



DELAWARE HEALTH AND SOCIAL SERVICES
DIVISION OF SOCIAL SERVICES

Purchase of Care Handbook



POC



Welcome to the Purchase of Care Handbook!

This handbook was created as a reference tool to help you understand your role as a contracted childcare subsidy provider. It contains important information about compliance with your contract, required record keeping, reimbursement for services, client eligibility, where and how to get assistance, etc.

You can easily navigate to any part of the handbook by clicking on the appropriate section tab on the left of the screen. In addition, links are available throughout the handbook to take you to different webpages, or Division of Social Services (DSS) forms and appendices. You should thoroughly explore the contents of this handbook and use it as a continuing resource.

PLEASE REMEMBER:

By signing a provider contract, you acknowledge that you will abide by the terms of the contract and all provisions outlined in this handbook.

If you have any questions about the information contained in this handbook, don't hesitate to email the Purchase of Care (POC) Resource mailbox at POCResource@delaware.gov or you may call the POC Unit at 302-255-9670.

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Section A

Your Contract with Division of Social Services (DSS)

Contract vs. License

State law requires a child care license if you want to provide care to children in Delaware. In addition, if you want to receive payments from DSS for children who receive child care subsidy benefits, you must also have a contract.

Legally, having a contract with DSS is a privilege, not a right. Those who do not live up to its terms can lose their contract with DSS. Those who lose their contract with DSS—but retain their license—can still provide child care but will no longer be paid by DSS.

Purchase of Care Contract (POC)

The Child Care Subsidy program for the state of Delaware is referred to as Purchase of Care (POC). The POC Child Care Provider is considered a “Contractor” and recognizes that they are operating as an independent contractor. Independent contractors are not an employee of the State.

Providers will need to become licensed through the Office of Child Care Licensing (OCCL) before they can contract with the State of Delaware to serve families who receive Purchase of Care.

Providers will need to complete a State of Delaware Purchase of Care Contract and Overview. The provider will need to register for Provider Self Service (PSS) to be able to enter attendance for the children in their care. PSS also allows the provider to enter their rates for service and update holidays. **See Access to PSS.**

Providers are required to attend the Purchase of Care orientation prior to serving families. During orientation, a Child Care Monitor will share expectations, policies and procedures for contracting with the state and caring for children who receive Purchase of Care.

Providers are required to alert the Purchase of Care Unit within 7 business days when there is a change in administration. Anyone responsible for entering attendance **must** attend the Purchase of Care orientation.

Terms of the Contract

Once your signed contract is received by the Purchase of Care (POC) Unit, you will be scheduled for orientation. You will not be reimbursed by Purchase of Care until orientation has been completed. Please read your contract carefully and keep it in an accessible place for easy reference. It contains information about what is expected of you as a contracted provider.

By signing the contract, you agree to abide by all of its terms. Contracts are effective the date DSS receives it in the office.

If you begin caring for children eligible for subsidy payments before the contract is received, you will NOT be reimbursed for that care.

You also agree to never charge a different rate for the same type of care or violate anyone's civil rights. You must also maintain a drug-free environment and allow DSS and parents unlimited access to your child care facility during normal business hours. In addition, you should never have a client sign an agreement or contract with you that conflicts with the Child Care Provider Contract.

The contract is automatically renewed each year at the sole discretion of DSS. DSS may require you to sign a new contract in order to renew your contract. This usually occurs when the contract has been changed or updated.

In addition to the contract, you will be required to complete a Program Overview, which reflects program changes and fees for service. All changes must be updated in Provider Self Service (PSS). The program overview must be updated annually by the Contractor.

DSS may cancel your contract for documented unsatisfactory performance at any time by notifying you of the decision in writing giving 5 calendar days' notice. DSS may terminate your contract with 15 days written notice for reduction and/or loss of funding. Likewise, if you no longer wish to contract with DSS, you must notify the DSS Child Care Subsidy program, also known as Purchase of Care in writing at least 30 days prior to the date you want the contract to end.

If your license is denied, revoked or terminated by the Office of Child Care Licensing (OCCL), your contract to receive subsidy payments will be cancelled at the same time. Your contract will be ended with Purchase of Care, and your PSS access will be disabled. You will receive written notice of the contract cancellation by mail. You should never provide care or request payment after the date your licensure ends.

Access to PSS

<https://childcare.dhss.delaware.gov>

Click on "get started" button and complete the manage access page and submit for portal. Anyone that needs access should complete separate requests for ALL sites you need access to on the one page, if multiple sites are under the same EIN

Changes

You must notify DSS Child Care Subsidy at least 30 days before you plan to:

- **Change your business entity (to or from a sole proprietor, corporation, LLC, or partnership),**
- **Change EIN numbers**
- **Change your facility status (center to home or home to center),**
- **Sell your facility (change of ownership),**
- **Close your facility,**

- **Change your business location, or**
- **Change of contract signor or responsible person to obligate the business.**

Changes in business entity, facility status, or ownership are considered coordinated changes and require a new license, notification of Delaware Stars, if applicable, a new contract and a new Program Overview. You must contact the Office of Child Care Licensing (OCCL) to apply for a new license. You must contact the Purchase of Care Unit to advise of the change. You must provide Purchase of Care with your new license. For these types of coordinated changes, the Purchase of Care system must be updated timely to prevent payment delays. It is important for you to notify the Purchase of Care Unit as soon as possible to coordinate this effort.

IMPORTANT: The Purchase of Care contract terminates immediately when the Office of Child Care Licensing suspends or terminates a provider, a facility is sold, or the owner dies. The new owner is responsible for getting a new license from the Office of Child Care Licensing and completing a new contract with Purchase of Care, as well as a Program Overview, if interested in receiving subsidy payments.

Location of Care

If you own more than one child care facility, you must have a separate contract and Program Overview for **each** location. **If a child receives care at more than one of your locations, the local DSS office must authorize care for that child at each location.** However, care can only be approved at one location per day. **You are NOT authorized to move children from one location to another without prior written approval from the Purchase of Care Unit.**

Approval may be given when there is a time-limited, legitimate business reason for providing care at another location owned by you. An example of this would be damage to a facility due to a storm or other natural disaster. Both locations must be licensed and have separate contracts. Clients must be notified in writing that their children will be cared for at the other location. The Purchase of Care Unit must be notified to ensure proper payment.

Record Retention and Availability

Contractors must agree to keep accurate business records and ensure that attendance information and payments made by DSS to your facility are accurate. Contractors shall retain this information for three (3) years from the date services were rendered.

Records to Retain

- **Summary of Attendance**
- **Sign In/Out Sheets**
- **POC+ documents (POC Plus Worksheet, Addendum, etc.)**

You must agree to make the physical facility and all records available and accessible to any DSS auditors, investigators or other representatives of DSS at any time, with or without notice, for DSS' use in inspecting, monitoring, evaluating, and auditing for compliance with the terms of this contract. The Division shall have access to such books, records, documents, and other evidence for

the purpose of inspection, auditing, and copying. Contractor will provide facilities for such access and inspection.

Allowable Fees and Rates

When you agree to accept a child approved for a subsidized child care payment, you are agreeing to accept the DSS rate for providing care. You are also responsible for collecting any assigned family share co-payments.

As a contracted provider, you **CANNOT**:

- Charge families for any additional co-payment;
- Charge a registration fee;
- Charge for key FOBs;
- Charge for credit card transactions;
- Charge clients any additional rates for hours of care covered by the child's authorization;
- Charge clients or DSS for hours before the child normally needs care if this is a requirement of your facility because of your curriculum or mealtime;
- Charge a place-holding fee when the child is absent for any reason including vacation, illness, school break, etc.; or
- Charge any other fees for care not given such as late payment fees.

***Note:** This list is not an exhaustive list. Fees not listed above must be approved by DSS before the provider can charge the family.

The following are **allowable fees** for Purchase of Care families:

- Field trips;
- Returned check fee;
- Late pick up fee (once approved authorization hours have been exhausted).

Purchase of Care Plus (POC Plus)

Providers may charge the difference between the DSS reimbursement rate and the providers private fee for services which is known as POC Plus. In order to charge POC Plus fees, a provider must:

- Attend a POC Plus orientation and become a DSS approved POC Plus Provider
- Display the POC Plus certificate;
- Inform families of regular POC slots as they become available;
- Review the POC Plus contract with families;
- Complete a budget with families that agree to pay POC Plus fees; and
- Maintain copies of executed POC Plus contracts signed by families and the provider.

Non-Discrimination

You have the right to refuse to accept a child in your facility as long as your refusal is not based on a discriminatory reason.

- **Acceptable reasons to refuse service include:**
 - Your facility is full;
 - You are not open the hours care is needed;
 - You only accept a certain number of children receiving a subsidy, etc.
- **Discriminatory reasons which are not acceptable include:**
 - Refusing to serve someone because of his or her race, sex, color, national origin, religion or disability.

You **cannot** charge a client more money for the care of a child with disabilities than you charge a typical child of the same age simply because of his or her disability. You must be willing to make reasonable accommodations for a child with disabilities. However, you may be able to receive a Special Needs Rate which is additional compensation from DSS.

Termination of POC Services

Providers may terminate a child(ren) giving 5 calendar days' notice for the following reasons:

1. The parent/caretaker frequently abuses/disregards operating policy of the facility (hours, etc.).
2. The parent/caretaker fails to pay the established fee or is frequently late with payment.

