1 Table of Contents: added chapters 7.1, and 7.24, removed chapters 9.24.42, 9.48 and 9.51.

2 Glossary: added new definitions for “Family Subsidy Program”, “Known to the Agency” and MEC\textsuperscript{2} annual child care age recalculation process.

3.0 Applications: added ApplyMN. Minnesota’s online application. Changed date of application to the date a MN county receives a signed and dated application.

3.3 Application Requests: added a link to DHS-6467 “Changes in state law that may affect CCAP providers and families” and for the ApplyMN \url{www.applymn.dhs.mn.gov}

3.6 Accepting and Processing Applications: new legislative language changed “you may” to “you must” accept an application from an applicant who does not reside in your county.

4.3.12.9 BSF Priorities: updated information for the 2\textsuperscript{nd} priority. “The length of time on the waiting list reported to DHS should NOT include time spent in TY child care. Portability Pool, report families in 2\textsuperscript{nd} priority starting the month they become eligible for portability pool. The family’s effect date should be the date the family moves.

4.9.3 Child Support Enforcement Referral (CSE) Process: added information about how to document in the CCAP paper case file, and in MEC\textsuperscript{2} case notes when a parent is not cooperating with child support. It gives examples of what can be included as documentation.

5.3 Determining the CCAP Family: added that an adult family member who is not in an authorized activities may be temporarily absent for up to 60 days. Added examples of what must be verified to include an adult student as a dependent in the family.

6.12 Excluded Income: added a reference to the glossary for the definition of Family Subsidy Program.

6.21 Family Copayment: added the bi-weekly copayment schedule effective October 1, 2012.

7.0 Verification: added information about verifications including allowing families at least 15 days to provide requested verification information.

7.1 Verification Due Dates: new section about verification’s, includes information about the 15 day verification including that the 15 day verification and the 15 day notice of adverse
action cannot overlap each other.

7.3 Verification-Initial Application: added reference to 7.1, and updated mail verification to include: mail addressed to a P.O. Box may not be used to verify residence.

7.6 Verification Eligibility Redetermination: added a bullet about the Federal Employer Identification number (FEIN) process.

7.9 Income Verification: added a sentence that clarifies that an MFIP/DWP Employment Plan is not documentary evidence and cannot be used as verification of income.

7.24 Using DHS System Documentation for Verification: new section about how to use DHS data systems to provide documentation for verification purposes and added that CCAP workers obtain hard copies of income verification for the child care file, exception is third party interface.

8 Changes in Circumstances: added a sentence that changes must be acted on within 10 calendar days from the date the change was reported or becomes known to the agency. For changes reported or discovered by a method other than a change report form, give clients at least 15 calendar days to provide the verification.

8.3.3 Agency Responsibilities for Family Reporting: added a sentence; Changes must be acted on within 10 calendar days from the date the change was reported or becomes known to the agency.

8.12 Moving Between Counties: added information to clarify the sending counties responsibility if a case closed and the family reapplies within 30 days of a move.

9.3 Payments to Providers: added a sentence that care provided in a child’s home must be approved by DHS and updated retroactive payment criteria to include county agency received the application.

9.15.1 Authorized Hours - Self Employment: added information to clarify the applicable minimum wage and what happens when the self-employed person is averaging less than 20 hours at the applicable minimum wage.


9.48 Activity Fees: no longer applicable due to legislative change, removed from the CCAP Policy Manual.

9.51 Non-Standard Hour Care: Eliminated on 9-3-2012 due to new legislation, removed from the CCAP Policy Manual.
10.6 Redetermination Process: added steps to complete the redetermination process.

10.6.3 Redetermination Processing Standards: added more information about when to close, reinstate, and request a new application for a family due for redetermination of eligibility.

11 Providers: repositioned CCAP Provider Guide link to the end of the page.

11.9 Legal Nonlicensed (LNL) Providers: added new legislative language regarding background studies.

11.15 Provider Record Keeping: added new legislative language regarding attendance record compliance.


12.6 Notices to Providers: added two sentences regarding provider notices.

14.6 Amount of Overpayment: restructured this section to include maximum rate and copayment schedules, examples and a larger explanation of ineligibility and overpayments.

14.9.18 Claim Compromise: added “did not” to 2nd sentence.
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GLOSSARY

ADMINISTERING AGENCY:
A county social services agency or a public or non-profit agency designated by the county board to administer the child care fund.

Legal Authority:
Minnesota Rules 3400.0020, Subp. 4

ADMINISTRATIVE EXPENSES:
Costs associated with the administration of direct services covered by the child care fund. These include:

- Salaries, wages and related payroll expenses including those for direct personnel costs, expenses for general administration and supervision, secretarial, clerical, accounting and other support services.
- Travel, transportation and per diem or subsistence expenses.
- Materials and office supplies.
- Publication, telephone, postage, and photocopy costs.
- Others expenses directly attributable to the child care fund.

Legal Authority:
Minnesota Rules 3400.0020, Subp. 5

AGE OF CHILD:
Infant. See INFANT
Preschool. See PRESCHOOL
School Age. See SCHOOL AGE
Toddler. See TODDLER

ALLOCATION:
The share of the total state appropriation of child care funds that a county may earn and be reimbursed for in a calendar year. Department of Human Services (DHS) may increase a county’s allocation by redirecting unexpended or unencumbered funds, or when additional funds become available. DHS may decrease a county’s allocation proportionate to the reduction in the total allocation when funding decreases are implemented within a calendar year.

Legal Authority: Minnesota Rules 3400.0020, Subp. 8
GLOSSARY

APPLICANT:
All parents, stepparents, legal guardians or eligible relative caregivers who are members of the FAMILY and reside in the household that applies for child care assistance.

Legal Authority:
Minnesota Statutes 119B.011, Subd.2

AT-RISK:
Environmental or familial factors that create barriers to a child’s optimal achievement. Factors include, but are not limited to, a federal or state disaster, limited English proficiency in a family, a history of abuse or neglect, family violence, homelessness, age of the mother, level of maternal education, mental illness, developmental disability, or parental chemical dependency or history of other substance abuse. See §9.54 (Special Needs).

Legal Authority:
Minnesota Rules 3400.0020, Subp.9a

AUTHORIZED PROVIDER:
A legal child care provider who has completed the county registration process and has been approved for child care assistance payments. See §11 (Providers).

AUTHORIZATION OF CARE:
The county determination of care needed and the payment associated with that care. The authorization is based on the family, activity, age of the child, and the provider

BASIC SLIDING FEE PROGRAM:
A sub-program of the Child Care Assistance Program for non-MFIP/DWP families with income below or equal to 47 % of the State Median Income (SMI). See §4.3.12 (Basic Sliding Fee (BSF)).

BSF:
See BASIC SLIDING FEE PROGRAM.

CALENDAR MONTH:
A period that begins with the 1\textsuperscript{st} day of the month and ends with the last day of the month.

CCAP:
GLOSSARY

Child Care Assistance Program.

CCAP FAMILY:
See FAMILY.

CHILD:
A person 12 years old or younger, or age 13 or 14 who has a hearing impairment, visual disability, speech or language impairment, physical handicap, other health impairment, mental handicap, emotional/behavioral disorder, specific learning disability, autism, traumatic brain injury, multiple disabilities, or deaf/blind disability which requires special instruction and services.

Legal Authority:
Minnesota Statutes 119B.011, Subd. 4

CHILD CARE:
Care of a child by someone other than a parent, stepparent, legal guardian, eligible relative caregiver or their spouses in or outside the child’s own home.

Legal Authority:
Minnesota Statutes 119B.011, Subd. 5

CHILD CARE FUND PLAN:
The county and designated administering agency shall submit a biennial plan to the commissioner of DHS. The plan shall include information requested by the department to ensure compliance with the child care fund statutes and rules promulgated by the commissioner.

COPAYMENT FEE:
The amount the family must contribute as its share of child care costs. This amount is based on household income and size.

Legal Authority: Minnesota Rules 3400.0020, Subp. 24

COUNTY BOARD:
The board of county commissioners in each county.

Legal Authority:
Minnesota Statutes 119B.011, Subd. 9

DISABILITY:
A functional limitation or health condition that interferes with a child’s ability to walk, talk, see, hear, breathe or learn in order to meet the conditions required for an increased rate. Refer to section on Special Needs Rates. See §9.54 (Special Needs).

Legal Authority:
Minnesota Rules 3400.0020 Subp. 17a

**DWP:**
Diversionary Work Program. See §4.3.3.15 (DWP Overview).

**DOCUMENTATION:**
A written statement or record, including an electronic record, that substantiates information provided by a person or an action taken by an agency.

Legal Authority:
Minnesota Rules 3400.0020, Subp. 18

**EARNED INCOME:**
See INCOME.

**eDOCS:**
A Web site that gives access to the Minnesota Department of Human Services (DHS) forms and documents in multiple languages.

**EDUCATION PROGRAM (applies to Basic Sliding Fee):**
Remedial or basic education or English as a second language instruction, a program leading to a general equivalency or high school diploma, post-secondary programs excluding post-baccalaureate programs, and other education and training needs as documented in an EDUCATION PLAN (EP). The EP must outline education and training needs of a participant, meet state and county requirements for education plans and meet the requirements of programs that provide federal reimbursement for child care services.

Legal Authority:
Minnesota Statutes 119B.011, Subd. 11

**ELIGIBLE RELATIVE CAREGIVER:**
An eligible relative caregiver is a person who is the caregiver of a child receiving an MFIP or DWP child only grant. The relative caregiver may or may not be receiving MFIP. See §5.3 (Determining the CCAP Family), §5.9 (CCAP Family Composition Examples).

Legal Authority:
EMPLOYMENT PLAN (applies to MFIP/DWP):
An Employment Plan is developed by the job counselor and the participant which identifies the participant's most direct path to unsubsidized employment, lists the specific steps that the participant will take on that path, and includes a timetable for the completion of each step. The plan also identifies any subsequent steps that support long-term economic stability.

Legal Authority:
Minnesota Statutes, section 256J.49, Subd. 5

EXCLUDED TIME FACILITY:
A type of living arrangement which affects the determination of state residence and the county of financial responsibility. See 8.12 (Moving Between Counties).

FAMILY:
The Child Care Assistance Program (CCAP) defines a family as parents, step-parents, guardians and their spouses, or other eligible relative caregivers and their spouses, and their blood related dependent children and adoptive siblings under the age of 18 years living in the same home including children temporarily absent from the family in settings such as schools, foster care, and residential treatment facilities, or parents, step-parents, guardians and their spouses, or other relative caregivers and their spouses temporarily absent from the family in settings such as schools, military service, or rehabilitation programs. For information on how to determine CCAP Family, see §5.3 (Determining the CCAP Family).

FAMILY SUBSIDY PROGRAM:
The Family Subsidy Program, also known as the Family Support Grant Program, is a state-funded program that provides cash grants to families with children with disabilities who live, or will live, in their family home. The grants provide families with the flexibility to purchase an array of supports and services to meet specific needs.

The goal of the Family Subsidy Program is to prevent or delay the out-of-home placement of children with disabilities and to promote family health and social well-being by enabling access to family-centered services and supports. For additional information about the Family Subsidy Program families may either:

- Contact their local county social services agency.
GLOSSARY

OR

• See the DHS Family Support Grant program website.

FICA:

FULL CALENDAR MONTH:
From the first day of the month through the last day of the month.

HOUSEHOLD OF APPLICANT/PARTICIPANT/FAMILY:
The CCAP family as defined in §5.3 (Determining the CCAP Family).

HOUSEHOLD OF PROVIDER:
The provider and those people living with the provider or in the home during child care hours.

INCOME:
Earned or unearned income received by ALL FAMILY members, including public assistance cash benefits, at-home infant child care subsidy payments, and child support and maintenance distributed to or received by the family. See §6 (Income Eligibility).

INFANT:
Licensed Family Child Care:
A child is an infant up to 12 months of age.

Legal Non-Licensed Family Child Care:
Follow the Licensed Family Child Care definition.

