1.0 (Table of Contents) adds the new manual publication issue date of 07/2015 to the document.

5.9 (Family Composition Examples) Removes the father who receives MFIP from the family definition under the Unmarried Mother on SSI CCAP family composition example.

6.6 (Earned/Unearned Income) Adds the MFIP Housing Assistance Grant as an example of unearned income. Adds links to optional tools Student Income Calculation Form – Child Care Assistance Program Caseworker Tool (DHS-6974) and Child Care Assistance Program Student Income and Expense Form (DHS-6974A) for the calculation of student income under the scholarships, work study income and grants bullet and student loan bullet in the unearned income section. Updates information about verifying expenses in the last paragraph.

6.15.3 (Annualizing MFIP and Earned Income) Adds information about the inclusion of the MFIP Housing Assistance Grant in the MEC² calculation of the annualization of unearned income.

6.18 (Income Deductions) Adds information about requesting income deduction verification, allowing the required amount of time for the verification to be returned, and processing the case without the income deduction if the requested verification is not received.

7.0 (Verification) Adds that a client statement can be used to verify the date the last paycheck was received.

7.3 (Verification-Initial Application) Adds under Income and Income Deductions: “For income deductions, send the family a verification request and allow until the end of the 30 day application period (or 45 days with the consent of the applicant) for the verification to be returned. If the requested verification is not received, do not allow the expense as a deduction and process the application without the income deduction”.

7.6 (Verification-Eligibility Redetermination) Adds under Income and Income Deductions: “For income deductions, send the family a verification request and allow the required amount of time for the verification to be returned (See Chapter 7.1, Verification Due Dates). If the requested verification is not received, do not allow the expense as a deduction and process the redetermination without the income deduction.” Adds a bullet about verifying the end of employment: “Ending employment, if not previously reported, including last day of the employment activity and date the last paycheck was received. Any changes in employment should be reported within 10 calendar days of the change.” Clarifies information that a school schedule for every child who needs child care and attends school must be verified if there is a change in the schedule or the school attended.

7.9 (Income Verification) Adds verification of the date the last paycheck was received to the list of circumstances when a client statement can be used. Under the Income Deductions section, adds information about requesting income deduction verification,
allowing the required amount of time for the verification to be returned, and processing the case without the income deduction if the requested verification is not received.

7.27 (Schedule Verification-Employment and Education) Adds that schedule verification is not required for job search activities. Adds information that if a job counselor has indicated the days and times of a PRI’s activities or the days and times that child care is needed for activities in the Employment Plan, either on the MFIP/DWP Employment Services Child Care Request form (DHS-7054) or through another method of communication, verification of the activity schedule is not needed. Adds that job counselors may indicate the number of hours of child care needed for activities other than employment and education.

7.30 (Schedule Verification-Child’s School Schedules) Adds a sentence that if a child’s school schedule has not changed at redetermination and verification was obtained previously, verification is not required. Adds information that if a job counselor has indicated the days and times child care is needed or has indicated that the child’s school schedule was considered on the MFIP/DWP Employment Services Child Care Request form (DHS-7054) or through another method of communication, verification of the child’s school schedule is not required.

8.3 (Reporting Requirements) Adds the following to the list of changes that a family must report within 10 calendar days after they occurred: employment schedule, education schedule, and child school schedule if there is a change to a different school or new school schedule. Expands upon requiring a family to report changes in employment status to include the last day of the employment activity and the date the last paycheck was received.

9.0 (Authorizing Care and Payments) Adds Chapter 9.24.6 (Age Category Exceptions).

9.1 (Child Care Authorization) Under Licensed Family Child Care Providers and Legal Nonlicensed Providers, adds “any provider providing care in a setting other than a child care center” as someone who is not eligible to receive child care subsidies for their own children or children in their family during the hours they are providing care child or being paid to provide child care.

9.27 (Higher Rates for Quality-Accreditation/Credential) Adds information that a provider must submit a letter from AdvancED confirming that early learning protocols were used to achieve their accreditation.

9.45 (Registration Fees) Removes mention of the superscript R or S, which is no longer used to denote a regional or statewide rate on the Maximum Child Care Registration Fees (DHS-6443) form.

10.6.6 (Redetermination Processing-Reinstatement) Adds language to extend the 30 day redetermination period if the 30th calendar day falls on a weekend or holiday to the next day that is not a Saturday, Sunday or holiday.
12.3.9 (Adverse Action Notices-Family) Adds and clarifies language about overlapping adverse action periods. Please review this chapter in its entirety.

16.1 (Authorizations for Clients with an Employment Plan) Clarifies existing information about the roles and responsibilities of job counselors and CCAP workers around authorizing care for clients with an Employment Plan. Please review this section in its entirety.

16.18 (Case Reviews) Adds information about the most common case review errors that were found during the Child Care Assistance Program April 2014 – June 2014 case review process.
Updates and Archives

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The following are examples of Child Care Assistance Program (CCAP) family composition, authorized activities, and the child care funding source(s) (Basic Sliding Fee (BSF), MFIP or Transition Year (TY)).

2-PARENTS MARRIED FAMILIES

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

BSF
- Case 1: Eligible with county-approved education plan for father’s education.
- Case 2: Eligible for mom’s work activity.

MFIP
- Case 1: Eligible with an approved Employment Plan for the father.
- Case 2: Eligible for mom’s work activity.

TY
- Case 1: Father is considered available to provide care. Education is not an authorized activity under TY.
- Case 2: Eligible for mom’s work activity.
2-PARENT MARRIED FAMILY (1 TEMPORARY ABSENT)

Mother

Father
Temporarily Absent

Her Child

Their Child

Their Child

Mother  Working 40 hours per week.
Father  Temporarily absent from home and intends to return.
Family Size  5

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

BSF  Eligible. Temporary absent status is limited to 60 days if absent parent is not in an authorized activity.

MFIP  Eligible. Temporary absent status is limited to 60 days if absent parent is not in an authorized activity.

TY  Eligible. Temporary absent status is limited to 60 days if absent parent is not in an authorized activity.
2-PARENT MARRIED BLENDED FAMILY

Mother  Attending School.
Father  Working 40 hours per week.
Family Size  6

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

BSF  Eligible with an approved education plan.
MFIP  Eligible with an approved Employment Plan for the mother.
TY  Not eligible. School is not an authorized activity for TY.
2-PARENT UNMARRIED BLENDED FAMILY

Mother  Working 35 hours per week.
Father   No authorized activity.
Family Size  4

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

BSF  Eligible for her child only. Father could NOT be paid to care for her child.
MFIP Eligible for her child only. Father could NOT be paid to care for her child.
TY   Eligible for her child only. Father could NOT be paid to care for her child.
ELIGIBLE RELATIVE CAREGIVER OR LEGAL GUARDIAN FAMILY

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

**BSF**  
Eligible.

**MFIP**  
No. Would be eligible only if aunt and/or uncle (applicant for CCAP) are on the MFIP grant.

**TY**  
No. Would be eligible only if aunt and/or uncle (applicant) had been on MFIP for 3 out of the previous 6 months.

