



# FAMILY SUPPORT UNIT POLICY MANUAL



**Arkansas Department of Health and Human Services  
Division of Child Care and Early Childhood Education  
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## **SECTION 1 – INTRODUCTION TO CHILD CARE ASSISTANCE**

### **1.1 MISSION STATEMENT**

The mission of the Child Care Assistance Program is to assist families striving towards self-sufficiency with their child care needs by providing resources, information and referrals. In carrying out this mission, it is our goal to provide quality child care assistance in a timely and courteous manner, focus on the individuals' dignity and self-respect, maintain parental choice, guard the integrity of the program and recognize employees' achievement.

### **1.2 PURPOSE OF THE CHILD CARE ASSISTANCE PROGRAM**

The purpose of the Child Care Assistance Program is to increase the availability, affordability and the quality of child care for families in the state of Arkansas. Further goals include assisting families in achieving and maintaining economic self-support and self-sufficiency.

The goals of economic independence and prevention of welfare dependency are promoted through the belief that continued employment results in more secure families. This program reinforces the idea that the strength of the family is important to the state's and the nation's economy. Targeting families that are attempting to achieve and maintain economic independence from welfare is a concern of state and federal government.

The goal of the Child Care Assistance Program includes preventing or ameliorating the neglect, abuse, and exploitation of children through child care services. Its purpose also includes preventing and reducing the unnecessary or inappropriate institutionalization of children.

Primary funding for the Child Care Assistance Program comes from the Child Care and Development Fund. The Child Care and Development Fund (CCDF) is under the administration of the U.S. Department of Health and Human Services, Administration for Children and Families. The Child Care and Development Fund is distributed to the states to provide child care services for low-income families.

The Arkansas Department of Health and Human Services, Division of Child Care and Early Childhood Education (DCC-ECE) has been designated as the lead agency to administer federal funds available to Arkansas through the CCDF.

### **1.3 FEDERAL REGULATIONS AND PROGRAM GUIDELINES**

As the lead agency, the Arkansas Department of Health and Human Services (DHHS) is responsible for implementing a program that complies with federal regulations associated with the CCDF. Under these regulations, DHHS must ensure that:

- The program is made accessible to all eligible parents (as funding allows)
- Parents/guardians are given a choice of eligible providers and that the requirements of this program will not significantly restrict parental choice of the types of providers

- Parents/guardians will have unlimited access to their children and to the providers that are caring for their children during normal hours of operation
- A record of parental complaints is maintained and made available to the public on request
- Consumer education information is made available to the public concerning licensing and regulatory requirements, complaint procedures, health and safety information and policies relative to child care services
- Payment rates will be sufficient to ensure equal access for eligible children

### 1.3.1 Parental Choice

The casehead\* of the child shall select the child care provider for the child, except in Protective Services and/or Foster Care cases. In Protective Service and or Foster Care cases, the Division of Children and Family Services (DCFS) will make the final decision concerning the child care provider based on the child's needs and the case plan. Providers meeting state Quality Approval Accreditation shall be given priority consideration in this selection.

*\*-The term **casehead** refers to the person applying for child care assistance on behalf of a child. A casehead must be at least 18 years of age (except in the case of an emancipated minor) and must have full-time physical custody of the child. For future reference in policy, **casehead** will be synonymous with parent, guardian, client, applicant or recipient.*

The Child Care Eligibility Specialist (CCES) shall be responsible for assisting eligible participants and recipients with their child care arrangements by making available the following information:

- A list of child care providers that participate in the Child Care Assistance Program in the area where the child care is needed
- How the parent may obtain substantiated deficiencies or child maltreatment reports regarding particular facilities
- How to select a child care provider

The casehead must select a provider that:

- Is licensed or registered by the Division of Child Care and Early Childhood Education
- Meets the requirements of the State of Arkansas
- Has attended required provider training and has submitted a signed copy of the Child Care System Participant Agreement, DHHS-9800
- Has a Request for Taxpayer Identification Number and Certification (Federal Form W-9) on file with DHHS, as well as the State Contract and Grant Disclosure Forms (State Forms F-1 and F-2).

If a provider that meets these requirements cannot be located, the casehead may request assistance from the CCES in locating a facility.

### **1.3.2 Confidentiality of Information**

Federal and state laws, as well as DHHS policy restrict the use or disclosure of information concerning applicants or recipients of child care services to purposes directly connected with the administration of the program. The casehead, upon signing the Application for Child Care Assistance (DCC-513), gives consent for the Division of Child Care and Early Childhood Education (DCC-ECE) to secure information related to the client's eligibility from collateral sources.

### **1.3.4 Prohibited Discriminatory Practices**

DHHS is in compliance with Titles VI and VII of the Civil Rights Act of 1964, Sections 503 and 504 of the Rehabilitation Act of 1973, as amended and the Americans with Disabilities Act of 1990.

### **1.3.5 Use of Policy Manual**

The CCES, as well as other Family Support Unit employees, will utilize this policy manual, as well as any applicable procedures manual, to determine assistance eligibility for all applicants in a fair, consistent and timely manner. The CCES is responsible for exercising prudent and reasonable judgment when applying policy.

## **1.4 OVERVIEW OF CASEHEAD RESPONSIBILITIES**

The casehead has the responsibility to provide complete and accurate information and documentation regarding the casehead's situation any time it is requested by a DCC-ECE employee.

The casehead also has the responsibility to report to the CCES any change that affects eligibility or fee assessment within ten (10) days of the date the change occurs.

The casehead must provide a minimum of seven (7) days advance written notice to the CCES and the current child care provider when they wish to change child care providers. Failure to abide by this provision will result in the casehead being responsible for the child care bill at the new facility until the new authorization is written.

## **1.5 APPEALS AND HEARINGS**

### **1.5.1 Right to Case Review**

Whenever an application is denied, or an adverse action is taken, the casehead will be informed in writing of the decision and of the right for a review of the decision. The notice must state that the casehead has ten (10) days from the date of the Notice of Action (DCC-531) in which to submit a request for Internal Review of the decision. The complete Internal Review and Appeal process is outlined in Sections 1.6.3 and 1.6.4 of this policy manual. The casehead, or an individual acting on behalf of a casehead, may request an Internal Review regarding the following actions:

- Reduction of child care services
- Termination of child care services
- Fee assessment
- Failure of the agency to act upon a request for child care services within agency timeframes outlined in policy

Anyone acting on behalf of a casehead must be acting at the written request of the casehead, and must be acting strictly in the interest of the casehead. A child care provider cannot act on behalf of the casehead during an Internal Review or Appeal process.

Action taken by DCC-ECE as a result of unavailability of funds is not subject to appeal.

Any appeal or request for review not received within the timeframe outlined in policy shall be denied.

### **1.5.2 Internal Review**

The first step in appealing any adverse action is to request an Internal Review. Any complaint regarding an adverse action or service delivery must be made in writing to the Area Supervisor within ten (10) days of the adverse action. Once received, the Supervisor will render a written decision within three (3) working days. If the casehead is not satisfied with this decision, the casehead may request an Internal Review, in writing, from the Unit Administrator within seven (7) days of the date of notice of action from the Area Supervisor. The Unit Administrator will then render a written decision within three (3) working days of the request.

If the client remains dissatisfied with the decision made by the Unit Administrator, the casehead may request an Internal Review by the Division Director. This request for an Internal Review must be made in writing and received within thirty (30) days of the date of adverse action from the Unit Administrator. The written request must be mailed to the Division Director, Division of Child Care and Early Childhood Education, Department of Health and Human Services, P.O. Box 1437, Slot S-140, Little Rock, Arkansas, 72203-1437.

Once the Division Director has received the written request for an Internal Review from the casehead, the Division Director will inform the casehead of the decision of the Internal Review, in writing, within ten (10) working days of the date the written request for the review was received.

### **1.5.3 Administrative Hearing**

The casehead may request an Administrative Hearing within thirty (30) days from the date of the adverse action by the Division Director. The request shall be made to Office of Appeals and Hearings, P.O. Box 1437, Slot N-401, Little Rock, AR 72203-1437. The Administrative Hearing process is also available to clients or providers when allegations of overpayments and/or fraud in the Child Care Assistance Program have been made.



The Office of Appeals and Hearings will notify the Family Support Unit that a casehead has requested a hearing. The Family Support Unit will then prepare a Hearing File which will contain that part of the record that was utilized in making the decision that is being appealed, a summary of the facts and actions that led to the decision, any supporting evidence and a list of witnesses. This file will be sent to the Office of Appeals and Hearings. DHHS employees are expected to attend hearings and present testimony without benefit of a subpoena and will be notified by the Office of Appeals and Hearings of their required presence at the hearing. The Family Support Unit will be notified of any witnesses requested by the casehead and will have five (5) days from the receipt of this notice to request subpoenas for rebuttal witnesses.

The individual requesting the hearing (hereafter called the Petitioner) and/or his/her representative(s), will be advised by Form DHHS-3205 that he has ten (10) days from the date he signed the certified mail receipt to request witnesses. The DHHS-3205 will be prepared by the Office of Appeals and Hearings and sent by Certified Mail, Return Receipt Requested.

The Office of the Chief Counsel, Department of Health and Human Services, will issue the subpoenas, pursuant to Arkansas Code Ann. 25-15-209. After the timeframes have expired for subpoenaing witnesses, the hearing will be scheduled at least ten (10) days prior to the date of the hearing. The scheduling letter will contain the time, date, and place of the hearing and the name of the Hearing Officer who will be in charge of the hearing. The location of the hearing will normally take place in the county of residence of the petitioner, unless the petitioner requests another, more convenient location.

If the petitioner fails to appear for the hearing and has not notified the Office of Appeals and Hearings prior to the date of the hearing of their inability to attend, the appeal will be abandoned.

It is the responsibility of the Family Support Unit to appoint a representative prior to the time of the hearing. The appointed representative should be knowledgeable of the circumstances of the case, be able to summarize all pertinent aspects of the situation, and to present the supporting documentation. The representative should be able to answer questions posed by the Hearing Officer or the Petitioner. The representative must be prepared to question any adverse witnesses.

The Family Support Unit Representative may request an attorney from the Office of Chief Counsel. A Hearing Officer from the Office of Appeals and Hearings Section, who had no previous part in the decision, will conduct the hearing. The Petitioner may be represented by a friend, legal counsel, or another designated individual.

