tax information.
- A copy of KRS 199.898 that outlines the rights of a parent, guardian, or custodian enrolling a child in a child care setting.

An eligibility decision by service agent staff is required within forty-five (45) days of the date of the notice of intent to apply. Applicants approved to provide child care services as a registered provider are issued a DCC-107, Registered Provider Approval

Notice. Individuals denied registered provider status are issued a DCC-108 Notice of Adverse Action for Child Care Providers and Early Care and Education Professionals. Both notices are system generated by KICCS.

Applicants who submit part, but not all, of the required forms and verification are sent a DCC-106 Notice of Requirements for Pending Registered Provider Application advising of the missing information and deadline for return.

NOTE: Registered providers residing in a bordering state are required to obtain authenticated documentation from their state to include a criminal background and neglect and abuse check.

12.3 Eligibility Requirements

The registered provider must be eighteen (18) years of age or older. Age must be verified by obtaining a copy of the individual's birth certificate or a photo identification card such as a driver's license, military ID, or other cards containing a picture, name and birthday. If the provider was born in Kentucky, age can be verified by the Birth Index File search.

The registered provider must be free of active tuberculosis and in good general health and able to care for children. If care is provided in the home of the applicant, all persons age eighteen (18) and older living in the home must be free of active tuberculosis. This must be verified by a written statement completed and signed by a health professional or a completed DCC-95A. For the purposes of meeting this requirement, a health professional is:

- A currently licensed physician,
- A currently licensed physician's assistant,
- A currently licensed advanced registered nurse practitioner, or
- A registered nurse under the supervision of a physician.

For situations where a diagnosis of tuberculosis has been confirmed by a health professional for the applicant or other adult household member, the application for registration is denied or, in the case of an approved provider, revoked.

The applicant must be certified by a health professional that he/she has no medical impairment that would present a health or safety risk to children placed in his/her care. Applicants who are deemed by the health professional to be unfit to provide care are withdrawn or closed by the service agent staff.

For situations where an applicant is found to be taking a medication that causes drowsiness and the health professional states the applicant is a health and safety risk to the child, the application can be pended. (A DCC-106 is sent to the provider.) The applicant can reapply with a change of medication and a DCC-95A stating the applicant is no longer a health and safety risk to children in his/her care.

The registered provider and all persons age eighteen (18) and above must submit to a criminal records background check and child abuse and neglect check. The provider and all adults living in the household shall not have a substantiated abuse, neglect or exploitation allegation and shall not have been convicted of crimes against children, including, but not limited to, child abuse, neglect or exploitation.

The registered provider offering child care service in their own home must certify that the residence and their behavioral practices meet minimum safety requirements. Proof of certification is their signature on the DCC-95. Requirements are listed on this form.

The registered provider offering child care services in the home of the child to be cared for must certify their behavioral practices meet minimum safety requirements. Proof of certification is their signature on the DCC-96. Requirements are listed on this form.

The registered provider must complete and submit an IRS W-9.

The registered provider who successfully meets all the above requirements is conditionally approved to provide child care services for a period of ninety (90) days from the notice of intent to apply for registration. In order to be approved for a period in excess of ninety (90) days, the provider must complete and provide verification of obtaining three (3) hours of training in infant and child first aid, recognition of child abuse and neglect, and health and safety standards. Available training can be located by contacting the local Child Care Resource and Referral Agency (CCR&R).

Registered providers who complete the required training are approved for a period of one (1) year.

12.4 Criminal Records Check (Revised 07/01/10)

Service agent staff reviews registered provider criminal records checks. If approval or renewal as a registered provider is denied based on the criminal records check, the service agent sends the DCC-108. This notice advises the applicant or provider that if he or she thinks the action is unfair, they may call the service agent, and he or she can appeal the action within thirty (30) days after receiving the DCC-108 by sending a written appeal to the Quality Assurance Section, Office of the Ombudsman.

Service agent staff may contact the Division of Child Care (DCC) for an opinion as to whether or not an applicant or approved registered provider should be denied registration, based on the individual's criminal record.

Applicant registration is denied if a criminal records check reveals the applicant or adult member of the applicant's household has been convicted of:

- A violent crime; or
- Sex crime.

Applicant registration is denied if a history of behavior exists that may impact the safety or security of a child in care including:

- A conviction related to the abuse or neglect of an adult;
- A conviction for a drug-related felony; or
- Other behavior or conditions indicating an inability to provide reliable child care.

12.5 Central Registry (Child Abuse/Neglect) Checks (Revised 04/01/09)

Staff in DCC completes the Central Registry Checks for registered providers and adults living in the home of the provider if child care services are offered there. Data

maintained by the Cabinet for Health and Family Services is accessed to determine if the applicant or other adult household member has a substantiated instance of child abuse or neglect.

Service agent staff provides a sufficient number of DPP-156 forms to the applicant with instructions to complete the form and mail it, with a \$10 processing fee for each request, to the Division of Child Care, 275 E. Main Street, 3CF, Frankfort, Kentucky 40621.

If the Central Registry Check reveals no disqualifying behaviors, the DPP-156 is forwarded to the applicant for registered status to supply to the service agent staff.

If the Central Registry Check reveals a substantiated instance of abuse or neglect, DCC sends certified notice to the applicant for registered status advising of the failed status and the right to appeal. The service agent is notified of the failed Central Registry Check via e mail and is provided a copy of the certified notice.

DCC contacts applicants who provide checks drawn with insufficient funds to request a money order and payment of return fees. Subsequent requests for Central Registry Checks will not be processed until all arrearages and late fees are paid.

12.6 Child Ratios (Revised 05/13/08)

The maximum number a registered provider may care for during hours of operation is eight (8) children. This includes the provider's own children, other related children, and unrelated children.

A registered provider cannot care for more than three (3) children not related to the provider.

Individuals caring for more than three (3) unrelated children in their own home must be certified by the Division of Regulated Child Care (DRCC).

CCAP payment is limited to three (3) children per day unless the children are a sibling group. CCAP can be paid for up to six (6) children if they are siblings.

A sibling group of more than three (3) children per day but no more than six (6) may participate in the CCAP if they are related to the provider.

Examples:

Provider has four (4) children of her own. She cares for three (3) unrelated children. She is under the eight (8) maximum allowed and can be paid for caring for the three (3) unrelated children.

Provider has no minor children. She cares for her grown daughter's four (4) children. She is under the eight (8) maximum and can be paid for her four (4) grandchildren since they are related to her and the children are siblings.

Provider has no minor children. She cares for her daughter's two (2) children and her son's three (3) children. She is under the eight (8) maximum and can be paid for three of the children. She is not providing illegal care since all the children are related

to her. However, the limit for CCAP payment is care for up to three (3) children except for sibling groups. The daughter's children are not siblings to the son's children. Provider has four (4) minor children of her own. She cares for her sister's three (3) children and two (2) of her neighbor's children. She is over the eight (8) maximum and not eligible to be a registered provider.

Provider has three (3) minor children of her own. She cares for four (4) neighborhood children. She is not eligible to be a registered provider as she is caring for more than three (3) unrelated children. She needs to pursue certification.

12.7 Renewal of Registration (Revised 09/01/10)

The child care worker will send a reminder notice to the registered provider at least forty (40) days before the expiration date of the provider's registration. Prior to the expiration date, the registered provider must complete and submit all required forms and meet the same requirements as an initial application with the following exception:

Complete and provide proof of three (3) hours of training in early care and education in one or more of the following subjects:

- Child growth and development
- Learning environments and nutrition
- Health, safety, and nutrition
- Family and community partnerships
- Child assessment
- Professional development and professionalism
- Program management and evaluation
- Orientation does not have to be renewed.

12.8 Interim Changes

Registered providers are required to report changes that impact their status within ten (10) calendar days of the change. Changes that must be reported include:

- Name
- Address
- Phone number
- Location where care is provided
- Household composition
- Care of fewer or additional children
- A household member turning eighteen (18)

Household members turning eighteen (18) must submit criminal and central registry checks and proof they are free from active tuberculosis. This information is requested on the DCC-109, Request to Document Health and Safety of Household Member Turning 18.

12.9 Negative Action and Penalties (Revised 07/01/10)

Applications that do not result in an approval can be either withdrawn or denied. A DCC-108 is provided to the applicant indicating the reason for the negative action.

Withdrawn applications are removed from consideration for registration without penalty to the applicant. Reasons for an application to be withdrawn are:

- Applicant requests that their application be withdrawn.
- Applicant is currently a licensed or certified child care provider.
- Applicant lives in the same residence as the child needing care.
- Applicant provides other home based services.
- Applicant fails to agree to or complete items contained in the DCC-95 or DCC-96 and DCC-94A.
- Applicant fails to return requested verification of age or health status.
- Applicant fails to submit information to complete a criminal records check or child abuse and neglect check for self or other adults in the residence.
- Applicant fails to submit documentation of training.

Applicants whose applications are withdrawn may reapply for registered status at any time. However, they will not be paid for child care services they may have provided pending an eligibility determination.

Denied applications incur a penalty. Depending on the reason for denial, an applicant may be allowed to reapply for registration after a penalty period of one (1) year from the date of denial.

Applications are denied for the following reasons:

- Written verification from a health professional confirms a diagnosis of tuberculosis for the applicant or a household member.
- Background checks reveal a substantiated incident of child abuse or neglect or a conviction of a violent or sex crime or history of behavior that may impact the safety or security of a child in care.
- The provider allows the use of corporal physical discipline on a child.

Once approved for registered status, a registered provider may be closed or revoked. Registered status is **closed** for the same reasons as an application that is withdrawn. The individual can reapply to be a registered provider at any time.

Registered providers can be **revoked** for the same reasons an applicant is denied. Individuals whose registered status is revoked incur the same penalties as an applicant who is denied.

A DCC-108 is sent to the provider when registration is closed or revoked. This notice indicates the reason for the negative action and the effective date.

The parent(s) of children in the care of a registered provider or applicant for registration is sent a DCC-111, Parent Notice of Need to Change Child Care Providers, when registered status is denied, withdrawn, closed, or revoked advising of the need to choose another child care provider.

12.10 Additional Information

A registered provider may be eligible for the food program. For additional information call (502) 537-4390.

Chapter 13

PROVIDER REQUIREMENTS AND RESPONSIBILITIES

The Office of the Inspector General (OIG), Division of Regulated Child Care (DRCC), is responsible for surveying and licensing Type I and Type II centers and certifying Family Child Care homes. They update licensure information on KICCS.

The service agent staff is responsible for registering individuals who are not regulated by DRCC. The process for registration is outlined in Chapter 12, Registered Providers.

All providers must complete and submit the following form(s) to service agent staff prior to CCAP payments being authorized for the care of children:

- Licensed and Certified providers complete a DCC-94B Licensed or Certified Provider Information Form.
- Registered Providers complete a DCC-94A Registered Child Care Provider Information Form.

The DCC-94A and DCC-94B require the signature of a responsible party attesting to their understanding of the provider's rights and responsibilities as a participant in CCAP.

13.1 Providers Ineligible for CCAP Payments

In order to receive CCAP payments a provider must be licensed, certified, or registered. The following settings are not subject to licensure and are not eligible for subsidy payments:

- Summer camps certified as youth camps which serve school age children
- Private school serving kindergarten through grade twelve (12) while school is in session.
- Public school and programs regulated by the Kentucky Department of Education.
- Summer programs operated by a religious organization in which a child attends no longer than two (2) weeks, such as Vacation Bible School.
- Child care provided while parents are on the premises, other than the employment or educational site of the parents.
- Child care provided by educational programs that include parental involvement with the care of the child and development of parenting skills.
- Child care provided by a religious organization while religious services are being conducted.
- Programs providing instructional and educational programs that operate for a maximum of twenty (20) hours per week and in which a child attends for no more than ten (10) hours per week.
- Short term camps such as sports, computer, dance, etc, if not conducted by a licensed entity.