**Mother**  
Working 35 hours per week.

**Father**  
Working 40 hours per week.

**Nephew**  
MFIP, child-only grant.

**Family Size**  
4
MINOR PARENT FAMILY LIVING WITH HIS OR HER PARENT

Grandmother

Minor Parent

10 Year old son

Baby

Grandmother  Working 40 hours per week.
Minor Parent  Attending High School.
Family Size  Two families of 2 or 1 family of 3 depending on whether minor parent applies for and receives CCAP

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

Family A = Grandmother, Minor Parent, and 10 Year old.

OR

Family B = Grandmother and 10 Year old.

AND

Family C = Minor Parent and Baby.

BSF  Family A/B  Family could apply for assistance for 10 year old while the grandmother works.

Family C  Child care is available while minor parent attends school with an approved education plan.

MFIP  Family A/B  Grandmother could apply for assistance for 10 year old while she works.

Family C  Minor parent must have an approved Employment Plan.

TY  Family A/B  Family would be eligible for child care for 10 year old while grandmother works if she has been on MFIP for 3 out of the previous 6 months.

Family C  Not eligible. School is not an authorized activity for T. Year.
UNMARRIED PARENT LIVING WITH BOYFRIEND

Case Scenario 1
Mother Working days, 30 hours per week
Father Working intermittently, some days and some nights.
Family Size 4 (boyfriend does NOT meet the definition of family and is not considered part of the CCAP family.)

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.
BSF Eligible for mother’s work activity.
MFIP Eligible for mother’s work activity.
TY Eligible for mother’s work activity.

Case Scenario
Mother and boyfriend get married.
Mother 30 hours per week.
Husband Working some days and some nights, 30 hours per week.
Family Size 5.

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.
BSF Eligible for times when both mother and her husband are simultaneously in authorized activities.
MFIP Eligible for times when both mother and her husband are simultaneously in authorized activities.
TY Eligible only if the mother was previously MFIP.
UNMARRIED PARENT WITH A CHILD ON SSI

Mother

Child

Child

Child on SSI

Mother receives MFIP for herself and 2 out of her 3 children. The other child receives SSI. Family.

Family Size

4 (The child that receives SSI meets the definition of family and is considered a member of the CCAP family).

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

BSF

Not eligible.

MFIP

Eligible (determined by the applicant’s status).

TY

Not eligible.
Mother on SSI

**Mother**
- Receives SSI.

**Family Size**
- 4. The mother receives SSI and meets the definition of family. She is considered a member of the CCAP family.

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

**BSF**
- Eligible to apply (determined by the applicant's status). SSI is excluded income.

**MFIP**
- Not Eligible.

**TY**
- Not eligible.
**MOTHER DISQUALIFIED DUE TO FRAUD**

Mother

- Not on MFIP because of MFIP fraud disqualification (NOT a MFIP child care fraud.).

Children
- 3 children receive MFIP.

Family Size 4

If the family meets general eligibility for CCAP, the following CCAP programs may be available to them.

- **BSF**
  - Eligible to apply (determined by the applicant’s status). If MFIP closes, family would continue to be eligible for BSF.

- **MFIP**
  - Not Eligible.

- **TY**
  - Not eligible.

**LEGAL AUTHORITY**

Minnesota Statutes 119B.011
Minnesota Rules 3400.0040
Earned income is a payment a family member had to expend individual effort or labor to receive. Examples are:

- Wages/salaries (including overtime and bonuses if ongoing).
- Paid vacation or sick leave.
- Uniform, mileage and meal allowances if federal income tax is deducted from the allowance.
- Fair market value of housing if housing is provided as part of total work compensation.
- Tips/gratuities.
- Self-employment income.
- Commissions.
- Incentive payments from work or training programs.
- Jury duty pay.

Gross earned income is income from employment prior to any payroll deductions. Gross earned income includes such things as 401K contributions, all insurance premium payments on the pay stub and pre-tax medical/dental accounts. See Chapter 6.18 (Income Deductions) for allowable income deductions.

Unearned income is a payment a family member did not have to expend individual effort or labor to receive. Examples of unearned income are:

- Cash portion of MFIP.
- MFIP Housing Assistance Grant.
- DWP.
- Relative Custody Assistance (pre-Northstar Care for Children payments).
- Legacy Adoption Assistance basic maintenance and supplemental needs payments (pre-Northstar Care for Children payments).
- Interest or dividends.
- Unemployment Compensation.
- Disability insurance payments.
- Insurance payments or settlements.
- Veteran benefits.
- Pension payments.
- Child or spousal support, medical or child care support which is not assigned to the state.
- Retirement, Survivors, Disability Insurance (RSDI). RSDI may have gross and net amounts
- Severance payments.
- Lump sums such as insurance settlements, court settlements and child support arrears.
- The amount of scholarships, work study income and grants that exceeds the amount used to cover costs or reimburse for tuition, fees, books and education supplies. (See optional tools Student Income Calculation Form – Child Care Assistance Program Caseworker Tool (PDF) (DHS-6974) and Child Care Assistance Program Student Income and Expense Form (PDF) (DHS-6974A) for guidance.)
- The amount of student loans that exceeds the amount used for tuition, fees, books, supplies and living expenses. (See optional tools Student Income Calculation Form – Child Care Assistance Program Caseworker Tool (PDF) (DHS-6974) and Child Care Assistance Program Student Income and Expense Form (DHS-6974A) for guidance.)

Expenditures necessary to secure payment of unearned income are deducted from the unearned income. Sometimes, other deductions may be withheld from an unearned income source. These expenses must be verified and reviewed to determine if they are an allowable deduction from the unearned income. If the expense is not verified, do not allow the expense as a deduction and count the full amount of the unearned income. An example is RSDI. The RSDI verification will identify a gross amount, if any expenses were withheld and the net amount. Additionally, the worker should also be aware of any expenses the family had in obtaining the unearned income, such as legal fees. Usually, the gross amount of RSDI is the amount to be annualized. See Chapter 6.18 (Income Deductions).
EARNED / UNEARNED INCOME

LEGAL AUTHORITY
Minnesota Statutes 119B.09
Minnesota Statutes 119B.011
Minnesota Rules 3400.0170
The cash portion of the Minnesota Family Investment Program (MFIP) grant and the MFIP Housing Assistance Grant carry over from MAXIS and are included in the MEC² calculation of the annualization of unearned income for the family.

The financial worker determines MFIP eligibility and grant amount prospectively for the first 2 months of participation and retrospectively thereafter. This means that when an MFIP participant begins working, the earned income is not budgeted against the MFIP grant until 2 months later. For example, an MFIP participant who begins working in September sees a grant reduction in November based on September earnings.

In situations where the parent begins working, MEC² annualizes the full MFIP grant for 12 months even though the MFIP grant would be reduced for a portion of that period due to earned income. When a parent on MFIP starts employment, it may be necessary to calculate the MFIP grant offline and enter the correct annualized MFIP income amount into MEC² using a system override. Consult with the MFIP worker to determine the offline MFIP grant calculation. It is recommended that the worker document in case notes how they arrived at the calculated amount. Refer to the MEC² User Manual for procedures on annualizing reduced MFIP income.

LEGAL AUTHORITY
Minnesota Statutes 119B.09
Minnesota Statutes 119B.011
Minnesota Rules 3400.0170
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.