Licensed Center Child Care:
A child is an infant up to 16 months of age. A child in center care may be considered to be an infant up to 18 months of age for purposes of staff ratios, group size, and programming with agreement of parent, teacher, and director if this decision is in the best interest of the child.

License Exempt Centers:
Follow the Licensed Center Child Care definition.

Legal Authority:
Minnesota Statutes 245A.02, Subd.19
Minnesota Rules 9503.0005
GLOSSARY

IN-HOME CARE: Care provided in the child’s own home.

KNOWN TO THE AGENCY: Information about a family’s circumstances that the county agency receives from the family or discovers from sources: such as MAXIS, PRISM, or MMIS.

For the purposes of this determination, the county agency includes the Minnesota Department of Human Services and the county human service agency(s) responsible for the administration of the child care, cash, food, and health care programs. It also includes any agency(s) that contracts with the human service agency(s) for the delivery of financial, health care, child care programs, and employment services.

LEGAL GUARDIAN: A person or an agency that has been appointed or accepted as guardian by a court of jurisdiction or tribal law.

Legal Authority: Minnesota Rules 3400.0020, Subp. 31b

MAXIS: Minnesota's statewide automated eligibility system for public assistance programs.

MEC\(^2\): Minnesota Electronic Child Care System.

MFIP: Minnesota Family Investment Program. See §4.3.3.3 (MFIP Overview).

MINOR PARENT: A parent who is less than 18 years of age.

OVERPAYMENT: The portion of a child care payment that is greater than the amount for which a participant or provider is eligible.

Legal Authority: Minnesota Rules 3400.0020, Subp. 33

PARENT: A child's natural, step, or adoptive mother or father.

PARTICIPANT: A person with an active CCAP case. This includes suspended and reserved cases.
Glossary

Pre-School:
Licensed Family Child Care:

A child is a preschooler at 24 months of age up to being eligible to attend kindergarten within the next four months.

Legal Non-Licensed Family Child Care:

Follow the Licensed Family Child Care definition. *

Licensed Center Child Care:

A child is a preschooler at 33 months of age up to the age of being eligible to attend kindergarten within the next four months. A child in center care may be considered to be a preschooler at 31 months of age for purposes of staff ratios, group size, and programming with agreement of parent, teacher, and director if this decision is in the best interest of the child. *

Licensed Exempt Centers:

Follow the Licensed Center Child Care definition. *

Legal Authority:
Minnesota Statutes 245A.02, Subd. 19
Minnesota Rules 9503.0005

Preschool/School age category changes; in August of each year, MEC² will complete the annual school age change batch. This process changes the Age Category for children who have reached the appropriate age to start kindergarten in the fall and who have a kindergarten start date entered on the child’s school window. Without a date entered in that field, the age change cannot occur and the child will remain in the preschool age category when they should be changed to school age. Please refer to the MEC² User Manual for further information.

Provider:

Individuals or centers licensed by a state or tribe, license-exempt centers, and legal non-licensed individuals providing legal child care services. For more information, see §11 (Providers).

Legal Authority: Minnesota Statutes 119B.011, Subd. 19
PROVIDER RATE:
The amount the provider charges for child care.
Legal Authority: Minnesota Rules 3400.0020, Subp. 35

PROVISIONAL AUTHORIZATION:
A temporary approval of a legal nonlicensed provider to provide care and receive payment for the care of a specific child or children receiving child care assistance when all the requested registration information/documentation, except the background check, is available to the county. See §9.3 (Payments to Providers).

Legal Authority:
Minnesota Rules 3400.0110 Subp.2a and 2b.
Minnesota Statutes 119B.125 Subd.5

PROVISIONAL PAYMENT:
A temporary payment paid to a legal nonlicensed (LNL) provider based on a provisional authorization. See §9.3 (Payments to Providers).

Legal Authority:
Minnesota Rules 3400.0110 Subp.2a and 2b.
Minnesota Statutes 119B.125 Subd.5

RECOUPMENT OF OVERPAYMENTS:
The reduction of child care assistance payments to an eligible family or a child care provider in order to correct an overpayment of child care assistance.

Legal Authority:
Minnesota Statutes 119B.011, Subd. 21

REDETERMINATION:
The process by which information is collected periodically by the county and used to determine whether a recipient is eligible for continued assistance under the child care fund. See §10 (Redetermination of Eligibility).

Legal Authority:
Minnesota Rules 3400.0020, Subp. 37
GLOSSARY

REGISTRATION:
The process used by a county to determine whether the provider selected by a family applying for or receiving child care assistance to care for that family’s children meets the necessary requirements for payment of CCAP for child care provided by that provider.
Legal Authority:
Minnesota Rules 3400.0120, Subp. 2   Minnesota Statutes. 119B.011, Subd. 19A

RESERVE:
The case remains active when the family is temporarily ineligible for assistance for a maximum of 90 days one academic semester/quarter, or until deactivated if a family has been receiving child care assistance but is temporarily ineligible due to increased income from active military service. Payments can not be made while a family is temporarily ineligible.

RESIDENCE:
The primary place where the family lives as identified by the applicant or participant.
Legal Authority: Minnesota Rules 3400.0020, Subp. 38A.

RSDI:
See RETIREMENT, SURVIVORS, AND DISABILITY INSURANCE.

RETIREMENT, SURVIVORS, AND DISABILITY INSURANCE:
A program operated by the Social Security Administration that provides a monthly income to retired people, survivors or dependents of insured people, and people with disabilities.

SCHOOL AGE:
Licensed Family Child Care:
A child is school age when they are at least of sufficient age to attend the first day of kindergarten within the next four months through age 12 or age 14 if disabled.**

Legal Non-Licensed Family Child Care:
Follow the Licensed Family Child Care definition.**

Licensed Center Child Care:
A child is school age when they are at least of sufficient age to attend the first day of kindergarten within the next four months through age 12 or age 14 if disabled. **

License Exempt Centers:
Follow the Licensed Center Child Care definition.**

**CCAP recommends that counties consider a child to be school age (for payment purposes) on September 1st following the child’s 5th birthday unless the parent informs the county that the child will not be starting school in September of that year. In this case, the child would not be school age until September 1st of the following year. If a child starts school before the child’s 5th birthday, the child is considered school age on the day the child starts school.

Legal Authority:
Minnesota Statues 245A.02, Subd. 19
Minnesota Rules 9503.0005

SMI:
State Median Income.

SSI:
See SUPPLEMENTAL SECURITY INCOME.

STUDENT:
A person enrolled in an educational program as defined by the definition of EDUCATION PROGRAM. The following determines student status:

- A non-MFIP student is a full-time student if the student is enrolled in the minimum equivalent of 12 credits or 20 hours of classroom training per week.

- A non-MFIP student is a part-time student if the student is enrolled in a minimum equivalent of 6 credits or 10 hours of classroom training per week up to the minimum equivalent of full-time student status.

- An MFIP student is a student who is in compliance with the education or training requirements in the student’s Employment Plan.

Legal Authority:
Minnesota Rules 3400.0020, Subp. 40
GLOSSARY

SUPPLEMENTAL SECURITY INCOME:
A program operated by the Social Security Administration that provides monthly income to low income people who are AGED, BLIND, or have a DISABILITY.

SUSPENDED:
The family remains eligible up to 1 year if there are temporary breaks when child care assistance is not needed. See §8.9 (Suspending).

TEMPORARY ABSENCE:
A period of time a family member is physically absent from the family’s residence but still included in the household size as he/she intends to return to the residence. See §5.6 (CCAP Family – Temporary Absence).

Legal Authority:
Minnesota Rules 3400.0020, Subp. 40a

TODDLER:
Licensed Family Child Care:
A child is a toddler at 12 months of age up to 24 months of age.

Legal Non-Licensed Family Child Care: Follow the Licensed Family Child Care Definition.

Licensed Center Child Care:
A child is a toddler at 16 months of age up to 33 months of age. A child in center care may be considered to be a toddler up to 35 months of age for purposes of staff ratios, group size, and programming with agreement of parent, teacher, and director if this decision is in the best interest of the child.

License Exempt Centers:
Follow the Licensed Center Child Care definition.

Legal Authority:
Minnesota Statutes 245A.02, Subd. 19
Minnesota Rules 9503.0005

TRANSITION YEAR CHILD CARE:
Child care assistance used to support employment or job search for families who have received MFIP assistance or who were eligible to receive MFIP assistance after
choosing to discontinue receipt of the cash portion of MFIP assistance or who have received DWP assistance for at least 3 of the last 6 months before losing eligibility for MFIP or DWP. Transition year child care is not available to families who have been disqualified from MFIP or DWP due to fraud.

Legal Authority:
  Minnesota Statutes 119B.011, Subd.

TRANSITION YEAR EXTENSION CHILD CARE:
Child care assistance used to support employment or job search for families who have completed their transition year of child care assistance and who are eligible for, but on a waiting list for, basic sliding fee services, for the duration of time necessary for the families to be moved from the basic sliding fee waiting list into the basic sliding fee program.

Legal Authority:
  Minnesota Statutes 119B.011, Subd. 20A

UNITARY RESIDENCE:
The 2-month period when a county remains financially responsible for child care assistance benefits after a participant moves from that one county to another county.
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Before families can receive child care assistance, they must complete an application, and meet eligibility requirements. The application must be signed.

There are three ways families can apply for the Child Care Assistance Program (CCAP). The method the family uses depends on their situation and the program(s) they are applying for.

- A Minnesota Child Care Assistance Program Application DHS-3550 can be completed when the family is applying for CCAP only.

- A Combined Application – Child Care Addendum DHS-5223D and a Combined Application Form DHS-5223 (CAF) can be completed with the family is applying for cash, SNAP, and/or health care with CCAP. See §3.9 (Combined Application – Child Care Addendum).

- ApplyMN, Minnesota’s online application, can be completed when the family is applying for CCAP only or when the family is applying for cash, SNAP, and/or health care with CCAP. ApplyMN is online at www.applymn.dhs.mn.gov.

Do not require a new application for families moving from one child care sub-program to another without interruption in service. See §4.3 (CCAP – Sub-programs).

"Applicant household" means people who apply for assistance together. If you find 2 or more families living in the same applicant household, each family MUST apply separately.

Your agency must have staff available during office hours to answer program questions and advise people of their right to file an application. See §3.3 (Assistance Requests).

Encourage people to apply for assistance in their county of residence. However, accept applications from residents of other Minnesota counties. Follow the instructions in §3.6 (Accepting and Processing Applications) for handling applications from residents of other counties. Also see §8.12 (Moving Between Counties).

When a person contacts your agency:

Advise the person of his or her right to file an application, how and where to apply, and if necessary assist the person with the application.
Give or mail the person an application. See §3.3 (Assistance Requests).
Once an application is filed:

Request the necessary verification. See §7.3 (Verification – Initial Application).

Determine eligibility and the date it begins.

Notify the applicant of eligibility or ineligibility. See §12 (Notices).

The date of application is the date a **Minnesota county agency receives a signed and dated application.** The application process and processing time table start from the date the application is received by the agency. The beginning date of eligibility may **differ from the date of application.** For more specific information, see §4.12 (Date of Eligibility). Complete the application process within designated time frames. See §3.6 (Accepting and Processing Applications).

Use forms developed by Department of Human Services (DHS) to inform and advise clients about their responsibilities and rights (this form is part of the application), the status of an application or redetermination, and ongoing eligibility for assistance.

**LEGAL AUTHORITY:**
Minnesota Statutes 119B
  - Minnesota Rules 3400.0035
  - Minnesota Rules 3400.0060
  - Minnesota Rules 3400.0040
When a family contacts you in person, by phone or in writing to ask for information about child care assistance:

- Tell people of the right to file an application, where to file it and the application process. See §3.6 (Accepting and Processing Applications).

- Give or send the family the “Do you need help paying for child care?” brochure DHS-3551-ENG and “Changes in state law that may affect CCAP providers and families” DHS-6467-ENG supplied by the Department of Human Services (DHS).

Also inform the family of the following:

- Eligibility requirements.

- Verification needed.

- If it appears the family would be eligible for the Basic Sliding Fee (BSF) sub-program, whether a waiting list exists and if so the number of families on the waiting list or estimated time that they will spend on the waiting list before reaching the top.