The Hearing Officer may not review the case record or other material either prior to or during the hearing unless the same material is made available to the Petitioner or the Petitioner's representative.

The hearing will be conducted in an informal, but orderly manner. The Hearing Officer will explain the hearing procedure to the Petitioner. The Family Support Unit Representative will read the Administrative Hearing Statement and will present the Division's case, introducing

evidence and questioning witnesses. At the conclusion of the Division's case, the Petitioner will have the opportunity to present his case, including presenting witnesses, advancing arguments, offering additional evidence and questioning the Family Support Unit Representative. Questioning will be confined to the issue at hand. At the conclusion of the hearing, the Hearing Officer will advise the Petitioner of Petitioner's right to a judicial review in the event of an adverse ruling.

The decision by the Hearing Officer becomes final Department action unless successfully appealed by the Petitioner.

## **SECTION 2 – PROVIDER INFORMATION**

### **2.1 PROVIDER PARTICIPATION**

To participate in the Child Care Assistance Program, a child care provider must meet all of the following conditions:

- Licensed or registered by the Division of Child Care and Early Childhood Education  
Attend required provider training
- Agree to comply with the regulations set out in the Child Care System Participant Agreement (Form DHHS-9800)

In addition, providers must have the following forms on file with DHHS:

- Child Care System Participant Agreement (Form DHHS-9800)
- Request for Taxpayer Number and Certification (Federal Form W-9)
- Contract and Grant Disclosure and Certification Form (State Forms F-1 and F-2)

If a provider needs any information or forms concerning participation in the Child Care Assistance Program, the provider may request a participant packet from the CCES in their area or the Family Support Unit in Little Rock. This packet will contain all the necessary information the provider needs to become a voucher participant.

Persons who are ineligible to be a provider in the Child Care Assistance Program include:

- Parent(s), step-parent(s), custodian(s) or legal guardian(s) of the child(ren), regardless of whether or not they reside in the same household with the child
- Any member of the household in which the child(ren) reside(s)

Separate household status will not be allowed for providers and clients who reside in the same household. This policy is not meant to include a child care facility that employs the parent of the child(ren) as long as the owner or director is not the parent of an otherwise eligible child.

A Child Care Family Home (CCFH) will not be paid by DHHS to keep the children of a secondary caregiver if they are not required by licensing or registration requirements to hire a secondary caregiver. If a secondary caregiver is required, and the provider hires a recipient of the Child Care Assistance Program to be this caregiver, the Licensing Specialist must verify the following:

- A secondary caregiver is required.
- The secondary caregiver is needed to care for other children than the client's own children.
- The client's own children comprise less than fifty percent (50%) of the CCFH's current attendance.

DHHS will not pay child care for a parent who is hired to work as a secondary caregiver in a Voluntary Registered Home or a Relative/In-Home Child Care Provider.

## **2.2 PROVIDER EXCLUSIONS**

DHHS may exclude any provider from participation in DHHS programs based upon non-compliance with DHHS policy. Any provider who submits falsified records or participates in any form of fraud will be subject to exclusion. The procedure for provider exclusion is outlined in DHHS Policy 1088.

## **2.3 PROVIDER TRAINING**

Child Care Providers who wish to participate in the Child Care Assistance Program must attend an approved voucher provider training session. DCC-ECE may, at its discretion, mandate additional training for providers at any time, including changes in provider staff or as part of a compliance action.

## **2.4 CORRECTIVE ACTION**

If a provider has violated any section of the Child Care System Participant Agreement (DHHS-9800) or DHHS Policy, DCC-ECE may, at its discretion, impose corrective action on the provider.

## **2.5 STATE AND FEDERAL INCOME TAXES**

Participating providers must remain current with all state and federal income tax requirements. Providers not current in all tax payments shall be subject to exclusion from the Child Care Assistance Program.

## **2.6 NOTICE TO PROVIDER UPON CERTAIN ACTIONS**

Any time a case is to be closed or a service authorization end-dated, a copy of the Notice of Action shall be sent to the child care provider. All such notices to a provider must contain the last date the child's day care will be paid on that particular client's case. Notices shall be sent promptly to allow providers maximum notice. In cases where a timely notice is not possible, an attempt shall be made to contact the provider by other means (telephone or e-mail) to notify them of the action taken.

## **2.7 BILLING PROCEDURES**

Billing procedures for providers are outlined in the Child Care System Participant Agreement, Form DHHS-9800. All providers are required to adhere to the guidelines of the DHHS-9800.

## **2.8 COUNTY RATE CAPS**

The Division collects market rates from licensed child care centers and child care family homes in each county. A computer program analyzes the reported rates for each:

- Type of service (Full-Time, Part-Time, Half-Time, Night, and Weekend)
- Type of license (Infant/Toddler Center, Relative Provider, Child Care Center, Child Care Family Home, Registered Homes)
- Age-type (Infant, Toddler, Preschooler, School-age)

A rate cap for each county is calculated, based on the 75th percentile. Twenty-five percent (25%) charge more than the established rate cap for that particular county and 75% charge the rate cap or less. DHHS will pay whichever is less: the provider's rate or the rate cap. Note: If there are less than three (3) facilities in a county that provide a certain type of care, then the contingent county's rates will be used to establish a rate cap.

Providers may submit rate changes to DHHS at any time. However, rate changes will only affect authorizations keyed after the change is submitted. A current authorization will not be re-keyed to accommodate a rate change.

## **2.9 PARENT FEES**

After determining gross monthly household income and household size, a fee will be assessed in accordance with state guidelines utilizing the current Client Fee Chart. When a fee is charged, the casehead must be notified in writing, via a Notice of Action (Form DCC-531), of the percentage amount he/she will be required to pay. Questions regarding the dollar amount of fees should be directed to the provider who can let the parent view the worksheet. Clients must be advised at the time of application or approval that fees to the provider must be kept current. Fees will not exceed the County Rate Cap for the county in which the facility is located. The household will pay a percentage of the child care facility's charges or a percentage of the County Rate Cap whichever is less. This fee is based on the size of the household and the monthly gross income of the household.

Under no circumstances will the parent be required to pay the difference between the County Rate Cap and the rate that the child care provider charges, if the provider's charges exceed the County Rate Cap, unless the provider has received state Quality Approval Accreditation. Those providers shall have the option of charging a parent the difference between the county cap rate and the established rate the provider charges for equal services.

## **2.10 FEE COLLECTION**

Any fees owed shall be collected and retained by the child care provider. DHHS is not responsible for the collection of any fees.

## **SECTION 3 – CHILD CARE ASSISTANCE**

### **3.1 ELIGIBILITY FACTORS**

A family eligibility unit is one or more adults and children related by blood or law, and residing in the same house when at least one of the adults has physical custody of the child(ren) for whom application is made.

To qualify for assistance, an applicant must meet certain eligibility requirements, including:

#### **3.1.1 Citizenship**

A casehead must meet one of these citizenship requirements:

- A. A citizen of the United States (native born or naturalized)
- B. Aliens lawfully admitted for permanent residence prior to August 23, 1996; including:
  - 1. A refugee admitted under Section 207 of the Immigration and Nationality Act (INA);
  - 2. An alien granted asylum under Section 208 of the INA;
  - 3. An alien who was paroled into the United States under Section 212 (d) (5) of the INA for a period of at least one (1) year;
  - 4. An alien whose deportation is being withheld under Section 243 (h) of the INA;
  - 5. An alien who was granted conditional entry pursuant to Section 203 (a) (7) as in effect prior to April 1, 1980; or
- C. Qualified aliens for whom federal law requires benefits under Title IV-A of the Social Security Act. A qualified alien is a person:
  - 1. Who was admitted to the United States less than five (5) years ago as a refugee under Section 207 of the INA.
  - 2. Who was granted asylum under Section 208 of the INA less than five years ago.
  - 3. Whose deportation is being withheld under Section 243(h) of the INA and the withholding decision was made less than five (5) years ago.
  - 4. Admitted for permanent residence under the INA and has worked forty (40) qualifying quarters of coverage as defined under Title II of the Social Security Act or can be credited with such qualifying quarters as follows:

- (a) All of the qualifying quarters of coverage worked by the alien's parent while the alien was under the age of 18 will be credited to the alien;
  - (b) All of the qualifying quarters of coverage worked by the alien's spouse during their marriage provided they are still married or the spouse is deceased.
  - (c) No qualifying quarter of coverage described above, beginning on or after January 1, 1997, worked by the alien, parent, or spouse will be credited to the alien if the alien, parent or spouse received any Federal means-tested public benefit during the period for which the qualifying quarter of coverage is so credited.
- D. Lawfully residing in the State and is (1) a veteran with an honorable discharge from the military; (2) on active duty (other than for training) in the Armed Forces of the United States; or (3) the spouse or unmarried dependent child of an individual who is a veteran as listed in Section E.
- E. Certified as a victim under the Victims of Trafficking and Violence Protection Act of 2000, Section 107 (PL 106-38)

An alien who entered the United States on or after August 22, 1996 and has been in “qualified alien” status for at least five (5) years. (Note: For an alien who is granted qualified alien status due to being a battered alien, the five year period begins with the date of the prima facie case determination or the date the I-130 visa petition is approved. Aliens who qualify include:

- 1. An alien who is lawfully admitted for permanent residence under the INA
- 2. An alien who is paroled into the United States under section 212(d)(5) of the INA for a period of at least one (1) year
- 3. An alien who is granted conditional entry pursuant to section 203(a)(7) of the INA as in effect prior to April 1, 1980

All initial applicants must complete a DCC-540 (Declaration of U.S. Citizenship or Satisfactory Immigration Status) to certify that the requirements listed above have been met. The CCES will maintain this form in the client’s case record.

If neither parent/custodian of the child for whom child care services are sought is a citizen or alien who has been lawfully admitted, then the Application for Child Care Assistance must be denied.

If the child for whom the services are requested is neither a citizen nor an alien lawfully admitted to this country for permanent residence, the application will be denied.

Aliens who are in this country for educational purposes only shall not be eligible to receive services under the Child Care Assistance Program.

### **3.1.2 Residence**

Families applying for child care assistance must presently reside and continue to reside in the State of Arkansas. No specific duration of residence is required prior to application. For application purposes, residence is not affected by a temporary absence from the state.

All families must be able to furnish the CCES with a mailing address in the State of Arkansas where all correspondence can be received. If residency is questionable, the CCES shall allow the family the opportunity to verify residency.