13.2 Provider Rights and Responsibilities (Revised 07/01/10)

All providers agree to:

- Meet all regulatory and statutory requirements related to child care registration (licensed, certified, or registered status).
- Give permission to the Cabinet or its designee to verify any information necessary to approve or continue child care registration.
- Maintain information and records concerning all children and families served in a confidential manner.
- Not use any form of abusive language and/or corporal physical discipline.
- Report to the local service agent staff an address change or a change in provider type (licensed, certified, or registered) within ten (10) days of the change.
- Sign and return the DCC-94 Child Care Service Agreement and Certificate within ten (10) days of it being issued.
- Charge the parents of children receiving CCAP benefits no more than the rate charged to parents of children who do not receive CCAP.
- Notify the child care worker and parents of any rate change ten (10) days in advance of making the change.
- Complete the DCC- 97Provider Billing Form accurately, promptly, and according to instructions.
- Not receive payment for any CCAP child who resides in the same home as the provider.
- Not receive payment for caring for their own children.
- Collect family co-payment fees regularly. Contact the local service agent staff if the co-payment is two (2) weeks behind.
- Not give any part of a CCAP payment to any Cabinet or child care worker as wages, compensation, or gifts in exchange for acting as an officer, agency, employee, sub contractor, or consultant to the provider.
- Complete a W-9 Request for Identification Number and Certification and submit to the service agent staff.
- Maintain payment records for a period of five (5) years. (This includes sign-in sheets.)

The provider attests their understanding of the following when they sign and date the information form:

- Providing false information or withholding information makes them subject to prosecution for fraud.
- Service agent staff will not make payments or accept adjustment requests ninety (90) or more days after the service month.
- The Cabinet and service agent staff have the right to review and verify the accuracy of billing forms and payments.
- Providers are not employees or contractors of the Cabinet for Health and Family Services. The responsibility for taxes and other requirements lies with the provider.
- CCAP payments may be withheld or terminated upon thirty (30) days notice due to a shortage or unavailability of funding.
- CCAP payments may be withheld or terminated upon ten (10) days notice due to failure by the provider to comply with provisions of the DCC-94A and DCC-94B, comply with applicable regulations, or commit an intentional fraudulent act.

- CCAP payments and child care arrangements will be terminated immediately if the Cabinet initiates a child protective services investigation involving the provider, an employee, or family member and determines safety concerns have not been adequately addressed.

13.3 Provider Closures (Revised 07/01/10)

When services to a provider will cease due to the provider's failure to meet regulatory requirements, notice is sent to the provider.

For licensed and certified providers, denial, revocation and suspension notices are generated by DRCC. For a registered provider who is closed or revoked, service agent staff generates a DCC-108 Notice of Adverse Action for Child Care Providers and Early Care and Education Professionals. Notice is sent by service agent staff to recipients of CCAP advising that a different provider must be chosen. The DCC-111 Parent Notice of Need to Change Child Care Providers is used for this purpose.

If a provider's status expires, KICCS will automatically disenroll the children on the day following the expiration date.

When the ownership of a center changes, continue making payments to the old owner until the new owner is issued a license. The only exception to this is if the license expires during the transition period. If this happens KICCS will disenroll the children on the day following the expiration date.

13.4 Licensed Providers (Revised 09/01/09)

The following types of child care settings are required to be inspected and issued a license in order to care for children:

- Type I Child Care Centers regularly provide child care services to four (4) or more children in a non residential setting or thirteen (13) or more children in a designated space separate from the primary residence of the person licensed.
- Type II Child Care Centers regularly provide child care services to seven (7) but not more than twelve (12) children, including children related to the person licensed, in the primary residence of the licensee.
- Both types must submit an application for a license to DRCC and meet regulatory requirements. Providers who are denied, or revoked cannot be paid CCAP funds.

13.5 Certified Family Child Care Homes (Revised 09/01/09)

Individuals caring for more than three (3) unrelated children in their own home are required to be certified by the State. Application for certification must be submitted to DRCC and regulatory requirements met. Staff in DRCC review the application and inspect the home. Providers who are denied, or revoked cannot be paid CCAP funds.

Certificates are issued to an individual and specific location. Certified family child care homes changing locations are required to reapply for certification.

In the event that a certified provider contacts the CCAP agent with a change of location, the CCAP agent will then inform the provider that the change of location will not be entered in KICCS until a copy of the application, OIG-RCC-4 Application for

Certified Family Child Care Home submitted to DRCC has been received by the CCAP agent. CCAP payments will continue for a period of ten (10) business days under the same address. Certified providers can contact DRCC at:

Division of Regulated Child Care
275 E. Main St. 5th Floor
Frankfort, KY 40621
(502) 564-7962

If verification is not received, CCAP payments will discontinue after the tenth (10th) business day. The provider will be notified of the discontinuance of CCAP payments using the DCC-94D Provider Notification of Intent to Terminate Payment. Send notification to parent to pick a new provider using the DCC-111.

Upon receipt of verification that the change of location has been initiated with DRCC, the CCAP agent will change the billing address and continue payment for twenty (20) business days or until a new certificate is issued, whichever comes first. If a new certificate is not issued after twenty (20) business days, then CCAP payments will discontinue. The provider will be notified of the discontinuance of CCAP payments using the DCC-94D. Send notification to parent to pick a new provider using the DCC-111.

13.6 Registered Providers

Individuals caring for fewer than four (4) children can be registered by the state solely for the purpose of receiving CCAP payments. See Chapter 12, Registered Providers.

13.7 General Requirements for Payment

In order to be paid an approved provider must:

- Sign and submit a DCC-94 for the children for whom payment is requested.
- Report all absences and schedule variances on the DCC-97.
- Maintain and submit, upon the request of the Cabinet or its designee, a monthly sign-in sheet in which the daily arrival and departure times of each child have been recorded.
- A licensed Type I or II center must maintain with attendance records written documents stating the reason for any absence of a child receiving CCAP in excess of five (5) days per month.

Chapter 14

FAMILY RIGHTS AND RESPONSIBILITIES

14.1 Statutory Rights (Revised 09/01/09)

All children receiving child care services in a licensed, certified, or registered provider setting have the right to be cared for in an environment free of any form of abuse and cared for by adults who meet health, safety, and developmental needs.

The parents, custodians, or guardians of children in care have the right to:

- Have access to their children at all times the child is in care and access to the provider caring for their children during normal hours of provider operation and whenever the children are in the care of the provider.
- Be provided with information about child care regulatory standards, if applicable; where to direct questions about regulatory standards; and how to file a complaint.
- File a complaint against a child care provider without any retribution.
- Obtain information from the Cabinet regarding any type of licensure denial, or revocation of an operator, and Cabinet reports that have found abuse or neglect by any child care provider or any employee of a child care provider. Identifying information regarding children and their families shall remain confidential.
- Obtain information from the Cabinet regarding the inspections and plans of corrections of the day-care center, the family child-care home, or registered provider.
- Review and discuss with the provider any state reports and deficiencies revealed by such reports.
- Know about complaints, civil penalties and licensure compliance issues.

14.2 Parent Rights in the Child Care Assistance Program (Revised 7/01/10)

Unless an alternative program such as Head Start, public state pre-school or kindergarten is available and accessible during the time the parent needs child services, a parent is given the opportunity to choose a provider once they are notified child care assistance has been approved for their children.

A DCC-105 Child Care Assistance Program Notice of Action is sent on all approved applications. The DCC-94.1, Notification of Eligibility and Certificate for Child Care Services, is provided to all families approved for child care assistance, who have not chosen a provider at the time of application, by service agent staff. The parent is instructed to use the DCC 94.1 as proof of eligibility for child care assistance to access child care services. Families approved by DCBS are provided a copy of the DCC-85 Approval for Child Care Assistance or DCC-85A K-TAP Approval for Child Care Assistance to use to access services.

Parents have the right to ten (10) calendar days advance notice of proposed action if a change in the family's circumstances indicates the child care benefit will be reduced (e.g. the required co-payment will increase or a child will be no longer be eligible for services), or discontinued. Notice is provided on the DCC-105.

Parents have the right to informal resolution of a complaint or to file a service appeal if they are dissatisfied with any action or inaction taken in their child care case. The process for these remedies are outlined in Chapter 16 Service Appeals.

14.3 Parent Responsibilities (Revised 07/01/10)

A signed DCC-91 Client Rights and Responsibilities Sheet is obtained from the adult in all child care assistance cases. This form is reviewed and signed during the application interview with low income families conducted by the child care worker.

In low income working family's cases, the parent/guardian must sign the DCC-94 Child Care Service Agreement and Certificate. If the parent/guardian fails to sign the DCC-94, the child care case is terminated.

Clients approved through the DCBS process are sent a DCC-91 along with DCC-90F, Notice of Appointment/Request for Information requesting that the DCC-91 be signed and returned to the service agent staff. If the form is not returned as requested, a DCC-105 proposing discontinuance of child care assistance is sent by the child care worker to the DCBS recipient and the DCBS worker.

14.4 Responsibility to Report Changes (Revised 07/01/10)

Parents are required to report a change in circumstance to Cabinet or the child care worker within ten (10) calendar days of the day the change is known.

A change in circumstance means a change that effects program eligibility or co-payment amounts. Failure to report may result in an overpayment and/or a referral for fraud investigation and possible court action.

Changes include a:

- Start or end to employment
- Change in employers or obtaining additional employment
- Increase or decrease in the number of work hours
- Increase or decrease in the rate of pay
- Increase or decrease in family members
- Change in a self employment activity
- Change in the scheduled hours care is needed
- Start or end to an educational activity
- Change in child care provider
- Change in address or residence
- Change in marital status

The service agent staff is responsible for:

- Requesting information needed to document a reported change on a DCC-90F;

- Processing the change;
- Issuing a DCC-105 confirming the reported change, household circumstances, and if benefits will change;
- Providing all necessary provider documents and notice

Failure on the part of the parent to provide requested information will result in the issuance of a DCC-105 and possible discontinuance of child care assistance.

Chapter 15

IMPROPER PAYMENTS

15.1 Preventing Improper Payments (Revised 07/01/10)

The Cabinet and service agent staff are to take the following steps to prevent and deter improper payments:

- Thoroughly question the client on all aspects of eligibility;
- Verify statements by examining documents the applicant provides or by obtaining information from appropriate third party sources;
- Clarify inconsistencies;
- Make sure applications are signed, accurately dated, and maintained in the case file;
- Inform applicant/recipient of the responsibility to provide correct and complete information, including reporting changes correctly and timely;
- Thoroughly review provider completed DCC-97 Provider Billing Form for correct codes.

15.2 Identifying An Improper Payment (Revised 07/01/10)

Child care improper payments occur when:

- Benefits issued to the provider on behalf of the recipient exceed the eligible amount.
- Payments are issued for services that have not been provided.
- Payments were not authorized for approved services submitted by a provider on a DCC-97.
- Benefits issued to the provider are less than the eligible amount.

Improper payments may be identified by:

- "Hotline" referrals from the Office of Inspector General (OIG);
- Case review;
- Reported case changes;
- Thorough interviews;
- Other various sources.

An improper payment can result in:

- An overpayment, where a claim is established for the purpose of collecting erroneous benefits;
- An underpayment where funds are owed to the provider for services rendered;
or
- A neutral effect with no error in payment.

Upon discovery of an improper payment, immediately correct the case to ensure accurate ongoing benefits are issued.

15.3 Underpayments (Revised 07/01/10)

If an underpayment to the provider has occurred and the child whose benefit was the cause of the underpayment is still active in the provider's care, complete a Prior Period Adjustment (PPA) for that child and authorize the payment to the provider. If the child is not active in the provider's care, mail or fax the documentation describing the circumstances of the underpayment to the Division of Child Care (DCC) Child Care Assistance Program (CCAP) section at 275 E. Main, 3C-F, Frankfort, 40621 or at 502-564-3464. Include in the documentation how the underpayment occurred and the time frame involved. If a provider has been underpaid, a check will be issued by DCC.

Example 1: The provider for child A is not paid for three (3) days in the month of September at a rate of \$13 per day. The total amount of the underpayment is \$39. Eligibility for child A ended 08/31/09 but should have ended 09/05/09. The service agent contacts the CCAP section to request payment.

Example 2: The provider for child A is not paid for three (3) days in the month of September and the child is still active in October. A PPA can be authorized by service agent staff for child A for the three (3) days owed to the provider for services rendered in September.

15.4 Overpayments (Revised 07/01/10)

A claim is established to collect the amount that was overpaid.