- The procedure for applying for child care assistance.

- The family copayment fee schedule and how the fee is computed.

- How to choose a provider.

- The family’s responsibilities and rights when choosing a provider.

- The availability of special needs rates.

- The family’s responsibility for paying provider charges that exceed county maximum payments in addition to the copayment fee.

- The importance of promptly reporting a move to another county to avoid overpayments and increase the likelihood of continuing benefits.

When giving or mailing an application to a family, include at least the following in the application packet:

- The Minnesota Child Care Assistance Program Application DHS-3550-ENG OR
• The CAF –Child Care Addendum DHS-5223D-ENG, if the family is also applying for other forms of assistance (for example, cash and or /food support).
OR
• Information advising the family that they can apply online at www.applymn.dhs.mn.gov.
AND
• A cover letter that includes your agency’s address, office hours, and phone number.

LEGAL AUTHORITY:
Minnesota Statutes 119B
Minnesota Rules 3400.0035
Minnesota rules 3400.0060
Encourage applicants who reside in another county to apply in their county of residence. However, you must accept an application from an applicant who does not reside in your county and immediately forward the application to the county where the applicant resides.

Process the application within 30 calendar days from the date of receipt and mail a notice of approval or denial of assistance to the applicant. With the consent of the applicant, you may extend the response time by 15 calendar days.

If it appears the family may be eligible for child care assistance but is unable to document eligibility, you must offer them the opportunity to sign a release of information allowing you to verify the necessary information.

When a family requests child care assistance and it appears they are eligible for Basic Sliding Fee (BSF) but funds are not available, inform the family of the waiting list, screen them for potential eligibility, and place them on the waiting list. As child care funds become available, inform the family at the head of the waiting list and ask them to complete an application.

You must offer the applicant the opportunity to sign a release of information allowing you to give the family’s child care provider the following information:

- The family name.
- When/if the application is approved.
- Hours of care authorized.
- Maximum rate that can be paid.
- How payments are made.
- Notification of termination of a case or an adverse action.

**NOTE:** Signing the informational release is optional for the applicant. It does not affect eligibility for the Child Care Assistance Program.
All applications for CCAP, whether they are paper or electronic, must be reviewed, entered into MEC\(^2\) and processed.

In cases where the information listed on the application indicates that the person submitting an ApplyMN electronic application may not actually need child care assistance, the worker should contact the applicant, explain the situation, and ask the applicant if they want to withdraw their application.

- If the applicant says that they would like to withdraw their application, the worker should:
  1. Enter basic information from the application into MEC\(^2\) via the application workflow. See MEC\(^2\) user guide for further information.
  2. Select deny or case closed window. Approve ineligibility results which will send a notice to the applicant.
  3. Document the withdrawal and the reason for it in case notes.

- If the county is unable to contact the applicant, the worker should process the application as usual.

- If the applicant indicates that they would like to proceed with the application, the worker should process the application as usual.

- If the applicant applies for CCAP using ApplyMN and the family is already receiving child care assistance, manually deny the new request using DHS-4532-ENG “Notice of Denial for Public Assistance Applicants or Recipients” and document the actions taken in case notes.

**LEGAL AUTHORITY:**
- Minnesota Statutes 119B
- Minnesota Rules 3400.0035
- Minnesota Rules 3400.0060
- Minnesota Rules 3400.0185
- Minnesota Statutes 119B.13
Each county receives an annual capped allocation for Basic Sliding Fee (BSF) child care assistance. When funding is not available, establish a written record of applicant families who would be eligible if funding was available. Sort the list by the priorities provided below.

1st Priority
Non-MFIP/DWP applicants without a high school or general equivalency diploma, or who need remedial and basic skill courses in order to pursue employment or education leading to employment. Students must be participating in the education program. Within this group, give priority to:

- Parents under age 18.
- Parents 18-20.
- Parents 21 and older.

2nd Priority
Transition Year families are placed on the waiting list effective the date their Transition Year (TY) period ends, however their effective date for the waiting list is the date they first became eligible to apply for TY. If the family moves, their waiting list date transfers with them. If their name reaches the top of the waiting list before TY ends, continue TY and encumber BSF funds for the months remaining in the allocation period. Use the encumbered funds when TY ends.

The length of time on the waiting list reported to DHS should NOT include time spent in TY child care. Do not include families who are still in their transition year of child care on the waiting list reported to DHS.

Move TY families into BSF child care as soon as possible after completion of TY. If the family’s name doesn’t reach the top of the waiting list by the end of TY, transfer the family to Transition Year Extension (TYE) until BSF funding becomes available. The family retains their TY waiting list date after moving to TYE.

Also give 2nd priority to families who receive less than 3 months of DWP benefits. These families are not eligible to receive TY child care, but are 2nd priority for BSF.
3rd Priority
Families who are eligible for portability pool BSF assistance. Families remain in this priority even if their portability pool assistance ends. See §4.3.12.15 (BSF Portability Pool). Report families in this priority starting with the month that they become eligible for portability pool funding. The family’s effective date on the waiting list should be the date of the family’s move.

4th Priority
Families in which at least 1 parent is a veteran as defined under Minnesota Statutes section 197.447. A veteran is a US citizen or resident non-citizen separated under honorable conditions from any branch of the US armed forces after:

- Serving on active duty for 181 consecutive days.
- Incurring a disability while serving on active duty.
- Meeting the minimum active duty requirement.
- Has active military service certified a discharge under honorable conditions.

5th Priority
All other eligible families, the county may set priorities within this category. Check your County’s Child Care Fund Plan. For the definition of Child Care Fund, see §2 (Glossary).

LEGAL AUTHORITY:
Minnesota Statutes 119B.03
Minnesota Rules 3400.0060
CCAP applicants and participants must cooperate with Child Support for all children in the CCAP family with an absent parent. If a family does not cooperate they are not eligible for CCAP unless the parent has claimed good cause.

MEC² automatically sends some referrals to the Child Support agency through an interface with PRISM. However, because referrals are interfaced from MEC² to PRISM only for children who have open Service Authorizations, the family must complete the Cooperation with Child Support Enforcement (DHS-2338) and, if the family is not claiming good cause, the Referral to Support and Collections (DHS-3163B) for all children in the family with an absent parent and the physical Cooperation with Child Support Enforcement (DHS-2338) and Referral to Support and Collections (DHS-3163B) forms must be sent to Child Support. Keep a copy of the physical Cooperation with Child Support Enforcement (DHS-2338) and Referral to Support and Collections (DHS-3163B) forms for the family’s CCAP file. If the forms are not completed, the CCAP case must be denied or closed. The Child Support filing fee charged to a NPA (non-public assistance) custodial parent is waived as Child Support cooperation is a CCAP requirement.

Beyond the initial forms completed at CCAP application, the local Child Support agency is responsible for determining if the family is cooperating with child support. If the family has completed the Cooperation with Child Support Enforcement (DHS-2338) and has an approved good cause claim, or has completed the Cooperation with Child Support Enforcement (DHS-2338) and the Referral to Support and Collections (DHS-3163B) for all children in the family with an absent parent, an open CCAP case should not be closed for Child Support noncooperation unless the CCAP worker is notified by Child Support that the client has failed to cooperate.

If an intact family applies for CCAP but the father does not have verification of parentage, refer the family to the county Child Support office to sign a Recognition of Parentage (ROP). A copy of the ROP can be used as the father’s verification of relationship. Also have the family complete the Cooperation with Child Support Enforcement (DHS-2338) and the Referral to Support and Collections (DHS-3163B) for all children in the family with an absent parent, an open CCAP case should not be closed for Child Support noncooperation unless the CCAP worker is notified by Child Support that the client has failed to cooperate.

A caregiver assigns all rights of the family to Child Care Support by completing the Child Care Assistance Program Application (DHS-3550) or the Combined Application - Child Care Addendum (DHS-5223D) in addition to the Combined Application Form (DHS-5223).

If a family applies for CCAP and already has an open MFIP or health care case on MAXIS the CCAP worker should not require that new Child Support forms be completed if all
children in the family are on the existing MFIP or health care case.

If a family applies for CCAP and had a prior CCAP, MFIP or health care case that has closed the family must complete new forms.

If a child with an absent parent is added to the CCAP family or a parent is removed from the CCAP family, the family must complete the Cooperation with Child Support Enforcement (DHS-2338) and, if not claiming good cause, the Referral to Support and Collections (DHS-3163B). Allow 15 days for the parent to complete and return the forms. If the Cooperation with Child Support Enforcement (DHS-2338) and the Referral to Support and Collections (DHS-3163B) (if not claiming good cause) are not completed and returned within 15 days, close the CCAP case with a 15 day notice.

If a CCAP case closed due to noncooperation with Child Support the family must cooperate before a new CCAP case is opened. Because updates are interfaced from PRISM to MEC2 only for children who have open Service Authorizations, the CCAP worker will need to contact Child Support to determine that the family is cooperating before changing the “Cooperation Status” in MEC2 to “Yes.”

If the CCAP worker is informed that the parent is not cooperating with child support, the worker must include some form of documentation of the non-cooperation in the CCAP case file. The CCAP worker should also include some form of documentation in the CCAP case file if they are later informed that the parent is cooperating. The CCAP worker must enter case notes indicating what occurred and the documentation sources to support their actions. Documentation could include copies of the alerts, copies of a notice or an email received from child support, or any other form of documentation.

LEGAL AUTHORITY:

Minnesota Rules 3400.0040
Minnesota Statutes 119B.09
Minnesota Statutes 256.741
For information on what constitutes a family for the Child Care Assistance Program (CCAP), see the definition of FAMILY in §2 (Glossary).

An adult family member who is not in an authorized activity may be temporarily absent for up to 60 days. People may remain in a Child Care Assistance Program (CCAP) family while temporarily absent under certain conditions; see §5.6 (CCAP Family - Temporary Absence).

An adult age 18 or older who meets the definition of family and is a full-time high school or post-secondary student may be considered a dependent member of the family if 50 percent or more of the adult student’s support is provided by the parents, stepparents, guardians, and their spouses or eligible relative caregivers and their spouses residing in the same family. To include the adult student as a dependent in the family, the family must verify:

- The adult dependent’s student status.
- That the family provides 50 percent or more of the dependent student’s support.
- All other eligibility factors required for members of the CCAP family.

See the following sections for more information:

- §7.3 (Verification – Initial Application).
- §7.6 (Verification – Eligibility Redetermination).
- §7.9 (Income Verification).

Agencies may want to set up criteria for determining the level of family support for adult students. Suggestions include determining household costs, for example, rent, utilities, and food. Divide the amount by the total number of family members. Assign a percent to each member, and then compare that to the adult student’s income. The adult student’s earned and unearned income must be included in determining the household income, if the adult student is included in the family, unless the adult student is under the age of 19 and has not earned a high school diploma or GED.

When a minor parent or parents and his/her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, “family” means only the minor parent or parents and their child or children.
When a child resides in 2 homes, both families can apply for child care assistance. Shared custody arrangements are an example of this. The child is considered to be temporarily absent from each home during the time the child is not in residence in that home. The child is included in the household size in both homes. Child care assistance can only be paid on each case during the time the child is residing with that parent. Both cases would have to cooperate with child support enforcement as there is an absent parent in each case. Eligibility, income, copayment, and household size are determined separately for each case.

When a child resides in more than one home and care is needed by both parents who use different providers, care should be authorized to avoid the payment of absent days to one of the parent’s provider when care is being paid to the other parent’s provider.

The Department of Human Services (DHS) has developed a series of case examples to assist you in determining the CCAP family. See §5.9 (CCAP Family Composition Examples).

**LEGAL AUTHORITY:**
Minnesota Statutes 119B.011, Subd. 13
Exclude the following types of income:

- Supplemental Security Income (SSI).

- Earnings and payments to individuals participating in programs under Title 1 of the Workforce Investment Act.

- Scholarships, work study, income and grants that cover costs or reimburse for tuition, fees, books and educational supplies.

- Student loans for tuition, fees, books and living expenses.

- State and Federal earned income tax credits.

- State and Federal income tax refunds.