### **3.1.3 Need for Service**

The Child Care Eligibility Specialist must establish the need for child care services. This state agency requirement with certain federally funded mandated elements is to ensure that funds are expended only for services which are needed to alleviate some problem or condition.

The CCES is expected to approve child care assistance (as funds permit) when the casehead and other adult household members are moving toward less dependence on welfare programs.

Service need must be directed toward meeting at least one of the following federally mandated goals:

- A. SELF-SUFFICIENCY - achieving or maintaining self-sufficiency, including reduction or prevention of dependency;
- B. PREVENTION OF CHILD MALTREATMENT - preventing or remedying maltreatment of children. This may include preserving, rehabilitating, and/or reuniting families.
- C. PREVENTION OF UNNECESSARY INSTITUTIONALIZATION - preventing or reducing inappropriate institutional care by providing community-based care, home-based care or other forms of less intensive care.

Except for protective services or foster care situations, child care assistance shall be provided only to families who voluntarily request the service. For protective services or foster care child care, a Request for Child Care Assistance Protective Services/Foster Care (Form DCC-537) must be completed, stating the need for service, and signed by the County Supervisor for the Division of Children and Family Services (DCFS). This form shall be used in place of a voluntary request for service. A foster parent may choose to apply directly to the Child Care Assistance Program through DCC-ECE.

### **3.1.4 Eligible Child/Date of Birth**

To be eligible, the casehead must have physical custody of a child under the age of thirteen (13) years. A child under the age of eighteen (18) who is physically or mentally unable to care for



himself may be eligible for services if the disability is verified by a physician or a licensed/certified psychologist and in the full-time physical custody of the casehead.

In order for a child to be eligible for assistance, the CCES must validate the child's date of birth. Acceptable documentation includes a valid birth certificate, school records, medical records, verification from another agency division, or any other official document that confirms the child's date of birth. Copies of all documentation must be maintained in the case record. If documentation is questionable, the CCES shall consult with the Area Supervisor. Waivers to this policy will be made on a case by case basis by the Area Supervisor or Unit Administrator.

### **3.1.5 Social Security Number**

While not required for eligibility, DCC-ECE will attempt to verify a valid Social Security Number (SSN) for every household member for identification purposes.

### **3.1.6 Employment**

Each parent or legal guardian of a child requiring services living in a the applicant household must be employed a minimum average of thirty (30) hours per week OR attending school or training program full-time. (See Section 3.2 for student requirements.) Applicants/recipients who are employed or self-employed must show earnings equivalent to minimum wage. (See Section 3.3 for exact income requirements.)

## **3.2 STUDENTS**

### **3.2.1 Classifications**

Anyone who is enrolled in one of the following programs may be classified as a student:

- A. High School: A person presenting documentation of full-time enrollment in high school shall be eligible for assistance if the high school student is not eligible for child care through the TEA program.
- B. Higher Education: Students enrolled in institutions of higher learning (post-secondary education) must be considered a full time student with a minimum of twelve (12) semester hours or nine (9) quarter hours to receive childcare assistance. If a student is attending an institution's summer school program, the student must be enrolled in at least six (6) semester hours or nine (9) quarter hours per summer term. The only other exception to the credit hour requirement for college students would be the student who is pursuing a degree that requires a clinical or practicum, which involves long hours, or rotating shifts that would hinder the parent from obtaining employment or taking other classes. The Area Supervisor must approve exceptions on a case-by-case basis.
- C. G.E.D.: A casehead who is enrolled in GED classes must show verification of full-time enrollment, the start and end times, days of the week, and the start and end dates of the classes. The casehead shall have thirty (30) days after official completion of the GED to

present documentation verifying employment of at least 30 hours per week. Otherwise, the case shall be closed.

- D. **Training Programs:** A client must demonstrate full-time enrollment at a work training program. Examples include Vocational Schools, Literacy Councils, Certified Nursing Assistant, Sheltered Work Shops, Day Treatment Centers, Cosmetology Schools, Career Training Centers, Work Force Training Centers and treatment for Mental Health or Substance Abuse.

### **3.2.2 Grade Requirements**

Students must maintain a “C” or 2.0 grade point average. The CCES shall check term grade point averages at the end of each term. One or both summer ~~terms~~ sessions will count as one term.

If an applicant is already attending post secondary school at the time of application, grades will not be checked until completion of the first full term that child care services were received. However, the CCES will verify, through the grade report, that all classes needed for eligibility were completed. For example, an applicant is approved for child care in November. His/her grades will be checked for semester hours ONLY in January and then checked for actual grades at the end of the spring semester.

Students attending schools or training programs that do not give grades shall furnish proof of satisfactory progress in their coursework at each re-evaluation. This also includes having a satisfactory attendance record.

### **3.2.3 Academic Probation and Disqualification**

If a “C” or 2.0 grade point average is not maintained, the student will be placed on probation for one term. If the grade point average is still below “C” or 2.0 grade point average at the end of the probationary term, the case will be closed, unless the student obtains employment of at least 30 hours a week within thirty (30) days. Once a case is closed due to low grades, child care will not be paid for school attendance for one (1) school term from the end of the term in which a “C” average was not maintained. The CCES will notify the student of an academic disqualification via a Notice of Action.

### **3.2.4 Working Students**

A student who is not taking a minimum number of hours to qualify as a full-time student may still qualify for assistance by working a minimum number of hours. To determine the number of hours a part-time student must work, take the number of semester hours the student is taking and multiply by two (2). Then subtract the number from 30. This will give you the number of hours the student must be working to receive assistance.

Example: A student is taking (9) credit hours.  $9 \times 2 = 18$  and  $30 - 18 = 12$ . Therefore, this student must be working 12 hours per week to qualify for assistance.

If a student is attending an institution that uses a quarter system, the number of quarter hours should be multiplied by three (3) and subtracted from 30 to obtain the number of working hours required.

Students attending summer school will be considered full-time and eligible for child care assistance if they carry six or more hours per summer session. If a student is taking less than six (6) hours, the student must work a minimum of twenty (20) hours per week to qualify for childcare assistance. If a student has a lab, or other class related duties, supervisors may grant a waiver on a case-by-case basis for less hours of work per week.

If a full-time student is working 30 hours or more a week then the household will be certified as employed, and verification of enrollment shall not be required. If the student needs additional child care services for school attendance then the CCES shall ask for documentation of school enrollment.

### **3.2.5 Restrictions on Student Status**

Students will be allowed five (5) years, past high school, to complete educational endeavors.

Full-time students shall be eligible for care during all school breaks, except summer if the student is not attending school. Holidays will be paid for if the child is normally scheduled to attend on that day.

After it has been determined that the student is eligible for assistance the student will be certified from the date all required information was received, or the beginning of the semester and continue until the date the semester ends.

If a client does not attend school or work full-time during the summer, the case shall be placed on inactive status, and all aspects of eligibility will be re-verified at the end of summer break.

## **3.3 SPECIAL CIRCUMSTANCES**

### **3.3.1 Emancipated Minors**

An individual under the age of eighteen shall be considered emancipated and allowed to apply and sign the Child Care Assistance Application if one of the following conditions exists:

- The individual is legally emancipated by court order
- The individual is currently or previously married
- The individual is living outside the home of a custodial adult with no indication that his/her parent or custodians regard themselves as being responsible for his/her care and control. The emancipated individual declares that he/she has no intention of returning to the home of the custodian/parent.

Reasons for considering a minor emancipated must be documented in the case record.

### **3.3.2 Relatives with Custody**

If a relative other than a parent is applying for child care assistance on behalf of a child of whom they have physical custody, the relative must meet the same eligibility requirements as a parent. However, in the calculation of household income, the amount of any TEA assistance received for the child will be disregarded. Relatives must produce a sworn statement or court order specifying their guardianship of the child and agree to pursue child support from any and all absent parents who have established separate household status. In cases where a child is in danger of potential harm, being placed in foster care or an institution, income and work requirements for a relative may be waived on a case by case basis by the Area Supervisor.

### **3.3.3 Disabled Household Adult**

If a household adult is unemployed due to a disability, the Child Care Specialist will require a written statement from the attending physician attesting to the nature and length of the disability and the inability to care for the child(ren).

### **3.3.4 Active Military Duty**

If a child is in the full-time physical custody of someone other than the parent or guardian due to the parent or guardian being activated for military duty, the adult with power of attorney over the child will serve as an Authorized Representative for the household. (The parent/guardian will still serve as the casehead.) A copy of a Power of Attorney signed by the parent/guardian for the child must be a part of the case record. All income of the child's caretaker shall be disregarded.

### **3.3.5 Medical Absence or Incapacity**

Families shall remain eligible for Child Care Assistance when a parent who normally meets school/work requirements or normally care for the child while the other parent works or attends school is unable to do so because the parent is:

- Hospitalized;
- Being treated for a physical or mental illness as an outpatient; or
- Present in the home but unable to care for the child due to medical incapacity.

The intent of this policy is to provide a continuity of care for the child under the following conditions:

- To allow one parent in a two-parent household to continue to work or pursue training while the other parent is temporarily incapacitated.
- To provide child care for a single parent who is temporarily incapacitated.
- To allow one parent in a two-parent household to continue to work or pursue training when the other parent has a long-term medical condition that prevents them from working, attend training or providing care for the children.

If a parent is temporarily incapacitated, that parent is expected to return to employment or training, or to resume caring for their child once the medical issue is resolved.

To approve care during this time, the CCES shall obtain documentation from the parent's medical provider and place it in the case file. Care during this time shall be limited to a maximum of one month (30 days), unless the physician indicates a specific period of time that child care will be needed. After the authorized period of care expires, additional child care may be approved if the family provides new documentation from their physician to verify continued need.

Parents requiring child care during maternity leave shall be eligible for up to six (6) weeks of benefits during that time. The CCES shall place documentation of maternity leave in the case record.

### **3.3.6 Temporary Lay-Offs**

A parent/guardian who has been receiving child care benefits but is temporarily laid-off of a job shall continue to remain eligible for benefits for an additional thirty (30) days after the effective lay-off date to allow adequate time for a job search. To qualify, the casehead shall present written documentation of the lay-off to the CCES when reporting this change in status.