Service agent staff is responsible for the following actions related to a claim:

- Identify, verify and compute;
- Contact the household/provider to determine the reason for the claim and to explain the computation of the claim amount;
- Set up and maintain claims files;
- Screen claims for suspected fraud;
- **Request and participate in Administrative Disqualification Hearings;**
- Respond to fraud hotline requests generated by OIG;
- Accept non-cash payments and issue receipts for payments brought to the local office for established claims.
- Refer all questions relating to tax intercepts to the Claims Management Section (CMS) at 502-564-7514.
- Forward bankruptcy information to DCC CCAP section.

DCC CCAP section is responsible for the following actions related to a claim:

- Pursue collection of all claims;
- Respond to recipient/provider inquiries regarding the repayment of claims;
- Review all service agent staff referrals to OIG;
- Monitor the progress of claims referred to or identified by OIG;
- Review recommended and final orders related to claims;

- Prepare and route exceptions to recommended orders related to claims;
- Negotiate payment agreements with recipient/provider;
- Suspend or terminate collection efforts on claims;
- Adjust balances on KCD.

15.5 Fraud “Hotline” Referral (Revised 07/01/10)

OIG maintains a toll free hotline, 1-800-372-2970 to report suspected fraud.

OIG screens complaints and sends valid hotline referrals to the DCC Director. The complaints are reviewed by CCAP and all valid complaints are sent to the service agent. Once the service agent receives the referral, the following is completed:

- Review the case to determine if incorrect benefits were issued. Verify any necessary information and secure substantiating documentation.
- Make any required changes in the case to reflect the new information.
- If more information is needed, use form DCC-90F Notice of Appointment/Request for Information, to make an appointment with the client to discuss the hotline referral. If the client does not keep the appointment or return requested information, term the case for non cooperation.
- If there appears to be a possible claim complete appropriate claim forms.
- Notify CCAP staff whether action is taken or not on the case and why, within timeframes listed on the report.

15.6 Kentucky Claims Debt (KCD) Management System (Revised 07/01/10)

The KCD system provides automated support to manage claims and collection activities.

DCC Central Office enters all child care claims on KCD. Information received from the service agents via forms DCC-99 Claim Referral Form, DCC-99A OIG Fraud Referral, DCC-99B Claims Calculation Worksheet, DCC-99C Client/Provider Statement, and DCC-98 Repayment Agreement and all related documentation is used when entering the claim on KCD.

Once a claim is entered on KCD, the system will automatically send a:

- Notice to the recipient/provider indicating the amount, the time period and the reason for the claim.
- Notice advising the recipient/provider of the agreed monthly repayment amount.
- Receipt verifying a payment was received.
- Demand letters for payments that are delinquent.

Service agent staff will have inquiry access only to KCD, in order to view:

- The balance of a claim;
- Date of last payment;
- If notices have been sent; and
- Any other information that pertains to the claim.

CCAP staff will have the ability to update data on KCD. If service agent staff find that information on the claim is incorrect, the service agent staff is to contact CCAP so that the claim can be corrected.

15.7 Determining the Start date and Amount of the Claim (Revised 07/01/10)

The service agent staff shall calculate the amount of an overpayment for an:

- Agency error(AE) back to the month that the error first occurred, but not more than twelve (12) months prior to the discovery date;
- Inadvertent error(IE) back to the month that the misunderstanding or error first occurred, but not more than three (3) years prior to the discovery date;
- Intentional Program Violation (IPV) back to the month the fraudulent act first occurred, but not more than five (5) years prior to the date of discovery.

For Recipient: In calculating the claim amount the service agent staff must first calculate the first day of the claim, use the 10-10-10 policy unless it is an application or redetermination month and the change is known to the client at the time of the interview. The 10-10-10 rule is as follows: The applicant/recipient has ten (10) calendar days to report a change from the time that the change becomes known, the worker has ten (10) calendar days to act on the change and there is a ten (10) calendar day adverse action period.

The first day of the claim is determined by when the change is known. The beginning day of the claim is the day after the adverse action ends.

Example 1: Kathy Jo failed to report a change in unearned income. She knew the change on 10/2/05. Allow ten (10) days for her to report (10/12/05), ten (10) days for the agency to act on the change (10/22/05), and ten (10) days adverse action (11/1/05). Since the adverse action ends 11/1/05, the first day of the claim would be 11/2/05. (11/1/05 would not be part of the claim as it is within the ten (10) day adverse action period).

Example 2: In December 2008 the worker learned that Amanda started a new job on July 2, 2008. Amanda was in the office on July 12 and did not report the job at the time of the interview. The first day of the claim would be July 12, 2008.

The claim amount is calculated based on the date of the occurrence and must include all service months with errors.

Example: (CCIE)-Jenna applies for benefits on 11/01/06 and is approved 11/6/06. On 12/2/06 Jenna starts a job that exceeds the income limits. Jenna is given until 12/12/06 to report the change, the worker is given until 12/22/06 to complete the change and ten (10) days are allowed for adverse action, 01/01/07. The overpayment would start on 01/02/07.

The 10-10-10 rule does not apply if a client does not report a known change at the time of application or re-determination. The overpayment begins with the date of the application or re-determination.

For Provider: Determine the time period of the error and calculate the monthly amount. The calculations must start with the date of occurrence and include all service months with errors.

The 10-10-10 rule is never applied to a provider claim.

15.8 Categories of Claims (Revised 07/01/10)

Claims fall into one (1) of three (3) categories:

Agency Error (AE) – occurs when the claim is caused by service agent staff action or inaction on a case.

This includes claims caused by:

- Failure to take prompt action on a reported change;
- Incorrectly computed income and deductions;
- Policies, rules or statutes that were not applied correctly by service agent staff;
- A provider reports accurately, but payments are issued incorrectly.

AE claims are categorized as Child Care Agency Error (CAE) for recipients and Child Care Provider Agency Error (CPA) for providers.

AE claims are not pursued on cases that are approved through the DCBS process.

Inadvertent Error (IE) – occurs when the claim is caused by a misunderstanding or an unintended error by the recipient or provider.

This includes claims caused by:

- Failure to provide correct or complete information or report a change with no ill intent;
- Receipt of benefits pending the outcome of a hearing that rules against the recipient;
- A provider unintentionally failed to notify the service agent of temporary operational changes or of circumstance which affect payments for children receiving subsidies;
- Inability to prove fraud in a hearing or court proceeding.

IE claims are categorized as Child Care Non Court (CNC) for recipients and Child Care Provider Non Court (CPN) for providers.

Intentional Program Violation (IPV) - occurs when the claim is established by admission, hearing, or a court of law.

This includes claims caused by:

- Misrepresentation of information by making a false statement either orally or in writing to obtain or attempt to obtain services or payments for which they are not eligible;
- Concealment of information to obtain services or payments to which they are not eligible;
- Deliberately withheld information needed to accurately determine eligibility;
- Deliberate failure to report a change timely in order to continue to receive services to which they are not entitled;
- Falsification or alteration of documents to obtain services or payments to which they are not entitled.

IPV claims are categorized as Child Care Court (CCC) or Child Care Fraud (CCF) for recipient claims and Child Care Provider Court (CPC) or Child Care Provider Fraud (CPF) for providers.

15.9 Criteria for Pursuing an IPV Claim (Revised 07/01/10)

The burden of proof to establish an IPV is on the agency. Evidence used to demonstrate this must support the accusation of IPV and prove intent to commit child care fraud.

Evidence includes, but is not limited to:

- A signed child care application used to determine eligibility for the claim period. IPV cannot be pursued if a signed application is not available. The claim category is inadvertent error or agency error, depending on the case circumstances;
- Computer printouts
- Form DCC-90D Verification of Employment and Wages;
- Form DCC-90C Residence-Household Verification;
- Form DCC-91 Client Rights and Responsibilities Sheet;

Example of evidence that could be interpreted as intent to commit fraud. Recipient signs an application at redetermination on 1/2/10 reporting employment information as twenty (20) hours a week at \$7.25 an hour. At the next redetermination date the recipient verifies that she started a new job 1/15/10 and started making \$10.00 an hour.

An example of evidence that would not prove intent to commit fraud is an application signed by the recipient in January reporting household consist of mom and child. Verification indicates that father of child moved into the home in April, and reported at the next interview. This could be interpreted as an inadvertent error on the part of the client.

15.10 Claims Process (Revised 07/01/10)

Once a potential claim has been identified, secure all verifications to complete the calculation of the overpayment. If the claim is over \$5000 and fraud is suspected, the case is referred to OIG and no further action is taken by the service agent staff.

Complete the following if the potential claim is AE or IE:

- Send DCC-100 Claims Appointment Letter to the recipient/provider to set up an appointment, to discuss the potential claim. The appointment is to occur no later than thirty (30) days from the date the claim is discovered. The interview is scheduled at a time that is convenient for both the service agent staff and the client/provider. The interview can be a phone interview. The interview shall consist of presenting the evidence, explaining how the claim will be calculated and explaining the client/provider rights. During the interview, the client is given an opportunity to dispute the existence, amount, or the category of the claim.
- Give the recipient/provider the opportunity to complete forms DCC-99C and DCC-98. These forms are voluntary and is completed by the recipient/provider without coercion from the service agent. All of the above forms and documentation become part of the claims record.
- Service agent staff complete forms DCC-99 and DCC-99B and forward to the CAAP section.
- The child care case record is marked with a red X and **“Claim Do Not Purge”** written on the folder to assure no relevant material is removed from the case.

Complete the following if the potential claim is fraud (IPV) and under \$5,000:

- Send forms DCC-100, DCC-84 Notice of Suspected Intentional Program Violation, and DCC-84 Supplement A Voluntary Waiver of Administrative Disqualification Hearing, to the recipient/provider to set up an appointment, to discuss the potential claim. The appointment is to occur no later than thirty (30) days from the date the claim is discovered. The interview is scheduled at a time that is convenient for both the service agent staff and the recipient/provider. The interview can be a phone interview. The interview shall consist of presenting the evidence, explaining how the claim will be calculated and explaining the recipient/provider rights. During the interview, the recipient/provider is given an opportunity to dispute the existence, amount, or the category of the claim.
- Give the recipient/provider the opportunity to complete form DCC-99C. This form is voluntary and is completed by the client/provider without coercion from the service agent. All of the above forms and documentation become part of the claims record.
- If the recipient/provider fails to show for the appointment and does not reschedule within ten (10) days, does not sign the DCC-84 Supp. A, or request a disqualification hearing, the service agent staff completes form DCC-80 Request for an Administrative Disqualification Hearing.
- The child care case record is marked with a red X and **“Claim Do Not Purge”** written on the folder to assure no relevant material is removed from the case.

If the service agent determines that there is no claim after the interview, the case record is documented as to the reason for the determination. No further claims activity is needed on the case.

Complete the following if the potential claim is fraud (IPV) and over \$5,000:

- Forms DCC- 99A and DCC-99B are completed per procedural instructions and forwarded to the:

Division of Child Care, CCAP Section
275 E. Main Street, 3C-F
Frankfort, KY 40621

- A copy of the case record pertaining to the claim period, including application and all forms and documentation, used to calculate the claim are sent with the DCC-99A and 99B. Send only copies, maintaining all originals in the service agent's office.
- Mark the child care case record with a red X and "**Claim DO NOT PURGE**" written on the folder to assure no relevant material is removed from the case.
- Once the case has been forwarded to OIG for investigation and possible prosecution, do not discuss the claim with the recipient/provider. If the recipient/provider has questions relating to the investigation, refer the client to the OIG office at 502-564-2815.
- If the OIG office contacts the service agent for further information, the service agent must cooperate fully with the OIG investigator. If the case is referred to court, the service agent is to appear in court, if subpoenaed, to discuss how the calculations were computed and to provide any available documentation to substantiate the circumstances of the claim.

If OIG returns the case for Administrative Action, a copy of form DCC-99A will be returned to CCAP. CCAP will review the findings and advise the service agent staff of the necessary steps to be taken.

15.11 Administrative Disqualification Hearings (Revised 07/01/10)

An Administrative Disqualification Hearing is conducted by the Hearings Branch to determine if an IPV has occurred. The format of the hearing is similar to that of a fair hearing, except the burden of proof is on the Agency.