- In-kind income such as (SNAP) Supplemental Nutrition Assistance Program (including the food portion of MFIP), Energy Assistance, Foster Care, Medical Assistance, Child Care Assistance and housing subsidies.

- Grants from the Family Subsidy Program. For the definition of the FAMILY SUBSIDY PROGRAM, see §2 (Glossary).

- Non-reoccurring lump sum income to the extent that it is earmarked and used for the purpose for which it is intended.

- Earned income for full time or part time students up to the age of 19, who have not earned a high school diploma or GED high school equivalency diploma. This includes earnings from summer employment when the family member is not actually attending school, as long as the student intends to return to school the following year.

- Child support and spousal maintenance, medical support and child care support which is assigned to the State.

- Assistance specially excluded as income by other laws, including but not limited to Adoption Assistance and AmeriCorps.

- Payments made by a source other than the family of part or all of the family’s child care expenses not payable under the CCAP if the funds are paid directly to the family’s child care provider on behalf of the family.
LEGAL AUTHORITY:

Minnesota Statutes 119B.011
Minnesota Rules 3400.0170
INCOME DEDUCTIONS

6.18

MEC\textsuperscript{2} will calculate the annualized net income by reducing the gross income by allowable deductions.

Allow the following verified deductions from annual gross income:

- Child support paid to or on behalf of someone living outside of the household.
- Spousal support paid to or on behalf of someone living outside of the household.
- Medical, dental and vision insurance premiums for family members, paid by family members.
- If the participant is on Medical Assistance, any portion of the insurance premium that the participant is not reimbursed for.
- Expenditures necessary to secure payment of unearned income (for example, lawyer’s fees for an insurance settlement can be deducted from the unearned income).

Do NOT allow the following deductions:

- Pre-tax withholding accounts for anticipated expenses, such as medical/dental, child care and transportation expenses.
- Insurance premiums for other than medical, dental or vision insurance.
- Flexible work benefits received from an employer if the employee has the option of receiving the benefit or benefits in cash.

If medical support payments are received from the non-custodial parent (NCP), these amounts are considered income and are added to gross annual income. Client must then provide verification of medical insurance premiums paid to have any amount deducted.

Require verification of the amount and type of expense. The following are examples of acceptable verification:

- Payroll deductions as indicated on the pay stubs. Request consecutive check stubs to verify that the deduction is ongoing.

- Copy of invoice and receipt of payment from an insurance company. The documentation provided must verify the amount and type of expense covered

- Copy of current invoice for Minnesota Care premiums.
LEGAL AUTHORITY:
Minnesota Statutes 119B.011
Minnesota Rules 3400.0170
Child care assistance families are required to pay the family copayment fee. When a family fails to pay the required family copayment fee, the family is ineligible for child care assistance until:

- The fees are paid.
  OR
- The family reaches an agreement for payment with the provider and the county.
  AND
- The family continues to comply with the payment agreement.

The copayment amount is based on family size and annual income after allowable deductions. It is the provider’s obligation to collect or waive copayments.

Some providers apply the amount paid by the family to the oldest fees or to the amount that is more than the county maximum rate. In these cases, the provider considers the copayment not to have been paid and may indicate this on the billing voucher. Consider the family to have met their requirement if the family is able to document that an amount has been paid that is equal to or greater than their copayment.

If someone outside the family pays the copayment on behalf of the family, or the provider waives the copayment, the provider must keep a record of these transactions. Do not consider this as income for the family. Consider the family’s copayment requirement to have been met.

Copayments are graduated to provide movement of families to full payment of child care costs as their income increases.

During the 1st bi-weekly period of eligibility, MEC2 will prorate the copayment based on the number of calendar days left in the biweekly copayment period.

When family income increases, or the family receives a lump sum resulting in an increased copayment, provide a 15-day notice of adverse action to the family and provider. Make the increased copayment effective with the biweekly copayment period after the 15 day notice period.

For the Bi-Weekly Copayment Schedules, click on the applicable State Fiscal Year (SFY) time period:
FAMILY COPAYMENT

BI-WEEKLY COPAYMENT SCHEDULES effective October 1, 2012: DHS-6413A

BI-WEEKLY COPAYMENT SCHEDULES effective October 3, 2011: DHS-6413

BI-WEEKLY COPAYMENT SCHEDULES effective October 4, 2010 through October 2, 2011: DHS Bulletin 10-68-14

LEGAL AUTHORITY:
Minnesota Statutes 119B.12
Minnesota Rules 3400.0100
The Child Care Assistance Program requires verification of certain information. Families have the primary responsibility to verify information.

Any form of verification is acceptable if it confirms the client’s statement. Do not demand a specific document or form of verification if another is more readily available. Be sure that the documentation on file establishes eligibility and validates the eligibility criteria in question.

Sources of verification include:

- Written records or documents.
- Written or oral statements from people outside the family.
- Safe At Home Identification Card for participants in the Safe At Home (SAH) Program. For more information on the Safe At Home Program, see §7.21 (Verification – Safe At Home Program).

Providing proof of eligibility is the responsibility of the client. However, you must help clients who have trouble getting proof. Clients must either provide necessary proof or give their written consent for you to get the information. Certain information may be verified using various DHS systems or third-party interfaces. See §7.24 (DHS System Verification).

With the exception of income verification, when proof is not available despite the efforts of you and the client: get a signed statement from the client attesting to the correctness of the information. For the purpose of obtaining verification, information reported on the application does not qualify as proof of eligibility.

Allow families at least 15 days to provide requested verification. See §7.1 (Verification Due Dates) for exceptions. If a family refuses to help or deliberately fails to cooperate to verify an eligibility factor, deny or terminate child care assistance. If the unverified eligibility factor affects only a family member (such as a child’s immigration status), deny or end the member’s eligibility. If the unverified factor affects the entire unit (such as income), deny or close the case.

See the following sections for more information:

- §7.1 (Verification Due Dates).
- §7.3 (Verification – Initial Application).
§7.6 (Verification - Eligibility Redetermination).

§7.9 (Income Verification).

7.12 (Verifying Citizenship and Immigration Status).

LEGAL AUTHORITY:
Minnesota Rules 3400.0040
Minnesota Statutes 119B.025
Minnesota Rules 8290
Minnesota Statutes 5B
Allow families 15 days to provide verification. Indicate the due date on the MEC² Special Letter: Verification Request.

If a family fails to provide the requested verification by the specified due date; issue a 15-day notice of adverse action. The 15-day verification request period and the 15-day notice of adverse action cannot overlap each other.

When the last day of the 15-day verification request period falls on a Saturday, Sunday, or legal holiday, extend the time period to the next working day.

NOTE: These policies do not apply to incomplete redetermination forms received from families subject to scheduled reporting. When additional verifications are requested at redetermination, proof of eligibility must be returned within 15 days of being requested or by the last day of the certification period, whichever is earlier. See §10.6.3 (Redetermination Processing Standards).

LEGAL AUTHORITY:
- Minnesota Statutes 119B
- Minnesota Rules 3400
Verify the following at ALL initial child care applications.

- Identity of all members of the household.

- Presence of the minor child in the home, if questionable.

- Relationship of minor child(ren) to the parent, stepparent, legal guardian, eligible relative caretaker, or the spouses of any of the foregoing.

- Age of the child(ren) in the family.

- Age of the applicant if he or she is under 21.

- Citizenship and immigration status of all children for whom child care assistance is being sought. A child who is participating in child care in a setting subject to public educational standards, such as in Head Start or a pre-kindergarten or school-age care program operated under public educational standards, is exempt from this requirement. See §7.12 (Verifying Citizenship and Immigration Status).

- Social Security Number, if given. The county MUST request Social Security Numbers from all applicants for child care assistance. A county must NOT deny child care assistance solely on the basis of failure of an applicant to provide a social security number. Before asking for the social security number, the county must give the applicant the Minnesota Department of Human Services Notice of Privacy Practices (DHS-3979), which explains whether the disclosure is mandatory or voluntary; under what authority the number is being requested; and how the number will be used.

- Income. See §7.9 (Income Verification).

- The Federal Employer Identification Number (FEIN) must be entered into MEC\(^2\). Verification is not required. A county may choose to verify a FEIN if they have a reason to believe that the information received may not be accurate.

- Spousal support and child support payments made to persons outside the household.

- Residence. The family must verify their address. Mail may be used to verify residence. This does not include a P.O. Box as a standalone address. Mail addressed to a P.O. Box may not be used to verify residence. Any form of mail provided by the client that shows their current name and address may serve as adequate proof of residence. A forwarding address sticker received at the administrating agency from
the US Postal Service cannot be considered verification of residence for CCAP.

- Inconsistent information, if related to eligibility.

- Employment and/or education status of adult family members including employment and/or class schedule. The schedule must show the days and times worked or the days and times that classes meet. If employment and/or class schedule is not provided, the case should be suspended. For MFIP/DWP families with an approved Employment Plan, verification of the family’s employment and education schedule is not required if the Employment Services worker has indicated days and the hours that child care is needed.

- School schedule for every child who needs child care and attends school, such as a school calendar with start and end times. Verification does not need to include the child’s name. Worker obtained verification of the school schedule is acceptable. If there is not verification of school schedule for every child who needs child care and attends school, the case should be suspended. For MFIP/DWP families with an approved Employment Plan, verification of the child’s school schedule is not required if the Employment Services worker has taken the child’s school schedule into account and indicated the days and the hours that child care is needed.

LEGAL AUTHORITY:
Minnesota Rules 3400.0040
Minnesota Statutes 119B.025
Verify the following at the time of eligibility redetermination:

- Income

- Residence. See §7.3 (Verification – Initial Application).

- Employment and Education/Training Status including employment and/or class schedule. The schedule must show the days and times worked or the days and times that classes meet. If employment and/or class schedule is not provided, the case should be suspended. For MFIP/DWP families with an approved Employment Plan, verification of the family’s employment and education schedule is not required if the Employment Services worker has indicated the days, and the hours that child care is needed.

- School schedule for every child who needs child care and attends school, such as a school calendar with start and end times. Verification does not need to include the child’s name. Worker obtained verification of the school schedule is acceptable. If there is not verification of school schedule for every child who needs child care and attends school, the case should be suspended. For MFIP/DWP families with an approved Employment Plan, verification of the child’s school schedule is not required if the Employment Services worker has taken the child’s school schedule into account and indicated the days and hours that child care is needed.

- Changes in Family Status and Family Size.

- Continued Cooperation with Child Support Enforcement and Assignment.

- Inconsistent information, if related to eligibility.

- Any other factor required to be verified at initial child care application that has changed since the last eligibility determination. See §7.3 (Verification – Initial Application).

- The FEIN does not need to be verified. Enter the FEIN into MEC\(^2\). A county may choose to verify a FEIN if they have reason to believe that the information received may not be accurate.
LEGAL AUTHORITY:
Minnesota Rules 3400.0040
Minnesota Statutes 119B.025
INCOME VERIFICATION

Verify all sources of income, including excluded income, prior to approving or denying eligibility, or continuing to authorize child care assistance. Request documentary evidence from the applicant that proves when, what type and the amount of income a family member receives. An MFIP/DWP Employment Plan is not documentary evidence and cannot be used as verification of income.

All income must be verified using the most current 30 days of verification, excluding child support tracked through PRISM. For child support tracked through PRISM, the last six months of information is required. If the worker does not follow these standards, they must case note why they deviated from the standard and what and how verification is used to support the income components required in the calculation of annualized income.

If the applicant or recipient cannot provide an actual document, ask him or her to provide a release of information signed by the family member receiving the income allowing you to contact the source of the income directly. A client statement cannot be used to verify income except in two circumstances:

1. Self-employment income: If existing verification is insufficient to accurately predict self-employment income (for example in the start-up phase of self-employment) a client statement may be used to verify self-employment income. When child care is authorized based on estimated income, inform the parent of possible overpayments if the estimated income used does not reflect the actual income earned. The worker must request verification and a redetermination of eligibility must be done within the following three months. The worker should reconcile the information provided on the verifications with the original self-declaration of income. Workers should act on the new information if the differences affect the copayment amount, authorized hours and/or eligibility and assess any overpayment. Workers should also act on underpayments if the county has identified in the County Child Care Plan that they make corrective payments.