### **3.3.7 Joint Custody**

When parents have separate households but share custody of their child, either voluntarily or through a court order, the CCES shall consider each parent's eligibility separately, as well as his or her income. If both parents qualify for benefits, each parent shall be authorized at the level of care needed when that parent has physical custody.

## **3.4 INCOME**

Child care benefits shall be extended to applicant families that meet the eligibility requirements of Section 3 and whose income is at or below a percentage of the state median income scale. These families must be working toward one of the goals listed in Section 3.1.3. Supportive Services families must also meet the income eligibility guidelines. In determining income eligibility, a Sliding Fee Scale will be utilized. If it is determined that the eligible family is responsible for a co-pay amount, the provider will collect the co-pay amount directly.

### **3.4.1 Classification of Income**

Income can be classified as earned or unearned. The family is required to report all income at the time of application, including any income that is anticipated to be regularly received during the certification period. All earned and unearned income of each household member is counted unless specifically excluded in Policy ¶ 3.4.7.

Countable income from all household parents/guardians age 18 and over (or under 18 and emancipated) shall be considered in the budget. Where adults other than spouses reside together, each may be considered a separate eligibility unit if each adult has their own income and is responsible for their own family's expenses.

The following households shall be exempt from income requirements:

- Foster parents
- Parent attends high school full-time.

Only income currently available on a regular basis shall be considered. Unpredictable income of indeterminate amounts will not be considered in the budget, such as insurance settlements or income tax refunds. Countable income is any monetary payment received by the household on a regular basis. This includes earned income such as:

- Gross wages, salaries and tips
- Stipends (VISTA, Delta Service Corps, Americorps, OJT, etc.)
- Commissions and regular cash bonuses
- Armed Forces pay
- Self-employment income
- Piece rate wages
- In-kind (see Section 3.4.2(E))
- Contractual income

Also included as countable income is unearned income, which includes:

- SSI for any household member other than the casehead
- Social Security payments
- Unemployment
- Workers' Compensation
- Child support
- Alimony
- Pensions and annuities
- Contributions

### **3.4.2 Monthly Gross Earned Income**

The monthly gross income includes total money earnings received for work performed as an employee. It is the total gross amount earned before deductions are made for taxes, bonds, pensions, union dues, insurance, and similar purposes. The following types of total gross income earned will be considered in the budget:

- A. **Wages and salaries from employment:** Total gross earned. *If employed full-time, adults in the household must demonstrate earnings equivalent to at least 30 hours per week at minimum wage in order for the household to be eligible for child care assistance.*

**B. Tips**

**C. On-The-Job Training (OJT) wages:** Wages paid for on-the-job training and/or upgrading employability skills will be counted in the household's budget.

**D. Stipends:** (Americorps, VISTA, Delta Service Corps, etc.) includes monies earned or paid in exchange for volunteer services and are counted as earned income.

**E. In-Kind benefits:** In-kind benefits are when a product or service is furnished to an employee in lieu of wages. In-kind benefits include, but are not limited to providing housing or making a car payment in exchange for a person working. In-kind benefits are not to be counted *unless* they are furnished to an employee *who does not draw a salary that is equal to or exceeds minimum wage x 30 hours*.

**F. Contractual income:** Employees who work under a contract agreement will have their income prorated over a twelve (12) month period or the period of time the contract is designed to cover. A contractual arrangement exists when the employee and the employer have a written agreement that stipulates the annual or the monthly salary. Examples of contractual employees are school teachers and teachers' aides.

**G. Piece work basis:** Individuals who are paid on an hourly or piece work basis will *not* have their income prorated over a twelve (12) month period, even though there may be a written agreement regarding the particulars of their employment. Piece work income will be determined on a monthly basis just as wages or salary. Income must be at least 30 hours x minimum wage.

The following are the only acceptable forms of verification of gross earned income:

- Copies of the last four (4) check stubs
- A completed Form DCO-97 (Verification of Earnings)
- A copy of the current contract agreement between employee and employer (contractual income)
- A verification letter from the employer

If the family has an open TEA or Food Stamp case, the CCES has the option of using income information available from the ANSWER system (unless it is over 30 days old) or re-verifying income information.

A prospective budget will be utilized to anticipate the household's income for the certification period. The CCES will consider income that has already been received and any regular income that can be reasonably anticipated to be received by the household during the certification period.

In order to compute monthly income, total the gross wages submitted by the client and average these wages. Multiply this average by:

- 4.334 if wages are paid weekly
- 2.167 if wages are paid bi-weekly (every two weeks)
- 2 if wages are paid semi-monthly (twice per month)
- 1 if wages are paid monthly

If the earnings fluctuate, the CCES shall determine, by averaging or other means, an amount that fairly reflects the income currently available to the household on a monthly basis. A copy of the documentation used as earnings verification will be retained in the case record.

### **3.4.3 Income Deduction**

Each adult household member who is employed at least 30 hours per week will have a \$100.00 work related deduction made from his/her gross income to account for withholding and other mandatory work-related expenses. The only exception to this policy is an adult who is excluded from being counted in the household because of alien status. See Section 3.1.1.

### **3.4.4 Self-Employment Income**

Self-employment income is earned income received directly from one's own business, trade, or profession, instead of receiving a specified wage from an employer.

The most current year's income tax forms (IRS Form 1040 and Schedule C) shall be used to project income from self-employment unless the household can reasonably demonstrate that it is not an accurate indicator of current income. Net income from self-employment will be computed utilizing one of the following methods:

- A. If the household member has been involved in the self-employment enterprise less than one (1) year, the family member's own records or the records of his bookkeeper will be utilized to determine gross receipts and allowable expenses. The Child Care Specialist will determine, based on information provided by the casehead, the number of months that will be utilized to determine a true picture of the current situation. The nature of the business will be a factor in determining how many months' records to average. If the business has been in operation for such a short period of time that a reasonable projection of income cannot be made, the case will be certified for a brief period of time until the business has been in operation long enough to gain a more accurate projection.
- B. If the household member has been involved in the self employment enterprise more than one (1) year, one of the following methods to determine the household income will be utilized:
  - 1. Self employment, which is received in a short period of time, but represents the individual's annual income will be averaged over the 12 month period.
  - 2. Self employment income which is intended to represent the household's



income for only a portion of the year, will be averaged over the period of time the income is intended to cover.

3. If the self employment income has increased or decreased substantially, the household's current self employment records will be averaged to project the household's income.

Self-employment income is calculated by subtracting the total allowable expenses from the gross receipts. Gross receipts are defined as *the value of all goods sold or services rendered*.

Allowable expenses include the following:

- Cost of goods purchased
- Rent, heat, light and power on the income producing property
- Wages and salaries paid to employees other than the business owner
- Business taxes and/or licenses
- Advertising goods or services
- Interest (*not* payments) on the principal of the purchase price of income producing property
- Real estate taxes paid on the income producing property

If the family uses its residence in a self employment enterprise, the utility costs, rent or interest on the mortgage of the residence will not be allowed unless they can be shown as separate from the household's normal usage.

The following *will not be allowed* as a cost of producing self employment income:

- Money set aside for retirement purposes
- Federal, state and local income taxes
- Depreciation
- Net losses from previous years
- Premiums paid for health/medical insurance
- Payments on the principal of the purchase price of income producing real estate and capital assets, equipment, machinery, and other durable goods, or entertainment related expenses

A self-employed individual who does not show a profit that is equal to minimum wage times thirty (30) hours per week within twelve (12) months from the start date of receiving child care assistance will be evaluated by the CCES. (This rule will also apply to the person who has been self-employed for some time, but due to circumstances, such as crop failure, changing market, illness, etc., the business has shown a loss instead of a profit).

However, if at the end of that time, the casehead cannot show earnings equivalent to the above formula, the casehead will be given a ten (10) day Notice of Action (Form DCC-531F) and the child care assistance case will be closed. There will be no exceptions to this rule. The only way that a casehead could keep their child care assistance case open at this point is to accept a

non-self employment job with at least 30 hours per week that pays at least minimum wage, or enter into a full-time educational program that would increase their employability skills.

### **3.4.5 Farm Self-Employment**

Income counted will be the gross receipts minus operating expenses from the operation of the farm by the owner or renter.

Gross receipts shall include the value of:

- all products sold
- government crop loans
- money received from the rental of farm equipment to others
- incidental receipts from the sale of wood, sand, gravel, and similar items

Allowable operating expenses include:

- cost of feed, fertilizer, seed, other farming supplies
- cash wages paid to farmhands
- cash rent
- interest on farm mortgages
- farm building repairs
- farm taxes (*not* state and federal income taxes).

The value of fuel, food or other farm products used for family living should not be deducted as an operating expense.

### **3.4.6 Unearned Income**

The monthly amount of any unearned income not disregarded must be calculated and counted in the family's budget. Verification shall be documented in the case narrative. The formula explained in Section 3.4.2 will be utilized to average any unearned income received more often than monthly.

A. **Social Security:** Social Security benefits are paid upon retirement, disability, or death of a covered wage earner. Retirement benefits are payable for some individuals beginning at age 62; disability benefits are payable at any age. A wife or widow is eligible at any age if there are minor children of the wage earner living in the home. An individual may receive a child's benefit at any age if incapacitated prior to the age of 21. All unmarried minor children of a wage earner are covered, even though the wage earner and the mother of the children were later separated or divorced. Illegitimate children may be covered if it can be established that the wage earner is the parent. Social Security pensions, survivor's benefits, permanent disability insurance payments made by the Social Security Administration (*prior* to deductions for medical insurance), Civil Service retirement payments, and railroad retirement insurance checks from the U.S. Government will be counted as income.