Refer a case for a disqualification hearing if there is sufficient evidence to substantiate a claim of IPV and one or more of the following situations apply:

- The claim does not meet criteria for referral to OIG, claim amount is under \$5000;
- OIG or the prosecuting attorney declines to present case in court;
- The recipient/provider does not sign form DCC-84, Supplement A.

Form DCC-80 is completed a copy of the form is put in the claims folder and send a copy to the recipient/provider. Send the original DCC-80 along with a copy of the DCC-84, obtained from the case record, by any of the following methods:

Mail to: Cabinet for Health and Family Services
Families and Children Administrative Hearings Branch
275 East Main Street, HS 1E-D
Frankfort, KY 40621

Fax to: (502) 564-4043; or

E-mail to: Hearings.BranchFC@ky.gov.

Only evidence listed on the DCC-80 can be introduced at the hearing.

The Hearings Branch schedules the hearing and provides written notice to the Household at least thirty (30) days in advance of the hearing date. The notice, advising of the date and time, is sent by certified mail to the household with a copy to the service agent.

A requested hearing may be withdrawn and the Hearing Branch contacted at 502-564-3140 to cancel the hearing when:

- Information becomes available that indicates an IPV did not occur. Contact the recipient/provider when this occurs.
- The recipient/provider signs form DCC-84, Supplement A.

After the hearing is conducted, the Hearings Branch issues a recommended order; no action is taken on the case until the final order is received. Follow policy in Chapter 17 when filing an exception to a recommended order.

The DCBS Commissioner signs the final order and copies are sent to the recipient/provider, service agent staff, and CCAP. File a copy of the final order and the recommended order in the case record and claims case folder.

If the final order determines an IPV did not occur, recalculate the claim amount based on IE claim guidelines.

15.12 Deferred Adjudication of IPV Claims (Revised 07/01/10)

After the child care claim has been investigated and substantiated by OIG, an agreement not to prosecute may be reached between the court and the recipient/provider. This agreement is called deferred adjudication.

If adjudication is deferred the following must occur:

- The recipient/provider is provided an opportunity by the court to sign form DCC-83 Deferred Adjudication Disqualification Consent Agreement. By signing form DCC-83, the recipient/provider does not admit guilt. The individual only consents to imposition of the appropriate disqualification period and repayment of the claim.
- Form DCC-83 must be signed by the recipient/provider and the prosecuting attorney. The recipient/provider is under no obligation to sign such an agreement.
- Upon receipt of form DCC-83, CCAP will enter the claim on KCD. A notice will be sent to the recipient/provider detailing the claim.

15.13 IPV Disqualification Penalties (Revised 07/01/10)

CCAP staff will enter an IPV disqualification on KICCS within three (3) work days of notification that a recipient/provider has committed an IPV. Notification is a signed DCC-84 Supplement A or DCC-83, a final hearing order, or notice of a court decision or agreement that finds the recipient/provider guilty. When a recipient/provider is determined to have committed an IPV, a disqualification is imposed. At this time a DCC-82 Notice of Disqualification is sent to the recipient/provider.

A disqualification penalty shall adhere to the following guidelines:

- 90-days for the first occurrence;
- 180-days for the second occurrence; and
- Permanently for the third occurrence; or
- The length of penalty assigned by the court.

If the recipient is currently receiving under a DCBS approval the disqualification will be entered and count as an occurrence; however the client's case will not be affected. If at any time during the disqualification period the DCBS approved recipient changes eligibility to CCIE, the recipient will have to serve the disqualification.

Once a disqualification period begins, it continues uninterrupted for the entire number of months regardless. The disqualification period does not start and stop depending on the client's/provider's eligibility.

If a claim involves months before and after 07/01/10 the claim may need to be split as the benefits issued after 07/01/10 could be IPV.

Example of a claim that could be split. Hope applies for child care assistance on 07/03/09 and fails to report Glen, her husband, in the home. At her redetermination appointment on 07/02/10 Glen is still in the home and Hope does not report this information again. Worker receives an anonymous tip on 01/02/11 that Glen is in the home and case is sent for Claim. Part of this claim may be an IPV.

15.14 Reporting Suspected Employee Fraud (Revised 07/01/10)

Fraudulent activity by an employee occurs when a person responsible for administering an assistance program knowingly obtains benefits or assists an individual in order to obtain benefits, or receive increased benefits, for which the individual is not eligible. The employee committing the fraud is subject to prosecution.

All instances of suspected employee fraud must be reported immediately to the Branch Manager in DCC at 502-564-2524.

15.15 Claim Repayments (Revised 07/01/10)

Claims may be repaid using one of the following methods:

- Lump Sum;
- Monthly repayment agreement;
- Reduced child care payment- providers only;
- State tax offset.

If a recipient/provider is delinquent ninety (90) days or more on making payments, the claim will appear on a report. This report will be sent by CCAP to the service agent. Notice is sent to the recipient/provider giving them ten (10) days to make a payment or ongoing child care services/payments are discontinued. The payment needs to be two (2) months of the repayment amount.

The recipient/provider will not be eligible for services/payments until a payment is received. If an applicant whose case was previously discontinued for non-payment of claim wishes to apply, without making a payment, the application must be taken. The application is pended for the thirty (30) days or until a payment is made. Inform the client that the application will deny in thirty (30) days if a payment is not made. If the applicant makes a payment, the child care start date is the same day the payment was made.

Example: Whitney's case discontinued on 1/3/10 for non-payment of claim. She comes into the local office on 4/2/10 to apply and has all the verification needed to approve the case. The application is taken and pended. Whitney brings a claim payment to her worker on 4/15/10. The case is approved on 4/15/10 and the enrollment start date for care is 4/15/10.

Once a claim is delinquent in payment for ninety (90) days the claim is automatically sent to the Kentucky Revenue Service for tax offset.

Send all payments received from the recipient/provider to the Claims Management Section at 275 E. Main 3E-I, Frankfort, Ky 40601 who will post the payment to the claim.

15.16 Claims Records (Revised 07/01/10)

Claims information is maintained in a separate folder from the regular child care case folder. Once a claim has been identified, the child care case folder should be marked with a red X and "**Claim Do Not Purge**", written on the folder.

The recipient claims folder should consist of:

- Verification of Income and Work Schedule, if applicable;
- Copy of recipient's signed DCC-90;
- Copy of recipient's signed DCC-91;
- Signed DCC-94;
- DCC-99 or DCC-99A, whichever is applicable;
- DCC-99B
- DCC-99C, if applicable
- DCC-98, if applicable
- Any other documentation verifying overpayment, including but not limited to, the investigation by OIG, court order, final order from a hearing, and signed DCC-88 Supplement A.
- Copies of receipts for payments received by service agent staff.

The provider claims folder should consist of:

- Copy of signed DCC-94;
- Registration for Child Care Provider's Home, Registration for Child Care Provider in Child's Home, which ever is applicable, including attachments;
- Copy of the Responsibility for Reporting Changes, Registered Child Care Provider Listing Form or Licensed or Certified Provider Listing form; Child Care Provider

Self-Assessment in Provider's Home, whichever is applicable and including any attachments;

- Rights and Responsibilities Provider
- DCC-99 or DCC-99A
- DCC-99B
- DCC-99C, if applicable
- DCC-98, if applicable
- Any other documentation verifying overpayment, including, but not limited to, the investigation by OIG, court order, final order from a hearing, and signed DCC-84 Supplement A.

AE and IE claims case folders are retained for three years once the claim is paid in full, unless the claims is part of an audit. If part of an audit, retain the claims case folder until the audit is complete.

IPV claims case folders are retained indefinitely.

Chapter 16

ADMINISTRATIVE HEARING

16.1 Administrative Hearings (07/01/10)

An administrative hearing is a formal process by which any applicant, recipient, or provider may appeal an action or inaction taken by the agency with which they do not agree. Information regarding hearing rights is included on various agency forms mailed or given to the applicant/recipient or provider. Hearings will be held before an impartial hearing officer.

A local office resolution is an informal process by which any applicant, recipient, or provider may appeal an action or inaction taken by the agency, with which they do not agree, directly to the service agent. A local office resolution is offered to appellants affected by an agency action. The appellant is advised that a local office resolution is optional and in no way delays or replaces the fair hearing process.

The local office resolution is scheduled no later than five (5) working days from the date the appellant's dissatisfaction becomes known. The resolution meeting can be conducted via the phone if more convenient for all parties involved. The worker, service agent management staff and appellant or their representative attend the local office resolution.

The appellant is to be notified in writing within five (5) days of the resolution meeting of the decision rendered at the meeting. A written narrative of the meeting, including who attended, the issues discussed, and what decision or resolution was reached is kept on file by the service agent for five (5) years and a copy shall be sent to the Child Care Assistance Program (CCAP) section.

If the issue is resolved through the local office resolution before the hearing is scheduled the service agent is to email Crystal DeSpain and cc: Linda Lingle, stating that the issue has been resolved and the appellant does not want to go through the hearing process.

If possible, have the appellant sign a statement attesting to the fact that they no longer want to go through the hearing process. Fax or email a copy of the written statement to CCAP. However, once a hearing is scheduled, the hearing may still be held unless the appellant makes a written withdrawal.

The Hearings Branch may conduct the hearings via special telephone equipment. During a telephonic hearing, the hearing office is at one (1) location and the agency representative and the appellant are at a different location.

If the hearing is going to be conducted by phone, the appellant is notified by the Hearings Branch. The appellant may either bring evidence to be submitted for consideration at the hearing to the local office, where the evidence will be copied and sent to the Hearings Branch or mail copies directly to the hearing officer. The

appellant may also bring evidence to the hearing and request that the hearing officer consider this information in the determination. The Division of Child Care (DCC) shall be copied on this information.

If the appellant objects to a telephonic hearing, a face to face hearing is scheduled by contacting either the Hearings Branch or the local office in writing, prior to the scheduled hearing date.

The hearing process consists of:

- The request;
- Preparation for and scheduling of the hearing;
- The hearing itself;
- Review of the recommended order; and
- The final order

16.2 Hearing Request (07/01/10)

A hearing request is a clear oral or written indication by the appellant or their representative that they wish to have an action or decision of the Agency reviewed.

- Requests for a hearing, whether written or oral, are forwarded by form DCC-88 Child Care Assistance Service Appeal which is completed by or for the appellant according to procedural instructions.
- If the request is received by phone or through the mail, indicate this on the signature line of form DCC-88. **It is not necessary for the appellant to sign form DCC-88 if the request is received by phone or mail.**
- When completing form DCC-88, be specific as to the appellant's reason for the hearing request. Use statements like: "The appellant does not agree with the amount of earnings counted in her case". Do NOT write "appellant request", "appellant disagrees with denial", etc.
- A request for a DCBS hearing may be submitted by the appellant or their representative directly to the Administrative Hearings Branch.
- The appellant may voluntarily withdraw the hearing request at any time prior to the hearing. If the appellant wishes to withdraw the request, a written notice to withdraw the hearing must be sent to Crystal DeSpain in the CCAP section.

16.3 Hearing Rights (07/01/10)

In addition to the right to request a hearing appellants are to be notified that they have the right to:

- Present the case themselves;
- Have the case presented by legal counsel or another representative.
- Review the case record relating to the issue;
- Bring witnesses to support their case in the hearing;
- Present arguments without interruption;
- Question any testimony or evidence;
- Cross-examine witnesses;
- Submit evidence establishing pertinent facts and circumstances in the case; and

- Continue benefits or payments if the appeal is requested within ten (10) days of the date of the adverse action. This ten (10) days would be the date the action is effective not the date on the DCC-105 Child Care Assistance Program Notice of Action.

Note: **Appellants are to be notified of the availability of free legal services.**

Explain to the appellant that the Department does not provide payment for legal counsel but, if available, will refer them to a legal aid agency.

If requested by the household or its representative, the agency provides a free copy of the relevant portions of the case file, including the application form and documents of verification used by the agency to establish the household's ineligibility or eligibility and allotment. Provide the appellant or their representative adequate opportunity to examine all documents and records to be used at the hearing.

All information is to be provided to the appellant a reasonable time before the date of the hearing as well as during the hearing.