The notice **MUST** be in writing and a copy sent to the POC resource mailbox @ POCResource@delaware.gov.

Providers may terminate without notice in the following situations:

1. The provider feels threatened by the parent/guardian.
2. The child presents a threat to other children in the program.

*A parent or caretaker who wants to change childcare providers must give a five-day notice to their current childcare provider prior to withdrawing the child from the child care site. See policy [11004.9.3](#)

Maintaining your Contract in Good Standing

To maintain your contract in good standing, you should NEVER do any of the following offenses:

- Be a parent or caretaker for a child attending your facility;
- Have a suspended, closed, or terminated the Office of Child Care Licensing license;
- Commit fraud against DSS by entering attendance information for a day or time the child was not in your care;
- Charge fees not allowed by DSS;

- Fail to reimburse unallowable childcare fees, or have repeated offenses in this area;
- Charge Purchase of Care Plus fees when you are not a DSS authorized Purchase of Care Plus provider;
- Falsify Purchase of Care documents;
- Fail to maintain a drug-free workplace.

These offenses are considered intentional program violations and a breach of your contract with DSS. These offenses may lead to cancellation of your contract.

Terminating Providers and Self-Arranged Clients

This policy applies to Purchase of Care (POC) providers and clients who have self-arranged child care.

1. DSS may terminate a provider from the POC program if the provider:
 - A. Has a suspended, closed, or terminated Office of Child Care Licensing (OCCL) license;
 - B. Commits fraud against DHSS;
 - C. Charges fees not allowed by DSS, has failed to reimburse unallowable child care fees, or has repeated offenses in this area;
 - D. Charges POC Plus fees when the provider is not a DSS authorized POC Plus provider;
 - E. Does not keep accurate records per the DSS POC contract, has been counseled and has failed to meet the requirements of a corrective action plan agreed upon with the POC program, or has repeated offenses in this area; or
 - F. Does not keep an open bank account to receive direct deposit payments from the POC program.
2. In addition to the conditions listed in section 1, DSS may terminate a relative care provider from the POC program if the relative care provider:
 - A. Does not complete 28 hours of mandatory health and safety training within 12 months of becoming a relative care provider, or the training requirements as outlined in the initial POC orientation session; or
 - B. Has an unsuitable criminal history, or a member of the provider's household has an unsuitable criminal history. DSS uses the OCCL's guidelines and Title 11, Chapter 85 of the Delaware Code to determine unsuitable criminal history.
3. DSS may terminate a parent or caretaker who has self-arranged child care from the POC program if the parent or caretaker:
 - A. Submits fraudulent attendance records to DSS;
 - B. Does not keep an open bank account to receive direct deposit payments from the POC program as required to participate in self-arranged child care; or
 - C. Does not attend the mandatory orientation to become a self-arranged client.

Section B

Taking Care of Business

Keeping Records

By any definition, including that of such government entities as the Delaware Division of Health and Social Services (DHSS), the Internal Revenue Service (IRS), and the Delaware Tax Commission (DTC) also known as Delaware Division of Revenue DOR), child care is a business like any other. As a result, all of your billing records, documentation, and DSS records should be kept in an organized, easily accessible, business-like manner. You must maintain accurate business records in order to be paid correctly. Failure to keep accurate records is also a breach of contract and may result in termination of your contract with DSS.

Legal Authority

The Delaware Child Care Subsidy Program operates under authority of both State and federal laws and regulations. The State grants authority under Title 31 of the Delaware Code. Federal authority is granted through Title XX of the Social Security Act, and Work Requirements under Section 273.7, Title 7, Chapter II of the Revised Code of Federal Regulations, and the Child Care and Development Block Grant as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

State Law

The State Law governing the Child Care Subsidy Program is Title 31, Part I, Chapter 3, Subchapter VII, Delaware Code - Section 391. Intent and Purpose. The intent and purposes of this subchapter of the State Law are to:

- Provide child day care facilities available within this state so as to provide safe, adequate, economical care for children whose parents, guardians, or custodians are employed or are seeking employment or are enrolled in training or education courses or where this service would contribute to the resolution of family problems;
- Secure by decentralized neighborhood management the highest attainable degree of assurance that each child day care center will properly and economically meet the needs of those children who can make the best use of that service within their neighborhood under supervision of the Division of Social Services consistent with the objectives in view.

Federal Law/Regulation

In addition to the State Law noted above, Delaware's Child Care Subsidy Program operates under the authority of several rules, including:

- Providing child care to families receiving TANF benefits who must participate in Delaware's TANF Employment and Training activities or to persons who work and receive TANF (Categories 11 and 12).

- [Title 7, Chapter II of the Code of Federal Regulations, Part 273.7](#) "The State agency will reimburse the cost of dependent care it determines to be necessary for the participation of a household member in the E&T program up to the actual cost of dependent care, or the applicable payment rate for child care, whichever is lowest. The payment rates for child care are established in accordance with the Child Care and Development Block Grant provisions of [45 CFR 98.45](#) and are based on local market rate surveys. The State agency will provide a dependent care reimbursement to an E&T participant for all dependents requiring care unless otherwise prohibited by this section." Such child care is provided as part of the State's Food Stamp Employment and Training Program previously known as First Step - Food Benefits (Category 21).
- The Child Care and Development Block Grant (part of Categories 31 and 41) as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

The purpose of the CCDF as stated in Rule 98.1 of the CFR is, "to increase the availability, affordability, and quality of child care services." The goals of the grant are:

(a) The purposes of the CCDF are:

(1) To allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within that State;

(2) To promote parental choice to empower working parents to make their own decisions regarding the child care services that best suits their family's needs;

(3) To encourage States to provide consumer education information to help parents make informed choices about child care services and to promote involvement by parents and family members in the development of their children in child care settings;

(4) To assist States in delivering high-quality, coordinated early childhood care and education services to maximize parents' options and support parents trying to achieve independence from public assistance;

(5) To assist States in improving the overall quality of child care services and programs by implementing the health, safety, licensing, training, and oversight standards established in this subchapter and in State law (including State regulations);

(6) To improve child care and development of participating children; and

(7) To increase the number and percentage of low-income children in high-quality child care settings.

(b) The purpose of this part is to provide the basis for administration of the Fund. These regulations provide that State, Territorial, and Tribal Lead Agencies:

- (1) Maximize parental choice of safe, healthy and nurturing child care settings through the use of certificates and through grants and contracts, and by providing parents with information about child care programs;
- (2) Include in their programs a broad range of child care providers, including center-based care, family child-care, in-home care, care provided by relatives and sectarian child care providers;
- (3) Improve the quality and supply of child care and before- and after-school care services that meet applicable requirements and promote healthy child development and learning and family economic stability;
- (4) Coordinate planning and delivery of services at all levels, including Federal, State, Tribal, and local;
- (5) Design flexible programs that provide for the changing needs of recipient families and engage families in their children's development and learning;
- (6) Administer the CCDF responsibly to ensure that statutory requirements are met and that adequate information regarding the use of public funds is provided;
- (7) Design programs that provide uninterrupted service to families and providers, to the extent allowed under the statute, to support parental education, training, and employment and continuity of care that minimizes disruptions to children's learning and development;
- (8) Provide a progression of training and professional development opportunities for caregivers, teachers, and directors to increase their effectiveness in supporting children's development and learning and strengthen and retain (including through financial incentives and compensation improvements) the child care workforce.

Title XX of the Social Security Act and the Omnibus Budget Reconciliation Act of 1981 establishes child care under the Social Services Block Grant (part of Categories 31 and 41).

The purpose of child care services provided under SSBG is to provide support to families with young children for parents to work, obtain training, or receive an education. The program also allows child care to meet the special needs of the child or for the child's protection in cases of abuse and/or neglect.

Important Tax Information

Each January, DSS will send a copy of Form 1099 (when required by law) to the IRS and to the provider.

It is very important that DSS has your business's current and correct name and Tax Identification Number (TIN). Your TIN is your Social Security Number (SSN) or Employer Identification Number (EIN). **Any updates to your TIN should be immediately reported to the Purchase of Care Unit.**

You must provide your taxpayer identification number to each parent or guardian so that they may claim Child and Dependent Care Credit on their tax returns. You can use the Internal Revenue Service (IRS) *Form W-10, Dependent Care Provider's Identification and Certification*, to supply this information to your parents.

Form W-10 states that if you, as the provider, fail to give your taxpayer identification number to your parents, you can be subject to a penalty of \$50 for each failure unless the failure is due to reasonable cause and not willful neglect. This form is available on the IRS web site at www.irs.gov.

Whether you use this form or not, Information that you need to provide to each parent or guardian includes:

- Your name;
- Your address; and
- Your taxpayer identification number (TIN).

Earned Income Tax Credit, Child Tax Credit, Child and Dependent Care Credit

You, your employees and the families you serve may be eligible for a tax refund or a tax credit. You may be able to lower your taxes or increase your tax refund by claiming the Earned Income Tax Credit, the Child Tax Credit and the Child or Dependent Care Credit.

The **Earned Income Tax Credit (EITC)** is designed to provide a wage supplement for low-income working families. For families who owe federal income tax it can reduce or eliminate the tax they owe, and they may even get a refund. In general, families with lower income and larger family sizes receive a larger credit.

The **Child Tax Credit (CTC)** is a federal tax benefit for each dependent child under 17. Even families that earned too little to owe income tax can get the credit. This credit is in addition to any Earned Income Tax Credit for which the family qualifies.