- B. Income from dividends, estates, trusts, and royalties:** Stock dividends or membership in associations, periodic receipts from estates or trust funds, and net royalties will be included in the budget.
- C. Public assistance payments:** Public assistance payments such as Transitional Employment Assistance (TEA), Supplemental Security Income (SSI), State Supplemental Payments and general assistance are counted as income in the budget. Even though the primary client may not be a recipient of this type of assistance, if any member of the family unit receives public assistance, then the payment must be considered as income to the entire household unit for the purpose of determining eligibility.
- Exceptions:**
1. When the casehead is the recipient of SSI, it is not counted in the budget.
  2. When a relative is applying on behalf of a child of whom they have full-time custody, the amount of TEA assistance received will be disregarded.
- D. Pensions and annuities:** Pensions or retirement benefits will be included in the budget. This includes benefits paid to survivors from a former employer or by a union, either directly or through an insurance company, and periodic receipts from annuities or insurance.
- E. Unemployment Compensation:** Compensation received from government unemployment insurance agencies or private companies during periods of unemployment and any strike benefits received from union funds are counted as income. Also counted as income are contractual severance payments paid through NAFTA when a worker has been displaced by the employer moving the operation to Mexico or Puerto Rico.
- F. Worker's Compensation:** Worker's compensation is received periodically from private insurance companies for injuries incurred at the workplace. The cost of this insurance is paid by the employer and not by the individual. This will be included in the budget.
- G. Child Support:** Child support will be computed by averaging the previous three (3) months' receipts. If child support is paid irregularly, additional months' verification may be requested to establish an accurate average. If the child support is received through the Office of Child Support Enforcement and a portion is withheld from the casehead to cover the recoupment, court or other costs, only that portion *actually received* by the casehead will be counted in the budget. Child support obtained through an interception of a State or Federal income tax refund or an interception of a lump sum Worker's Compensation payment *will be excluded* from the budget.

Acceptable verification of child support payments includes:

- A copy of payment records from the OCSE Screen
- A copy of the Circuit Court records
- A copy of the bank statement showing the child support being direct deposited into the bank account and is designated "Child Support"
- A letter from an attorney stating the amount and frequency of the payments
- A copy of the check or money order made out to the client\*

*\*-If checks or money orders are offered as proof of child support payments, the amount of child support must be equal or above the minimum amount per child set by the Family Support Chart available from the Office of Child Support Enforcement.*

If there is an existing order for child support and payment has not been made in ninety (90) days, the casehead must be referred to the Office of Child Support Enforcement to compel payment.

- H. **Alimony:** Alimony will be calculated by determining an average based on the previous three (3) months receipts of alimony payments. This may be verified by a copy of the court order or by the agent through which the alimony is paid. If alimony is paid sporadically, verification of additional months may be requested to obtain an accurate average.
- I. **Veteran's pension:** A veteran's pension is money paid periodically by the Veteran's Administration to disabled or retired members of the Armed Forces or to their survivors. This includes subsistence allowances paid to veterans for on-the-job-training, as well as so-called "refunds" paid to ex-servicemen as GI insurance premiums. Also included are "incentive" benefits promised to recruits upon enlistment and cashed out at a later date.
- J. **Railroad Retirement Benefits:** Benefits paid to individuals and spouses covered under the Railroad Retirement Act. An individual may receive both Railroad Retirement and Social Security, if covered under both programs, and the wife of a Railroad Retirement beneficiary may receive a wife's benefit while drawing Social Security.
- K. **Civil Service Retirement Benefits:** Civil Service Retirement Benefits are paid to retirees from federal government service under the Civil Service Act and their spouses. An individual may receive both Civil Service Retirement and Social Security. A widow of the Civil Service retiree may receive a wife's benefit while drawing Social Security.
- L. **Contributions:** Money given as a gift to an individual on a regular basis, usually to cover certain expenses. Acceptable verification of contributions includes a DCO-83 (Contributions Statement) or a letter from the contributor stating the amount of the regular contributions and the frequency.
- M. **Utility Assistance:** A check received through the Department of Housing and Urban Development specifically for utilities.

### **3.4.7 Exclusions from Countable Monthly Gross Income**

The following are to be excluded from the budget in computing monthly gross income:

- A. Per capita payments to or funds held in trust for an individual in satisfaction of judgment of the Indian Claims Commission or the Courts of Claims;

- B. Money received from sale of property, such as stocks, bonds, a house, or a car (unless the person was engaged in the business of selling such property in which case the net proceeds would be counted as income from self-employment);
- C. Irregular withdrawals of bank deposits;
- D. Loans;
- E. Tax refunds, including Earned Income Credits, regardless of whether the client elects to receive the EIC in a lump sum or along with their regular paycheck;
- F. Gifts that are not regular support (Note: If parents or others send monetary “gifts” on a regular basis it will be included in the budget as income.);
- G. Non recurring lump-sum payments, i.e. Christmas bonuses, insurance settlements;
- H. Capital gains;
- I. The value of the coupon allotment under the Food Stamp Act of 1964, as amended;
- J. The value of USDA donated food;
- K. The value of supplemental food assistance under the Child Nutrition Act of 1966 and the special food service program for children under the National School Lunch Act, as amended;
- L. Any payment received under the Uniform Relocation Assistance and Real property Acquisition Policies Act of 1970;
- M. Earnings of a child under 18 years of age
- N. Loans, grants, scholarships, and work study earnings, regardless of the source;
- O. Income received for educational purposes from the Montgomery GI Bill or the Veterans Educational Assistance Program. Verification may be obtained through the school where the casehead is enrolled and attending.
- P. Home produce utilized for household consumption;
- Q. Irregular income;
- R. Reimbursements for work-related expenses;
- S. Third party beneficiary payments;
- T. SSI payments received by the casehead (see Section 3.4.1);

- U. Annual or semi-annual emergency utility relief, irregular emergency housing payments;
- V. Child support payments collected by the Office of Child Support Enforcement for TEA recipients which are obligated to the Child Support Enforcement Unit to maintain TEA eligibility;
- W. In-kind benefits, if the employee is also being paid wages that equal or exceed minimum wage;
- X. The value of HUD rental assistance.

The amount of any currently available income not specifically excluded under one of the above provisions must be determined and considered. The Child Care Eligibility Specialist shall require routine verification of income for all clients. Contact with collaterals and/or employers may be necessary in determining eligibility. Prudent casework may make further investigation necessary when a client's statements are unclear, incomplete or contradictory or when the worker has reasonable grounds to believe that the statements made by the client are incorrect or incomplete.

### **3.5 CHILD SUPPORT**

Caseheads who are separated, divorced or never married to the absent parent shall be required to apply for child support through the Office of Child Support Enforcement for the State of Arkansas, if not currently receiving child support. If the parent is pursuing child support through an attorney, proof must be furnished to the CCES of an active case. When persons other than the birth parents are applying for Child Care Assistance, then proof that child support is being pursued from BOTH absent parents must be provided. Verification of child support payments or application thereof shall be placed in the case record no later than the first re-evaluation point for services (six months).

Acceptable verification of pursuit of child support includes:

- Copy of OCSE screen showing an open case
- Copy of Forms DCO-90/DCO-115 or copy of WAFM screen showing referral
- Decree of Divorce showing court-ordered child support
- A letter from an attorney
- Copy of DCC-525 (Non-Custodial Child Support Statement) or other notarized statement from the non-custodial parent stating the terms of payment\*
- Verification within KIDCare system

*\*-If a DCC-525 or notarized statement is offered as proof of child support pursuit, the statement MUST be accompanied by copies of checks, money orders or bank deposits AND the amount must at least be equal to the minimum amount set per child by the Family Support Chart available through the Office of Child Support Enforcement. Copies of all verification must be maintained in the case record.*

All verification of pursuit of child support must be recent. Any verification over six months old will NOT be accepted.

The casehead shall not be required to apply for Child Support if good cause exists, specifically:

- A casehead has a reasonable fear of harm to the child or the child's caregiver if child support is pursued. Casehead shall be asked for details of such circumstances and verification when available;
- An applicant/recipient produces copy of a divorce decree specifying that the parents will have joint custody with no child support ordered;
- The absent parent is deceased and documentation is furnished;
- The absent parent is incarcerated and expected to remain incarcerated for a period of time that will exceed the length of the certification period. Documentation must be furnished to the CCES of such incarceration.
- Both parents of the child are minors

Caseheads claiming good cause must complete Form DCC-519. The form must also be signed by the CCES and placed in the case record.

The Area Supervisor or Unit Administrator must approve any waivers to this policy.

## **SECTION 4 – APPLICATION PROCESS**

An application for assistance can be made to the Family Support Unit by completing and submitting an Application for Child Care Assistance (DCC-513) that is signed by the applicant, the guardian or the custodian. For purposes of consideration, the date of application will be the date a completed and signed application is received in the DHHS County Office or the Family Support Unit at Central Office. If a Child Care Eligibility Specialist is working at an off-site location and the applicant turns in an application, that date will be considered the date of application.

Incomplete applications will be returned to the applicant for completion. The date of application will be the first date a fully completed application is received.

If the individual applying for child care is under the age of eighteen (18) years of age, the application must be completed and signed by the parent, guardian or custodian of the individual, unless the individual is considered an emancipated minor. (See Policy ¶ 3.3.1.)

If an adult needing child care services for a child has a legally appointed guardian or custodian, the guardian or custodian must complete and sign the application.

For Protective Services, Foster Care Services or Supportive Services, the DCFS Family Service Worker will complete a Request for Child Care Services (DCC-537) for the family. These applications must be approved and signed by the Division of Children and Family Services County Supervisor or designee.

### **4.1 APPLICATION TIMEFRAMES**

The Family Support Unit has a maximum of forty-five (45) days from the date of application to process application. Once all required information is received, the CCES shall have seven (7) days to either deny the application and send a Notice of Action OR approve the family for benefits and process the service authorization.

### **4.2 INITIAL APPLICATION**

#### **4.2.1 Approval**

When all eligibility requirements have been established, the CCES shall record all pertinent information in the case narrative (See Section 5) and send the casehead a Notice of Action (DCC-531). The notice must contain the beginning and ending dates of service, the percentage amount of the fee the casehead must pay, and list eligible children. Any other pertinent information such as days or hours for which the child care is approved should be included on the notice.

The effective date of service will be the date that the CCES makes a determination that all eligibility requirements have been met OR all relevant documentation has been received.



DHHS does not pay for child care services retroactive to the date of application, unless a client has been improperly deprived of services. The Unit Administrator must approve such services.

#### **4.2.2 Level of Care Authorized**

Based on the information provided by the client, the CCES will determine what level of care is needed for each child. For a full explanation on the levels of care, refer to the Child Care System Participant Agreement (Form DHHS-9800).

In determining start and end times for daily care, the CCES will consider reasonable driving times for the client.

Full time students are eligible for full days of care Monday through Friday.

A casehead who is employed full-time will be authorized for care according to their work schedule provided to the CCES. A casehead who works rotating shifts through the entire week will be eligible for care full days Monday through Friday if weekend care is unavailable. The CCES will be responsible for verifying and maintaining work schedules in the case record.