Confidential information, such as names of individuals who have disclosed information about the household without its knowledge or the nature or status of pending criminal prosecutions, is protected from release. Confidential information protected from release and other documents or records which the appellant will not otherwise have an opportunity to contest or challenge may not be presented at the hearing, and do not affect the hearing officer's decision.

16.4 Hearing Time Frames (07/01/10)

A hearing request is considered timely if received by the Department within thirty (30) calendar days from the effective date of the adverse action, not the date the DCC-105 is sent.

If the hearing request is untimely, forward the request and any information concerning the reason the request was untimely to the Quality Assurance Section. The hearing officer determines from the information provided whether the household had good cause for submitting an untimely request.

The Hearings Branch acknowledges all hearing requests, conducts a hearing, and issues a recommended order within forty-five (45) days of receipt of a timely request for a hearing. The Commissioner of the Department for Community Based Services (DCBS) has forty-five (45) days from the receipt of the recommended order in which to issue the final decision.

16.5 Preparation for the Hearing (07/01/10)

Mail the DCC-88 (within three (3) days of receipt) to:

The Quality Assurance Section
275 East Main Street, 1E-B
FRANKFORT KY 40621

If the hearing issue involves a negative action, attach a copy of the negative action notice to form DCC-88.

Do **NOT** send a copy of the case record or current packet to the Quality Assurance Section.

If the request is from an appellant who has limited English proficiency and requires interpreter services or has a physical or mental condition that requires accommodation in order to participate in the hearing, annotate the hearing request with this information.

After forwarding the hearing request to Quality Assurance Section:

- Prepare for the hearing by reviewing the case record and writing a summary of the issue/action that prompted the request. If the hearing involves a claim issue, it may be necessary to contact the claims worker for additional information.
- Attach the summary and form DCC-88 to the case record and give a copy of the summary to the supervisor. Include in the summary all information, documentation, notices, forms, comments, etc., that support the action taken by the agency. Be clear and concise but include pertinent information with the explanation in case you are unable to attend the hearing and the supervisor or another worker must represent the agency's position. DO NOT include unprofessional language or comments in the summary.

Make copies of all manual sections that relate to the issue/action. Include any pertinent policy clarifications that support the Agency.

The parent of a child receiving child care subsidy cannot appeal the termination or denial of a specific child care provider.

16.6 Scheduling the Hearing (07/01/10)

The hearing request is acknowledged by the Hearings Branch with form AR-2. The AR-2 notifies the appellant that the request has been received and entered on the docket of pending requests. The acknowledgement letter also contains information regarding the hearing process, including:

- The right to case record review prior to the hearing,
- The right to representation, and
- A statement to the effect that the local office can provide information regarding the availability of free representation by legal aid or welfare rights organizations.

The Hearings Branch notifies the appellant of the date, time, and place the hearing will be held via form, "Notice of Hearing".

The form also advises the appellant of:

- The right to bring an attorney and/or witnesses if desired.
- The fact that if the appellant or a representative does not appear for the hearing, the appellant will have a period of ten (10) days to advise the Hearings Branch of the reason for not appearing. The Hearings Branch considers the reasons and

determines if good cause exists. The request is considered abandoned and dismissed unless good cause for the absence can be shown.

- All parties to the hearing are provided at least ten (10) days timely notice of the hearing to permit adequate preparation of the case.

The appellant may request and is entitled to a postponement without good cause if the request is made BEFORE the hearing. The postponement cannot exceed thirty (30) days and the time limit for action on the decision is extended for as many days as the hearing is postponed. The service agent is to notify the hearing officer of the postponement.

16.7 Conduct of the Hearing (07/01/10)

Hearings are conducted by an impartial hearing officer who is knowledgeable of the Department's law, policy and procedures. The Hearings Branch operates independently and recommended orders are based only on information presented at the hearing.

Hearings are privately conducted at a place convenient to the appellant and:

- Are orderly but informal;
- Conducted without the use of strict technical rules of evidence and procedure;
- Provides a method by which the appellant can speak freely regarding facts and circumstances of the situation, refute testimony and examine all papers and records introduced as evidence;
- Provides the appellant the opportunity to submit additional evidence and to cross examine witnesses; and
- Are concluded when the hearing officer is satisfied that sufficient evidence has been introduced to resolve the issue.

The hearing is attended by the worker and/or supervisor and by the appellant, his/her representative or both. The hearing may also be attended by any individual the appellant wishes to attend. However, the hearing officer has the authority to limit the number of persons in attendance at the hearing if space limitations exist.

Agency representatives should dress and speak professionally when presenting the Agency's position to the hearing officer. Policies and procedures should be explained in terms that everyone in attendance can understand. If unsure of a response to a question, advise those present that the information is not available at the hearing but will be provided if necessary.

If conclusive evidence is not produced at the hearing, the hearing officer may continue the hearing. If continued the hearing process must still be completed within forty-five (45) calendar days of the initial hearing request and the appellant and service agent are notified ten (10) days in advance of the time and place of the continued hearing.

The appellant may request for the hearing officer to delay the recommended order for a reason beyond the control of the appellant. The decision to grant the delay and continue the hearing is made by the hearing officer.

16.8 Recommended Order (07/01/10)

After completion of the hearing, the hearing officer drafts a recommended order. The recommended order is not the final order; therefore, action is not taken on the case.

The hearing officer:

- Reviews all evidence and drafts a recommended order. A recommended order, summarizes the facts of the case, states the reason for the recommended order, identifies the supporting evidence and provides citations of the pertinent sections of state and federal policy and regulations.
- Ensures that the recommended order complies with state and federal laws and regulations.
- Mails a copy of the recommended order for review to the appellant or their representative (if present at the hearing), DCC, and service agent staff.

The recommended order is reviewed by the parties listed above. The parties have fifteen (15) calendar days to review and file any exceptions and/or rebuttals. Exceptions or rebuttals filed after the 15th calendar day are disallowed.

If no exceptions or rebuttals to the recommended order are received within the fifteen (15) day period, the recommended order is reviewed to ensure that it is in accordance with regulations. A final order is drafted and then forwarded to the Commissioner of DCBS. The Commissioner reviews and signs the final order.

Exceptions by the Agency are filed by service agent staff.

Service agents are to use the following procedures to file an exception;

- Upon receipt of a recommended order, the service agent has five (5) work days to review and request an exception. An exception can only be based on the facts and evidence presented at the hearing. No new information or evidence may be used.
- Send requests for an exception to Crystal Despain and cc: Linda Lingle of CCAP. The request will be reviewed and any valid requests will be submitted to the Office of the Commissioner.
- If an exception is filed timely by either party, the other party can file a rebuttal to the exception within the fifteen (15) day period. If the fifteen (15) days have elapsed, no rebuttal can be made.
- The Commissioner's office staff reviews all timely exceptions to the recommended order and drafts a final decision for submission to the Commissioner.

If no exceptions to a Recommended Order of Dismissal are submitted to the Office of the Commissioner the recommended order becomes the final order effective fifteen (15) days from the date of the recommended order.

16.9 Final Order (07/01/10)

The Commissioner of DCBS issues the final order for the hearing.

The final order accepts the recommended order, rejects or modifies the recommended order or returns the issue back to the hearing officer for further action before a final order is issued.

The Commissioner has forty-five (45) days to issue a final order from the date the Commissioner:

- Receives the official record of the hearing in which a recommended order is not submitted; or
- Receives the recommended order.

The Commissioner signs the final order and mails a copy of the final order to the following:

- The recipient and representative (if present);
- DCC CCAP section; and
- The service agent.

The final order becomes part of the record and approves or rejects the recommended order.

A final order is followed until the next time the household's eligibility is redetermined.

16.10 Follow-Up to a Final Order (07/01/10)

Upon receiving the final order signed by the Commissioner the service agent supervisor and worker are to review the final order along with the recommended order for any reference to future action in the case.

Complete the following actions as required by the final order:

- For reversals of denials or discontinuances of cases, take case action to approve or reapprove the case.
- For reversals involving a reduction of benefits, take action within ten (10) days to restore benefits to the date of the action which resulted in the hearing
- For final orders which result in an increase in the household's ongoing benefits take action within ten (10) days of the receipt of the final order. Determine if the appellant has an existing claim. If so, offset benefits, if appropriate.
- For final orders which the Agency is affirmed and the benefits were continued during the hearing process, take action to correct the case and the amount of benefits. If appropriate, initiate a claim and collection amount of benefits. If appropriate, initiate a claim and collection action against the appellant for any overpayment caused by a continuation of benefits pending the hearing.

The hearing officer's responsibility ends with the issuance of the final order.

Enter a brief statement of action, including date of final order on the KICCS "Comments" screen.

Chapter 17

CHILD CARE FORMS

DCC-80	Request for an Administrative Disqualification Hearing
DCC-82	Notice of Disqualification
DCC-83	Deferred Adjudication Disqualification Consent Agreement
DCC-84	Notice of Suspected Intentional Program Violation
DCC-84	Supplement A - Voluntary Waiver of Administrative Disqualification Hearing
DCC-85	Approval for Child Care Assistance
DCC-85	Supplement A – Request for Enrollment Fee Payment
DCC-85A	K-TAP Approval for Child Care Assistance
DCC-86	Referral for Low Income Child Care Assistance
DCC-88	Child Care Service Appeal Request
DCC-90	Application for Subsidized Child Care Assistance
DCC-90.1	Intent to Apply for Child Care Assistance
DCC-90A	Certification of Applicant’s School Enrollment
DCC-90B	Child Support Verification
DCC-90C	Residence-Household Verification
DCC-90D	Verification of Employment and Wages
DCC-90E	Child Care Assistance Program (CCAP) Inquiry
DCC-90F	Notice of Appointment/Request for Information
DCC-90G	Irregular Work Form
DCC-90H	Transfer of Case Record or Material
DCC-90I	Work and School Schedule
DCC-90J	Self Employment (Non-Farm) Income Worksheet
DCC-90K	Self Employment (Farm) Income Worksheet
DCC-90L	Student Work Verification Form
DCC-91	Client Rights and Responsibilities Sheet
DCC-91C	Authorized Representative Form
DCC-93	Authorization for Electronic Deposit
DCC-94	Child Care Service Agreement and Certificate
DCC-94.1	Notification of Eligibility and Certificate for Child Care Services
DCC-94A	Registered Child Care Provider Information Form
DCC-94AB	Supplement-Rate Information Form
DCC-94B	Licensed or Certified Provider Information Form
DCC-94C	Provider Notification/Service Agreement Letter
DCC-94D	Provider Notification of Payment Termination
DCC-95	Application for Registered Child Care Provider in Provider’s Home
DCC-95A	Health Statement
DCC-96	Application for Registered Child Care Provider in Child’s Home
DCC-97	Provider Billing Form
DCC-97	Supplement A - Voluntary Payment Reductions

DCC-98	Repayment Agreement
DCC-99	Claim Referral
DCC-99A	OIG Fraud Referral
DCC-99B	Claims Calculation Worksheet
DCC-99C	Client Provider Statement
DCC-100	Potential Claims Appointment Letter
DCC-105	Child Care Assistance Program Notice of Action
DCC-106	Notice of Requirements for Pending Registered Provider Application
DCC-107	Registered Provider Approval Notice
DCC-107.1	Notice of Registered Provider Renewal
DCC-108	Notice of Adverse Action for Child Care Providers and Early Care and Education Professionals
DCC-109	Request to Document Health and Safety of Household Member Turning 18
DCC-111	Parent Notice of Need to Change Child Care Providers
DCC-112	Selecting Quality Child Care for My Child
DCC-113	Child Care Assistance Program (CCAP) Information for Workers
DCC-114	Registered Child Care Provider Change Form
DCC-202A	Case File Checklist DCBS Approvals
DCC-202B	Case File Checklist CCIE
DCC-300	Kentucky Child Care Maximum Payment Rates Chart
AOC-RU-004	Administrative Office of the Courts Criminal Records Check
AOC-RU-007	Youth Leader Request form
DCBS-1	Informed Consent and Release of Information and Records – <i>Procedural Instructions</i>
DPP-010	Open Records Request – <i>Procedural Instructions</i>
DPP-156	Central Registry Check – <i>Procedural Instructions</i>
KCD-2	General Claims Form
KSP-1	Request for Conviction Record/Child Care – <i>Procedural Instructions</i>
IRS W-9	Request for Taxpayer Identification Number and Certification – <i>Procedural Instructions</i>
	Registered Provider Packet