The **Child and Dependent Care Credit** is a tax benefit that helps families pay for child care in order to work. Working families of all income levels are eligible for the Child and Dependent Care Credit. The higher the family's child care expenses and the lower the amount of income, the larger the family's credit. Families may qualify for the Child and Dependent Care Credit if they have child care expenses for any children under age 13 who live with them who they claim as dependents. DHSS clients who pay co-payments should claim this credit.

We encourage you to post the tax credit flyers that will be made available to you each year by DHSS in your child care facility. For more information about how you can receive the tax credits or to find out how you can get your tax forms filled out for free, call 1-800-829-1040. You can also visit the IRS web site on the Internet at www.irs.gov where you can get tax information and download tax forms.

Section C

Understanding the Goal, Purpose of Child Care and Client Eligibility

Goals

The goal of the Child Care Subsidy Program is to supplement the care and protection that children receive from their parents. This supplemental care is necessary when parents/caretakers must be apart from their children during a portion of a 24-hour day because:

- The children's parents/caretakers work;
- The children's parents/caretakers must participate in a DSS Employment and Training program and attend school or participate in a training program which leads to employment;
- The children or parents have a special need requiring either one of them to be out of the home; or
- The children need to be protected from neglect and/or abuse.

Child care provided under these circumstances enables families:

- To achieve and maintain independence;
- To provide care, protection, health, supervision, social experience and learning opportunities which are essential to a child's growth and development; and
- To maintain the bonds of family unity.

Purpose

The Child Care Subsidy program helps low-income families afford the cost of quality child care while the parent(s) or caretaker(s) works, and/or completes their education or training activities. Subsidized child care may also be provided to help prevent neglect, abuse or exploitation of children. With the reauthorization of the Child Care and Development Block Grant (CCDBG), the primary funding source for the Child Care Subsidy program, states are required to focus on the goal of healthy child development and school readiness in addition to helping families become self-supporting. To accomplish this, DHSS has revised policy so that most families are approved for 12-month periods which allows for continuity of care and stability of child care placement.

Eligibility is based on the financial and situational needs of the applicant for service and in accordance with DHSS established priorities for service.

Steps that must be taken **before** a Child Care Subsidy payment can be made:

The parent, guardian, or caretaker applies for child care benefits by contacting the local county DSS office or applying online at <https://assist.dhss.delaware.gov>.

Interviews and Necessary Documents

Before a decision can be made, the person must:

Complete an interview either over the phone or in person. Parents will need to supply the following verifications:

1. If employed, earned income may be verified by:
 - Pay stubs for the 30 days before the date of application, or
 - A letter or employer statement (on company letterhead) noting the employer's name, telephone number, the parent's/caretaker's work schedule, earnings, frequency of pay, and start date,
 - Verification of Employment (Form 170); or
 - A data match confirming employment and income.

2. Any unearned income, such as child support, Social Security, and unemployment compensation may be verified by:
 - Award letter;
 - Pension statements;
 - Court order documents;
 - Other forms of documentation from sources verifying the gross unearned income amount; or
 - A data match confirming unearned income.

3. If in training and/or school:
 - a statement from the school/training program with starting and completion dates and days and hours required to attend, or
 - a copy of a registration form and class schedule;

4. Any other information which will help in determining the need for service, such as documentation of a special need. Documentation of the special need may be provided on the Special Needs Form, or any other written correspondence submitted by a physician or medical professional with the authority to do so. For a protective need, a referral from Division of Family Services must be submitted.

At intake parents/caretakers must be given any information that will help them to make an informed decision regarding their childcare services. Parents/caretakers should be provided with a list of providers, as needed. Although verifications are needed, Presumptive Child Care may be opened pending information. Presumptive Care can be authorized for approximately one month, depending on the date of application.

Conducting the Interview

The interview will include:

1. An evaluation of parents/caretakers need for child care services (see [Section 11003](#));
2. A determination of financial eligibility as needed;

3. An assessment of the family's child care needs as well as the needs of the child(ren) to be placed in care;
4. An explanation of the available types of child care; the choices parents/caretakers have regarding these provider types; the various provider requirements regarding licensure, possible co-pays, health, and safety, including record of immunization; and required child abuse and criminal history checks;
5. An explanation of DSS payment rates and parent fee scale, including a discussion of how fees are assessed, where fees are to be paid, what happens if the fee is not paid, and how parents/caretakers are to keep DSS informed of changes that affect fees;
6. An explanation of parents/caretaker's rights and responsibilities;
7. Completion of the Application for Child Care Assistance, and as applicable completion of the Child Care Authorization and the Child Care Payment Agreement form; and
8. Verification of appropriate information establishing need and income.

The entire process, from the time when parents/caretakers make an informal request for child care to the time when a decision is finally made, should take no longer than one month.

Parents/caretakers who fail to keep their initial appointment for a formal interview are given the opportunity to:

- Reschedule
- Be interviewed, and sign an application;
- Provide all verification necessary to determine his or her eligibility for child care benefits (this will include providing proof of household income and the client's work, school, or training schedule); and
- Provide the name of the contracted provider he or she wishes to use.

If eligible, child care benefits will be approved beginning with the date the interview is completed **and** all necessary proof is received in the DSS office. If the applicant cannot make him or herself available for the interview, an authorized representative can be named by the client to complete the process on his or her behalf. ***Neither you, as the child care provider, nor any of your employees can be an authorized representative for parents whose children attend your facility.***

Providers will receive authorization notice for each child at first enrollment and for each change or redetermination. A computer-generated copy of the parent/caretaker authorization letter for each child in your care is available upon request from DSS. In the case of a computer problem or last-minute authorization, the provider may instead receive a handwritten authorization form (Subsidized Child Care Client Agreement- Form 626) from the DSS worker as proof of the child's authorization for child care services.

Authorizations for service will show:

- The child's name and ID number.
- The service start and end date.
- The number of service days per week.
- The length of the service day (part day, full day, etc.)

- Any co-pay the parent must pay.

The child care provider must verify information regarding child care authorizations through the Provider Self Service portal (PSS). DSS will only pay for those services stated on the form. If a provider feels the service information is not accurate, the parent/caretaker must contact DSS to have the information adjusted.

DSS cannot guarantee payments for services provided without a valid authorization in place. All children being cared for must have a valid authorization or form 626 to support their start date.

Payment cannot be made after the expiration date unless a new DSS authorization has been issued. Providers cannot assume that parents/caretakers with expired authorizations will continue to be eligible for services.

Eligibility determination

DSS provides child care services to eligible Delaware families with children who need child care.

1. Eligibility Criteria for Children

- A. To be determined eligible for child care services, children must be:
 - Under 13 years of age or 13 through 18 years of age and physically or mentally incapable of self-care as determined by a medical professional, and
 - U.S. citizens or qualified aliens or non-U.S. citizens referred through the Division of Family Services.
- B. Children are also eligible for child care services if they are:
 - In need of protective services,
 - Homeless, or
 - In foster care or awaiting foster care placement.

2. Eligibility Criteria for Parents and Caretakers

- A. To be determined eligible for child care services, parents and caretakers must meet at least one of the following requirements:
 - Participate in a TANF or Food Benefit Employment and Training program;
 - Receive wages from employment;
 - Attend approved job training or educational programs;
 - Receive protective services from the Division of Family Services;
 - Report a special need.

It is the responsibility of applicants to provide all information necessary to make an eligibility determination. Necessary verification includes proof of the need for child care, for example a work or school schedule, proof of all household income for at least the last 30 days and the name

of the child care provider the family intends to use. The request may be denied if all necessary verification isn't provided.

Child care benefits are usually approved for the following reasons: employment, school, training, TANF work activity hours, or for sleep time. The parent or caretaker can qualify for sleep time during the day after working night hours when a feasible alternative is used at no cost to DSS during the night working hours. In some instances, child care is also approved because children are deemed at risk of neglect, abuse or exploitation. Once approved, subsidized child care may be continued until the end of the current eligibility period when a parent loses a job or stops attending a training or education program. **Childcare is never approved for transportation purposes only.**

Processing Applications for Child Care

This policy applies to parents and caretakers who submit an application for child care assistance.