Request verification of the amount and type of expense and allow the required amount of time for the verification to be returned (see Chapter 7.1, Verification Due Dates). If the requested verification is not received, do not allow the expense as a deduction and process the case without the income deduction. 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
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 Chapter 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 Chapter 7.24 (DHS System Verification).

With the exception of most income and income deduction verifications, 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. A client statement can be used to verify self-employment income, the date the last paycheck was received and certain child support income. For the purpose of obtaining verification, information reported on the application, redetermination, or change report form does not qualify as proof.

Allow families at least 15 days to provide requested verification. See Chapter 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 chapter 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
Verify the following eligibility requirements 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 these listed persons.
- Age of the child(ren) in the family.
- Age of the applicant if he or she is under 21.
- 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 (PDF) (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 and Income Deductions. See Chapter 7.9 (Income Verification).
  - For income deductions, send the family a verification request and allow until the end of the 30 day application period (or 45 days with the consent of the applicant) for the verification to be returned. If the requested verification is not received, do not allow the expense as a deduction and process the application without the income deduction.
- Spousal support and child support payments made to persons outside the household.
- Residence
  Acceptable verification showing current name and address includes, but is not limited to:
  - Any form of mail (except mail addressed to a P.O. Box) provided by the client. A forwarding address sticker received at the administrating agency from the US Postal Service cannot be considered verification of residence for CCAP. Mail sent to the participant from DHS or the county agency may be used as verification of residence.
  - A current lease with the same address.
- Inconsistent information, if related to eligibility.

The following are requirements to authorize care if the family is determined eligible to receive CCAP:
- Employment and/or education status of adult family members including employment schedule and/or class schedule must be verified. See Chapter 7.27 (Schedule Verification – Employment and Education).
- School schedule for every child who needs child care and attends school must be verified. See Chapter 7.30 (Schedule Verification – Child’s School Schedule).
- 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 Chapter 7.12 (Verifying Citizenship and Immigration Status).

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

- **Income and Income Deductions.**
  - For income deductions, send the family a verification request and allow the required amount of time for the verification to be returned (see Chapter 7.1, Verification Due Dates). If the requested verification is not received, do not allow the expense as a deduction and process the redetermination without the income deduction.

- **Employment Ending,** if not previously reported, including last date of the employment activity and date the last paycheck was received. Any changes in employment should be reported within 10 calendar days of the change.

- **Residence.**
  - Acceptable verification showing current name and address includes, but is not limited to:
    - Any form of mail (except mail addressed to a P.O. Box) provided by the client. A forwarding address sticker received at the administrating agency from the US Postal Service cannot be considered verification of residence for CCAP.
    - Mail sent to the participant from DHS or the county agency may be used as verification of residence.
    - A current lease with the same address (if the client has not moved) is acceptable. The client does not need to submit the lease again.
  - There is no time limit to how long a residency verification document can be used as verification. The verification on file can continue to be used as long as it reflects the client’s current name and address.

- **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 Chapter 7.3 (Verification – Initial Application).

The following are requirements to authorize care if the family remains eligible:

- **Employment and Education/Training Status including employment and/or class schedule must be verified.** See Chapter 7.27 (Schedule Verification – Employment and Education).
- **School schedule for every child who needs child care and attends school must be verified if there is a change in the schedule or the school attended.** See Chapter 7.30 (Schedule Verification – Child’s School Schedule).

**LEGAL AUTHORITY**

Minnesota Rules 3400.0040
Minnesota Statutes 119B.025
INCOME VERIFICATION 7.9

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. A Minnesota Family Investment Program/Diversionary Work Program (MFIP) Employment Plan (EP) cannot be used as verification of income.

All income must be verified using the documentation that is the best indicator of future income. The recommended standard is the most current 30 days of verification for income other than child support tracked through PRISM. For child support tracked through PRISM, the recommended standard is the last six months of information. If the worker uses something other than these standards, it is recommended that they case note why they deviated 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 the following circumstances:

- **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.

- **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.
  - In these situations the client 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.
- **Verification of the date the last paycheck was received.** Verification of the date the last paycheck was received is required to confirm the end of the earned income.

EARNED INCOME

- **Paycheck Stubs**
  - Ask if the applicant or recipient has paycheck stubs for the timeframe that is the best indicator of future income. The recommended standard is the most current 30 days of verification. The paycheck stubs should specifically identify the number of hours worked, gross income based on those hours, payroll period covered, client and employer name.
  - The worker may also use year-to-date totals as the best indicator of future income.
  - If something other than the recommended standard is used to calculate the income components, it is recommended that the worker case note what was used and how it was used to determine the income components.

- **Employer Statement**
  - 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.
INCOME VERIFICATION

7.9

- If an employer statement is used as verification, the worker must request paycheck stubs 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.
- If business records and personal records are not separate, ask the parent to separate income records and resubmit according to Child Care Assistance Program 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 documentation from a timeframe that is the best indicator of future income. The recommended standard is 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 the recommended standard.
- For child support that is not tracked through PRISM, the recommended standard is the most current 30 days of verification.
- If the worker uses something other than these standards to calculate the income components, it is recommended that the worker 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.
- Bank Statements indicating interest paid on a specific account.
- 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. (Unearned and excluded student income and expenses can be verified in many ways. See optional tools Student Income Calculation Form – Child Care Assistance Program Caseworker Tool (DHS-6974) and Child Care Assistance Program Student Income and Expense Form (DHS-6974A) for additional guidance and options.

INCOME DEDUCTIONS

Request verification of the amount and type of expense and allow the required amount of time for the verification to be returned (see Chapter 7.1, Verification Due Dates). If the requested verification is not received, do not allow the expense as a deduction and process the case without the income deduction. The following are examples of acceptable verification:

- Payroll deductions as indicated on the pay stubs. Request consecutive pay 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.025
Minnesota Rules 3400.0170 Subp. 1
Verification of employment schedule and/or class schedule is required at application, redetermination, when there is a change in activity, and when there is a change in schedule. The schedule must show the days and times worked or the days and times that classes meet. Schedule verification is not required for job search activities.

**MINNESOTA FAMILY INVESTMENT PLAN/DIVERSIONARY WORK PROGRAM (MFIP/DWP) FAMILIES WITH AN APPROVED EMPLOYMENT PLAN**

For MFIP or DWP families with an approved Employment Plan, verification of the activity schedule is not required for activities in the Employment Plan IF the job counselor has indicated the activity schedule (days and times of the activities) OR the days and times that child care is needed.

If the job counselor has indicated the days and times that child care is needed for activities in the Employment Plan on the MFIP/DWP Employment Services Child Care Request (PDF) (DHS-7054), verification of the activity schedule is not required. The job counselor may also use other methods to communicate the activity schedule or days and times that child care is needed.

Job counselors may indicate the number of hours of child care needed for activities other than employment and education.

**FLEXIBLE EMPLOYMENT SCHEDULES**

For a client with a flexible employment schedule, a statement with the typical days and times worked or the possible days and times worked is allowable. The statement could be written by the job counselor for MFIP/DWP families with an approved Employment Plan, the employer, or the client if proof is not available despite the best efforts of you and the client. Once verification of the flexible schedule has been provided, clients must report and verify schedule changes that do not fall within the range reported on the schedule verification of typical or possible days and times worked. Clients do not need to report or verify schedule changes that fall within the range reported on the schedule verification of typical or possible days and times worked.