Links to the Forms

[DCC-80 Request for an Administrative Services Disqualification Hearing](#)

[DCC-80 Procedural Instructions](#)

[DCC-82 Notice of Disqualification](#)

[DCC-82 Procedural Instructions](#)

[DCC-83 Deferred Adjudication Disqualification Consent Agreement](#)

[DCC-83 Procedural Instructions](#)

[DCC-84 Notice of Suspected Intentional Program Violation](#)

[DCC-84 Procedural Instructions](#)

[DCC-84 Supplement A Voluntary Waiver of Administrative Disqualification Hearing](#)

[DCC-84 Supplement A Procedural Instructions](#)

[DCC-85 Approval for Child Care Assistance](#)

[DCC-85 Procedural Instructions](#)

[DCC-85A KTAP Approval for Child Care Assistance](#)

[DCC-85A Procedural Instructions](#)

[DCC-85 Supplement A Request for Enrollment Fee Payment](#)

[DCC-85 Supplement A Procedural Instructions](#)

[DCC-86 Referral for Low Income Child Care Assistance](#)

[DCC-86 Procedural Instructions](#)

[DCC-88 Child Care Service Appeal Request](#)

[DCC-88 Procedural Instructions](#)

[DCC-90 Application for Subsidized Child Care Assistance](#)

[DCC-90 Spanish, Application for Subsidized Child Care Assistance](#)

[DCC-90 Procedural Instructions](#)

[DCC-90.1 Intent to Apply for Child Care Assistance](#)

[DCC-90.1 Spanish, Intent to Apply for Child Care Assistance](#)

[DCC-90.1 Procedural Instructions](#)

DCC-90A Certification of Applicants School Enrollment
DCC-90A Procedural Instructions
DCC-90B Child Support Verification
DCC-90B Procedural Instructions
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DCC-90C Procedural Instructions
DCC-90D Verification of Employment and Wages
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DCC-90E Child Care Assistance Program (CCAP) Inquiry
DCC-90E Procedural Instructions
DCC-90F Notice of Appointment - Request for Information
DCC-90F Procedural Instructions
DCC-90G Irregular Work Form
DCC-90G Procedural Instructions.doc
DCC-90H Transfer of Case Record or Material
DCC-90H Procedural Instructions
DCC-90I Work and School Schedule
DCC-90I Procedural Instructions
DCC-90J Self Employment (Non-Farm) Income Worksheet
DCC-90J Procedural Instructions
DCC-90K Self Employment (Farm) Income Worksheet
DCC-90K Procedural Instructions
DCC-90L Student Work Verification
DCC-90L Procedural Instructions
DCC-91 Client Rights and Responsibilities Sheet
DCC-91 Procedural Instructions
DCC-91C Authorized Representative Form
DCC-91C Procedural Instructions

DCC-93 Authorization for Electronic Deposit

DCC-93 Procedural Instructions

DCC-94 Child Care Service Agreement and Certificate

DCC-94 Procedural Instructions

DCC-94.1 Notification of Eligibility and Certificate for Child Care Services

DCC-94.1 Procedural Instructions

DCC-94A Registered Child Care Provider Information Form

DCC-94A Spanish, Registered Child Care Provider Information Form

DCC-94A Procedural Instructions

DCC-94AB Supplement - Rate Information Form

DCC-94AB Supplement Procedural Instructions

DCC-94B Licensed or Certified Provider Information Form

DCC-94B Spanish, Licensed or Certified Provider Information Form

DCC-94B Procedural Instructions

DCC-94C Provider Notification - Service Agreement Letter

DCC-94C Procedural Instructions

DCC-94D Provider Notification of Payment Termination

DCC-94D Procedural Instructions

DCC-95 Application For Registered Child Care Provider In Providers Home

DCC-95 Spanish, Application for Registered Child Care Provider In Providers Home

DCC-95 Procedural Instructions

DCC-95A Health Statement

DCC-95A Procedural Instructions

DCC-96 Application for Registered Child Care Provider in Childs Home

DCC-96 Spanish, Application for Registered Child Care Provider in Childs Home

DCC-96 Procedural Instructions

DCC-97 Provider Billing Form (PBF)

DCC-97 Procedural Instructions

DCC-97 Supplement A – Voluntary Payment Reductions

DCC-97 Supplement A Procedural Instructions

DCC-98 Repayment Agreement

DCC-98 Procedural Instructions

DCC-99 Claim Referral

DCC-99 Procedural Instructions

DCC-99A OIG Fraud Referral

DCC-99A Procedural Instructions

DCC-99B Claim Calculation Worksheet

DCC-99B Procedural Instructions

DCC-99C Client Provider Statement

DCC-99C Procedural Instructions

DCC-100 Potential Claims Appointment Letter

DCC-100 Procedural Instructions

DCC-105 Child Care Assistance Program Notice of Action

DCC-105 Procedural Instructions

DCC-106 Notice of Requirements for Pending Registered Provider Application

DCC-106 Procedural Instructions

DCC-107 Registered Provider Approval Notice

DCC-107 Procedural Instructions

DCC-107.1 Notice of Registered Provider Renewal

DCC-107.1 Procedural Instructions

DCC-108 Notice of Adverse Action for Child Care Providers and Early Care and Education Professionals

DCC-108 Procedural Instructions

DCC-109 Request to Document Health and Safety of Household Member Turning 18

DCC-109 Procedural Instructions

DCC-111 Parent Notice of Need to Change Child Care Providers

DCC-111 Procedural Instructions

DCC-112 Selecting Quality Child Care for My Child

DCC-112 Procedural Instructions

DCC-113 Child Care Assistance Program (CCAP) Information for Workers

DCC-113 Procedural Instructions

DCC-114 Registered Child Care Provider Change Form

DCC-114 Procedural Instructions

DCC-202A Case File Checklist DCBS Approvals

DCC-202A Procedural Instructions

DCC-202B Case File Checklist CCIE

DCC-202B Procedural Instructions

DCC-300 Kentucky Child Care Maximum Payment Rate Chart

DCC-300 Procedural Instructions

AOC-RU-004 Administrative Office of the Courts CRC

AOC-RU-004 Procedural Instructions

AOC-RU-007 Youth Leader Request

AOC-RU-007 Procedural Instructions

DCBS-1 Informed Consent and Release of Information and Records

DCBS-1 Spanish, Informed Consent and Release of Information

DCBS-1 Procedural Instructions

DPP-010 Open Records Request

DPP-010 Procedural Instructions

DPP-156 Central Registry Check

DPP-156 Procedural Instructions

IRS W-9 Request for Taxpayer ID Number and Certification

IRS W-9 Procedural Instructions

KSP-1 Request for Conviction Records Day Care (KSP form)

KSP-1 Procedural Instructions

Registered Provider Packet

Chapter 18

Policy Clarifications



**CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR COMMUNITY BASED SERVICES**

Steven L. Beshear
Governor

Division of Child Care
275 East Main Street, 3C-F
Frankfort, Kentucky 40621
Telephone: 502-564-2524
Fax: 502-564-3464
<http://chfsnet.ky.gov/cts/dcbs/dcc/>

Janie Miller
Secretary

PC: 10-10-31

TO: CCAP Service Agents
FROM: Mary Beth Jackson *mbj*
Director
DATE: October 1, 2010
SUBJECT: **Policy Clarification** – Unearned Income of a Child – MS 6.1 and 6.2

Situation: Applicant's seventeen year old son receives RSDI (death) benefits and the check is sent directly to the child's bank account that the applicant is not listed on.

Question: Do we count the son's income when figuring the total gross family income?

Clarification: All unearned income of a child is counted toward the total family income as the child is considered in the total family count.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.



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Janie Miller
Secretary

PC-09-10-28

TO: CCAP Service Agents

FROM: Mary Beth Jackson, Director *MBSJ*
Division of Child Care

DATE: September 21, 2010

SUBJECT: Technically Ineligible Families- MS 5.9

Situation: Father of child is living in the home with his mother and his son. His mother has custody of his son. He is an adult and does not work. He was on SSI but has been told in October he will no longer receive SSI.

Question: Will he be counted in the home since he does not have custody of the child?

Response: Yes, the parent and his child are considered a nuclear family even if his mother has custody of the child.

Question: Will he need to comply with the twenty (20) hours per week work requirement?

Response: Yes, any single parent home, regardless of receiving SSI or not, must meet the weekly work requirement of an average of twenty (20) hours.

If you have additional questions, please contact Debra Ely at (502) 564-2524.

DCC/LL/DE



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Janie Miller
Secretary

MEMORANDUM

PC-08-10-27

TO: CCAP Service Agents

FROM: Mary Beth Jackson *MBJ*
Director

DATE: September 13, 2010

SUBJECT: Policy Clarification – CCTK Eligibility
MS 3.4 Discontinuance of K-TAP and MS 4.3 Former K-TAP Recipients

Situation: MS 3.4 states when K-TAP is discontinued to allow eligibility to remain active as TANF eligibility type until redetermination date and to code eligibility to CCIE upon redetermination. MS 4.3 states when an application is made for CCAP benefits, the eligibility can be CCTK for twelve (12) months from the K-TAP date of discontinuance. This section also states a DCC-86 or AKKO verification is necessary to process as CCTK.

Question 1: When is it appropriate to allow a case to remain under the TANF eligibility type?

Response 1: When a case is approved under a TANF eligibility type and the TANF case is discontinued, the child care case would remain active under the TANF eligibility category until the redetermination is due.

Example: Client is receiving K-TAP and is approved by DCBS worker for child care under TANF category for eligibility period of January 2010 – January 2011. K-TAP case was discontinued in March 2010. This case remains under TANF category until January 2011 when a redetermination is due. The case is then made into a CCI category and eligibility is determined at 165% of the Federal Poverty Level (FPL).

Question 2: When is CCTK eligibility category appropriate?

Response 2: When a K-TAP case has been discontinued within twelve (12) months of application for child care assistance, the case is determined to be CCTK. Determining the case to be CCTK allows KICCS to compare to 165% of FPL.

Response 3: A DCC-85A may be used to verify K-TAP discontinuance as it is not mandatory to have a DCC-86. The policy manual update is forthcoming to reflect that a DCC-86 is not mandatory.

If you have additional questions, please contact Patti Smith-Glover at (502) 564-2524.

DCC/MBJ/PSG



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Janie Miller
Secretary

08-10-25

TO: CCAP Service Agents
FROM: Mary Beth Jackson ^{MBJ}
Director
DATE: August 23, 2010
SUBJECT: **Policy Clarification** – Foster Children – MS 3.5

Situation: Applicant is applying for child care assistance on behalf of her biological children. The applicant also has foster children living in her home.

Question: Are foster children counted in the household size?

Clarification: Foster children are not eligible to receive CCAP subsidies; therefore, not counted in the household size. Also, the foster care payment that the adult receives on behalf of the foster child is not counted as income toward the household.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.

DCC/MBJ/CD



**CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR COMMUNITY BASED SERVICES**

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Janie Miller
Secretary

PC-08-10-23

TO: CCAP Service Agents

FROM: Mary Beth Jackson *MBJ*
Director

DATE: August 15, 2010

SUBJECT: Policy Clarification – Claims Calculation/Start Date – MS 15.7

Situation: At redetermination, a client provides check stubs for two (2) months which show that they have only been working seventeen (17) hours per week during the prior two (2) months. The client is unsure of how long she has been working less than twenty (20) hours per week and the information is not available on the work number.

Question: Would the claim be calculated for only the two (2) months provided by the client or would the worker request the full year's stubs and calculate the claim accordingly?

Clarification: The worker would request the employment records for the entire eligibility period and would calculate the claim in accordance with Manual Section 15.7 – Determining the Start Date and Amount of the Claim.

If you have additional questions, please contact Justin Mullins at (502) 564-2524.

DCC/MBJ/JM



CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR COMMUNITY BASED SERVICES

Steven L. Beshear
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Janie Miller
Secretary

MEMORANDUM

PC-08-10-22

TO: CCAP Service Agents

FROM: Mary Beth Jackson *MBJ*
Director

DATE: August 12, 2010

SUBJECT: Policy Clarification – MS 2.1 and DCC-91C Authorized Representative

Situation: A mother takes her husband for dialysis treatments and prefers that her daughter makes the initial application.