1. DSS will provide child care assistance for eligible children when a parent or caretaker:
 - Participates in a TANF or Food Benefit Employment and Training (E&T) program;
 - Participates in the TANF Transitional Work Program (TWP);
 - Attends a DSS approved educational program or job training program;
 - Is employed or accepts an offer of employment;
 - Receives protective services from the Division of Family Services (DFS); or
 - Verifies a special need.
2. A parent or caretaker may apply for child care:
 - In person at any DSS location;
 - Over the phone with a DSS case worker;
 - By mailing, faxing, or emailing a completed application to the local DSS office; or
 - Online through Delaware ASSIST or other online application methods.
3. DSS will interview the applicant and process the signed child care application within two business days. The application filing date will be the effective start date for assistance.
4. A parent or caretaker must verify household income and the need for child care during the application process.
 - A parent or caretaker must verify the last 30 days of earned and unearned income received prior to the date of application for DSS to determine financial eligibility.
 - i. Earned income may be verified by:
 - a. Wage stubs;

- b. A signed employer statement on employer letterhead noting the employee's name, start date, work schedule, earnings, and frequency of pay;
 - c. Verification of Employment (Form 170); or
 - d. A data match confirming employment and income.
 - ii. Unearned income may be verified by:
 - a. Award letters;
 - b. Pension statements;
 - c. Court order documentation;
 - d. Other forms of documentation from sources verifying the gross unearned income amount; or
 - e. A data match confirming unearned income.
 - A parent or caretaker must verify their need for child care by providing:
 - iii. Wage verification or an offer of employment that includes the amount of work hours;
 - iv. A schedule, proof of registration, or statement from an authorized education program verifying the start date, days and hours of attendance, and expected completion date;
 - v. A schedule, proof of registration, or statement from an authorized training program verifying the start date, days and hours of attendance, and expected completion date;
 - vi. A DFS referral for protective care; or
 - vii. Child Care Medical Certification Form (Form 611) or written documentation completed by a physician or medical professional that verifies a special need and the required care.
 - Presumptive child care may open when a parent or caretaker reports income and a need for child care but has not provided all mandatory verifications in accordance with DSSM 11004.8.
5. A parent or caretaker must provide all mandatory verifications, complete an intake interview, and make a provider selection within 30 days from the application date for child care to become effective on the application filing date.
- If information is returned after 30 days of the application date, but before 60 days, child care will begin on the date verifications are received.
 - If information is not returned before 60 days from the application date, the parent or caretaker must reapply for child care.
6. DSS must inform parents and caretakers of their:
- Eligibility determination;
 - Monthly parent copayment amount; and

- Rights and responsibilities for the Child Care Subsidy Program.
7. DSS must give parents and caretakers a Subsidized Child Care Client Agreement (Form 626) when child care approval cannot be generated from the eligibility system.

If the family is determined eligible, the worker enters the child care authorization data in the DSS computer system. Entering this data into the system triggers notifications to the family. The child care provider verifies eligibility in the DSS Provider Self Service (PSS).

Choice of provider

Finding quality childcare is an important responsibility and there are many factors to consider including the price, availability, location, and quality of care. This consumer statement provides families with information to help them with their choice.

The Office of Child Care Licensing

The Office of Child Care Licensing (OCCL) ensures that children attending childcare programs in Delaware are in a safe and healthy environment and are provided with care, supervision and developmentally appropriate activities that meet each child's physical and emotional needs. The OCCL licenses family child care homes, large family child care home, early care and education and school-aged centers, residential child care facilities, day treatment programs, child placing agencies, youth camps that receive POC funding and transitional living programs.

Monitoring of Child Care Providers

All licensed programs are required to meet specific health and safety training requirements and must be inspected annually. This now includes providers who were previously exempt, if they wish to continue to serve families receiving Purchase of Care (POC).

Inspection Reports

The Office of Child Care Licensing (OCCL) provides inspection reports for each on-site visit to a child care program. This report outlines any health and safety violations noted and corrective action that must be taken by the provider.

Quality Rating

Delaware has a voluntary Quality and Improvement System (QIS) called Delaware Stars for Early Success, which is available to all licensed and accredited childcare programs. The system facilitates a continuous quality improvement process and produces a program profile. Families can use this information to inform their choices when researching childcare options.

How to Report a Concern About a Child Care Provider

The Office of Child Care Licensing (OCCL) investigates complaints about possible violations of licensing regulations by childcare facilities. Complaints about possible child abuse or neglect at a childcare facility should be reported to the Child Abuse Report Line 24/7 at 800-292-9582.

Childcare Resource and Referral Services

Children & Families First (CFF), a non-profit agency, provides AccessCare, a statewide child care resource and referral program. AccessCare will help you discover childcare options in your area including family childcare homes, childcare centers, pre-school programs, school age programs and summer camps. You can conduct a search online or call 800-734-2388 to speak with a childcare specialist.

Services for Children and Families

The Department of Health and Social Services (DHSS) assists individuals and families with locating and receiving various resources and services including temporary shelter, financial assistance, childcare, developmental screenings, nutrition, medical, and community services.

Child Care Certificates

As part of the application process, the Division of Social Services (DSS) informs all parents/caretakers of their right to choose a child care provider. Parents/caretakers may elect to use a provider under contract with DSS or elect to receive a child care certificate for self-arranged or relative care. The child care certificate allows parents/caretakers to select a relative care or licensed self-arranged provider. The child care certificate is part of a package of information provided to parents/caretakers as part of the formal application process. It is necessary to not only provide parents/caretakers with a copy of this package but explain the purpose of this package and ensure that parents/caretakers reasonably understand its contents.

Explanation of Certificates

Use the following as a guide to explain the child care certificate package.

1. Parents/caretakers can use this package to select a child care provider of their choice. However, they must select care that is legal. Legal care is care that is licensed.
2. Licensed Care: All family child care homes, large family child care homes and child care centers must have a license to operate in Delaware. Do not allow a parent to select an unlicensed family or large family child care home, or center child care provider.
3. License-exempt Care: The following provider types are exempt from licensing requirements in Delaware:
 1. Relative Care
 - Relatives who provide care in their home or the child's home.

Though the above provider type is exempt from licensing requirements, they are still required to meet certain health and safety standards. These standards include:

- A. Maintenance of children's immunization record,
- B. Maintenance of a safe and clean environment,

- C. Submission of fingerprint background checks for providers and those 18 and older living in the home.

Once parents/caretakers know the appropriate provider to select, they also need to know how DSS will pay for the care provided. DSS has established rates above which it will not pay.

For current POC rates, please log on @ [DSS Services: Child Care - Delaware Health and Social Services - State of Delaware](#)

If the provider contracted purchase of care slots are full, the provider may offer the parent/caretaker the option of receiving service as a purchase of care plus client. The provider then receives the regular DSS subsidy from the Division, the DSS determined parent fee and any additional fee determined by the provider from the parent/caretaker.

If the parent is not willing to accept purchase of care plus, the parent/caretaker can self-arrange care with the individual provider if the provider accepts. The parent/caretaker will pay the provider and submit an original receipt to DSS for reimbursement. The parent/caretaker, however, will only receive reimbursement up to the DSS statewide limit.

- D. If the parent chooses a relative care as a childcare option and is eligible to do so, the provider will need to complete and return the original copy of the relative care certificate before care can be authorized. Relative care providers will also complete and return the yellow copy of the License Exempt Provider Criminal History and Child Abuse and Neglect Background Check Request for all persons 18 and older living in the home. If there are negative findings on the background check, the care will be discontinued.
- E. Service will not be delayed because of an incomplete child abuse clearance check but remind parents/caretakers that DSS will not pay for care if, after authorization, the check should reveal a history of abuse or neglect.
- F. Parents/caretakers have one month to use a certificate. If the certificate is not used within that time, it is no longer valid, and the parents/caretakers will need to obtain a new certificate if they still wish to receive service.
- G. The original copy of the childcare certificate is completed and returned by the provider. The certificate package provides instructions for completion. The provider should keep a copy.
- H. The client has 60 days from confirmation of eligibility to provide the DSS Case Manager with the name of his/her provider. If the client fails to provide this information his/her case will close.

Clients approved to receive subsidy payments are free to select any DSS-contracted child care home or center that best meets the needs of the family with certain exceptions. The client **CANNOT** choose a childcare program:

- In which he or she or his or her spouse, including the child’s parent or stepparent has an ownership interest;
- Which is the home where the child resides;
- Which is the home where the client works during the hour’s childcare is requested;
- Where the provider is receiving state or federal funds, such as Head Start, Pre-K, or public schools unless all parents are charged for the cost of care for the hour’s subsidy payment is requested and the program offers extended day services. Programs operating only during typical school or Head Start hours are not eligible;
- Where the provider cares for school age children during the regular school day when said children could be attending a public or private school during those hours.

The prover agrees to provide each Division participant a written program agreement signed by the participant and the provider. The agreement must include all provider’s fees, fee collection policy and procedure, hours of operation, termination notice of five (5) days, and days the provider is closed for holidays and vacations.

Parents/caretakers who want to change providers must give the provider 5 days’ notice prior to leaving the program. Parents/caretakers must report the change to the DHSS Change Report Center in order to move the authorization from one provider to another.

Purchase of Care Plus (POC+)

POC+ is a care option that allows providers to charge DSS clients the difference between the DSS reimbursement and the provider's private fee for service.

This option is primarily for DSS fee-paying clients. DSS chooses not to limit childcare options for any group of individuals. DSS will allow any Purchase of Care client without a parent fee the opportunity to take a POC+ slot and pay the additional fee.

POC+ is an option for all DSS clients, not a requirement. If a provider does not have a regular POC slot available, the client can choose to self-arrange, enter into a POC+ arrangement or find another provider that will take the regular DSS payment.

It is the provider's responsibility to include in their contract with the DSS client the explanation of POC+, the co-payment amount, the provider's policy on non-payment of fees, and a statement that they have explained to the client their options and that the client chooses to participate in POC+.

It is the providers responsibility to ensure clients are aware of the process of POC+. The POC+ fee is calculated by subtracting the state reimbursement rate from the provider’s private rate. This is the amount the provider would charge the client.

Example: Provider Private Fee =	\$250/wk.
State Reimbursement Rate =	<u>-\$200/wk.</u>
Amount to charge client =	\$50/wk.

In order for providers to be able to participate in the POC+ option, they must agree to take a percentage of DSS waived fee clients and attend training on POC+.