**VERIFICATION TYPES**

Examples of acceptable verification of schedule include, but are not limited to a:

- Class schedule with days and times of class, printed from a website.
- Statement from the employer with the days and times that the client is scheduled to work. This could be an email from the employer using an employer email address.
- Paystub if the days and times worked are listed.
- Copy or picture of the schedule that the employer posts to show the days and times that the client is scheduled to work.

If proof is not available despite the efforts of you and the client, you may obtain a signed statement from the client with the days and times worked or the days and times that classes meet, attesting to the correctness of the information. For the purpose of obtaining schedule verification, information reported on the application, child care addendum, redetermination form, or change report form does not qualify as verification of schedule.

**FAILURE TO PROVIDE SCHEDULE VERIFICATION**

Verification of employment schedule and/or class schedule is needed to determine the appropriate number of hours of care to authorize. Verification of employment schedule and/or class schedule is NOT a condition of eligibility. If verification of the employment schedule and/or class schedule is not provided but all other eligibility requirements are met, the case should be suspended.
LEGAL AUTHORITY
MN Rules 3400.0020, Subp. 38b
MN Rules 3400.0040, Subp. 18
MN Rules 3400.0110, Subp. 3
Verification of the school schedule is required for every child who needs child care and attends school. Verification is needed at application, redetermination if a change has occurred, at other times when there is a change in the child’s school schedule, and when the child moves to a new school. If, at redetermination, there has not been a change in the child’s school schedule, and verification has been obtained previously, verification is not required. A change includes a different school or different school schedule. The verification must show the start and end times of classes. If start and end times differ by day of the week, the verification must show the start and end times by day of the week. The verification does NOT need to include the child’s name. Worker obtained verification of the school schedule is acceptable.

**MFIP/DWP FAMILIES WITH AN APPROVED EMPLOYMENT PLAN**

For MFIP or DWP families with an approved Employment Plan, verification of the child’s school schedule is not required if the job counselor has indicated the child’s school schedule (days and times of school) OR the days and times that child care is needed, taking into account the child’s school schedule.

If the job counselor has indicated the days and times that child care is needed on the MFIP/DWP Employment Services Child Care Request (PDF) (DHS-7054), and has indicated that the child’s school schedule was considered, verification of the child’s school schedule is not required. The job counselor may also use other methods to communicate the child’s school schedule or days and times that child care is needed.

The CCAP worker does not need to ensure that the job counselor obtained verification of the child’s school schedule.

**VERIFICATION TYPES**

Examples of acceptable verification of the child’s school schedule include, but are not limited to a:

- School calendar with days and times of class, paper copy or printed from a website (may be obtained by the client or worker).
- Statement from school with days and times of class.
- Case note with days and times of class and how the worker obtained the information.

If proof is not available despite the efforts of you and the client, you may obtain a signed statement from the client with the days and times that the child is in school, attesting to the correctness of the information. For purposes of obtaining schedule verification, information reported on the application, child care addendum, redetermination form, or change report form does not qualify as verification of schedule.

**FAILURE TO PROVIDE SCHEDULE VERIFICATION**

Verification of the child’s school schedule is needed to determine the appropriate number of hours of care to authorize for children who attend school. Verification of the child’s school schedule is NOT a condition of eligibility. If verification of the child’s school schedule is not provided for a child who attends school, care should not be authorized for that child. If care is not authorized for any children, the case should be suspended.

**LEGAL AUTHORITY**

MN Rules 3400.0020, Subp. 38b
MN Rules 3400.0040, Subp. 18
MN Rules 3400.0110, Subp 3
Families must report the following changes within 10 calendar days after they occurred:

- **Income.**
  NOTE: A change in income occurs on the day the participant receives the first payment reflecting the change in income.
- **Residence.**
  NOTE: Includes the county the family lived in (in non-excluded time status) immediately before entering an excluded time facility. See Chapter 8.12 (Moving Between Counties) for further information.
- **Employment status, including the last date of the employment activity and the date the last paycheck was received.**
- **Employment schedule.**
- **Education or training status.**
- **Education schedule.**
- **Child school schedule if there is a change to a different school or new school schedule.**
- **Family status.**
- **Family size.**

Families must report changes in provider to the county and the provider at least 15 days prior to the change.

NOTE: A 15-day notice period is not required, when:
- A MN licensed provider’s license has been temporarily, immediately suspended OR
- There is imminent risk of harm to the health, safety, or rights of a child in the care of a legal nonlicensed provider, license exempt center, or a provider licensed by an entity other than the State of Minnesota.

Failure to meet the reporting requirement may result in overpayments. Changes may be reported:

- In person.
- By telephone.
- By facsimile.
- By mail, including electronic mail.

**LEGAL AUTHORITY**
Minnesota Statutes 119B.025
Minnesota Statutes 245A.07
Minnesota Rules 3400.0040 Subp. 4
This chapter contains information about authorizing hours, payment rates, payment frequency, who receives payments, and methods of payment. See the specific topic below for detailed information:

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**LEGAL AUTHORITY**

Minnesota Statutes 119B
The amount of child care authorized must reflect the needs of the family and minimize out of pocket child care costs to the family. Include information in the case notes describing how care is authorized.

GUIDELINES FOR AUTHORIZING CHILD CARE

Authorized activity requirements differ depending on the family’s sub-program:
- For MFIP/DWP child care see Chapter 4.3.3.21 (MFIP/DWP Authorized Activities).
- For Transition Year (TY) child care see Chapter 4.3.6.3 (TY Authorized Activities).
- For Transition Year Extension (TYE) child care see Chapter 4.3.9.3 (TYE Authorized Activities).
- For Basic Sliding Fee (BSF) child care see Chapter 4.3.12.6 (BSF Authorized Activities & Hours).

Rules for authorizing child care differ depending on the family’s authorized activities:
- For clients with approved Employment Plans see Chapter 16.1 (Authorizations for Client with an Employment Plan).
- For students see Chapter 9.12 (Authorized Hours – Students).
- For employed clients see Chapter 9.15 (Authorized Hours – Employment).
- For self-employment clients see Chapter 9.15.1 (Authorized Hours – Self Employment).
- For clients who are job searching see Chapter 9.18 (Authorized Hours – Job Search).
- For clients who are participating in a combination of activities see Chapter 9.21 (Authorized Hours – Combinations of Activities).

There are special rules for authorizing care for children that are eligible for the Weekly Authorization to High Quality Providers policy. See Chapter 9.1.12 (Weekly Authorization to High Quality Providers).

DETERMINING THE NUMBER OF HOURS TO AUTHORIZE

Do NOT pay for more than 120 hours of child care assistance per child every 2 weeks.

The number of hours authorized for each child should be the number of hours that care is needed to support parental authorized activities, excluding the hours that the child does not need child care and the hours that the provider is not available. The child may not need child care due to the child being in school or the parent having another care arrangement. To determine the number of hours that care is needed for each child, the worker must examine the family’s authorized activity schedule, the child’s school schedule and the provider’s availability. See Chapter 7.27 (Schedule Verification – Employment and Education) and Chapter 7.30 (Schedule Verification – Child’s School Schedule).