#### **4.2.3 Private Kindergarten/Delayed Start in Public Schools**

In keeping with parental choice, a parent may choose to hold their child back from beginning to attend public school one year. However, when school is in session, full day child care will NOT be paid for a child who is eligible to attend public school but held back because of parental choice alone. This policy applies when the child is too sick to attend school or has been suspended or expelled. If a child is held out of kindergarten due to a developmental delay or serious medical issue documented by a licensed psychologist, physician or therapist, full-day child care may be paid for that child, subject to the approval of the Unit Administrator.

DCC-ECE will follow the policy set by the Arkansas Department of Education for determining cutoff birth dates for children entering kindergarten.

Private kindergarten will not be paid with CCDF funds when a child is of the age to attend public kindergarten. If before and after school care is needed for a child who is in a private school, and it is verified in writing by the director that the cost of this care is NOT included in the tuition of the school, the before and after school care can be paid with CCDF funds.

Child care will not be paid for an In-Home Provider to keep school-age children when public school is normally in session.

#### **4.2.4 Denial of Application**

When the information presented by the casehead or collateral sources establishes that the household is ineligible for child care assistance, the application shall be denied. When an application is denied, the CCES shall:

- A. Record information in the case narrative, including the reason for the denial and the date the notice is sent to the casehead. It is not necessary to verify any eligibility factor other than the one upon which the application is being denied.
- B. Send the casehead a Notice of Action (DCC-531) specifying the reason(s) for the denial of child care services. A copy of the DCC-531 should be kept in the case record.
- C. All denied applications are to be kept on file for a period of one (1) year following the date of denial.

#### **4.2.5 Withdrawal of the Application**

When the casehead requests the application be withdrawn, the CCES shall obtain a signed written statement from the applicant that he wishes to withdraw the application AND record any pertinent information pertaining to eligibility in the case narrative.

#### **4.2.6 Unavailability of Funds**

If funds are unavailable, upon receipt of an application for child care, the CCES shall place the application on waiting list according to application date and priority. Applications on the waiting list shall be prioritized in the following order: Special Needs, Teen in high school, Homeless, Low-income with no fee and Low-income with fee.

The CCES shall send the casehead a Notice of Action (DCC-531A) stating that the application has been placed on a waiting list for funding and the casehead will be notified as soon as funds become available. The notice to place an application on the waiting list must be mailed no later than forty-five (45) days from the date the application was received. When funds are available, the CCES will access the waiting list and process the applications in order of priority code and then, by date application was received.

#### **4.2.7 Delayed Action/Incomplete Applications**

When an initial application submitted is incomplete, the Family Support Unit will return the incomplete application to the casehead along with Form DCC-530, which states that the casehead must complete and return the application within forty-five (45) days or the application will expire. After 45 days, the casehead must begin the application process over again.

For any other delay in action due to a lack of information, the casehead will be notified via a Notice of Action specifying the information needed. The casehead will be given ten (10) calendar days from the date that the notice is sent to provide the information. If the tenth day falls on a weekend or holiday, the casehead will be given until 4:30 P.M. on the next working day to provide the information. The effective date of action will be the first business day following the end of the ten-day notice.

If the casehead notifies the CCES or Family Support Unit prior to the date specified on the notice that the casehead is attempting to obtain the requested information, but cannot do so by the specified date, then the casehead will be allowed a reasonable amount of additional time to provide the information before the application is denied.

#### **4.2.8 Re-Scheduling of Appointments**

If a casehead notifies the CCES or Family Support Unit before an appointment that the casehead is unavailable to attend, the appointment shall be rescheduled at a mutually agreeable time. If an in-person appointment creates a undue hardship on the casehead or places employment or school status at risk, the CCES shall request, via a Notice of Action, that the casehead send the necessary information by mail. Once information is received, the CCES shall process the case accordingly.

### **4.3 RE-EVALUATION APPLICATION**

A re-evaluation occurs when an eligible household reapplies for continued participation in the Child Care Assistance Program before the end of its current certification period. The re-evaluation involves a re-determination of all eligibility requirements. Each requirement must be met and any changes recorded in the case narrative.

#### **4.3.1 Re-Evaluation Plan**

Cases may be scheduled for re-evaluation as necessary within the six-month time limit. However, cases must be scheduled for re-evaluation no later than the end of the fifth (5th) month of a certification period so the re-evaluation process may be completed before the end of the sixth month.

All caseheads requiring a re-evaluation must be sent a Notice of Action (DCC-531~~CR~~) by the last day of the fourth (4th) month of the current certification period. The notice must advise the casehead of the action and information needed to process the re-certification and that failure to cooperate with the re-certification process will result in case closure.

The casehead must be given ten (10) days after a re-evaluation interview to furnish any information needed to complete the re-evaluation process. If the CCES determines that the client has good cause for needing additional time to furnish verification or resolve conflicting information, the CCES may extend the deadline to accommodate the client.

The child care provider will be sent a copy of the DCC-531 notifying them of the impending action on the client's case. If the DCC-531 should contain information of a confidential nature, a separate letter notifying the provider of re-evaluation will be sent instead.

Students must be re-evaluated before the start of each new school semester.

#### **4.3.2 Timely Re-Evaluations**

Eligible households that submit timely applications for re-certification are entitled to uninterrupted benefits unless the household fails to follow through with the re-evaluation process. A timely application for re-evaluation is defined as an application that is received no later than the date listed on the re-evaluation notice (DCC-531). Recipients who fail to submit their application for re-evaluation in a timely manner will forfeit the right to uninterrupted services.

#### **4.3.3 Households Ineligible for Re-Certification**

A family found ineligible to continue receiving services during re-evaluation will be given ten (10) day advance notice via a Notice of Action (DCC-531) that child care assistance will be discontinued at the end of the ten (10) day period. The child care provider must also be given a copy of the DCC-531 advising them of closure of the case.

#### **4.3.4 Re-Evaluation Process**

If an in-person appointment places school or employment status at risk, the CCES shall work with the casehead to obtain all necessary re-evaluation information by mail. During the re-evaluation process, the CCES shall:

- A. Review the Child Care Assistance Application (DCC-513) for completeness, comparing it with the previous DCC-513 for changes in status.
- B. Obtain and record sufficient information to establish the eligibility requirements of the Child Care Assistance Program.
- C. Review the Client's Rights and Responsibilities with the casehead, as well as the legal consequences of fraud (See Section 7), misrepresentation of facts, and perjury. Advise the casehead of the responsibility to report any change within ten (10) days.
- D. Obtain sufficient information to re-verify income.

- E. If the casehead fails to provide all the information necessary to determine continued eligibility, the CCES will advise the casehead with a DCC-531 that he/she has ten (10) days to furnish the information or the case will close. The child care provider will be notified, via a DCC-531, that the case will be closed after the tenth day.
- F. If the family furnishes the requested information, the Child Care Assistance case can remain open. However, if not all the information is furnished and another ten (10) day notice must be sent, there is no guarantee that the services will be uninterrupted.
- G. Advise the casehead of the procedure to change facilities.
- H. Ensure that the casehead has received appropriate consumer education material.

The casehead will be the primary source of information, but information can be obtained from collateral sources, employers, DHHS records, DHHS or other agency's employees, etc. to verify necessary eligibility factors.

## SECTION 5 - CASE MANAGEMENT

### 5.1 CASE RECORD ORDER

The CCES shall maintain an accurate and current individual case record for each family determined eligible. The case folder should be labeled with the name of the casehead. The record must contain the following documents and information in the order specified.

#### **Left Side of Case Record** *(in ascending order)*

1. Acceptable verification of Social Security Numbers\*:
  - a. Copies of actual Social Security Cards
  - b. Proof of application from the Social Security Administration
  - c. Verification of Social Security Numbers from the Social Security Administration through KIDCare
2. DCC-540 (Declaration of U.S. Citizenship or Satisfactory Immigration Status)
3. Records documenting child(ren)'s date(s) of birth

#### **Right Side of Case Record** *(in ascending order)*

1. Initial/Re-Evaluation Application, DCC-513
2. Earned Income Verification-Must be copies of check stubs, a completed
3. Verification of Earnings form, DCO-97, or a letter from the employer
4. Child Support Verification or DCC-519 (Good Cause) and Good Cause Documentation
5. Verification of Unearned Income-Examples include SSA benefits, SSI, TEA, VA, UI benefits, utility assistance.
6. Copy of Student Schedule or Student Verification
7. Copy of Student Grades
8. Any additional correspondence or documents
9. Child Care Arrangement Verification Form, if applicable

A divider consisting of a colored sheet of paper will separate the documents from each certification period.

\*-Social Security Numbers are used for unique identification purposes only and are not a requirement for determining eligibility. If casehead does not have documentation of SSNs, the casehead shall ask for a copy one of the following as proof of identity:

- Driver's License or State Identification Card
- School I.D.
- Work I.D.
- Other government issued I.D with photograph

## **5.2 CASE NARRATION**

On all cases, narrative entries must be made at every point action is taken and written in enough detail to allow any reviewer, such as a supervisor, auditor or investigator, to determine what action occurred.

## **5.3 NOTICES**

### **5.3.1 Notice of Action**

A Notice of Action (DCC-531), giving the client a ten (10) day advance notice, must be sent when the following actions are proposed on a case:

- Initial/Re-Evaluation appointment
- Request for additional information
- Change in fee amount
- Reduction of certification period
- Advise client to locate another child care facility
- Advise client to apply for other child care assistance programs
- Transfer of case record
- Pending case closure

### **5.3.2 Adequate Notice**

An Adequate Notice (DCC-531) must be sent to the client in the following situations:

- Case has been closed
- Initial denials
- Withdrawal of an application
- Acknowledgement that reported change has been processed
- Written request for case closure

## **5.4 REINSTATEMENT OF CLOSED CASE**

In keeping with Policy 1.3.5, caseworkers are to use prudent and reasonable judgment in considering whether to reinstate a case that has been closed. If there is any question as to reinstating a case, the CCES should direct such questions to the Area Supervisor.

## **5.5 PROCESSING CHANGES**

The casehead has the primary responsibility for reporting any change that may affect eligibility. The family shall report this change no later than ten (10) calendar days after the date the change occurred for the CCES to initiate the appropriate case action. The CCES must initiate action to process the change within ten (10) working days of receipt of the change report.

### **5.5.1 Inactive Status**

A casehead who notifies the CCES that the household will temporarily be ineligible for assistance has the option to suspend a case for up to ninety (90) days without having to reapply for services once the household is again eligible for services.