If a client is currently participating in POC+ and goes to a zero-parent fee for DSS, the client can stay POC+ or request a regular POC slot. If a regular POC slot is not available, the client can choose to remain in a POC+ slot, self-arrange, or find a provider with a regular POC slot.

Note: It is important to explain to DSS clients who receive POC and Food Stamps that if they choose to participate in POC+ they need to inform the DSS worker of the co-payment amount so that the Food Stamp case can be updated.

Section D

Rate and Child Care Types

How Rates Are Determined

The Division of Social Services uses the Delaware Local Child Care Market Rate Survey results to set the provider reimbursement rates for child care services subsidized by the State. The child care reimbursement rates are based on the providers geographical location, the ages of the children served, and the hours of care. DSS established the child care reimbursement rates to ensure that low-income families receiving child care subsidy have equal access to early education and care.

Authorization

An authorization means that a child is approved for child care services. The authorization specifies the approved amount of care a child is eligible to receive.

- DSS will enter the authorization for care after the child care case is confirmed and opened.
- DSS will send notification of the child care authorization to the parent or caretaker by a notice generated from ASSIST Worker Web or by DSS Form 626 “Subsidized Child Care Client Agreement”.
- The authorization provides the parent or caretaker the ability to receive subsidized child care services.
- The authorization gives the child care provider the authority to provide subsidized child care services.
- The authorization also informs the child care provider of:
 - The amount of care the child is authorized to receive;
 - The DSS payment amount to the provider; and
 - The parent or caretaker copayment amount to the provider.

Authorization Types

One of the factors when determining payment rate is the unit type authorized. The following are the different unit types:

Part-time (half day) = 0 – 4 hours

Full-time = 4 – 10 hours

Time and a half (day and a half) = 10 – 14 hours

Part-time with Extended Care

- Approval for school age children (age five and older) when care is needed Monday through Friday part-time for the days school is in session and full-time for school holidays and breaks. It is “extended care” for the number of full and part-time days the child should need care based on information from the Department of Education.
- The traditional school year is approved when the child attends a school with a traditional nine-month school calendar.

Determining Special Needs for Child Care

This policy applies to parents and caretakers requesting Special Needs Child Care for themselves or for their children.

1. Families requesting Special Needs Child Care must meet the Special Needs eligibility requirements.
 - A. DSS will determine a parent or caretaker to be eligible for Special Needs Child Care if:
 - i. The parent or caretaker has a condition that causes the parent or caretaker to be unable to care for his or her child for some portion of the day; and
 - ii. The parent or caretaker is financially eligible for child care assistance.
 - B. DSS will determine a child to be eligible for Special Needs Child Care if:
 - i. The child is under 19 years of age;
 - ii. The child is physically or mentally incapable of self-care; and
 - iii. The parent or caretaker has a need and is financially eligible for child care assistance.
 - C. DSS requires documentation of the special need.
 - i. The family can verify the special need by submitting:
 - DSS Form 611 “Child Care Medical Certification Form”; or
 - Written documentation completed by a physician or medical professional that details the special need and the required care.
 - D. DSS considers children who are active with and referred by the Division of Family Services (DFS) to have met the need criteria for Special Needs Child Care.
 - i. Children referred by DFS:

- Are not required to meet the financial criteria for child care assistance; and
 - May receive child care services regardless of their citizenship status.
- E. DSS considers parents and caretakers who are active with the Transitional Work Program (TWP) to have met the need criteria for Special Needs Child Care.
- i. Parents and caretakers participating with TWP:
 - Must be financially eligible for child care assistance; and
 - Are not required to submit documentation of a special need to DSS.
 - ii. TWP staff will request child care for clients who are participating with the program and will determine the amount of care needed.

Section E

Reimbursement, Copayments, POC Plus, Payment Problem

Provider Reimbursement

The Division of Social Services uses the Delaware Local Child Care Market Rate Survey results to set the provider reimbursement rates for child care services subsidized by the State. The child care reimbursement rates are based on the providers geographical location, the ages of the children served, and the hours of care. DSS established the child care reimbursement rates to ensure that low-income families receiving child care subsidy have equal access to early education and care.

Reimbursement is monthly as indicated on the DSS Provider Contract. Complete records must be retained by the provider for a period of three years, listing each child's daily attendance, accurately stating the number of authorized days present by type, and the number of absent days. These records will be monitored on a regular basis.

Payment will be made only for the number of days and type of authorization indicated on the child's authorization notice and in accordance with absent day policy. Reimbursement rates differ for each type of child care setting.

Providers will receive the Summary of Attendance (**ATTACHMENT A**) monthly listing the children enrolled in their child care. The provider will also receive a Child Care Daily Attendance form (**ATTACHMENT B**). This form is to be kept on site for 3 years.

In order to be reimbursed by the Division of Social Services, the provider must complete a W-9 online (see example below) with the Division of Accounting as well as a Direct Deposit Form.

W-9

Department of the Treasury
Internal Revenue Service

1 Name		income tax	this line; do	line blank.
2 name/disregarded				
<p>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p>				
<input type="checkbox"/>	(see instructions)	Requester's and		
Address		suite no.) See instructions.		
List account number(s) (optional)				

Taxpayer Identification Number (TIN)

Social security								
				-				
Employer identification								

Certification

sub IRS)	backu am sub)	om b a fail	withhold report all	or (b) rest o	ave not b ividends,	I Revenu me that I
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Certification Instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), or other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign

Future related

latest information, s
about development
legislation
promulgated

identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

If you are the subject of a Form W-9 to which backup withholding is applied, you must provide your correct TIN. See the instructions for Part II, later.

Paying for Absent Days and Holidays in Child Care

Provider payments for absent days and holidays during authorized child care.

1. The number of paid absent days per month for a child is the same as the number of days authorized for care in one week, up to a maximum of five days per month.
2. DSS will reimburse for absent days for an authorized child after the family's copayment has been paid and there is a remaining balance due to the provider.
3. DSS will reimburse for up to five absent days per month for an authorized child who does not have an assigned copayment.
4. DSS may reimburse for more than five absent days per month for a child who is authorized for Special Needs Child Care and is absent due to the eligible child's or the eligible parent's or caretaker's verified disability or serious health condition.

DSS will reimburse for six major holidays per year that the provider has selected. The authorized child must be attending the provider's site prior to the date of the holiday in order for the provider to receive payment for that child for that holiday. The provider can only make changes to selected holidays in the month of October. The provider will not bill for the paid holiday in PSS.

5. The Division will reimburse for each of the following standard National Holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day and Juneteenth.

**The Division will allow a Contractor to substitute one (1) or more, of the standard holidays as a paid holiday of the Contractor's choice. Holiday substitutions must be initially requested on Appendix A of the contract.*

The Division will not reimburse for any other day the Contractor is closed, or as updated in Provider Self Service (PSS), except as noted below.

Snow/Emergency Day

The Division agrees to pay the Contractor at the contract rate of payment for those normal hours of operation during which the Contractor is closed because of conditions which result in an officially declared state of emergency (Level II) by the Governor, if the emergency restricts or prohibits travel in the vicinity of the Contractor.

At the discretion of the Division, payment may be approved for emergency closing caused by fire, flood, and health or safety hazard determined by the Office of Child Care Licensing. Consideration will be given to each individual case based on locations, rehabilitation or permanent closing of the Contractor.

Charging Fees to Purchase of Care Families

Purchase of Care (POC) providers may charge certain fees to families receiving Purchase of Care.

1. POC providers can charge the following fees only:

1. The parent copayment that DSS determines based on the family's household size and income.
2. Purchase of Care Plus (POC+) fees that are determined by subtracting the State's daily payment rate from the provider's private daily payment rate. Families in the POC+ program must pay the difference between the two rates.
3. Late pick-up fees charged when a child is picked-up **after** the family's authorized hours for care.
4. Field trip fees charged for a child to participate in an activity.
 - The provider must present the activity, the date of the activity, and the cost of the activity to the family prior to the field trip.
 - The provider must allow the family to choose if the child will participate in the field trip.
 - If the child does not participate in the field trip, the provider cannot charge the family for the field trip date if child care services are not available to the child because the provider's site is closed during the activity.
5. Returned check fees charged when the family's payment cannot be collected.
2. Fees not listed in section (1) must be approved by DSS before the provider can charge the family.
3. A family that receives POC is responsible for paying their parent copayment (if applicable) and the fees listed in section (1) when the fee is charged by the POC provider.
 1. A family must continue to pay their parent copayment during instances when their POC provider is closed, unless DSS waives the family's copayment for an approved reason.
 2. A family will pay their copayment when their provider is closed due to:
 - Vacation;
 - Illness;
 - Training; or
 - A provider holiday that replaces a DSS approved holiday.
4. POC providers are responsible for collecting fees from the families that they serve.
5. POC providers must develop a fee policy, discuss the policy with families at initial enrollment, and review the policy with families at least every 12 months.
 1. The provider's fee policy must state:
 - The fees that the provider will charge to families prior to, during, and after delivery of service; and
 - The provider's fee collection schedule.
 2. Providers who wish to be a POC+ provider must:
 - Attend the POC+ orientation
 - Display the POC+ certificate where it can be seen by the public;
 - Inform families that POC+ is their choice;

- Inform families of regular POC slots as they become available;
- Review the POC+ contract with families;
- Complete Purchase of Care Plus Worksheet (**Attachment C**) with families that agree to pay POC+ fees; and
- Maintain copies of executed POC+ contracts signed by families and the provider.