2. Child support income: In cases where there is a previously agreed upon child support arrangement and the absent parent refuses to sign a verification of payment, the applicant may self-declare child support income during the initial application but must agree to cooperate with child support enforcement by completing the required paperwork. The self-declared child support received is included in the annualization of income.
EARNED INCOME

Ask first if the applicant or recipient has paycheck stubs for the most current 30 days that specifically identify the number of hours worked, gross income based on those hours, payroll period covered, client and employer name. If the person with earned income has some but not all of the paycheck stubs for the most current 30 days, use the paycheck stubs provided and look at year to date totals to determine if you can use year to date totals to gather the necessary information for the missing paycheck stubs. If something other than the most current 30 days is used to calculate the income components, the worker must case note what was used and how it was used to determine the income components.

If paycheck stubs are not available, or do not contain all the necessary information, ask the applicant or recipient to provide a letter from the employer on company letterhead with the necessary information. If an employer statement is used as verification, the worker must request paycheck stubs for the most current 30 days as soon as they become available and reconcile the information on the employer statement to the information on the paycheck stubs. Workers should act on the new information if the differences affect the copayment amount, authorized hours and/or eligibility and assess any overpayment or act on any underpayment (if the county reimburses underpayments).

SELF-EMPLOYMENT INCOME

Documentation of self-employment income must meet the following criteria:

- Ask for books and tax statements, if available, providing gross receipts and expenses from self-employment income.

- Self-employment business income records must be kept separate from the family’s personal income records.

- At application, if business records and personal records are not separate, ask the parent to separate income records and resubmit according to CCAP requirements.

- If existing verification is insufficient to accurately predict self-employment income (for example in the start-up phase of self-employment) a client statement may be used to verify self-employment income. When child care is authorized based on estimated income, inform the participant of possible overpayment if the estimated income used does not reflect the actual income earned.

- If self-employment income is estimated at application, the worker must request verification and redetermination of eligibility must be done within the following
three months. The worker should reconcile the information provided on the verification with the self-declaration of income. Workers should act on the new information if the differences affect the copayment amount, authorized hours and/or eligibility and assess any overpayment or act on any underpayment if the county reimburses underpayments.

- When the federal income tax return has been filed, which reflects the current self-employment activity, review the tax records and compare with the income amount used for calculating child care eligibility in the corresponding tax year. If the current self-employment activity is not reflective of the previous year’s tax statement, adjustments must be made in the amount used for future authorizations.

- If a self-employed person believes that they should not be subject to the federal minimum wage, the county should work with the applicant or client to identify the correct applicable amount. If a self-employed person believes that they should not be subject to the federal minimum wage but verification is not available, accept a statement from the person that states that they are not subject to that amount and the reason why.

UNEARNED INCOME
All unearned income must be verified using the most current 30 days of verification, excluding child support tracked through PRISM. For child support tracked through PRISM, the last six months of information is required. For child support that is not tracked through PRISM require the most current 30 days of verification. If something other than the most current 30 days of verification (or six months for child support tracked through PRISM) is used to calculate the income components, the worker must case note what was used and how it was used to determine the income components.

Examples of acceptable documentation of unearned income include but are not limited to:

- Court documents providing child support and/or spousal maintenance amounts.

- Documentation from the Child Support and Collections office. In cases where there is a previously agreed upon child support arrangement and the absent parent refuses to sign a verification of payment, the applicant may self-declare child support income during the initial application but must agree to cooperate with child support enforcement by completing the required paperwork. The self-declared child support received is included in the annualization of income.

- Award letters from the Social Security Administration, the Veterans’ Administration,
etc.

- Documentation from the MAXIS system or the financial worker
- Bank Statements indicating periodic payments of interest or similar income.
- Copies of checks for pensions, trust funds, annuities, unemployment compensation, etc.
- Cash settlements/awards/winnings may be verified through copies of the “letters of award” or court order or other applicable items.
- Financial aid award letter.
- See §7.24 (Data System Documentation for Verification)

LEGAL AUTHORITY:
Minnesota Statutes 119B.025
Minnesota Rules 3400.0170 Subp. 1
CCAP participants are required to verify certain information as a condition of eligibility and to authorize care. See §7 (Verification).

For families who have received public assistance benefits through the Minnesota Department of Human Services and/or the county human service agency(s), this may mean certain information can be verified through MAXIS or various other DHS systems or interfaces.

The procedures outlined in this section do not apply in cases where system verifications interface directly from another source such as the Social Security Administration (SSA) or Internal Revenue Service (IRS). When information is verified using a third party interface, record the source of the verification and make a screen print for the case file.

If verification not obtained through a third-party interface is coded as received in a DHS system other than MEC², but there is no documentation in the child care file, you must do the following:

- Confirm that verification exists within the agency. Document in Case Notes what action was taken to confirm this information. In addition, note the type of documentation on file and how it was used to establish eligibility for CCAP. OR
- Request a hard copy of the verification for the CCAP file.

Counties are responsible for developing best practices for inter-agency communication to determine whether system documentation exists and meets CCAP verification requirements. These practices must be applied consistently.

CCAP workers must obtain hard copies of income verification for the child care file. See §7.9 (Income Verification). Exceptions occur when income is verified through a third-party interface. For example, Social Security Administration (SSA) benefits may be verified with the State Verification and Exchange System (SVES) interface between MAXIS and SSA, and Disbursed Child Support may be verified using PRISM.
LEGAL AUTHORITY:
Minnesota Statutes 119B
Minnesota Rules 3400
You may become aware of changes through various sources:

- Family reporting. See §8.3 (Reporting Requirements) for family reporting responsibilities, timeliness, and methods.

- Information reported by other people or agencies.

- Upcoming or potential changes the agency has been tracking through MEC² or other tracking methods.

When you become aware that a change in circumstances has occurred or will occur, follow these steps:

1. Determine if you need more information.

2. Determine if the change affects eligibility. See §5 (CCAP Family Composition), §6 (Income Eligibility).

3. Determine if the change affects the family’s copayment amount. See §6.21 (Family Copayment).

4. Determine if the change affects the payment amount. See §9 (Payments).

County agencies must take prompt action on changes reported regardless of the method used by the family to report the change, and must determine or re-determine eligibility without requiring verification of any eligibility factor that did not change. See §4 (Eligibility Requirements). Changes must be acted on within 10 calendar days from the date the change was reported or becomes known to the agency.

When a change resulted in families moving from 1 child care sub-program to another, do not require a new application. See §3 (Applications).

If you become aware of a future change which may affect eligibility, track the expected change. Request that the family provide documentation of the change.

Notify families of the effect of changes. See §7 (Verification), §12 (Notices).

When you become aware of a change, you may need to ask the family for more information or verification before you can determine if the change affects the case.
For changes which families report on a CCAP Change Report Form (DHS-4794), follow Change Report Form processing requirements. See §8.3.3 (Agency Responsibilities for Family Reporting).

For changes reported or discovered by a method other than on a Change Report Form for which you need verification, give clients at least 15 days to provide the verification. See §7 (Verification) and §7.1 (Verification Due Dates).

LEGAL AUTHORITY:
Minnesota Statutes 119B
Minnesota Rules 3400
Give the Child Care Assistance Program - Change Report Form (DHS-4794) to eligible families. Use of this form is optional.

- At application and redetermination, so they have it readily available.
- When the family reports a change in a different way and more information or verification of change is needed.
- When the county sends notification to the family of the effect of a reported change, so the family has it to report their next change.

Assist families who need help to complete the report form.

Counties must take prompt action on all changes to determine if the change affects the household’s eligibility or family copayment amount without requiring verification of any eligibility factors that did not change. Changes must be acted on within 10 calendar days from the date the change was reported or becomes known to the agency.

If the reported change resulted in an adverse action to the family and/or the child care provider, the agency must send a 15 calendar day notice of adverse action to the family, and/or to child care provider. See §12 (Notices).

There is no overpayment if the family reported the change timely and the agency acted on the change timely.

LEGAL AUTHORITY:
Minnesota Statutes 119B.025
Minnesota Rules 3400.0040, subp. A and B
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MOVING BETWEEN COUNTIES

MOVING FROM YOUR COUNTY

A family that moves from your county to a new county must notify you within 10 days after the move. Your county remains responsible for child care funding for the Unitary Residency period of 2 full calendar months after the move. If the family moves on or after the 1st day of the month, the 2 full calendar month period begins the 1st of the following month.

If after an initial reported move, the family moves again to a new county during the 2-month unitary residency period, the first county is also responsible for the 2nd 2-month unitary residency period. See the MEC² user manual for further information.

If the family is on MFIP or DWP, your county remains financially responsible while still responsible for the employment services plan. Your county and the new county may transfer the responsibility earlier, if you are both in agreement.

See Inter Agency Case Transfer Form DHS-3195 for a sample status transfer form. For transferring county information, see MEC² User Manual, Physical Transfer of a CCAP File in the Case Transfer procedures section.

MOVING TO YOUR COUNTY

When a MFIP or DWP family moves to another county and the new county accepts responsibility for the family’s approved job search support or employment plan, the new county is also responsible for providing child care assistance on the date that the county accepted responsibility for the plan.

If the family was in the Basic Sliding Fee (BSF) program in the previous county, the family must let your county know of the move within 60 days of the move in order to receive Portability Pool funding. See § 4.3.12.15(BSF Portability Pool)

Re-determine the family’s eligibility. The family must continue to meet all eligibility guidelines to remain eligible. As long as the family contacts the new county prior to their case closing, apply the 67% State Median income (SMI) income exit criteria. If the family does not contact the new county prior to their case closing, the new county must treat the family as a new applicant.

Your county must accept administrative responsibility for applicants for BSF portability pool funding at the end of the two months of assistance under the Unitary Residency Act.
MOVING BETWEEN COUNTIES 8.12

Continue basic sliding fee (BSF) assistance for the lesser of six months, or until the family is able to receive assistance under the county’s regular BSF program and notify DHS through the quarterly reporting process of any family that meets the criteria of the BSF Portability Pool.

If a case has closed and the family reapplies within 30 days, that case remains the responsibility of the county from which the family moved until they have lived in the new county for two full calendar months. A request to send the physical file should be made to the previous county.

If the family was not receiving child care assistance but was on the BSF waiting list in the previous county, they are not eligible for Portability Pool funding. Treat the family as a new applicant in your county.

When a Transition Year (TY) family moves to a new county their transition year continues for the remainder of their 12-month period.

EXCLUDED TIME FACILITIES

The financially responsible county for a person who lives in an excluded time facility or receives excluded time services, is the county in which he/she lived, in non-excluded time status, immediately before entering an excluded time facility. For example, a person lives in County A, directly enters a facility in County B, then transfers to a facility in County C. County A remains financially responsible. For the definition of Excluded Time Facility, see §2 (Glossary).

If a person enters an excluded time facility or begins to receive excluded time services during the 2-months of Unitary Residency, do not transfer responsibility until the person is in non-excluded time status for 2 full calendar months. Transfer responsibility on the 1st of the month after the 2nd full calendar month the person is in non-excluded time status.

If a person leaves an excluded time facility and remains in the facility's county, delay transfer of responsibility until the person lives in non-excluded time status for 2 full calendar months.

If a person who is not a Minnesota resident, moves to Minnesota and directly enters an excluded time facility, the county of financial responsibility is the county where he/she signed the Minnesota Child Care Assistance Program Application (DHS-3550-ENG) if:

- They have lived only in excluded time facilities in Minnesota.
- AND
- They left an excluded time facility to live in Minnesota.
MOVING BETWEEN COUNTIES

LEGAL AUTHORITY:
Minnesota Statute 119B.03
Minnesota Statute 119B.07
Minnesota Rule 3400.0020
Minnesota Rule 3400.0040
Minnesota Rule 3400.0060
Minnesota Rule 3400.0080
MOVING BETWEEN COUNTIES 8.12

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Make payments to providers, unless the provider cares for children in the children’s own home. Care provided in the child’s home must be approved by DHS. Payment must be made directly to the family when care is provided in the child’s home. This applies whether the provider is licensed or legal nonlicensed. See §9.6 (Payments to Families).