Question: Does “physically disabled” specifically refer to a physical or mental medical condition when unable to come to the office to make application or would it also apply to a parent who works outside of regular work hours and cannot “physically” come into the office? Can we use the DCC91C for that purpose as well?

Response: If the individual is physically unable to come to the office to make application, allow the household the option of designating a representative to complete the application process. The description “physically unable” does not have to be a medical condition and would apply if not able to be in office during normally scheduled work hours.

The CCAP Operations manual defines **Authorized Representative** as a person designated in a written statement or on a DCC-91C Authorized Representative form by an individual, to act on behalf of the household in completing application/re-determination for CCAP benefits. The designation in writing is waived, if the individual is physically or mentally unable to provide a written statement. The representative is allowed to complete and sign all necessary forms.

If you have additional questions, please contact Patti Smith-Glover at (502) 564-2524.

DCC/MBJ/PSG



**CABINET FOR HEALTH AND FAMILY SERVICES
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Janie Miller
Secretary

PC-08 -10-21

TO: CCAP Service Agents
FROM: Mary Beth Jackson, M.Ed *MBJ*
Director
DATE: August 10, 2010
SUBJECT: Household Size - Countable Income

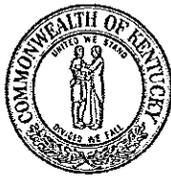
Situation: A client and her boyfriend, father of the child, are **together**, but are not living together in the same household until they are married. The father does contribute money to the household. With his income they would exceed the income guidelines.

Question: Is the boyfriend/father, counted in the household size, and is his income counted in the case?

Response: See Manual Section 5.5, Eligible Living Situations & Manual Section 6.2 Countable Income. The boyfriend/father would not be counted in the household size since he does not reside in the home. The worker should check with the client to see how much money the boyfriend/father contributes to the household. The monetary contribution would count as child support which is countable income.

If you have additional questions, please contact Tamara Wilson at (502) 564-2524.

DCC/MBJ/TKW



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Janie Miller
Secretary

PC-07-10-20

TO: CCAP Service Agents

FROM: Mary Beth Jackson, Director
Division of Child Care

DATE: August 5, 2010

SUBJECT: Policy Clarification – Technical Eligibility – MS 5.5, Eligible Living Situations
MS 5.7 Work Requirements for Low Income Working Families

Situation: A household consists of a mother, three (3) children and the father of one of the children. The father is not working and his child is not receiving benefits. He is not the father of the other two children in the home. How do we process this case?

Response: The two (2) adults in the home having a child in common make an intact family. The income of both adults would count. The household size is five (5) and the work requirements for a two (2) parent family must be met unless one of the adults is mentally or physically unable to care for the children.

If you have additional questions, please contact Debra Ely at (502) 564-2524.

DCC/MBJ/DE



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Janie Miller
Secretary

MEMORANDUM

PC-07-10-19

TO: CCAP Service Agents

FROM: Mary Beth Jackson, M.Ed. *MBJ*
Director

DATE: July 28, 2010

SUBJECT: Policy Clarification – MS 5.2 and MS 5.3
AKKO as Verification Source for Residency/Household Composition

Situation: Service agents have been using AKKO to verify household size and address. They only use it as verification if the case had been updated within the past thirty (30) days. A recent Policy Clarification has resulted in some disagreement as to what the policy is actually saying. Some interpret it to say that AKKO cannot be used to verify household size.

Question: What can AKKO be used to verify?

Response: AKKO can be used to verify residence and household composition if it reflects a date of action taken (application, recertification, or change in residency or household composition) within the last thirty (30) days. Residence is verified by information which reasonably establishes that the applicant resides in Kentucky and can be verified in conjunction with other information such as, but not limited to, household composition. The service agent staff is to document in case comments regarding residency and household composition including the source of verification.

If you have additional questions, please contact Patti Smith-Glover at (502) 564-2524.

DCC/MBJ/PSG



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Janie Miller
Secretary

PC-07-10-18

TO: CCAP Service Agents

FROM: Mary Beth Jackson, M.A. Ed *MBJ*
Director

DATE: July 29, 2010

SUBJECT: Counting Income – Quarterly Incentive Bonuses

Situation: A client came in for her redetermination appointment. She brought in all her check stubs for May and June 2010. She also provided one July stub. Her May pay stubs show a lower hourly rate than her June so they were excluded as not representative. She has a quarterly incentive bonus on the June 10, 2010 stub. The bonus amount is \$256.26. YTD amount after that bonus is \$388.64. The client states she does not expect she will receive any more bonuses this year due to issues at the store.

Question: Should the bonus be counted it all by using the gross amount on that stub? Should the YTD bonus be pro-rated over six (6) months since she has gotten two quarterly bonuses this year and enter that as a separate entry? Or should the bonus be excluded as non-representative?

Response: See Manual Section 6.2, Countable Income. Countable income is any money received by any individual of an applicant/recipient household which can reasonably be anticipated to continue. The worker should contact the employer to verify if the client will be receiving any more bonuses on an ongoing basis.

If the bonuses will continue, the income would be pro-rated to a monthly amount for the recent quarter and entered as other earned income.

If the bonuses will not be received on an ongoing basis, then the income would be excluded.

If you have additional questions, please contact Tamara Wilson at (502) 564-2524.

DCC/MBJ/TKW



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Janie Miller
Secretary

MEMORANDUM

PC-071017

TO: CCAP Service Agents

FROM: Mary Beth Jackson
Director

DATE: July 26, 2010

SUBJECT: Policy Clarification – MS 8.7 – Required Actions on Redeterminations

This clarification supersedes all previous clarifications on subject.

Situation: There have been numerous clarifications regarding when to send the DCC 94, Child Care Service Agreement and Certificate and when to send the DCC 94D, Provider Notification of Payment Termination.

Question: When is sending the DCC 94 appropriate and when is sending the DCC 94D appropriate?

Response:

The DCC 94 is sent at initial application and redetermination. It advises the provider of the start and end date of eligibility. The DCC 94 is signed by both the provider and the client unless the case is approved through the DCBS process. If the case is approved through the DCBS process, only the provider is required to sign the form. If the client does not come into the office for a redetermination or the redetermination is not complete for any reason and ongoing eligibility cannot be established, the case is discontinued and no other notice is sent to the provider as the provider was not notified of a new start and end date of eligibility.

REDETERMINATION

Example 1: Client's redetermination period expires 7/3/10 and client did not show for her redetermination appointment. No notice is sent to provider as the last certificate issued stated eligibility would end on 7/3/10.



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Janie Miller
Secretary

The DCC 94D, Provider Notification of Payment Termination is sent if there is a change in circumstances within the redetermination period that would cause the payment to be terminated.

CHANGE IN CIRCUMSTANCE DURING REDETERMINATION PERIOD

Example 2: Client's redetermination period is 7/3/10-7/2/11. Client's only child moved out of state to be with father on 9/16/10. DCC 94D is sent to provider advising of termination of payment.

If you have additional questions, please contact Linda Lingle at (502) 564-2524.

DCC/MBJ/LLL/lis

Attachment

Cc:file



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Janie Miller
Secretary

MEMORANDUM

PC-07-10-16

TO: CCAP Service Agents

FROM: Mary Beth Jackson *MBJ*
Director

DATE: July 26, 2010

SUBJECT: Policy Clarification – MS 6.3 Verification of Earned Income

Situation: Employers are not updating information with The Work Number timely and therefore child care worker is unable to obtain current information for clients.

Question: What does the child care worker do when the income information is not available on The Work Number and the employer refuses to fill out the DCC-90D, Verification of Income.

Response: If the Work Number does not provide current income, the responsibility to provide this information falls back to the client. Work Number is provided as a convenience to the worker and the client, but is not always going to be the best possible source of information. The worker should request that the client provide this information through another form of verification or the worker can complete a collateral contact with the employer. Worker will need to thoroughly document what was done in case comments.

If you have additional questions, please contact Lynn Skelton at (502) 564-2524.

DCC/MBJ/LLL/lis

Cc:file



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Janie Miller
Secretary

PC-07-10-18

TO: CCAP Service Agents
FROM: Mary Beth Jackson, Director
Division of Child Care
DATE: July 22, 2010
SUBJECT: Determining and Verifying Work Hours

Situation: Client states she does not have pay stubs. The work number verifies that recipient has not worked the required 20 hours in the past two months and beyond. Recipient provides written statement from manager that she will be getting 30 hours a week. This same verification was provided in the past and client has yet to meet the hour requirement.

Question1: How do you calculate work hours to figure a claim if the work number has hours from current month and prior month?

Response1: All hours listed on the work number verification will count in the month the pay was received.

Question2: How is future eligibility determined since verification used in past does not reflect what the client actually worked? Can the case be denied or should the client be required to provide a month's worth of actual check stubs before case can be approved?

Response2: This case can be denied based on the fact that the worker is unable to verify information written by the manager, and the work number verified that the client has not been meeting work requirements. Inform the client that they must provide a month's worth of paystubs to verify work hours.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.

DCC/MBJ/CD



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Janie Miller
Secretary

PC-07-10-15

TO: CCAP Service Agents
FROM: Mary Beth Jackson, Director
Division of Child Care
DATE: July 21, 2010
SUBJECT: Policy Clarification – Income – MS 6.5, Unearned Income

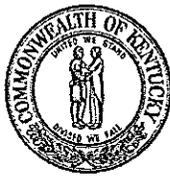
Situation: Dad is paying child's co-payment directly to the daycare. The mother is reporting this as child support.

Question: Do we count it as child support since he is paying it to the daycare and not her?

Response: Yes, monies that are legally obligated and otherwise payable to the household, but which are diverted by the provider of the payment to a third party for household expenses are counted as income.

If you have additional questions, please contact Debra Ely at (502) 564-2524.

DCC/MBJ/DE



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Janie Miller
Secretary

PC-06-10-13

TO: CCAP Service Agents

FROM: Mary Beth Jackson, Director
Division of Child Care

DATE: June 14, 2010

SUBJECT: Technical Eligibility Policy- MS 5.3 Residency Requirements, M.S. 5.4 Household Composition

Situation: Applicants are bringing in leases that are a year or older and we have accepted them.

Question: When using a lease to verify residency and household size in place of the DCC 90-C, how old can the lease be?

Response: In order to be considered current, a lease must be within the timeframes designated by the lease but no older than one (1) year.

Question: We have been instructed not to use AKKO as HH verification if the food stamp case has not been updated within 30 days. Is it acceptable to have a food stamp letter which has been issued over 30 days ago?

Response: No, household composition is verified by a DCC-90C, Residency-Household Verification, a current lease which lists all residents at the applicants address, or a written statement or collateral contact from an individual who has knowledge of the client's living situation.

If you have additional questions, please contact Debra Ely at (502) 564-2524.

DCC/MBJ/DE



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Janie Miller
Secretary

MEMORANDUM

PC-06-10-14

TO: CCAP Service Agents
FROM: Mary Beth Jackson
Director
DATE: June 2, 2010
SUBJECT: Policy Clarification – MS 4.4 – Claims Against Teen Parents

Situation: A 15 year old applied for child care services. She lives with her older sister, but the sister did not attend the appointment. Child care worker had the teen parent sign all the paperwork.

Question: Can a teen parent be held accountable if a claim is established?

Response: Yes, a teen parent can have a claim established against them. However, please be reminded that a claim is not established if the case is approved through the DCC 85/85A process.

A claim can be established if the following requirements are not met:

- The teen parent does not have to be working, but must be actively attending school (the case would be coded TENF).
- If the teen parent is not in school, they must meet the 20 hour requirement (the case would be coded CCIE).

If you have additional questions, please contact Lynn Skelton at (502) 564-2524.

DCC/MBJ/LLL/ls

Attachment

Cc:file



**CABINET FOR HEALTH AND FAMILY SERVICES
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Janie Miller
Secretary

PC-05-10-11

TO: CCAP Service Agents
FROM: Mary Beth Jackson, Director *MBJ*
Division of Child Care
DATE: June 1, 2010
IBJECT: General Procedures for Applications, 2.1

Situation: A responsible adult comes in to apply for CCAP, but is not the head of the household. An ID is required for the person applying for CCAP.