REMINDER: POC+ is a contract between the parent and the provider.



DELAWARE HEALTH AND SOCIAL SERVICES
DIVISION OF SOCIAL SERVICES

Deliver, Support, Serve

Purchase of Care (POC) Plus Instructions for POC+ Worksheet

This instruction sheet is to be used as a guide to assist providers with completing the POC+ worksheet with families that participate in the POC+ program. The following is based on an authorization for Full Time care at 5 days per week. Amounts will vary based on the type of care, authorized days and what each individual provider charges.

1. The Total Monthly Authorization Value is the monthly rate for each individual authorization. The value is the daily rate (x) the number of authorized days (x) length of care. Please note that 4.33 will always be used to determine a monthly value due to some months have more than four weeks. The daily rate paid by state will be listed in PSS.
 - Full time care at 5 authorized days: $\$28.70 \times 5 \times 4.33 = \621.35
 - Part time care at 5 authorized days: $\$14.35 \times 5 \times 4.33 = \310.68

2. Total Monthly Copayment is the monthly amount the parent is responsible to pay for care. This is determined by the family household size and the gross monthly income received by household. The gross monthly income is then compared to the Federal Poverty Level. The Total Monthly Copayment amount can be found in PSS.

3. Parent Daily Copayment Fee will be determined by using the maximum billing days of 22.
 - Parent monthly copayment \$246.00
 - $\$246/22 = \11.18

4. Parent Weekly Copayment Fee. This is determined by taking the daily fee and multiply by number of days authorized.
 - $\$11.18 \times 5 = \55.90

5. Provider weekly charge is the charge the provider charges per week.

6. Provider daily fee for care is the daily charge based on the weekly fee.

ATTACHMENT C Cont'd

- $\$255.00/5=\51.00 per day
7. POC+ Daily Fee is the difference between the daily state rate, this amount can be found in the PSS portal and the provider's private daily rate.
- $\$51.00-\$28.70=\$22.30$ is the difference the provider may charge
8. POC+ Weekly Fee is the total amount that can be collected for POC+ on a weekly basis.
- $\$22.30 \times 5 = \111.50
9. Total to collect from parent is the parent weekly copayment fee plus the POC+ weekly fee from parent.
- $\$55.90 + \$111.50 = \$167.40$

PSS Submission for Payment

The Contractor shall submit attendance the first day of the month following the month services are rendered on-line at the Department of Health & Social Services Child Care Portal (Provider Self Service).

The Contractor agrees to reconcile Division attendance records and site payment statements monthly. Errors must be reported to the Division no later than sixty (60) days after receiving the first statement on which the error appeared. Failure to notify the Division of the error within the specified timeframe may result in loss of payment.

Clients Who Fail to Pay Child Care Fee

A client may be denied service or terminated from service if notice is received from the provider that the client has failed to pay the assessed fee for service. Provider notice must be written, and a copy forwarded to the POC mailbox@ POCResource@delaware.gov. Service may be authorized if:

1. The client submits written documentation that arrangements have been made with the provider to pay fees due the provider; or
2. The Unit Supervisor has determined, based on case review, that care should not be denied.

Multi-site Programs

If you own more than one childcare facility, you must have a separate contract and Program Overview for each location. If a child receives care at more than one of your locations, the local DSS office must authorize care for that child at each location. However, **care can only be approved at one location per day**. You are NOT authorized to move children from one location to another without prior written approval from the Purchase of Care Unit.

Approval may be given when there is a time-limited, legitimate business reason for providing care at another location owned by you. An example of this would be damage to a facility due to a fire, storm or other natural disaster. Both locations must be licensed and have separate contracts. Clients must be notified in writing that their children will be cared for at the other location. The Purchase of Care Unit must be notified to ensure proper payment.

Co-payments

Family share co-payments

The family co-payment is the amount of money that the client must pay you for attendance each month. The co-payment is based on the family's income and family size. The family co-payment is the total amount the family is expected to pay for all of their children that attend your facility; it **is not** a per child co-payment. DSS pays the rest of the family's cost of care after the co-

payment has been met. The monthly family share co-payment owed by the client will show on the client notice and in Provider Self Service (PSS).

In most cases, co-payments will not increase during the 12-month eligibility period. However, copayments may increase when the 12-month eligibility period expires, and the family's eligibility is re-determined.

The amount of the co-payment you collect should never exceed the total cost of care. DSS payments equal the balance of the amount due for child care after the co-payment has been deducted. Look at the monthly co-pay shown in Provider Self Service to determine how much the parent owes you.

Using more than one provider

Care may be approved when a child needs care at two different providers on different days of the week. For example, care is needed at one provider on some weekdays, and at another on other weekdays or weekends. Siblings may also be approved to attend different providers when one child attends one facility, and a sibling attends another one. When DSS authorizes care at two different providers, the co-payment is usually assigned to the youngest child. If you are responsible for collecting the family share co-payment, it will show on the parent notice and in Provider Self Service.

Changing providers in the middle of a month:

When a child changes to your facility from another provider, no co-payment will reflect for the family. If the family has a co-payment, it will reflect at the beginning of the following month.

Reporting of Payment Problems

Providers should send email to the POC mailbox@ POCResource@delaware.gov if a payment error is suspected on the site payment statement, or if additional information is needed regarding the transaction listed on the statement.

DSS must be informed no later than 60 days after the first statement was sent.

EXAMPLE: The October attendance report is submitted in November for payment. Upon reconciling provider records with the DSS site payment statement, the provider determines that an error was made. The provider must notify the monitor no later than January 30th that an error was made.

The following information is needed:

1. Provider name,
2. Provider identification number or EIN/Social Security number,
3. Child(ren)'s name and identification numbers,
4. Dollar amount of the suspected error, and
5. A description of the error or payment in question and a clear explanation of why an error is believed to have occurred or why additional information is needed.

DSS will investigate the complaint and correct any error.

If a provider fails to notify DSS of an error or problem within the 60-day time frame, the provider may be subject to loss of payment.

Completing Correct Transactions

DSS staff will complete a correct transaction to adjust a child care provider payment.

1. A correct transaction is entered into the DSS eligibility system to correct provider payment errors that occurred because of:
 - A. A DSS processing error; or
 - B. A change in care or family circumstances reported or discovered during an authorized month, such as:
 - i. An increase in the level of care;
 - ii. An increase in the number of days needed for care;
 - iii. A change in paid absent days;
 - iv. A change in family size; or
 - v. A change in family income.
2. DSS staff will complete a correct transaction to adjust a provider payment when:
 - A. A child care provider reports an authorization or payment discrepancy within 60 days of the date of the applicable payment and DSS confirms the payment error; or
 - B. DSS determines that a payment discrepancy occurred due to a processing error or a change in care or family circumstances.
3. DSS staff may complete a correct transaction once the provider has been paid for the month in which the correct transaction is being requested.
4. The DSS eligibility system will automatically issue the difference in payment to the provider once the correct transaction has been entered.

Completing Manual Adjustments

DSS staff will complete a manual adjustment to request a change to a child care authorization.

1. DSS staff will complete Form 634 “Child Care Manual Adjustment Form” to correct authorization errors that occurred because of:
 - Overlapping eligibility;
 - Prior confirmation;
 - An incorrect start date; or
 - An incorrect payment rate.
- A. DSS staff will complete Form 634 when:
 - i. A child care provider reports an authorization or payment discrepancy within 60 days of the date of the applicable payment and DSS confirms the authorization error; or

- ii. DSS determines that an authorization discrepancy occurred due to a processing error.
- B. DSS staff who prepare Form 634 must:
- i. Have their supervisor sign and approve the form;
 - ii. Enter a case comment in the eligibility system detailing the reason for the manual adjustment; and
 - iii. Submit the completed form to a DSS child care monitor.
2. Upon receiving Form 634, the child care monitor will:
- Notify the provider of the adjustment;
 - Request a summary attendance report from the provider; and
 - Submit the required manual adjustment documents to the Purchase of Care (POC) administrator.
- A. The child care monitor must submit the following documents to the POC administrator for manual adjustments:
- i. Form 634 “Child Care Manual Adjustment Form”;
 - ii. The DSS manual adjustment worksheet;
 - iii. A copy of the case comment from the eligibility system that details the reason for the manual adjustment;
 - iv. A copy of the child care authorization from the eligibility system;
 - v. The provider’s summary attendance report or a copy of the attendance report from the eligibility system; and
 - vi. The self-arranged payment report (for self-arranged care authorizations only).
3. A POC administrator will review the documents submitted by the child care monitor and enter approved manual adjustments into the DSS POC system. Once adjustments are completed, DSS staff will notify Department of Education of adjustments that may impact tiered reimbursement.
4. The DSS eligibility system will automatically issue the difference in payment to the provider once the manual adjustment has been entered.

Section F

Overpayments

How to Avoid Overpayments

Child care providers sometimes receive more money than they should have legally been paid. This can occur when providers enter the incorrect attendance information in Provider Self

Service and the payment does not accurately reflect when a child was actually in care. **It is your responsibility to ensure the correct information is entered in PSS.**

The best way to get the needed attendance information to DSS rapidly and correctly is to complete your daily attendance correctly. You must make sure the correct information is entered so that no mistake in payment occurs. Allowing incorrect information to be submitted in PSS is a serious violation of your contract and could lead to termination of your contract.