In a two parent family where both parents are in an authorized activity and are able to care for the child, care should only be authorized during time periods when both parents are participating in authorized activities, including travel time and breaks/meals. During times when only one parent is participating in authorized activities, care is not needed because the other parent is available to care for the child.

Care must be authorized in full hour increments. In many cases, care is needed for partial hour increments during a day or session. If the amount of care needed is in increments of less than a full hour, the care should be rounded up to obtain a daily total of hours to be authorized. For example, if care is needed for 5.5 hours per day, 5 days per week, the number of hours authorized per day should be rounded up to 6 hours. 6 hours per day times 5 days per week is 30 hours of care per week. 60 hours of care biweekly should be authorized.

When authorizing care for school age children, if the amount of care needed is in increments of less than a full hour, care and transportation should be rounded up during each separate session and added together to obtain a daily total of hours to be authorized. In many cases, school age children need care authorized for before and after school sessions. Often the care needed is in such a small amount that it will be difficult for families to find providers that are willing to care for their children.

Example: Child needs the following care 5 days per week.

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CHILD CARE AUTHORIZATION

9.1

15 minutes = 1 hour  1.5 hours = 2 hours  3 hours = 30 hours biweekly rather than 20 hours biweekly

WEEKLY AUTHORIZATION TO HIGH QUALITY PROVIDERS

Children that are eligible for the Weekly Authorization to High Quality Providers policy can be authorized for 50 hours per week (100 hours biweekly). See Chapter 9.1.12 (Weekly Authorization to High Quality Providers) for more information.

SCHOOL RELEASE DAYS

Child care may be authorized for families who only need child care on school release days and for families who need more care on school release days. See Chapter 9.1.3 (Authorizing Care – School Release Days) for information about how to authorize child care for school release days.

FLEXIBLE SCHEDULES

Child care may be authorized for families who have flexible schedules. See Chapter 9.1.6 (Authorizing Care – Flexible Schedules) for information about how to authorize child care for families with flexible schedules.

MULTIPLE PROVIDERS

Child care may be authorized for more than one provider per child. Families may choose to have more than one provider on a regular basis or choose to have a back-up provider who is used only when the primary provider(s) is unavailable. See Chapter 9.1.9 (Authorizing Care – Multiple Providers) for information about authorizing care of families with more than one provider.

SWITCHING PROVIDERS

When a child switches to a new provider, the worker must give the original provider a 15 day notice of adverse action to end the service authorization:

- If the end of the 15 day notice of adverse action falls in the middle of a biweekly period, the worker may authorize more than a total of 120 hours to allow for care with the original provider for the first part of the biweekly period and care with the new provider for the last part of the biweekly period. Do not pay for more than a total of 120 hours of child care assistance per child during the 2 week time period.

- If the original provider informs the county that they will not bill for the full 15 day notice of adverse action period, the county may authorize care with the new provider during that time period. The worker may authorize more than a total of 120 hours to allow for care to begin with the new provider. The county should inform the new provider that they will not be paid for the time period if the original provider bills for the time period since 2 providers cannot be paid for the same time period. Do not pay for more than a total of 120 hours of child care assistance per child during the 2 week time period.

LICENSED FAMILY CHILD CARE PROVIDERS AND LEGAL NONLICENSED PROVIDERS

Licensed family child care providers and their employees, legal nonlicensed child care providers and their employees, and any provider providing care in a setting other than a child care center, 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
CHILD CARE AUTHORIZATION

not overlap with the hours they provide or are being paid for providing child care services. This includes the full 10 hours counted when care is provided by a licensed family child care provider for more than 5 hours. This does not apply to child care centers and their employees.

MEDICAL LEAVE
In some cases child care can continue to be authorized and paid while a client is on a medical leave of absence from employment or education. See Chapter 9.36 (Care During Medical Leaves of Absence) to determine whether a client is eligible for continued child care assistance while on medical leave.

ONE PARENT UNABLE TO CARE
In a two parent family child care may sometimes be authorized and paid if one parent is not in an authorized activity AND that parent is unable to care for the applicant’s child. See Chapter 4.6 (Employment and Training Requirements) for specific requirements.

CHILD CARE IN SUPPORT OF EMPLOYMENT
There are limited circumstances where care can be authorized in support of employment. See Chapter 9.15 (Authorization Hours – Employment) for information on child care in support of employment.

LEGAL AUTHORITY
Minnesota Statutes 119B.09
Minnesota Rules 3400.0110
Child care assistance can pay up to 15 percent above the standard maximum rate, not to exceed the provider charge, if a provider requests the higher rate and submits verification showing that they hold a certain current early childhood development credential or is accredited by certain organizations.

The Department of Human Services (DHS) recommends that agencies contact us to determine whether the verification submitted is an exact match which makes the provider eligible for the higher rate. DHS will review the actual documents and assist agencies to help prevent provider overpayments.

A licensed family child care provider or legal nonlicensed provider is eligible for the 15 percent higher rate for quality if they hold one of the following early childhood development credentials or accreditations:

- A Child Development Associate credential (CDA).
- A diploma in child development from a Minnesota state technical college.
- An associate’s degree in child development.
- A bachelor’s degree or post-baccalaureate degree in early childhood education from an accredited college or university.
- Accreditation by the National Association for Family Child Care.
- Competency Based Training and Assessment Program Certificate. (This certificate has not been offered in Minnesota since 1997. If you get a copy of this certificate, contact DHS staff).

Each adult on a licensed family child care license must have one of the credentials listed above to get the 15 percent higher rate for quality. Licensed family child care providers and legal nonlicensed providers that do not hold one of the above credentials are NOT eligible for the higher rate. Licensed family child care providers and legal nonlicensed providers that hold a credential other than the ones listed above are NOT eligible for the higher rate.

Early care and education child care centers with the following accreditations are eligible for the 15 percent higher rate for quality. Make sure the name of the accreditation and the listed organization match exactly as listed below for approving the higher rate:

- Accredited Professional Preschool Learning Environment (APPLE), offered by the Florida Association for Child Care Management (FACCM)
- AdvancED - Early Learning. The provider must submit a letter from AdvancED confirming that early learning protocols were used to achieve their accreditation.
- American Montessori Society (AMS) School Accreditation
- Association of Christian Schools International (ACSI) Accreditation
- Association of Montessori International – USA (AMI) – Montessori School Recognition
- Council on Accreditation (COA) – Early Childhood Education (ECE) Program Accreditation
- Green Apple Accreditation of Children’s Services (GAACS) - Early Education Center (EEC) Accreditation
- National Accreditation Commission (NAC) for Early Care and Education Programs Accreditation
- National Association for the Education of Young Children (NAEYC) Accreditation
- National Early Childhood Program Accreditation Commission INC. (NECPA) Accreditation
- The NHSA Quality Initiative: Head Start Performance Excellence and Quality Recognition Program, offered by the National Head Start Association (NHSA)

School-age and after-school child care centers with the following accreditations are eligible for the 15 percent higher rate for quality:

- Council on Accreditation (COA) – Afterschool (ASP) & Youth Development (YDP) Program Accreditation
- Minnesota Afterschool Accreditation Program (MAAP), offered by the Minnesota School-Age Care Alliance (MNSACA)

Accrediting organizations may issue an extension of a current accreditation if time is needed to complete the validation. Require a letter from a qualifying accrediting organization from the listing above that states that the timeframe has been extended. This letter must include the extension end date.