### **5.5.2 Change in Child Care Providers**

Due to the cost of processing authorizations, as well as the undue stress placed on a child with repeated changes of child care providers, the number of times a casehead may change facilities will be limited to a maximum of three (3) per certification period.

### **5.5.3 Adding Children**

Any casehead who wishes to add children born or added to the household after the original approval date must go through the initial application process. The casehead must complete a new Application for Child Care Assistance (DCC-513). If placed on a waiting list, the additional child(ren) will not be given priority over those already on the waiting list.

If a child is on the waiting list, and funding or services are not available, the child may be included in the household size, even though child care services are not being provided at this time.

## **5.6 ACCESS TO CASE RECORDS**

Upon written request by the casehead, the casehead may have access to records in which he/she is a participant. The record will be made available for inspection during normal working hours. The CCES or a prior authorized DHHS employee must be present during the inspection. Files and materials contained in the client's file may not be removed by the parent/custodian. Copies may be provided at the expense of the parent/custodian in accordance with the DHHS County Office Procedure Manual. An authorized representative may not have access to a family's files without a notarized statement signed by the parent/custodian.

Information about the status of pending investigations or criminal prosecutions will be withheld. The CCES will withhold confidential information such as names of individuals who have disclosed information about the household without the knowledge of the client.



## SECTION 6 – OVERPAYMENTS

### 6.1 OVERVIEW

The key to determining overpayments is skillful interviewing during the initial application, during reviews, and when changes in a client's or provider's situation occur. Therefore, the CCES should ask specific questions, evaluate reaction, and fully document the responses. Questions must be phrased in an understandable way and the client/provider must be given ample time to respond in their own words.

An *overpayment* is defined as a payment made on behalf of a client or child care provider that the client or provider was ineligible to receive.

Overpayments will exist for each month which the client or provider received child care assistance or payments in error. However, only payment months that occurred within three (3) years prior to the date of discovery, will be considered reportable overpayments. Overpayments may result from the following:

- Giving false information or withholding information.
- Failing to report a change in a timely manner (i.e., quit job, receiving child support payments, became academically ineligible, change in citizenship/residency standards, etc.).
- Billing for unauthorized days.
- Excess income.
- Not working the required number of hours or attending school full time.
- DCC-ECE failing to exercise proper diligence.
- Or a combination of factors.

The amount of overpayment will be determined using established policy and procedures and allowances in effect at the time the overpayment occurred.

### 6.2 DEFINITION OF ERRORS

An overpayment or underpayment can occur as the result of an *administrative error* on the part of the DCC-ECE staff, or as an *inadvertent error* on the part of the client or child care provider.

An *administrative or agency error* exists if one of the following occurred:

- A. Policies, rules, or statutes were not applied correctly.
- B. Staff responsible for administering the child care assistance program failed to take action on a change when notified by the client, provider, other DHHS staff, or other interested party.
- C. DCC-ECE failed to take appropriate action such as termination or reduction of services.
- D. A policy requirement was not met.
- E. An ineligible client received services or an ineligible provider received payment.

An *inadvertent error* exists if one of the following occurred:

- A. The client or provider unintentionally failed to provide DCC-ECE with correct or complete information.
- B. The client or provider unintentionally failed to report changes to DCC-ECE.
- C. A provider unintentionally failed to notify the DCC Licensing Unit within the required timeframe of temporary operational changes or of circumstances that affect payments for children receiving subsidized care. For example: as a result of a natural disaster, a home provider moves without notifying DCC-ECE.
- D. A provider submitted information, such as attendance records, that has unintentional errors.

### **6.3 RESPONSIBILITIES OF THE DIVISION STAFF**

Within DCC-ECE, the Compliance Unit is the initial point of contact to handle suspected overpayment cases. The Compliance Unit will directly support the entire division and will serve as the liaison to the Overpayment Processing Unit.

When there is an indication that a client or provider obtained an overpayment to which the client or provider was not entitled, the CCES conducts a preliminary assessment. The CCES, in consultation with the Area Supervisor and Unit Administrator, reviews the client's record or the provider's files to assess if the staff determined eligibility and documented the information obtained according to current policy.

In addition, the CCES must gather related information from outside records if available, review client/provider claims, and document reasons for suspected overpayment.

It is the responsibility of the CCES to promptly report to the Overpayment Processing Unit, in writing, any pertinent information which would have an effect on an overpayment claim that has not been satisfied, such as:

- Hardship situation
- Acquisition of resources or income that may increase the client's ability to repay
- Death
- Change of address
- De-certification of case after closure

### **6.4 OVERPAYMENT REFERRAL DOCUMENTATION**

When an overpayment is suspected, it is critical that the CCES communicate with DCC-ECE's Compliance Unit to complete a thorough and accurate referral.

*All referrals* must include the following:

- Form DHHS-600, Summary of Child Care Overpayment
- Summary of case worker's investigation and supporting attachments
- Billing history

## **6.5 OVERPAYMENT REFERRAL PROCESSING**

The county caseworker or Child Care Specialist is responsible for preparing and submitting overpayment reports to the DCC-ECE Central Office.

The CCES will use the following procedures to report overpayments:

- A. Record Information in the Case Narrative: The worker will record in the case record the amount of the overpayment, the date the overpayment began, the reason why the overpayment occurred, and any other pertinent information. If the overpayment occurred because a client provided false or incomplete information or failed to report a change in circumstances within ten (10) days, the client will be advised of the possible consequences (request for repayment and/or prosecution for fraud) and asked to explain. The explanation will be recorded in the case record.
- B. Refer to Compliance Unit: All cumulative overpayments of twenty dollars (\$20.00) or more will be sent to the DCC-ECE Compliance Unit. The Compliance Unit will record the information into tracking databases. After review and concurrence, the Compliance Unit will send the overpayment recommendations to the Division of Administrative Service's Overpayment Processing Unit, followed by updating internal tracking databases and informing associate DCC-ECE units.
- C. Refer to the Overpayment Processing Unit: All cases involving incorrect payment will be referred to the Division of Administrative Service's Overpayment Processing Unit, Central Office. All documentation described above will be original documentation. If fraud is suspected, the Child Care Specialist will submit a Form DHHS-555 (Suspected Fraud Report) to the Overpayment Unit. If the Child Care Specialist is unable to establish the full amount of the overpayment, the DHHS-555 will be completed and forwarded to the Compliance Unit. A memorandum will be attached to the DHHS-555 detailing the Child Care Specialist's efforts and explaining why they were unable to establish the overpayment.

The Overpayment Processing Unit will register all overpayment referrals. All cases of suspected fraud will be immediately brought to the attention of the Office of Chief Counsel's Fraud Unit.

If it is found in the fraud investigation that the period of time and/or the amount of the overpayment or ineligible payment is different from the original amount submitted by the case worker on the DCC-600 (Summary of Child Care Overpayment), the Overpayment Unit will make the necessary adjustments.

## **6.6 REPAYMENT**

The Overpayment Processing Unit (OPU) will establish a monthly payment schedule for the client or provider to repay any amount owed.

## **SECTION 7 - FRAUD**

### **7.1 OVERVIEW**

The DCC-ECE has a responsibility to assure proper administration of federal and state funds that pay for child care services for children, and to take measures to prevent and deter fraudulent misrepresentation. This responsibility depends on the efficiency, thoroughness, and integrity of the processes by which initial and continuing eligibility is determined and payments for child care services are issued by the Division.

### **7.2 DEFINITION**

*Fraud* is receiving services or payments to which the client or provider is not entitled by willfully making a false statement, misrepresentation, or impersonation. Indicators of fraud can be found at any point in time when handling a case on a routine basis, determining eligibility, or receiving a report from a member of the public. Erroneous payments of \$500 or more shall be referred to the Office of Chief Counsel for fraud investigation.

Fraud for disqualification purposes will be determined to exist when one of the following occurs:

- A Federal or State Court finds that the client or child care provider committed fraud in applying for or receiving child care services or payments.
- The client or child care provider is found through an Administrative Disqualification Hearing to have committed an intentional program violation.
- The client or child care provider agrees to be disqualified by signing a waiver of hearing and disqualification agreement (DCC-601).

*Fraudulent misrepresentation* constitutes an intentional program violation of the subsidized child care assistance program and can result in a criminal conviction, as well as loss of services or payments as described in this section.

An *intentional program violation (IPV)* exists when the client or child care provider intentionally misrepresents or withholds information which results in an erroneous payment of \$500 or more. Intentional program violations occur when a client or provider does one or more of the following:

- A. Misrepresents information by making a false statement either orally or in writing to obtain or attempt to obtain services or payments.
- B. Conceals information to obtain services or payments.
- C. Withholds information needed to determine eligibility.
- D. Fails to report a change in a timely manner or does not report a change in order to continue services.
- E. Falsifies or alters authorization documents to obtain services or payments.
- F. Misrepresents private paying rate information.

The hearing process is known as an Administrative Disqualification Hearing and is administered through the Office of Appeals and Hearings. Penalties in the form of disqualification are imposed against individuals found responsible for an IPV through any process.

### **7.3 RESPONSIBILITIES OF THE DIVISION STAFF**

Within DCC-ECE, the Compliance Unit is the initial point of contact to handle suspected fraud cases. The Compliance Unit will directly support the entire division and will serve as the liaison to the Fraud Unit of the Office of Chief Counsel.

When there is an indication that a client or provider obtained or attempted to obtain payments because of a possible inadvertent error or an intentional program violation, the case worker conducts a preliminary assessment.

The CCES, in consultation with the Area Supervisor and Family Support Unit Administrator, will review the client's record or the provider's file to assess if the staff determined eligibility and documented the information obtained according to current policy. In addition, the Child Care Specialist must gather related information from outside of division records if available, review client/provider claims, and document reasons for suspected fraud.

If a staff member suspects an employee of fraud, then it is the responsibility of that staff member to immediately report the suspicious activity to their Unit Administrator or to the Division Director.

### **7.4 REFERRAL DOCUMENTATION**

When child care fraud is suspected, it is critical that the Child Care Specialist communicate with the DCC Compliance Unit to complete a thorough and accurate referral. *The referral should be sent directly to the Compliance Unit.*

*All referrals* must include:

- Form DHHS-555, Suspected Fraud Report
- Billing History
- Any additional information that cannot be found in the case record

NOTE: The summary of the investigation must be detailed, clear, and informative. The summary must include a description of the fraudulent act that attests to how and when the fraud occurred, who committed the fraudulent act, and any repayment agreement established.