The attendance should only be entered for the days when a child actually attends the facility. The child will be authorized by DSS for the maximum number of days that he or she could attend in a month according to the family's authorization. ***The child should never be marked in for a date not attended, a manual claim should never be filed for a date when a child was not in care, nor should the client be charged for that date.***

Another common mistake occurs when a school age child who only needs care before and/or after school is coded full-time during times that the school is open. DSS will not pay for times that the child was in school. If this error occurs, you must correct the attendance in PSS immediately and re-enter the true time the child was in your care that day. Remember, **you** are responsible for checking the attendance daily to make sure all the information entered for that day is correct.

If you are not able to correct the information that you entered, notify the Purchase of Care Unit at (302) 255-9670 or email DHSS_DSS_POC_UNIT@delaware.gov

It is in your best interest to avoid receiving overpayments. **All overpayments must be repaid, even when the overpayment was caused by worker error.**

Remember: *If you are the owner or have an ownership interest in a childcare home or center, your children or foster children should never be approved for child care subsidy payments at your facility. In addition, if you are the owner of a child care home, you may not receive child care subsidy payments for an employee's child or any other child who resides in the home. If either of these situations occur, you will incur an overpayment which must be paid back. For more information on acceptable choice of provider see Section C of this handbook.*

Important Information

If your child care facility is closed for a holiday or any other reason, there should be **NO** attendance entered for that day.

Section G

Payment Adjustments

Manual Claims

A Manual Adjustment Worksheet is used for child care centers and homes whenever an adjustment is needed. The Manual Adjustment Worksheet is completed by DSS staff and the reason for the manual adjustment must be clearly documented.

If there is more than one child for whom a manual claim is being completed, you must complete a separate claim form for each of them. DSS will return all claim forms that are not properly completed.

Manual claims are processed the month following the claim month. This allows the provider time to enter attendance and receive payments, after which a manual adjustment can be done. The provider will need to complete a Summary of Attendance Form (**ATTACHMENT D**) in order to complete the manual adjustment process.

If you have any questions about correcting attendance or getting paid, please call the **DSS POC Unit** at (302) 255-9670 or email DHSS_DSS_POC_Unit@delaware.gov

Section H

Audits and Investigations

Why Child Care Audits and Investigations are Conducted

The Office of Inspector General (OIG) conducts child care audits. An audit may be conducted as a result of a complaint that the state received about a childcare facility. During an audit, provider records may be reviewed to ensure accuracy of payment, accuracy of attendance, etc. An audit of the provider use of the Provider Self Service portal is being utilized appropriately, and finally, to simply ensure that all terms of the contract are being met. Investigations will also occur if fraud is suspected.

You may or may not be notified ahead of time that you are going to be audited or investigated. You and your staff must cooperate with OIG staff if your facility is selected for an audit or investigation.

How Child Care Audits are Conducted

When OIG employees arrive at your facility to conduct an audit, they will **specify the months they are auditing**. For example, they may request the records from January 1st of one year through June 30th of the next.

OIG auditors will expect you to have the following records available for them:

- Copy of your current provider contract.
- Daily written attendance records, as required by licensing for each child attending your facility.
- List of all children who attend, and any other federal or state funded programs.
- List of all staff employed at your facility, including time records for each.

You must be able to present the records within one hour of being requested to do so. Keep this in mind when you choose your storage location. The person in charge at the facility during an audit must be aware of where these records are kept, have access to them and understand that he or she must release them to OIG or other DSS personnel upon request.

Note: In most instances, records that are not provided within an hour of request will not be accepted at a later time.

Auditors may remove the records from your facility or request a place in your facility to review the material in private. If a DSS representative asks to take some of these records with them, it is recommended you give them copies and keep the originals.

During the course of an audit or investigation, OIG staff will review a variety of records from many sources and conduct interviews with clients and their employers and/or school administrators. OIG will determine if there have been any major violations of your contract, handbook, or other DHSS policies.

Major violations include:

- Asking clients to pay for missed days to “hold their slot”.
- Asking a client to pay a fee for any day the child did not attend; for example, requesting payment for termination fees or vacation fees.
- Failing to ask for permission from DSS before moving children from one facility to another
- Failing to allow OIG staff to have access to your facility to investigate any complaints.
- Having more children in care than you are licensed to care for (on record or actually in your facility).
- Having illegal drugs or indications of drug activity at your child care facility.

When OIG employees arrive at your facility to conduct an audit, they will notify you of the nature of the audit and the process that will be followed. You must fully cooperate with OIG staff if your facility is involved in an audit.

Audit Results and Recommendations

Audits can result in any of the following findings:

- You were paid the correct amount for the time period audited;
- You were UNDERPAID during the time period audited; or
- You were OVERPAID during the time period audited.

If it appears an overpayment was indicated, you will be required to pay back the amount you were overpaid.

Indications of fraud or other discrepancies discovered during audits will be investigated thoroughly. Confirmed cases of fraud will be referred for prosecution and/or administrative action.

Filing a fraudulent claim against the state, either electronically or on paper, is a FELONY punishable by a fine not exceeding \$10,000 or imprisonment in the penitentiary for a term not exceeding two years or by both such fine and imprisonment per count (O.S. 21 Sections 358 – 359). Each claim for each recipient filed within a claim month can constitute one count.

Audit and investigation findings are shared with other DSS staff including Child Care Subsidy, the Office of Child Care Licensing, and Finance. Depending on the nature and the extent of the findings, your contract may be considered for termination. In some instances, your facility may be placed on a corrective action plan. You will be notified of the terms of the corrective action in writing. These terms should be completed in the time frame requested. If the terms are not completed, your contract may be terminated.

Section I

Expectations & Responsibilities

DSS expects all child care providers to read and understand their contracts before signing them. You are expected to comply with all terms of the contract.

DSS further expects you to read and comply with this handbook. This handbook will serve as a reference tool for you and your staff whenever needed. Because this handbook is available online, you and your staff can readily access it by computer, smart phone, or tablet.

DSS Expectations and Responsibilities

DSS is responsible for the following:

- Providing notifications to all providers and parents concerning the status of authorized care;
- Informing all providers of any changes in DSS policies and procedures, as needed;
- Answering any questions clients or providers have regarding childcare;
- Reimbursing for all approved subsidized childcare; and
- Reimbursing for all approved subsidized childcare manual claims.

Client/Caretaker Expectations and Responsibilities

1. Parents/caretakers have the responsibility to give accurate information to Case Managers concerning their financial status and their need for service. Failure to provide requested and accurate information could lead to a denial and/or termination of service.
2. Parents/caretakers have the responsibility to pay their assessed child care fee. Parents/caretakers pay the fee directly to the provider at a schedule determined by the provider. Providers have the right to deny service to parents/caretakers who fail to pay their fees.
3. Parents/caretakers have the responsibility to abide by the provider's rules and procedures regarding the operation of their child care facility. Failure to do so could lead to termination from the provider's program. (Such a termination will not cause termination from DSS' subsidized child care services but can make it difficult for DSS to locate another placement.)
4. Parents/caretakers have the responsibility to reimburse DSS for any payments made on their behalf for which they were not eligible. DSS has the right to recoup such overpayments. In cases where fraud is suspected, recovery must be attempted.

Clients receiving child care subsidy are responsible for NOTIFYING DSS within 10 days of the following **CHANGES**:

- Childcare providers
- Income/employer
- Work, school or training schedule
- Family size

- Address
- Number of children in care

Clients are also responsible for signing children in and out of their daycare facility.

Clients have the right to expect timely action on their requests for child care benefits.

Parent/Caretaker Rights

1. Parent/caretakers have the right to choose the type of provider and the type of care for their children.
2. Parent/caretakers have the right to have unlimited access to their children and the child care provider during normal working hours and whenever the children are in the provider's care.
 1. Licensed providers must allow parental access as part of their licensing standards. Complaints against licensed providers who fail to provide parental access should be addressed to the Office of Child Care Licensing.
 2. Exempt providers must agree to allow parental access as part of the certificate process. Providers who do not allow access may risk termination of their POC contraction.
3. Parent/caretakers have the right to request a list of substantiated parental complaints on any licensed or license-exempt provider.
4. Parent/caretakers have the right to appeal any denial and/or termination of childcare services.

Provider Expectations and Responsibilities

DSS expects all child care providers to read and understand their contracts before signing them. You are expected to comply with all terms of the contract.

DSS further expects you to read and comply with this handbook. This handbook will serve as a reference tool for you and your staff whenever needed. Because this handbook is available online, you and your staff can readily access it by computer, smart phone, or tablet.

The purpose of Delaware's Purchase of Care program is to provide financial support to Delaware families who need assistance paying for childcare. The State of Delaware Purchase of Care service provides support for families with children to enable the caretaker to hold a job, obtain training or meet special needs of the parent or child. Child care may also be provided in child abuse cases to help protect the child. If the caretakers are working, they may have to pay a portion of their child care expenses.

As a childcare provider who contracts with DSS you can expect to be paid in a timely manner, by both DSS and all clients. If a client fails to pay the assigned co-payment, you have the right to refuse to continue to provide that family with care.

You also can expect timely notification of any change in your contract status as a child care provider. Further, you can expect to be notified of any changes in DSS contracting policy or procedures. You will be notified of these changes via the Child Care Unit Listserv, PSS alerts, monthly provider calls or emails from community partners. Additionally, providers should check the MyChildDe website periodically to see important announcements regarding the POC program.