Question: Is the head of the household's ID needed as well?

Response: For purposes of applying for child care, the responsible adult who is applying for child care is the head of the household. With that said, proof of identification is required for only that person.

If the person applying is NOT a responsible adult in the household, an authorized representative will be required to be designated by the head of the household for which benefits are being sought. This can be done by either a written statement or completing the DCC 91C, Authorized Representative form. The identification of the authorized representative and the head of household must be provided in this circumstance.

If you have additional questions, please contact Lynn Skelton at (502) 564-2524.

DCC/MBJ/LS



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Janie Miller
Secretary

PC-

TO: CCAP Service Agents

FROM: Mary Beth Jackson *mbj*
Director

DATE: April 5, 2010

SUBJECT: Policy Clarification – Child Care/Online Classes

Situation: The second parent in a two-parent household is working 10-12 hours per week and is enrolled for a total of six (6) credit hours of online college. The individual is claiming thirty (30) hours a week for completion of the classes on the DCC 901 Work and School Schedule. The individual also stated that the classes are available any time.

Question: How many hours of care should we allow for the child whose parent is enrolled in online?

Clarification: As the client states he/she can do his/her school work at anytime and the other parent could be available there is no justifiable need for child care, therefore the case is not eligible.

If you have additional questions, please contact Heather Richardson at (502) 564-2524

DCC/MBJ/HR



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Janie Miller
Secretary

MEMORANDUM

PC-01-10-32

TO: CCAP Service Agents

FROM: Mary Beth Jackson *mbj*
Director

DATE: January 11, 2010

SUBJECT: Policy Clarification – MS 5.9 Work Requirements for Low Income Working Families

Situation: A 21-year-old client works with the National Guard every other weekend, and will be starting ROTC classes in January at Eastern Kentucky University.

Question: Can ROTC training be considered as a clinical or practicum to meet the work requirement hours?

Response: No, the practicum/internship/clinical must be a part of the educational requirement for the degree in which they are pursuing. ROTC training is not a requirement for the National Guard or for the client's major, so it would not be considered a practicum/internship/clinical.

If you have additional questions, please contact Tamara Wilson at (502) 564-2524.

DCC/MBJ/LLL/tkw

cc: file

DCBS/DCC/LLL



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Janie Miller
Secretary

PC-09-09-24

TO: CCAP Service Agents

FROM: Mary Beth Jackson
Director

DATE: September 21, 2009

SUBJECT: **Policy Clarification – Child Support Verification – MS 6.6**

Situation: An error was cited on a case for the Federal Improper Payment Review because the worker obtained verification of Child Support payments from the ReliaCard system provided to CCAP Fiscal aff.

Question: Can ReliaCard statements be accepted as verification of Child Support payments if they are provided by the applicant?

Clarification: No. ReliaCard statements, whether provided by the client or obtained through available system accesses, are not an appropriate form of verification of Child Support income. Because some of the monies deposited to the card may be from lump sums, back payments, tax intercepts, or other one (1) time only payments, they may not be representative of ongoing income and should not be included in the calculation of income. See Manual Section 6.6 for policy regarding the accepted forms of Child Support verification.

If you have additional questions, please contact Justin Mullins at (502) 564-2524.

DCC/MBJ/JM



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Janie Miller
Secretary

PC-04-09-18

TO: CCAP Service Agents
FROM: Linda Lingle 
CCAP Supervisor
DATE: April 28, 2009
SUBJECT: Policy Clarification – Ready to work income Section-6.5

Situation: An applicant is approved for child care assistance through the DCC-85A process. The applicant is attending college and receives ready to work funds.

Question: How is ready to work income considered when figuring a family's countable income?

Response: Ready to work income is countable as part of a family's income when determining eligibility, except any portion that is earmarked for tuition or other educational related expenses.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.

LL/cwd



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Janie Miller
Secretary

PC-03-09-16

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director

DATE: February 26, 2009

SUBJECT: Policy Clarification – Alternating Work Schedule with Unemployment – MS 5.10,
MS 6.3

Situation: An applicant's employer is shutting down every two (2) weeks for a two (2) week period during which time the applicant is drawing unemployment.

Question 1: How is the income calculated for this case?

Response 1: The income for this case should be calculated for average monthly income for both the wages and the unemployment. See Example below.

Example:

An applicant is working 40 hours/week at \$7.00/hour and is paid bi-weekly. However, for the last several months the employer has closed the factory where the applicant works every two (2) weeks for a two week period. During the period of closure the applicant is drawing \$400.00 in unemployment benefits. The income would be calculated as follows.

1. For KICCS to correctly calculate the wages the client's income will have to be input in the following manner.

Pay Week 1: Amount of actual pay
\$560.00

Pay Week 2: \$0.01
\$0.01

Pay Week 3: Amount of actual pay
\$560.00

Pay Week 4: \$0.01
\$0.01

KICCS will compute the case as follows

$\$560.00 + \$560.00 + \$0.01 + \$0.01 = \$1120.02 \rightarrow$ (2 month total)

$\$1120.02 \div 4 = 280.01 \rightarrow$ (average income/pay period)

$\$280.01 \times 2.167 = \$606.78 \rightarrow$ (average monthly income counted in case)



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Janie Miller
Secretary

This entry will allow KICCS to recognize the weeks in which the client is without pay without affecting the amount that is counted in the case. Service Agent staff should manually calculate the income and compare the amounts to insure correct system calculation. Failure to correctly follow this procedure will result in an incorrect calculation of the applicant's income.

2. Unemployment income received is to be manually calculated as follows when it is received on an inconsistent or alternating basis.

Total Pay Periods/Year × Rate of Payment ÷ 12 = Average Monthly Income

Therefore, if a client is paid unemployment benefits of \$400.00 every fourth week the calculation is to be completed in the following manner.

52 weeks/year ÷ 4 (number of weeks in pay period) = 13 Total Pay Periods/Year

Total Pay Periods/Year × Rate of Payment ÷ 12 = Average Monthly Income
13 × \$400.00 ÷ 12 = 433.33

Question 2: Is the applicant eligible to attend child care during the period the applicant is laid off?

Response 2: Yes. Since the applicant will remain eligible during the break in hours (See **MS 5.10 Break in Work Hours**) the child is eligible to attend child care. The applicant should be notified that DCC will only pay for five (5) absences per month for a licensed provider and that the payments are based upon actual attendance and not enrollment. DCC will not pay for additional days above the five (5) allowed absences per month in order to maintain the child's enrollment with a facility.

If you have additional questions, please contact Justin Mullins at (502) 564-2524.



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Janie Miller
Secretary

PC-02-09-07

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: February 17, 2009

SUBJECT: Policy Clarification – Unearned Income/Adoption Subsidy MS 6.11

Situation: An applicant is applying for CCAP benefits for children she is in the process of adopting. The applicant is receiving monthly Adoption Subsidy payments.

Question: Would this be countable or excluded income?

Clarification: This income would be countable unearned income to the household. This is covered in the manual under MS 6.11 Unearned Income which defines unearned income as "All money payments from any source which can be construed as a gain or benefit, including...payments from government sponsored programs...and contributions from individuals not living with the family."

If you have additional questions, please contact Justin Mullins at (502) 564-2524.



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Janie Miller
Secretary

PC-01-09-06

TO: CCAP Service Agents

FROM: Sandra Noble Canon 
Director

DATE: January 26, 2009

SUBJECT: Policy Clarification – Self-Employed Family Receiving Unemployment
MS 5.9, MS 6.8, MS 6.9

Situation: A two-parent household owns a business and has removed themselves from the company's payroll due to the current market reducing profits. The parents have applied for and been approved for Unemployment Benefits but still continue to work and operate the business.

Question 1: Would the family be eligible for CCAP benefits?

Response 1: The family could potentially be eligible. A determination of the number of hours worked by each parent would need to be made for purposes of technical eligibility. According to MS 5.9 Work Requirements for Low Income Working Families, two (2) parent families are required to work a combined average of (forty) 40 hours per week with the minimum hours for either parent being (five) 5 hours per week.

Question 2: How should the income be counted in the case?

Response 2: Self-employment income is counted annually or by the period for which it was received depending upon how long the enterprise has been in operation. Since market fluctuations are a part of the normal business pattern with self-employment, the current market would not be a consideration unless the self-employment enterprise is no longer in operation. Additionally, any amounts of Unemployment Benefits being received by the household would be countable as Unearned Income as the Office of Employment and Training has indicated that the family should not be eligible for Unemployment Benefits if they are still actively working for the company regardless of whether they have removed themselves from payroll or not. Unemployment should be notified of the discrepancy so that they can investigate the case.

Since the family is still actively involved in the self-employment enterprise the income would be counted as outlined in MS 6.8 Self-Employment.

1. If the self-employment enterprise has been in operation for at least one (1) year the countable income would be the gross income minus any allowable deductions for the last calendar year.
2. If the self-employment enterprise has been in operation less than one (1) year the total gross income and deductions for the period of self-employment would be totaled and divided by the number of months the enterprise has been in operation. The countable monthly income would be the average gross income minus the average deductions.

Question 3: How would you verify the hours of employment?

Response 3: According to MS 6.9 Verifying Self Employment Income, acceptable forms of verification for self-employment include, but are not limited to statements from an outside accountant, ledger books, records, receipts maintained by the applicant, information from the most recent IRS tax forms, or client statement may be used **only** as a last alternative. For instances where applicant's statement is used the worker should enter a case change date for three (3) months from the date of eligibility and instruct the applicant to keep records. Verification would be requested thirty (30) days prior to the end of the three (3) month period. **This policy would be applied for verifying hours as well as income.**

If you have additional questions, please contact Justin Mullins at (502) 564-2524.



**CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR COMMUNITY BASED SERVICES**

Steven L. Beshear
Governor

Division of Child Care
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Janie Miller
Secretary

PC-01-09-01

TO: CCAP Service Agents
FROM: Sandra Noble Cannon
Director 
DATE: January 8, 2009
SUBJECT: Policy Clarification – Paying Child Support for Child in Case Section 6.12

Situation: We have a client that pays court ordered child support for a child that is in her home several days of the week. The client works and has applied for child care assistance for this child through CCAP.

Question: Can we give the client a deduction for child support she pays and assist the client with child care with CCAP funds for the same child?

Response: The Child Support being paid is legally obligated and the child resides outside of the client's home part of the week. If the client provides verification of the court order and verification of payments being made, the client is allowed the deduction for the Child Support she pays when considering countable income. If the client meets financial and technical eligibility factors then CCAP can pay for child care for the child in question on days that the child resides in the client's home.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.

SNC/cwd



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Janie Miller
Secretary

PC-12-08-11

TO: CCAP Service Agents
FROM: Sandra Noble Canon
Director
DATE: December 22, 2009
SUBJECT: Policy Clarification – Electronic Signatures

Question: Can a faxed DCC-94 Child Care Service Agreement and Certificate be accepted for case record?

Clarification: Yes, a faxed DCC-94 Child Care Service Agreement and Certificate can be accepted for case record.

(According to KRS 3.69.107(1) and (4) - Legal recognition of electronic records, electronic signature, and electronic contractions)

If you have additional questions, please contact Tamara Wilson at (502) 564-2524.

SNC/tkw



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Janie Miller
Secretary

PC-11-08-07

TO: CCAP Service Agents

FROM: Sandra Noble Canon
Director 

DATE: November 17, 2008

SUBJECT: Policy Clarification – Paying Deceased Provider

Situation: We have a registered provider in Pulaski County who had been caring for her three grandchildren. During the month of October, she was killed in an auto accident. The family has called and questioned how or if she would get paid for the days she actually cared for the children prior to the accident and if she should get paid how or who signs the billing form?

Question: Can we pay the provider if she is deceased, as the PBF cannot be signed?

Response: CCAP can pay this provider if notarized statements from the parents of each child the provider is requesting payment for are submitted to the Service Agent. The statement should include the child(ren)'s names, the dates the child(ren) attended, and whether part-day or full-day of care requested for each child.

If you have additional questions, please contact Crystal DeSpain at (502) 564-2524.

SNC/cwd