Make payments in a way that allows the family to choose legal child care providers that best meet the needs of the family.

You must:

- Make payments at least monthly.
- Make payment no later than 30 days after receipt of the bill when the provider submits a bill for services within 10 days after the last date of service.
- Provide notice to both the family and provider of the payment amount, and how and when the payment will be made.

Pay the provider (or parent, if the care in the home is approved) after the provider is authorized by the county, retroactive to the later of the date that:

- Child care was authorized to begin. OR
- The county agency received the application. See §4.12 (Date of Eligibility). OR
- The family began using a licensed provider OR the family began using a legal nonlicensed provider and the provider submitted a certificate of completion of First Aid/CPR training in addition to other requirements. See §11.9 (Legal Nonlicensed (LNL) Providers).

If a provider has received an authorization of care and been issued a billing form for an eligible family, the billing form must be submitted within 60 days of the last date of service on the bill. You may pay a bill submitted more than 60 days from the last date of service (but less than 1 year) if the provider shows good cause for the delay. Good cause is defined in your Child Care Fund Plan, and it must include county error.

If a provider provided care for a time period without receiving an authorization of care and a billing form for an eligible family, payment of the child care assistance may only be made retroactively for a maximum of six months from the date the provider is issued an authorization of care and billing form.
Do **NOT** pay a bill submitted more than a year after the last date of service on the bill.

Do **NOT** require participants to pay providers in advance of receiving payment from the child care fund as a condition for receiving child care assistance.

Licensed family child care providers and their employees and legal nonlicensed child care providers and their employees are **NOT** eligible to receive child care subsidies for their own children or children in their family during the hours they are providing child care or being paid to provide child care. They are eligible to receive child care assistance subsidies for their children when they are engaged in other authorized activities, as long as the hours do not overlap with the hours they provide or are being paid for providing child care services. This does not apply to child care centers and their employees.

You may stop payment issued to a provider or refuse to pay a bill submitted by the provider if:

- The provider admits to intentionally giving materially false information on the billing forms.

  OR

- Your agency finds by a preponderance of evidence that the provider intentionally gave materially false information on the billing forms.

Receipt of federal, state or local funds by a child care provider either directly or through a child care assistance recipient does **NOT** establish an employee-employer relationship between the provider and the county or state.

**PROVISIONAL PAYMENTS**

After a county receives a completed application from a legal nonlicensed (LNL) provider, the county may choose to issue provisional authorization and payments to the provider during the time needed to determine whether to give a final authorization to the provider. See §2 (Glossary) for the definition of provisional authorization and provisional payments. Check your county’s Child Care Fund Plan to see if your county has chosen this option.
If a provisionally authorized LNL provider does not receive final authorization by the county:

- Send notice to terminate provisional authorization and payment to the provider.
  AND
- Send a notice of adverse action to notify the family using the ineligible provider that they must choose a new provider to continue to receive child care assistance.

A provider’s failure to receive final authorization does not cause payments made during the provisional authorization to be overpayments.

**LEGAL AUTHORITY:**
- Minnesota Statutes 119B.09
- Minnesota Statutes 119B.13
- Minnesota Rules 3400.0110
- Minnesota Rules 3400.0185
- Minnesota Statutes 119.125
- Minnesota Rules 3400.0110
- Minnesota Rules 3400.0120
- Minnesota Rules 3400.0140
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NOTE: You must calculate the annual CCAP gross earned income from self-employment income BEFORE you determine the number of hours to authorize. See §6.15.6 (Annualizing Self-Employment).

To determine whether care can be authorized for the self-employment activity:

- Divide the gross earned income from the self-employment activity by 52 weeks.
- Then divide that number by the applicable minimum wage to determine if the individual is self-employed for at least an average of 20 hours per week at the applicable minimum wage (10 hours if a full time student). See §6.16 (Applicable Minimum Wage).

The federal minimum wage applies unless the applicant or participant can supply information to show that they are not subject to this standard. If a self-employed person believes that they should not be subject to the federal minimum wage as the applicable standard and verification is not available, the county should work with the applicant or client to identify the correct applicable minimum wage. If verification is not available, accept a signed statement from the person that states why they are not subject to the federal minimum wage and that identifies the state minimum wage that the person is subject to.

If the participant is self-employed for less than an average of 20 hours per week at the applicable minimum wage (10 hours if a full time student), they are not eligible for child care during self-employment hours.

If the participant is self-employed for at least an average of 20 hours per week at the applicable minimum wage (10 hours if a full time student), authorize child care for the LESSER OF:

- The number of hours determined by dividing the annual CCAP gross earned income from the self-employment activity by 52 weeks and then by the applicable minimum wage, plus up to 1 hour per 8 hour for meals and up to 2 hours per day for travel time
- The number of hours spent in the self-employment activity, plus meal/break time and up to two hours per day for travel time.

If, in addition to the self-employment activity, the participant also has an employment activity that is not self-employment:

- Determine the number of hours spent in the employment activity that is not self-employment.
- Determine the number of hours spent in the self-employment activity by dividing the
annual CCAP gross earned income from the self-employment activity by 52 weeks and then by the applicable minimum wage.

- Add the hours for the employment activity that is not self-employment and the hours for the self-employment activity to determine if the participant is employed for at least an average of 20 hours per week at the applicable minimum wage (10 hours if a full time student).
  1. If the participant is not employed for at least an average of 20 hours per week at applicable minimum wage (10 hours if a full time student), they are not eligible for child care during their employment activities.
  2. If the participant is employed for at least an average of 20 hours per week at applicable minimum wage (10 hours if a full time student), add the hours for the employment activity that is not self-employment and the hours for the self-employment activity to determine the number of hours to authorize.

If the participant has at least one self-employment activity with a negative gross income:

- Determine the annual CCAP gross earned income from each self-employment activity separately.
- Divide the annual CCAP gross earned income for each self-employment activity by 52 weeks and then by the applicable minimum wage to determine the number of hours the participant is employed in that self-employment activity. The number of hours associated with the self-employment activity with the negative gross income is 0.
- Add the number of hours from each employment that is not self-employment and each self-employment activity together to determine if the participant is employed for at least 20 hours per week at the applicable minimum wage (10 hours if a full time student)
  1. If the participant is not employed for at least an average of 20 hours per week at applicable minimum wage (10 hours if a full time student), they are not eligible for child care during their employment activities.
  2. If the participant is employed for at least an average of 20 hours per week at applicable minimum wage (10 hours if a full time student), use the total number of hours from each employment activity (including self-employment) to determine the number of hours to authorize.

**LEGAL AUTHORITY:**
Minnesota Rules 3400.0040
CCAP cannot pay for provider vacation days, provider sick days or any other days that child care is not available, except for holidays.

Pay a provider’s charge for up to 10 federal or state holidays per year if:

- The provider is closed and not providing care.
  AND
- The provider charges all families for these days.
  AND
- The holiday falls on a day when the child is authorized and scheduled to be in attendance.

The 10 recognized state and federal holidays are:

- New Year’s Day (January 1).
- Martin Luther King’s Birthday (3rd Monday in January).
- Washington and Lincoln’s Birthdays (3rd Monday in February).
- Memorial Day (last Monday in May).
- Independence Day (July 4).
- Labor Day (1st Monday in September).
- Christopher Columbus Day (2nd Monday in October).*
- Veterans Day (November 11).
- Thanksgiving (4th Thursday in November).
- Christmas Day (December 25).

*The day after Thanksgiving is sometimes substituted for Christopher Columbus Day.

If a holiday falls on a Saturday, the preceding day shall be a holiday. If a holiday falls on a Sunday, the following day shall be a holiday.

Allow participants to substitute other cultural or religious holidays for the 10 recognized state and federal holidays when they provide you with prior notice.
HOLIDAYS

Christmas Eve, New Year’s Eve, and Good Friday are some of the days that may be considered cultural or religious holidays and may be substituted for a federal or state recognized holiday. These days are not the only days that may be substituted for the recognized holidays.

If care is available on the holiday, but the child is absent, make payment under the basic absence policy. See §9.39 (Care During Child Absences).

If the provider’s service is not available on the holiday for which payment is charged, and the family needs care from another provider on that day, you may only pay 1 provider. The family must pay the 2nd provider.

If a CCAP paid holiday occurs during the midst of other child absent days, the holiday interrupts but does not stop the absent day count. The absent day following the holiday will continue the 10 consecutive day count. Here’s an example:

<table>
<thead>
<tr>
<th>Absent</th>
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<th>Holiday</th>
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<tr>
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<td>Day #5</td>
<td>Day #6</td>
<td>Day #7</td>
<td>Day #8</td>
<td>Day #9</td>
<td>Day #10</td>
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</tbody>
</table>

LEGAL AUTHORITY:
Minnesota Statutes 119B.13, subd. 7
Minnesota Statutes 645.44, subd. 5
Effective September 3, 2012 activity fees are eliminated from the CCAP. Modifications will be made to MEC² to support this change. Watch SIR for announcements.
ACTIVITY FEES

9.48

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Effective September 3, 2012 Non-standard hour care differential payments are eliminated from the CCAP program. Modifications to MEC^2 will be made to support this change. Watch SIR for announcements.
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See 10.3 (When to Redetermine Eligibility) for information on the time between initial eligibility and the date an agency must review a case or the time between required reviews.

The families and the agency must follow the redetermination process. See §10.6.3 (Redetermination Processing Standards).

MEC² generates a cover letter and mails the following forms 45 days prior to the end of the certification period:

- **DHS-5274-ENG** Child Care Assistance Program Redetermination Form
- **DHS-4794-ENG** CCAP Change Report Form

To complete the redetermination process:

- Review the completed redetermination form,
- Obtain mandatory verifications. See §7.6 (Verification – Eligibility Redetermination).
- Determine the family’s eligibility for CCAP. See §4 (Eligibility Requirements).
- Notify the family and the provider(s) of the eligibility determination and the hours of care authorized. See §12.3 (Notices to Families) and §12.6 (Notices to Providers).

Refer to the MEC² User Manual Redetermination Process in the Case Management and Eligibility section for MEC² procedures.

MEC² will send a 15-day notice before terminating benefits if the family fails to comply with the redetermination process. See §10.6.3 (Redetermination Processing Standards).

If you fail to send a 15-day notice, continue benefits until you have given 15-day notice of adverse action. This applies even if the family’s current eligibility period has ended. This may cause the family to have an overpayment if the family does not meet eligibility factors such as income or other eligibility requirements.

If the family is ineligible for continued benefits or will receive reduced benefits based on information in the redetermination form, or if the information requires a reduction or suspension of the family’s benefits, the family must receive a notice 15 calendar days before the effective date of the adverse action or termination. If the change in the family’s benefit level was not reported timely, there may be an overpayment.
LEGAL AUTHORITY:
Minnesota Statutes 119B.09
Minnesota Rules 3400.0180
Minnesota Rules 3400.0040
Complete the review process by the end of the redetermination period. See §10.3 (When to redetermine eligibility.), §10.6 (Redetermination Process). When information provided during the redetermination process is incomplete or insufficient, you must request missing information and/or verifications. Proof of eligibility must be returned within 15 days of being requested or by the last day of the certification period, whichever is earlier.

Close the case if a family fails to return or complete the redetermination form or if the family fails to provide mandatory verifications. See §7.6 (Verification – Redetermination).

Give the family a notice of termination at least 15 calendar days before the end of the family’s eligibility period. See §12.3.12 (Termination Notices - Family).

If the redetermination is received after the case is closed the family must submit a new application. If the family reapplies, the Child Care Assistance Program Redetermination Form (DHS-5274) cannot be used in place of the Minnesota Child Care Assistance Program Application (DHS-3550). Follow policies for processing a new application. See §3.6 (Accepting and Processing Applications).

Reinstate eligibility to families who lost eligibility because the Servicing Agency failed to act on a redetermination form and documentation received prior to the end of the certification period.

LEGAL AUTHORITY:
Minnesota Statutes 119B.09 Subd. 4
Minnesota Rules 3400.0180
Minnesota Rules 3400.0040 Subp. 4
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For the definition of a provider, see §2 (Glossary).