Centers that are not accredited by one of the above organizations are NOT eligible for the higher rate. Centers that are accredited by an organization other than the ones listed above are NOT eligible for the
higher rate. The 15 percent higher rate for quality can be paid to both licensed and legal nonlicensed providers.

The 15 percent higher rate for quality is the maximum rate that can be paid to an accredited or credentialed provider unless the provider has a four-star Parent Aware rating. Pay the provider the 15 percent higher rate for quality or the provider rate, whichever is less. See Minnesota Child Care Assistance Program 15 Percent Quality Differential Maximum Rates (PDF) (DHS-6442B).

If a county discovers that a provider was incorrectly entered into MEC² as being eligible for the 15 percent higher rate for quality, the information must be corrected in MEC² and the county who discovered the error should contact all other counties where the provider is registered. If the provider received payment at a higher rate than allowable, over payments must be assessed according to overpayment policies. See Chapter 14 (Overpayments). The Department of Human Services (DHS) has developed a Quality Differential Rate Request Form (PDF) (DHS-4795) that providers may use when requesting the higher rate.

Providers are eligible for the higher rate the first Monday following the date you received the verification.

LEGAL AUTHORITY
Minnesota Statutes 119B.13, Subd. 3a
REGISTRATION FEES

Pay for registration fees when the provider charges registration fees to all families.

If a licensed family child care provider, a licensed center, or license exempt center charges a registration fee to enroll children in the child care program and the registration fee is not included in the provider’s rate, pay the provider’s registration fee up to the county’s maximum registration fee, whichever is less.

The maximum registration fee may be based on provider responses within a county or other geographic grouping including region-based and statewide-based groupings. See Maximum Child Care Registration Fees (PDF) DHS-6443-ENG for the maximum registration fees that CCAP can pay.

If the provider’s registration fee exceeds the maximum amount, the family is responsible to pay for the amount CCAP cannot pay.

You may only pay for 2 registration fees per child to one or more providers in a 12 month period. The family is responsible to pay for any additional registration fees.

If a provider registration fee is a refundable deposit, maintain a record of this payment and deduct it from the final payment to the provider at the time the family ends care.

Do not pay registration fees to legal nonlicensed (LNL) providers.

LEGAL AUTHORITY
Minnesota Rules 3400.0130 Subp. 7
Minnesota Statutes 119B.13 Subd. 1a (d)
Families have 30 calendar days after their case closes to submit the redetermination form and all required eligibility verifications. When the 30th calendar day falls on a Saturday, Sunday, or legal holiday, the 30-day time period is extended to the next day that is not a Saturday, Sunday, or legal holiday. If the family meets all eligibility requirements, child care assistance can be approved back to the date the case closed.

If any of the required eligibility verifications or the redetermination form itself is not received within 30 calendar days after the case closes, the case should remain closed. The family must submit a new application to re-apply for child care assistance. If the redetermination form (DHS-5274) is submitted after the 30 day reinstatement period, it cannot be used as a new application (DHS-3550). Follow policies for processing a new application. See Chapter 3.6 (Accepting and Processing Applications).

**INCOME**
If a complete redetermination form and all required verifications are received within 30 calendar days after the case closes the:
- Family's income must be below the exit level of 67% of State Median Income. See Chapter 6.3 (Income Limits).
- Family's income does not need to meet the 47% of State Median Income applicant income level. See Chapter 6.3 (Income Limits).

**BASIC SLIDING FEE (BSF) WAITING LIST**
If a complete redetermination form and all required verifications are received within 30 calendar days after the case closes, the family is not subject to the Basic Sliding Fee waiting list. Some families receive child care assistance while on the Basic Sliding Fee waiting list. If a complete redetermination form and all required verifications are received within 30 calendar days after the case closes:
- Minnesota Family Investment Program/Diversionary Work Program (MFIP/DWP) Child Care for Student Parents child care can be approved back to the date the case closed. The family remains on the waiting list.
- Transition Year (TY) child care can be approved back to the date the case closed. The family remains on the waiting list.
- Transition Year Extension (TYE) child care can be approved back to the date the case closed. The family remains on the waiting list.
- Portability Pool (PP) child care can be approved back to the date the case closed, as long as the family has not exceeded the 6 month limit for Portability Pool child care. The family remains on the waiting list.

**ELIGIBILITY**
The family must meet all eligibility requirements to have their case reinstated. If the family does not meet all eligibility requirements the case should remain closed.

A family may meet all eligibility requirements for part, but not all, of the time between the case closing for no redetermination and when the worker processes the redetermination. If the family met all eligibility requirements for part of the time:
- If all eligibility requirements are met for a period of time directly after the case closed, but are not met at a later date, the case should be reinstated. After the case is reinstated, the case should close allowing for 15 days adverse action notice. The time period of continued eligibility would not be an overpayment unless the family failed to report a change timely.
- If all eligibility requirements are not met for the time period directly after the case closed, the case should remain closed.

**Example:** The case closed for no redetermination on September 10th. The family returned the redetermination form and all verifications on September 20th. The worker processed the redetermination on September 25th.
- If the redetermination showed that the family stopped being in an authorized activity on September 15th. The family met all eligibility requirements on September 10th when the case closed for no
redetermination. The case should be reinstated back to September 10th. The case should close for no authorized activity allowing for 15 day notice from September 25th. There would not be an overpayment because the family reported the change in activity timely.

- If the redetermination showed that the family stopped being in an authorized activity on September 1st. The family did not meet all eligibility requirements on September 10th when the case closed for no redetermination. The case should remain closed.

**SUSPENDED AND TEMPORARY INELIGIBLE CASES**

If a complete redetermination form and all required verifications are received within 30 calendar days after a suspended case closed for no redetermination, the case can be reinstated back to the date the case closed, as long as the family has not exceeded the one year time limit for suspension.

If a complete redetermination form and all required verifications are received within 30 calendar days after a temporary ineligible case closed for no redetermination, the case can be reinstated back to the date the case closed, as long as the family has not exceeded the time limit for temporary ineligibility.

**COPAY CHANGES**

Information reported on the redetermination may change the family’s copay.

- A copay decrease is effective the biweekly period after the redetermination is processed.
- A copay increase requires a 15 day notice. Give 15 day notice from the day the redetermination is processed. The copay increase is effective the biweekly period after the 15 day notice. The time period with the lower copay is not an overpayment unless the family failed to report a change timely.

**AUTHORIZED HOURS CHANGES**

Information reported on the redetermination may change the number of hours authorized for a child.

- An increase in the number of hours authorized is effective the biweekly period after the redetermination is processed. Authorized hours may also be increased for biweekly periods prior to the date the redetermination was processed if the child qualifies for more hours.
- A decrease in the number of hours authorized requires a 15 day notice. Give 15 day notice from the day the redetermination is processed. The decrease in the number of hours authorized is effective the biweekly period after the 15 day notice. The time period with the higher authorized hours is not an overpayment unless the family failed to report a change timely.