### **7.5 LEGAL ACTION AND DISQUALIFICATION**

DHHS will use all means available through policy or the legal system to recoup any monies that have been determined to be owed by a client or provider.

Refusal of a client to cooperate in any fraud investigation will result in case closure and termination of benefits. Any provider who refuses to cooperate in a DHHS investigation will be subject to the

termination of the Child Care System Participant Agreement (Form DHHS-9800) and exclusion from participation in DHHS programs.

The following actions may be taken against a client or child care provider when it is determined that there has been one or more instance of fraud. These actions will apply to cases in which the amount of fraud is more than \$500 and the Fraud Unit has notified the Family Support Unit that sanctions have been levied. Disqualification may be imposed on a client or provider in addition to requiring repayment of the amount of the child care payment for which they were ineligible to receive.

A. Client Disqualification: A disqualification period occurs when a client is found guilty of fraud or when the client fails to repay a child care overpayment within the established timeframes. Foster Care and Protective Service categories are exempt from any child care disqualification. After a client has been disqualified, the client will not be allowed to participate in the Child Care Assistance Program or have the client's name placed on the waiting list for the duration of the disqualification period. The penalties will be imposed as follows:

1. Six (6) months for the first offense, but not to be reinstated until all monies are repaid.
2. Twelve (12) months for the second offense, but not to be reinstated until all monies are repaid.
3. Permanently disqualified for the third offense.

If a client's case closes for failure to cooperate or failure to provide information to the fraud unit or investigator then services will not be allowed until that information is provided by client.

B. Provider Disqualification: A disqualification period occurs when a child care provider is the subject of a final determination of fraud, fraudulent misrepresentation and intentional program violations. A disqualification period will also occur when a child care provider is the subject of a final determination of any violation of contractual requirements of DHS Policy. The disqualification shall follow the owner/operator and related parties as defined in DHS Policy 1088, and any business relocation will not relieve the original child care facility of responsibility. Disqualification periods will be in accordance with DHS Policy 1088.

## **APPENDIX–DEFINITIONS**

**Alien** – Any person not a citizen or national of the United States.

**Applicant** – The person making application to the Child Care Assistance Program on behalf of a household. Also called the casehead.

**ANSWER** – The information technology system utilized by the Division of County Operations for purposes of determining eligibility and maintaining client information for the Food Stamp program and Medicaid.

**Authorized Representative** – An individual 18 years or older given express, written permission to handle any business of the applicant/recipient pertaining to a child care assistance case. The authorized representative may or may not be related to the casehead. Under no circumstances should a child care facility or an employee of a child care facility serve as an authorized representative due to possible conflict of interest.

**Casehead** – The person designated to represent a household with the Child Care Assistance Program. This person must complete the Application for Assistance, be at least eighteen (18) years of age or an emancipated minor, and must have ~~full-time~~ physical custody of the child requiring child care. In this policy, casehead may also indicate parent, guardian, applicant, recipient or client.

**Case Number** – The unique identifier assigned to a casehead in the KIDCare system.

**Categorically Eligible** – When a family is eligible due to their inclusion and participation in another DHHS program, i.e.: Protective Services, TEA Cash Assistance, etc.

**Child Care Development Fund (CCDF)** – The source of funding for the Child Care Assistance Program. The CCDF is administered by the U.S. Department of Health and Human Services, Administration for Children and Families.

**Child Care Eligibility Specialist (CCES)** – The person within the Family Support Unit assigned to work cases and manage clients for a particular area of the state. This person may be an Intake Specialist (CCIS), who is responsible for initial case workups, or an Eligibility Specialist (CCES) who is responsible for all actual case management.

**Child Care Family Home (CCFH)** – A type of child care provider whereby children are cared for in a caregiver’s own family residence or in some other suitable family type residence. A CCFH must be licensed when one (1) or more persons care for six (6) or more children from more than one (1) family at the same time.

**Child Care System Participant Agreement (Form DHHS-9800)** – The contract between a child care provider and the Department of Health and Human Services for the purposes of providing child care services and billing for said services. All agreements expire at the same time bi-annually, and providers must complete new agreements at that time, regardless of when they signed the original DHHS-9800.

**Child Support** – Payments made by an absent parent to the custodial parent to assist in the health, education and welfare of a child.

**Co-Pay** – The amount of the daily child care fee owed to a child care provider by the casehead. This fee is based on a sliding scale chart and is determined by household size and income. Also called parent fee or customer fee.

**De-obligation** – The action taken on an authorization or specific dates within an authorization to remove a provider’s ability to bill for that time period without deleting the entire authorization and can be re-obligated if circumstances warrant. Days in which a client is ineligible to receive services within an authorization period must be de-obligated by the caseworker.

**Disqualification** – The action taken against a client or provider found guilty of fraud or failing to repay a child care overpayment. During a disqualification period, a client or provider is not allowed to participate in the child care assistance program. Clients may not be placed on the waiting list for services. The exact duration of disqualification depends on the severity and frequency of the infraction.

**Division of Children and Family Services (DCFS)** – The division within the Department of Health and Human Services responsible for adoptions, child protective services and foster care services.

**End-Date** -- The action taken on specific dates within an authorization to permanently remove a provider’s ability to bill for that time period.

**Emancipated Minor** – An individual under the age of eighteen (18) who is considered an adult for purposes of the Child Care Assistance Program by meeting certain conditions. These conditions are outlined in Policy Section 3.3.1.

**Facility Number** – A number assigned by the Licensing Unit of the Division of Child Care to identify a licensed or registered child care facility.

**Family Support Unit (FSU)** – The unit within the Division of Child Care and Early Childhood Education responsible for administering the Child Care Assistance Program.

**Foster Care** – When, due to issues of safety or neglect, children have been removed from their home and have been placed with foster care parents. Foster care homes are closely monitored by DCFS.

**Fraud** – An attempt by a client or provider to receive services or payments to which the client or provider is not entitled by willfully making a false statement, misrepresentation, or impersonation. Erroneous payments of \$500 or more shall be referred to the Office of Chief Counsel for fraud investigation.

**In-Home Child Care Provider** – An individual selected by the family to provide child care to five or fewer children in the child’s own home. The In-Home registration is not valid for child care provided outside of the child’s own home.



**Intentional Program Violation (IPV)** – A violation that occurs as a result of the client or child care provider intentionally misrepresenting or withholding information, producing an erroneous payment of \$500 or more.

**Internal Review** – The process within DCC-ECE by which a casehead may register a complaint and ask for a reconsideration of an adverse action taken on a case or application. This entire process is outlined in Policy Section 1.6.

**KIDCare** – The information technology system developed by Northrup Grumman to manage all case data generated by the Child Care Assistance Program. Family Support Staff shall utilize this tool for case initiation and ongoing case management.

**North American Free Trade Agreement (NAFTA)** – A pact signed by the United States, Canada and Mexico that calls for the gradual removal of tariffs and other trade barriers on most goods produced and sold in North America. NAFTA became effective in Canada, Mexico, and the United States on January 1, 1994.

**Office of Chief Counsel (OCC)** – The office within the Department of Health and Human Services responsible for managing all legal matters on behalf of DHHS. OCC is responsible for investigating all allegations of fraud within the Child Care Assistance Program.

**Office of Child Support Enforcement (OCSE)** - The state agency within the Department of Finance and Administration responsible for the delivery of child support services under Title IV-D of the Social Security Act. OCSE will locate non-custodial parents and putative fathers in and out of the State, arrange DNA testing and appear in court hearings to obtain paternity judgments and court orders, monitor cases to identify nonpayment by the non-custodial parent and take administrative enforcement actions.

**Overpayment** – A payment made on behalf of a client to a child care provider that the client or provider was ineligible to receive.

**Overpayment Processing Unit (OPU)** – The work unit within the Department of Health and Human Services responsible for processing overpayment claims. The OPU determines the feasibility of repayment and sends correspondence to clients and providers regarding repayment of monies owed to DHHS due to overpayment or fraud.

**Permanent Resident** – Any person not a citizen of the United States who is residing in the U.S. under legally recognized and lawfully recorded permanent residence as an immigrant.

**Protective Services** – A DCFS term designating the degree of DCFS involvement in overseeing the well being and safety of a child.

**Provider** – An individual or group of individual(s) who operate a business for the purpose of supplying child care services. The procedures for becoming a licensed child care provider in the State of Arkansas can be obtained from the DCC-ECE Licensing Unit. Regulations concerning providers

participating in the Child Care Assistance Program are found in Policy Section 2 and the Form DHHS-9800.

**Recipient** – The person receiving assistance for child care services on behalf of a household. Also called the client or customer.

**Re-Evaluation** – The process by which a client who has been receiving child care services will be assessed by the caseworker to determine eligibility. Normal re-evaluations occur on a case every six (6) months.

**Relative Child Care Family Home (Relative Provider)** – A situation in which five or fewer children are cared for by a relative. The relationship must be that of a grandparent, great-grandparent, aunt, uncle, or sibling residing out of the home.

**Service Authorization** – A certificate issued by the Eligibility Specialist to a child care provider giving permission for this provider to submit bills to DHHS for child care rendered to the children listed on the authorization. In addition to the names of the client and eligible child, a valid service authorization will include the start and ending dates of service, the level of service authorized, the name of the facility providing the service and the name of the caseworker.

**Shall** – A mandatory standard

**Special Needs** – The classification given a child who requires child care because of a condition documented by a physician, a licensed psychologist or a court order.

**Supportive Services** – A DCFS term designating the degree of DCFS involvement in overseeing the well being and safety of a child. In order to open a Supportive Services case, the parent(s) MUST request the case be opened by DCFS. Rationale behind this type of case is to keep the family unit together while at the same time monitoring and assisting the household, monetarily, physically and emotionally.

**Taxpayer Identification Number (TIN)** – A number assigned by the Internal Revenue Service to an individual or business for tax purposes. This number is used by the Family Support Unit to identify providers through the billing and payment process.

**Transitional Employment Assistance (TEA)** – A program administered by the Division of County Operations which provides cash assistance to families with non-SSI-children under the age of 18. Supportive services, such as child care and transportation, are also provided to families who are subject to work participation activities.