A licensed individual or a licensed center must have a valid child care license issued by a state or a tribe and provide child care services in the licensing state or in the area under the tribe’s jurisdiction.

A legally unlicensed family child care provider must be at least 18 years of age and not a member of the MFIP assistance unit or a member of the family receiving child care assistance.

CCAP parents have a right to choose their child care provider

There are 4 different types of providers:

- Licensed family child care providers. See §11.3
- Licensed centers. See §11.3
- License exempt centers. See §11.6
- Legal non-licensed providers. See §11.9

For additional specific information regarding child care assistance provider requirements, see:

- §11.3 Licensed Child Care Providers
- §11.6 License Exempt Centers
- §11.9 Legal Non-Licensed (LNL) Providers
- §11.9.3 Complaints Against LNL Providers
- §11.12 Provider Registration
- §11.15 Provider Record Keeping
- §11.18 Provider Reporting
- §11.21 Provider Authorization
- §11.24 Provider Reauthorization
- §11.27 In-home Child Care Provider Information

The CCAP Child Care Provider Guide DHS-5260-ENG is a tool available to CCAP child care providers; it may be referenced by CCAP workers if needed during discussions with CCAP providers or for informational purposes.
LEGAL AUTHORITY:
   Minnesota Statutes 119B.011, subd. 19
   Minnesota Statutes 119B.09
   Minnesota Statutes 119B.125
   Minnesota Rules 3400.0035 Subp. 7 & 8
Apply the following criteria to determine if a provider can be a Legal Nonlicensed (LNL) Provider:

- At least 18 years of age.
  AND
- Not a member of the MFIP assistance unit, or a member of the family applying for or receiving child care assistance.
  AND
- Provides child care only to related children, and/or provides child care to children from a single unrelated family at one time. Related refers to the provider being a sibling, a step-sibling, a niece, a nephew, a grandparent, an aunt, or an uncle.

Require a signed Parent Acknowledgment When Choosing a Legal Nonlicensed Provider (DHS-5367) when a family chooses a legal nonlicensed provider. Require a separate form for each Legal Nonlicensed Provider the family chooses. Inform applicants who select a LNL provider of the following information:

- Description of the registration process for LNLs.
- Description of the participant’s responsibilities and rights when choosing a provider.
- Acknowledgment that the participant and LNL provider will review the health and safety information provided by your county.
- Assurance that the participant will provide an immunization record for each child to the LNL family child care provider within 90 days of the date that care begins, and will update the information as necessary.
- A copy of the Health and Safety Resource List for Parents and Legal Nonlicensed Providers DHS-5192A-ENG.
- Require a new LNL provider to register with your county. See §11.12 (Provider Registration) for specifics. LNL providers must complete the criminal background process and be authorized by your county. See §11.21 (Provider Authorization).

Your county may choose to make provisional payments to LNL providers when all the requested information/documentation except the background check is available. These payments are temporary and end if your county denies the authorization request. Check your county’s Child Care Fund Plan to see if your county has chosen this option. For additional information on payments to providers, see §9.03 (Payments to Providers).
As of August 1, 2012 the background study requirements for legal nonlicensed providers are aligned with the background study requirements for a licensed family child care provider. Counties and contracted agencies that authorize LNL providers should review the changes and update their background study procedures as necessary to meet the new requirements.

Included in the registration packet for LNL providers is the Child Care Assistance Program Authorization for Release of Background Study (DHS-5193). Conduct a background study that includes findings from the Bureau of Criminal Apprehension, juvenile courts, and social service agencies.

If the local county juvenile courts and social service agency do not maintain statewide records, contact the county where the provider currently resides and any counties where the provider resided in the past 5 years. A finding that a delinquency petition is proven in juvenile court must be considered a conviction in state district court.

The LNL provider must return a signed DHS-5193 to the county for:

- The provider and each household member age 13 and older.
- Each household member age 10-12 living in the household where the provider services will be provided when the commissioner has reasonable cause.
- An individual who, without providing direct contact services in the LNL program may have unsupervised access to children receiving services from the program, when the commissioner has reasonable cause.

All new or renewing LNL providers must provide a certificate of completion of First Aid and CPR courses that were provided by individuals approved to provide such training. This is the same language that is in the licensing statute and counties should consult with county licensing staff about how to determine valid training. The training must be effective as of the date the provider registration is approved. See §11.12 (Provider Registration)

Refer to DHS-6419-ENG CCAP Training Requirements for Legal Nonlicensed Family Providers
Question and answer information sheet explaining the training requirements for Legal Nonlicensed Family Providers.

After one registration period, if a provider still serves children receiving CCAP, the provider must take an additional 8 hours of training in topics listed by the Minnesota Center for Professional Development Registry. CCR&R agencies coordinate and offer training that is
A county agency may charge a fee to a legal non licensed provider or applicant for authorization to recover the actual cost of the background studies completed under section 119B.125, but in any case not to exceed $100 annually.

Counties may elect to reduce or waive the background check fees:

- In cases of financial hardship
- If the county has a shortage of providers in the county’s area
- For new providers or
- For providers who have attained at least 16 hours of training before seeking initial licensure.

Counties may allow providers to pay the applicant fees on an installment basis for up to one year. A CCAP provider may have the fees deducted from the child care assistance payments for up to one year and the state shall reimburse the county for the county fees collected in this manner.

When the reports are returned, review (or have reviewed) for conviction, admission of guilt or a preponderance of evidence indicating that the person has committed a criminal act. Minnesota Statutes 119B.125 is very specific as to the types of crimes, the degree of crimes and the length of time since the crime occurred which prohibit authorization of an LNL.

Additional actions which prohibit authorization of an LNL are:

- Identification of the person by the child protection agency in the county where the provider resides or has resided, or by the statewide child protection database as the person allegedly responsible for physical or sexual abuse of a child within the last 7 years.

- Identification of the person by the adult protection agency in the county where the provider resides or has resided, or by the statewide adult protection database as the person responsible for abuse or neglect of a vulnerable adult within the last 7 years.

- Refusal to give written consent for disclosure of criminal history records.

- Denial of a family child care license or a fine or sanction as a licensed child care provider that was not reversed on appeal.

- Disqualification of family child care licensing that was not set aside.

- Admission or a preponderance of evidence that fraudulent information was given to
the county on the child care assistance application or in submitting child care assistance bills for payment.

- Persons who have been found guilty of theft by wrongfully obtaining public assistance by a court conviction or through an administrative court process or other judicial administrative process.
- Presence of a child age 13 or older who has access to children when care is provided, and who meets 1 of the conditions listed above (including criminal offenses as listed in Minnesota Statutes 119B.125, Subdivision 2 (b)-(e)).

- Presence of a child 10-12 years old who has access to children when care is provided:
  AND
  - Information or circumstances exist which provide the agency with reasonable cause to believe that further investigation may show that the child meets 1 of the conditions listed above (including criminal offenses as listed in Minnesota Statutes 119B.125, Subdivision 2 (b)-(e)).
  AND
  - The child meets 1 of the conditions listed above (including criminal offenses as listed in Minnesota Statutes 119B.125, Subdivision 2 (b)-(e)).

You may later authorize a previously denied LNL applicant if the person:

- Applies for and obtains a valid Minnesota child care license, a license issued by a tribe or another state.
  AND
- Maintains the valid child care license.
  AND
- Provides child care in the area under the jurisdiction of the licensing tribe or in the state of licensure.

An LNL provider may be authorized to provide care only in the child’s home if the LNL provider is not able to be authorized to provide care in the provider’s home because a household member of the provider has a factor that prohibits authorization. The family and provider should be informed of this option, but the family and provider must document that the care will be provided in the child’s home and receive DHS approval before the provider can be authorized to provide care in the child’s home. If the child and the provider live in the same home this is not an option.
Counties shall provide each registered LNL provider with:

- A copy of the Health and Safety Resource List for Parents and Legal Nonlicensed Providers DHS-5192A-ENG.

- Information stating that the county is required to keep a record of substantiated complaints concerning the health and safety of children in the care of legal nonlicensed (LNL) providers and that, upon request, information governing substantiated complaints must be released to the public as authorized under Minnesota Statutes Chapter 13
  https://www.revisor.leg.state.mn.us/statutes/?id=13

When an LNL provider is registered in more than one county at the time authorization or reauthorization is required, the new county may choose to use the background study information from the previous county with the longest current authorization.

If a family in one county selects an LNL already authorized in another county, a background investigation is not required unless 1 of the following exists:

- 2 years have passed since the 1st authorization.
- Another person age 13 or older has joined the provider’s household since the last authorization.
- A current household member has turned 13 since the last authorization.
- Your county has reason to believe that a household member has a factor prohibiting authorization.
- The county’s provisions for unsafe care differ from those established by the county responsible for the first authorization.

For information on the hourly rate to pay LNL providers, see §9.3 (Payments to Providers).

For information on registration fees paid to LNL providers, see §9.45 (Registration Fees).
LEGAL AUTHORITY:

Minnesota Statutes 119B.011 Subd. 19
Minnesota Statutes 119B.125 Subd. 1 and 2, 3, 5
Minnesota Statutes 245C.03.08 and .15
Minnesota Rules 3400.0120
Minnesota Rules 3400.0110 Subp. 2a
Minnesota Rules 3400.0140 Subp. 5
Minnesota Rules 3400.0035 Subp. 8 and 9

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Before you can approve payment to any provider, that provider must register with your county. Registration is the process you use to determine whether the provider chosen by a family meets the requirements necessary for payment of child care assistance.

Authorize the provider chosen by an applicant or a participant before making payment, see §11.9 (Legal Non-Licensed (LNL) Providers), §11.21 (Provider Authorization), §11.24 (Provider Reauthorization).

The county will send a provider registration and acknowledgement packet explaining the registration process, including a request for basic information regarding the provider, the provider’s payment policies, and the provider acknowledgment to all providers.

Use the following letters/notices for all provider types listed below. The templates of letters/notices are on eDocs.

Include the following attachments with all packets:

- Child Care Provider’s Responsibilities and Rights (DHS-4079).
- Notice of Privacy Practices for Child Care Providers (DHS-3985).
- Direct Deposit Form for the Minnesota Child Care Assistance Program (DHS-3552).
- Child Care Assistance Program Financial Tracking Form Instructions (DHS-5318).
- Request for Taxpayer Identification Number and Certification (IRS W-9). The IRS W-9 needs to be sent to providers when they are being authorized for the 1st time on MEC² or when being reactivated in the system. If the provider is currently authorized and active on MEC², a IRS W-9 form does not need to be included with the packet.
- Changes in state law that may affect CCAP provides and families. DHS-6467-ENG

Send the appropriate Provider Registration and Acknowledgement form based on the provider type:

- CCAP Licensed Provider Registration and Acknowledgement (DHS-5190).
- CCAP Licensed Exempt Provider Registration and Acknowledgement (DHS-5191).
• CCAP LNL Provider Registration and Acknowledgement (DHS-5192) and CCAP Health and Safety Information for LNL Providers and Parents DHS-5192A-ENG.

• Child Care Assistance Program Authorization for Release of Background Study (DHS-5193) and Health and Safety Information and Immunization Information, in addition to the forms listed above, if a provider is a legal nonlicensed (LNL) provider.

• DHS-6419-ENG CCAP Training Requirements for legal nonlicensed family Providers, if a provider is a legal nonlicensed provider (LNL).

It is advisable to include the following:

• Your county’s payment policies.

• Absent Day Policy.

LEGAL AUTHORITY:

Minnesota Statutes 119B.125
Minnesota Statutes 119B.011, Subd. 19a
Provider Record Keeping

11.15

Require child care providers to maintain the following records and make them available to you immediately upon request:

1. Daily attendance records for children receiving child care assistance:
   - The attendance records must be completed daily and include the date, the first and last name of each child in attendance, and the times when each child is dropped off and picked up. To the extent possible, the times the child dropped off to and picked up from the child care provider must be entered by the person dropping or picking up the child.
   - The daily attendance records must be kept for 6 years after the date the care was provided.
   - A county may deny or end a service authorization to a child care provider when the county knows or has reason to believe that the provider has not kept attendance records for children receiving CCAP.