**SCHEDULE VERIFICATION**

If schedule verifications are missing but all other required information has been returned within 30 calendar days after the case closes, the case should be reinstated but care should not be authorized. The family’s case should be suspended for a period of up to one year. See Chapter 8.9 (Suspending a Case).

Child care can be authorized when the schedule verifications are submitted. Child care can be authorized retroactively back to the date care was ended or six months prior to the date the Service Authorization is issued, whichever is later (assuming that the schedule provided applies to the time period when care was ended). See Chapter 9.3 (Payments to Providers), which states, “If a provider provided care for a time period without receiving a Service Authorization and a billing form for an eligible family, payment may only be made retroactively for a maximum of six months from the date the provider is issued a Service Authorization and billing form.”

**INAPPROPRIATE REINSTATEMENT**

Families whose eligibility and service authorization were reinstated when the completed redetermination form and/or required eligibility verifications were received after the last day of the 30 calendar day reinstatement period are considered inappropriate reinstatements. If it is discovered that a case was inappropriately reinstated, the worker must determine if an overpayment occurred. See Chapter 14 (Overpayments).
LEGAL AUTHORITY
Minnesota Statutes 119B.025
Minnesota Rules 3400.0180
Minnesota Rules 3400.0040
Provide at least 15 calendar days notice to families before taking an adverse action on their case. See Chapter 12.1 (15-Day Notice Requirements).

Include the following in the written notice:
- A description of the action you’re taking on the case.
- The effective date of the action.
- The reason for the action.
- The basis for your action in statute, rule or your county’s child care fund plan.
- The right to appeal and receive a fair hearing and the procedure for doing so.
- The choices available if they choose to appeal:
  - Continue to receive child care assistance at the previous level while the appeal is pending, and be responsible for any overpayments that may result.
  - Accept the adverse action being taken, and potentially receive reimbursement for child care expenses incurred while the appeal is pending, if the family wins the appeal.

If the family corrects the condition requiring the adverse action before the effective date of the adverse action, the adverse action must not take effect.

OVERLAPPING ADVERSE ACTION PERIODS
If a 15-day adverse action closing notice is already in effect for one reason and prior to that original closing date a worker approves a second adverse action for case closure, the worker must give 15-day notice for each action. MEC² cannot process overlapping adverse action periods when a case is closing. In cases where a second adverse action is given during the first 15-day notice period of case closure, workers need to send a manual adverse action notice and should add a worker comment to the second adverse action notice with the following information:
- Explain that the case is still scheduled to close as of the date on the first notice.
- Note that if the reason for the first closure is resolved prior to the effective date, the case will remain open until the closure date on the manual notice.

See also MEC² User Manual Overlapping Adverse Action Periods Workaround.

WHEN A NOTICE PERIOD IS NOT REQUIRED
A 15-day notice period is not required when:
- A Minnesota licensed provider’s license has been temporarily, immediately suspended under Minnesota Statutes, section 245A.07.
  OR
- There is imminent risk of harm to the health, safety or rights of a child in the care of a legal nonlicensed provider, license exempt center, or a provider licensed by an entity other than the State of Minnesota.

When the action is not adverse a notice must be sent effective the date of the change. A 15-day notice is NOT required. Reasons can include increased authorized hours, decreased copayment, and continuation of payment awaiting appeal decision.

LEGAL AUTHORITY
Minnesota Rules 3400.0185, Subp. 3
AUTHORIZATIONS FOR CLIENTS WITH AN EMPLOYMENT PLAN

An MFIP/DWP client is eligible for CCAP if the client meets all CCAP eligibility requirements. If a client meets CCAP eligibility requirements and has an Employment Plan, the amount of child care authorized must be based on the parents’ schedule of participation in the activities identified in the Employment Plan, the child’s school schedule, the provider’s availability, and any other factors that would affect the amount of care that the child needs.

The amount of child care authorized should reflect the child care needs of the family and minimize the out-of-pocket child care costs to the family.

The agency should develop a method of communication between the job counselor and the CCAP worker that supports sharing information as efficiently and as timely as possible so care can be authorized. The job counselor and CCAP worker can communicate through a variety of methods (including, but not limited to fax and email).

Your agency may determine whether the job counselor or CCAP worker is responsible for determining how many hours of child care are needed, provided that the worker is considering:

- The activity schedule (days and times) of the parent(s).
- The school schedule (days and times) of the children.
- The provider’s availability.

JOB COUNSELORS ROLES AND RESPONSIBILITIES

The job counselor is responsible for:

- Determining the activities included in the Employment Plan.
- Providing the CCAP worker with the activities included in the Employment Plan, including activity type and activity begin dates.
- Monitoring participation in Employment Plan activities on an ongoing basis.
- Adjusting the Employment Plan as needed.
- Determining if a client is out of compliance with his/her Employment Plan.
- Notifying the CCAP worker within 10 days of changes in Employment Plan activities, changes in the parent’s schedule if known, and sanctions.

The job counselor is encouraged to:

- Provide the CCAP worker with either the activity schedules of the parent(s) and children OR the days and times that child care is needed.
- Cluster or group Employment Plan activities to create periods of time that work with child care provider schedules and practices, when possible.

The job counselor may indicate the number of hours of child care needed for activities other than employment and education.

The job counselor is not required to send the Employment Plan to the CCAP worker.

The job counselor can use the MFIP/DWP Employment Services Child Care Request (PDF) (DHS-7054) or a county-created form to send information to the CCAP worker.

CCAP WORKER ROLES AND RESPONSIBILITIES

The CCAP worker is responsible for:

- Determining how many hours of care are needed.
- Authorizing the care the family is eligible for.
- Acting on information received from the job counselor within 10 days.
- Ensuring that families and providers are given 15 day notice of adverse actions.
AUTHORIZATIONS FOR CLIENTS WITH AN EMPLOYMENT PLAN

- Communicating concerns about actual participation in the activities in the Employment Plan to the job counselor. The CCAP worker should not take action to reduce or end the authorization for non-participation in Employment Plan activities unless the job counselor changes the Employment Plan.
- Obtaining schedule verification of the activities in the Employment Plan only if the job counselor has not provided the activity schedule (days and times) or the days and times that child care is needed.
- Obtaining income verification for employment. An Employment Plan cannot be used as verification of income for CCAP.

CCAP workers should not re-verify activity information that is monitored by the job counselor.

CCAP workers are not responsible for monitoring participation in the activities in the Employment Plan.

MONITORING AND AUTHORIZATIONS
The job counselor regularly determines if the participant is participating in the activities in the Employment Plan. They must take appropriate action when and if changes occur or an Employment Plan ends.

Specific details about the status of employment plans and their active dates:
- If an MFIP/DWP participant has an Employment Plan, consider that person to be participating in the activities in the Employment Plan until the job counselor ends or changes the Employment Plan.
- All signed Employment Plans are considered to be “approved”.
- The job counselor does not need to indicate a date that the Employment Plan or the Employment Plan activities will end if the job counselor believes that the family will continue to participate in the activities.
- The review dates listed on the Employment Plan should not be interpreted as “end dates”. Child care assistance should not automatically end if an Employment Plan review date has passed and a new Employment Plan has not been completed.
- Workforce One (WF1) assigns a “Plan Start Date” on the front page of the Employment Plan and does not allow that date to be adjusted. Individual activities within the Employment Plan can have earlier dates than the “Plan Start Date”. CCAP can be authorized and paid back to the earlier individual activities dates as long as the family was MFIP eligible and meets all CCAP eligibility requirements.
- When a participant is out of compliance with their Employment Plan and the non-compliance results in a sanction, the job counselor should:
  - Consider whether the participant is working towards curing the sanction, if so CCAP should remain in place. (During the Notice of Intent to Sanction phase, CCAP should not be cancelled. Assume childcare is needed to prevent the sanction.)
  - If the participant is not working towards curing the sanction, send a Status Update to the CCAP worker. The CCAP worker will determine if the child care authorization needs to be reduced or ended and send a 15 day notice of adverse action to the participant and the child care provider and close the CCAP case. See Chapter 4.3.3.9 (MFIP Sanctions) for more information about how sanctions impact Child Care Assistance Program authorizations.

EMPLOYMENT PLANS AND CCAP OVERPAYMENTS
Participants may be charged with CCAP overpayments if:
- The job counselor fails to notify the CCAP worker within 10 days that an employment plan has changed or ended or that the participant is sanctioned;
- The participant does not provide timely reports of changes in income, family composition or other factors related to the family’s eligibility for child care assistance;
- The participant fails to cooperate with child support.
AUTHORIZATIONS FOR CLIENTS WITH AN EMPLOYMENT PLAN

A job counselor may determine that a participant has not been in compliance for a prior period of time with some or all of the activities identified in the Employment Plan. There should not be a CCAP overpayment due to lack of or reduced participation in the Employment Plan activities, except in cases of fraud.

The county should implement safeguards to ensure that the appropriate amount of care is being provided to CCAP clients. Safeguards might include Employment Plan/CCAP audits.

LEGAL AUTHORITY

Minnesota Statutes 119B.05
Minnesota Statutes 119B.07
Minnesota Rules 3400.0080
DHS CASE REVIEWS
To comply with the federal Improper Payments Information Act of 2002, as amended by the Improper Payments Elimination and Recovery Act of 2010 and the federal Single Audit Act of 1984 (P.L. 98-502) with amendments in 1996 (P.L. 104-156) and the Office of Management and Budget (OMB) Circular A-133, DHS randomly selects CCAP cases to be reviewed each month. Agencies are required to submit selected case files to DHS for review. The DHS case review examines the following areas:

- Presence, date, and completeness of required eligibility forms including applications, redetermination forms, change report forms, and child support enforcement forms.
- Subprogram received by the family.
- Determine if applicant meets parent definition including documentation of the applicant’s relationship to the selected child and the applicant’s identity.
- Determine if applicant meets residency requirements including documentation of residency.
- Determine if child’s parent or parents are in an authorized activity that is appropriate to the CCAP subprogram including documentation of the participation.
- Determine if the selected child is eligible for CCAP including whether the child is of the appropriate age to receive CCAP and documentation of their age, and whether the child meets citizenship & immigration requirements and supporting documentation.
- Determine number of hours needing authorization based on the parent’s participation in an authorized activity and the child’s needs, including documentation of parent and child schedules. Determine if there is a difference between the worker’s authorized hours and the reviewer’s authorized hours.
- Determine the type of child care provider, that the provider met registration requirements including complete provider registration and acknowledgment forms, and complete parent acknowledgement form for each legal non licensed provider.
- Determine if the income and expenses, family size, copayment fee, maximum rate were accurate including documentation of all income and expenses, identity and relationships of all family members and provider accreditations.

Agency actions that do not comply with CCAP policy may be determined to be errors with or without a dollar value. The responsible agency may be subject to corrective action plan requirements for specific cases. Errors with a dollar value are subject to overpayment / underpayment policies.

COUNTY CASE MANAGEMENT REVIEWS
One of the most successful tools in attaining and maintaining high payment accuracy is a good case management review system. Case management reviews can help to determine root cause(s) of errors and therefore identify specific areas needing corrective action, such as policy clarification, refresher training, changes in office procedures, improved case record documentation, etc.

There are a number of different approaches to case management reviews. For example a full case review would encompass all aspects of a family’s CCAP case information and/or a child care provider’s information. A targeted review is focused on specific elements within a case, a specific policy or error prone areas.

DHS strongly encourages counties to conduct their own case management reviews. Often, this practice can reduce errors that DHS might identify at the time of the DHS case review.

DHS created a case management review process and forms for counties to utilize. These forms may be accessed through eDocs. Counties may choose to create their own process and forms that have been customized to reflect their administrative practices and county optional policies.

Most Common Errors Found in CCAP Case Reviews:
Listed below are the most common errors found in case reviews conducted in April – June 2014. Minnesota continues to have a significant error rate, which is tracked by state auditors and every three years, in federal reports. Errors may result in overpayments and have negative impacts on families.
CASE REVIEWS

- **Acting on Reported Changes**
  Changes are reported by families and not acted on, or are processed incorrectly by agency workers. For instance, a family reports a change in their income but the agency worker doesn’t obtain the verification. Or, sometimes the family reports a change and the agency worker obtains verification but doesn’t make the change, even if the change resulted in a new copayment.

  In some cases, changes are reported or new information is received, but not acted on by the agency worker. Not processing the family changes often lead to another error because notices are not generated to inform families and providers of changes. Counties must act on changes within 10 days, and proper documentation and processing of changes need to occur. When applicable, a worker must allow families 15 days to return verifications and give the family information about the types of verification required.

  See Chapter 8 (Changes in Circumstances) and Chapter 12 (Notices) of the Child Care Assistance Program Policy Manual.

- **No Verification/Insufficient Verification of Income**
  - A number of cases do not include recent income verification, or what is included is incomplete. Agency worker case notes that need to explain the method for annualizing income are often missing in MEC2. Note that the requirement for the last 30 days of income was changed to a recommendation (in Chapter 7.9 of the CCAP policy manual) but if another method is used, it is recommended that it be case noted.
  - Another common error associated with income verification occurs when agency workers do not reconcile initial income verification with actual pay stubs once received. Agency workers must reconcile initial income with actual paystubs when they are received by the agency.

  See Chapters 6.15 (Annualizing Income) and 7.9 (Income Verification) of the Child Care Assistance Program Policy Manual.

- **No Child’s School Schedule and/or Adult’s Work or School Schedule**
  - Case files must include documentation of each child’s pre-school, Head Start or school schedule. The schedule must be recorded by day of week and times of day. If websites are used to verify school hours, the case worker can case note where they found the required information and include the days of the week and time of day.

  See chapter 7.30 (Schedule Verification-Child’s School Schedule) of the Child Care Assistance Program Policy Manual.

  - Adult’s schedules must also be documented by day of week and time of day. For MFIP cases, if an Employment Plan or information from a job counselor does not include the specific schedule, the CCAP case worker must obtain proper documentation and include it in an MEC2 case note.

  See chapters 7.27(Schedule Verification-Employment and Education) and 16.1 (CCAP Authorizations for Clients with an Employment Plan) of the Child Care Assistance Program Policy Manual.

**LEGAL AUTHORITY**
Minnesota Statutes 256.017 Subd. 1
42 CFR Part 98 Subpart K
P.L. 98-502
P.L. 104-156
OMB Circular A-133