2. Documentation of 3rd party payments of a family’s copayment, document:
   - Payment source.
   - Amount received.
   - Time period covered.

3. Documentation of payments made by a source other than the family of part or all of a family’s child care expenses not payable under CCAP if the funds are paid directly to the family’s child care provider on behalf of the family. Document:
   - Payment source.
   - Amount received.
   - Type of expenses.
   - Time period covered.

A provider may use the Child Care Assistance Program Financial Tracking Form DHS-5318-ENG or use their financial system to document situations #2 and #3 above.
Deny or rescind authorization of a child care provider when you have reason to believe the daily attendance records are not being kept. Require retention of these records for 6 years after the date of service.

LEGAL AUTHORITY:
    Minnesota Statutes 119B.125, Subd. 6
    Minnesota Statutes 119B.12, Subd. 12
An authorized provider is a legal child care provider who has completed the county registration process and has been approved for child care assistance payments.

The provider chosen by an applicant or a participant must be authorized before you can approve payment for care provided by that provider. The provider must complete and sign a provider registration form based on their provider type. CCAP Licensed Provider DHS-5190-ENG, CCAP Licensed Exempt Provider DHS-5191-ENG or CCAP Legal Nonlicensed Provider DHS-5192-ENG should be used to authorize providers. The criteria for authorization of providers including statements that must be acknowledged by signing the registration and acknowledgment form, and information that must be provided are listed below.

- The provider's rate, charges for child absences and holidays, any notice days required before a child discontinues care, and any required registration fees.

- If the provider is seeking the provider accreditation rate, the provider is eligible if they hold one of the approved early childhood development credentials or a current approved accreditation. See §9.27(Accreditation/Credential Rate Differential).

- Providers licensed by a state other than Minnesota, and providers licensed by a tribe, who are providing child care services in the licensing state or in the area under the licensing tribe’s jurisdiction, must provide verification of their license prior to being authorized.

- Statement acknowledging that charging child care assistance participants more than families not receiving child care assistance for like services or wrongfully obtaining child care assistance may be a crime.

- Statement acknowledging that parents must be given unlimited access to their children and to the provider caring for the children during all hours that the children are in the provider's care.

- Statement acknowledging that the provider is responsible for notifying the county as provided in part Minnesota Rules 3400.0120, subpart 5, of child absent days and the end of care.

- Statement acknowledging that the provider is responsible for immediately notifying the county of any changes to the information supplied by the provider in the provider's acknowledgment.

- Statement acknowledging that the provider is a mandated reporter of maltreatment of minors under Minnesota Statutes, §626.556.
PROVIDER AUTHORIZATION 11.21

- Statement acknowledging that when the county knows that a particular provider or child care arrangement is unsafe, the county may deny child care assistance payments to that provider.

- Statement acknowledging that CCAP payments for child care provided by someone who resides in the same household or occupies the same residence as the child(ren) are prohibited.

- All providers must register with the county where the CCAP family lives. See §11.12 (Provider Registration).

There are additional requirements for authorization of Legal Non-Licensed Providers. See §11.9 (Legal Non-Licensed Providers). Also, see §11.12 (Provider Registration) for Child Care Assistance Program Authorization for Release of Background Study.

You must reauthorize the providers at least every 2 years. See §11.24 (Provider Reauthorization).

LEGAL AUTHORITY:
  Minnesota Statutes 119B.125
  Minnesota Rules 3400.0120
NOTICES TO PROVIDERS

- Providers receive notification of the amount of care authorized. See §12.6.3 (Approval Notices - Provider).

- Notices that affect the amount of care authorized. See §12 (Notices).


- Termination Notices. See §12.6.9 (Termination Notices – Provider).

- Provider Overpayment Notices. See §12.3.15 (Notice of Overpayment).

- Deductions Required By Law Notices. See §12.6.12 (Payment Deduction Required By Law Notices).

LEGAL AUTHORITY:

Minnesota Rules 3400.0185
Minnesota Rules 3400.0187, Subp 2
To determine the amount of child care assistance the family and/or provider were actually eligible to receive, examine the following:

- Eligibility
- Copayment amount
- Authorized hours
- Payment amount

If care took place prior to the effective date of the current standard maximum rates DHS-6441A-ENG or the accredited maximum rates effective November 28, 2011 DHS-6442-ENG you will need to consult the standard DHS-6441-ENG and/or accredited DHS-6442-ENG maximum rates in place from July 1, 2006 –November 27, 2011. A county’s standard maximum rates are also available in the MEC provider rates window.

If care took place prior to the current copayment schedule, you will need to consult previous copayment schedules. For the biweekly copayment schedule in effect from October 3, 2011 – September 30, 2012 see DHS-6413-ENG. For the biweekly copayment schedule in effect from October 4, 2010 - October 2, 2011 see DHS Bulletin 10-68-14 DHS Bulletin. Contact your agency’s Technical Assistance Liaison at DHS for previous copayment schedules.

If care took place during the copay schedule effective October 1, 2012 see DHS-6413A-ENG

The amount of the overpayment is the difference between the child care assistance payments that the family and/or provider received and the child care assistance payments that the family and/or provider were actually eligible to receive.

When a family reports changes in their circumstance within 10 calendar days there will be no overpayment. An exception would be when the county does not respond to a change within 10 calendar days. If this happens there may be an overpayment due to agency error. The overpayment would be calculated allowing for a notice period. Counties must act on all changes within 10 calendar days from the date the change was reported or becomes known to the agency. See §8.3.3(Agency Responsibilities for Family Reporting).

If an employment plan is modified, the Employment Services (ES) worker should notify the CCAP worker of the change within 10 calendar days of the date of the modified plan. If the CCAP worker is NOT notified of the modified plan timely, an agency error overpayment would be calculated allowing for a notice period.
When the family does not report changes in their circumstance within 10 calendar days there may be an overpayment. The overpayment would be calculated beginning on the date the change occurred. If the change is due to increased income the overpayment would be calculated starting with the first biweekly period after the date the increased income was first received.

The county agency may not charge interest on overpayments of child care assistance benefits.

**INELIGIBILITY**

When a family received child care assistance for a period of time when the family was not eligible for child care assistance, the amount of the overpayment is the total amount of child care assistance paid during the time period of ineligibility. If a family reported a change timely and the agency did not act on the change, the overpayment would exclude the allowable notice period.

If a family becomes ineligible for child care assistance and wants to receive child care assistance in the future, the family is required to reapply for child care assistance and meet entrance income limits.

If it is discovered that a family continuously receiving child care assistance was ineligible for a period of time when CCAP payments were made but met the eligibility requirements for a subsequent period of time, assess an overpayment for the period of ineligibility and determine if an overpayment exists for the subsequent period of time:

If the family was receiving **MFIP** child care:

> An overpayment would only be assessed for the period of ineligibility. There would not be an overpayment assessed for the subsequent period of time when the family met eligibility requirements.

If the family was receiving **Basic Sliding Fee (BSF)**, **Transition Year (TY)**, **Transition Year Extension (TYE)** or **Portability Pool (PP)** child care:

> If the period of ineligibility was shorter than the time period allowed for temporary ineligibility, an overpayment should only be assessed for the period of ineligibility. There would not be an overpayment assessed for the subsequent period of time when the family met eligibility requirements. See §8.6 (Temporary Ineligibility)
If the period of ineligibility was longer than the time period allowed for temporary ineligibility, determine whether the family’s income was below the entrance income limit for the family size at the beginning of the subsequent period of time when the family met the eligibility requirements.

1. If the family’s income was at or below the entrance income limit for their family size at the beginning of the subsequent period of time when the family met eligibility requirements, an overpayment should only be assessed for the period of ineligibility. An overpayment should not be assessed for the subsequent period of time when the family met eligibility requirements.

2. If the family’s income was above the entrance income limit for their family size at the beginning of the subsequent period of time when the family met eligibility requirements an overpayment should be assessed for the period of ineligibility:
   a. If the family’s income was above the entrance income limit for their family size during the entire subsequent period of time, an overpayment should be assessed for the entire period, in addition to the period of ineligibility. OR,
   b. If the family’s income was above the entrance income limit for their family size at the beginning of the subsequent period of time, but at a later date was at or below the entrance income limit for their family size, an overpayment should be assessed for the beginning of the subsequent period of time when their income was above the entrance income limit for their family size, in addition to the period of ineligibility. An overpayment would not be assessed for the later period of time beginning when the family’s income was at or below the entrance income limit for their family size.

Example:
Family was on child care assistance from January 1 to November 30. Family met eligibility requirements from January 1 to May 31. Family did not meet eligibility requirements from June 1 to September 30 (for example the parent was not in an authorized activity). Family met eligibility requirements from October 1 to November 30.

For all cases an overpayment would be assessed for the time period of June 1 through September 30 (if the family reported the change timely, an overpayment would not be assessed for the allowable notice period). In this scenario the period of ineligibility is greater...
than the time period allowed for temporary ineligibility. To determine whether an overpayment should be assessed for the time period of October 1 through November 30:

- For MFIP cases: an overpayment should not be assessed for October 1 to November 30.

- For BSF, TY, TYE and Portability Pool cases:
  1. If the family’s income was at or below the entrance income limit for their family size on October 1, an overpayment should not be assessed for the time period of October 1 to November 30.
  2. If the family’s income was above the entrance income limit for their family size on October 1 and continued to be above the entrance income limit, an overpayment should be assessed for the time period of October 1 through November 30.
  3. If the family’s income was above the entrance income limit for their family size on October 1, but was below the entrance income limit for their family size at a later time, for example November 1, an overpayment should be assessed for the time period of October 1 to October 31. An overpayment should not be assessed for the time period of November 1 through November 30.

LEGAL AUTHORITY:

Minnesota Statutes 119B.011
Minnesota Statutes 119B.11
Minnesota Rules 3400.014
Minnesota Rules 3400.0187
Compromising a claim consists of accepting a partial payment as full satisfaction of a claim on the condition that the payment is received promptly. Provider claims may not be compromised.

This policy applies to all FAMILY claims when the overpayment did not occur due to fraud and the initial notification of overpayment was issued through MEC².

The text of all MEC² family overpayment notices include language that advises the debtor of:
- The right to have their claim compromised

AND
- The conditions that must be met to have their claim compromised.

The time limit for a debtor to make the compromise payment is 90 days from the initial notification of the claim. If the initial overpayment notice is sent by 1st class mail, the 90-day period begins with the date the notice is issued. If the initial notice is returned to the local agency by the postal service, the right to an overpayment notice and compromise is renewed. If the initial overpayment notice is sent by certified mail and accepted by the household, the 90-day period begins with the date a household member signs for receipt of the notice.

The right to compromise does not apply when the overpayment occurred due to fraud. In fraud situations, the agency should suppress the MEC2 overpayment notice and mail their own overpayment notice without the compromise language. If an overpayment notice precedes the determination of fraud and a timely compromise payment is received, the local agency is bound by the compromise. Consequently, a local agency that pursues criminal action would not be able to seek monetary restitution for the full amount of a previously compromised claim. This does not, however, prevent a local agency from charging the full amount of a compromised claim or from requesting additional fines, penalties, interest, or non-monetary restitution in the sentencing phase of the criminal proceeding.

If the family chooses to compromise the debt after recoupment has begun, but before the 90-day time limit, the amount of the overpayment already collected through recoupment would be returned to the family through a manual payment once the compromise payment has been received. The manual payment would be issued to the provider, who would be responsible for refunding that amount to the parent, unless the child care was provided in the child’s home.

Claims may be compromised by 25% if the remaining 75% is repaid within the 90-day time limit. Compromise amounts must be in the form of direct voluntary payment by a debtor. Recovery received by tax offset, recoupment, or restored benefits cannot be applied toward a compromise.
A compromise payment is considered a collection. The county deposits the money they collect then reports the full 75% in MEC². DHS bills the county for 75% of the amount collected. The county can retain 25% of the compromise payment amount.

LEGAL AUTHORITY:
Minnesota Statutes 16D.15