As a childcare provider who has a contract with DSS you are also responsible for the following:

- Complying with all the terms of your childcare provider contract;
- Being familiar with and using the provider handbook as a reference tool;
- Keeping up to date with current DSS policies and procedures;
- Updating any changes in address
- Monitoring daily attendance information by using attendance forms provided by DSS;
- Collecting any co-payment owed by the client AND giving them a receipt for the amount received;
- Requesting adjustments for discrepancies in payments in an accurate and timely manner;
- Advising new parents of facility requirements;
- Keeping accurate business records
- Cooperating with any and all investigations and audits;
- Completing any payment adjustments requested by POC in a timely manner
- Notifying the family and the family's worker immediately if you have any problems; and
- Ensuring you and your staff are aware of DSS policies and procedures.

In order to operate a childcare business and provide services to families who receive POC, providers must have the following documentation:

1. Current Child Care License from the Office of Child Care Licensing (OCCL) - **(provide updated license to your POC monitor annually)**
2. A State of Delaware Business License
3. Completed W-9 online with the Division of Accounting**
4. Completed Direct Deposit Form
5. Completed State of Delaware Purchase of Care Contract
6. POC Program Overview - **(update annually with License)**

If you are receiving DSS benefits

If you are receiving one or more of the following benefits from DSS: Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), Medicaid, or Child Care Benefits, please remember that it is **your** responsibility to report all income and/or changes in your situation to your DSS case worker **within 10 days**.

As a self-employed child care provider, you must keep accurate business records to verify all of your income. In addition to payments you receive from DSS, you must also keep accurate records of co-payments received from POC parents. All of this income, as well as any other money you receive for your business, must be reported to and verified by your worker.

Section J

Who to Contact?

When to Contact the DSS Help Desk

Dhsshelphelpdesk@delaware.gov

Phone: 302-255-9510

- To report PSS password issues
- To ask questions about how to reset your password
- To ask questions about how to resolve error messages on the Provider Self Service website (PSS)

When to Contact the DSS POC Unit

Dhss_dss_POC_Unit@delaware.gov

Phone: 302-255-9670

- To ask questions about your POC payments;
- To ask questions about the Child Care forms;
- To ask questions about garnishments or overpayments
- To report incorrect information entered in PSS
- To report staffing changes
- To report the following changes:
 - address
 - phone numbers
 - email address
 - name
 - new owner
 - EIN number
 - site type
 - rates
 - banking information

Current income limits for DSS benefit programs can be found online at:
<http://dhss.delaware.gov/dhss/dss/fpl.html>

Office of Child Care Licensing

<https://education.delaware.gov>

Phone: 302-892-5800

Fax: 302-633-5112

Children & Families First Access Care

<https://cffde.org/accesscare>

302-658-5177 (New Castle County)

1-800-220-3092 (outside New Castle County).

My Child DE

<https://www.mychildde.org>

Delaware Stars:

www.delawarestars.udel.edu.

Child Care and Development Fund (CCDF) State Plan

https://www.dhss.delaware.gov/dhss/dss/files/CC_StatePlan

To review Delaware’s Local Child Care Market Rate Survey, go to the link below:

<https://dhss.delaware.gov/dhss/dss/files/2021DelawareChildCareMarketRateSurvey.pdf> (enter year needed).

EIN (Employer Identification Number)

[Apply for an Employer Identification Number \(EIN\) Online](#)

Section K

Glossary

This handbook contains terms and definitions for the Child Care Subsidy Program.

1099: Payers use this form for Miscellaneous Income to report payments made during a trade or business to a person who is not an employee or to an unincorporated business.

Absent Days: Days a child is allowed to be out of the daycare when the child is scheduled and authorized to attend with the childcare provider. DSS will pay providers for up to five absences per month.

Adjustments: The provider re-enters attendance to make either positive or negative corrections within the last 12 months.

Allowable Charges: Charges that a provider is allowed to bill for. These charges are limited to returned check fees, field trips and late pick up fees (after the time on the authorization have been exhausted).

Appendix A: Part of the provider contract, also called the Program Overview. Collects private pay info: rates, ages served, hours, additional charges, etc.

“Application for Social Services and Internet Screening Tool” or “ASSIST”: an online self-service portal that allows individuals to apply for health and social service benefits in Delaware.

Attendance Codes and Authorization Types:

- P= Half Day 0 - 4 hours
- X = Full time 4 - 10 hours
- T = Day & a half 10 - 14 hours
- H = Holiday
- C = Closed
- A = Absent

Authorization: A child is approved for child care services. The authorization specifies the approved amount of care a child is eligible to receive. The authorization also informs the childcare provider of the DSS payment amount to the provider.

- DSS will enter the authorization for care after the child care case is confirmed and opened.
- DSS will send notification of the child care authorization to the parent or caretaker by a notice generated from AWW or by DSS Form 626 “Subsidized Child Care Client Agreement”.
- The authorization provides the parent or caretaker the ability to receive subsidized child care services.
- The authorization gives the child care provider the authority to provide subsidized child care services.
- The authorization also informs the child care provider of:
 - The amount of care the child is authorized to receive;
 - The DSS payment amount to the provider; and
 - The parent or caretaker copayment amount to the provider.

Authorization Effective Date: The start date for child care services. This is set by eligibility at the time of authorization.

Authorization Expiration Date: The end date of Child Care services for the specified eligibility period.

Authorization Letter: A letter mailed to client detailing provider, authorization, and copay.

Billed Days: Total number of days a provider can bill for the care of the child.

Caretaker: The non-parent adult who is responsible for the primary support and guardianship of a child.

- The caretaker acts in the place of the parent;
- If custody or guardianship has not been legally granted to the caretaker, DSS must make a referral to the Division of Family Services (DFS).

Child: means a person who is eligible for the Child Care Subsidy Program based on age or special need. To be determined eligible for child care services, the child must be:

- Under the age of 13 years old; or
- Between the ages of 13 and 19 years old and physically or mentally incapable of self-care or in need of protective services.

Child and Adult Care Food Program (CACFP): is a federal program that provides reimbursements for nutritious meals and snacks to eligible children and adults who are enrolled for care at participating child care centers, day care homes, and adult day care centers.

Child Care and Development Block Grant (CCDBG): The block grant that supplies federal funding for the Child Care Subsidy Program. CCDBG is also known as the Child Care and Development Fund (CCDF). The CCDBG provides:

- Childcare to low-income families;
- The ability for parents and caretakers to choose their childcare providers;
- Continuity of care for children; and
- Health and safety requirements for childcare providers

Child Care Center: Institution that provides supervision and care of infants and young children during the daytime, particularly so that their parents can hold jobs.

Child Care Certificate: means a form issued to a parent or caretaker that permits the parent or caretaker to choose a child care provider who has a contract with DSS.

- The certificate allows the parent or caretaker to select the DSS contracted provider of their choice;
- The certificate is not an authorization for child care services.

Child Care Referral Service: provide many different services, including childcare referrals, childcare provider training and more.

Child Care Services: the activity that assist eligible families in the arrangement of child care for their children.

Child Care Subsidy Program: The program that provides financial support to eligible Delaware families who need assistance paying for child care. The program also assists families who are having difficulty locating care for their children, including children who need care during non-traditional hours, children who are English language learners, and children who have special needs.

Child Care Type: The setting or place where child care is provided.

1. DSS categorizes child care types and assigns a site number to all new providers.
 - Family Child Care Providers have site numbers that begin with 15;
 - Large Family Child Care Providers have site numbers that begin with 16;
 - Child Care Center Providers have site numbers that begin with 17;
 - Relative Child Care Providers have site numbers that begin with 19

Children and Families First of Delaware (CFFDE): a non-profit social services agency that builds the foundation for strong communities with child-centered and family-focused programs.

Client Agreement (626): A form issued to clients and providers when it is not possible to enter an authorization in the system. It is a short-term guarantee of payment offered so the provider will accept the child until the authorization is showing.

Contract (parent): Written by the provider to explain his/her policies. Must be signed by client. Note that providers may substitute a handbook.

Code of Federal Regulations or CFR: the codification of the rules published by the federal government to implement federal regulations. The rules have the force of law once they become effective.

Contract (provider): Document created by DSS with provider policies that must be signed by provider to contract.

Contractor ID: Tax Identification Number (TIN) or Social Security Number (SSN), whichever the provider uses to file taxes.

Contractor Name: Owner of daycare – can be an individual or a business name.

Contractor Statement: A document that is mailed to providers when a payment is processed. Indicates amount of deposit, bank name, and last digits of bank account. Statements that can be viewed and/or printed within Provider Self Service.

Co-Payment: The family's share of money paid to the child care provider by a client. Co-payments are for all children in the family using the same case number; it is not per child. Amounts are determined by the family's income.

Correct Transaction: A function within ASSIST Worker Web which allows a worker to make a positive change to an authorization for which the provider has already been paid (# of days, # of hours, extended care, absent days, parent copayment).

Daily Attendance: A preprinted document that is mailed to providers at the end of the month to be used for the following month. Providers use it to record daily attendance for each child.

DELACARE: Regulations from the Office of Child Care Licensing that licensed child care providers must follow.

Direct Deposit: The electronic payment from one bank account to another. All providers are paid by direct deposit into a checking or savings account.

Division of Accounting: Department that processes the W-9's for providers and issues 1099's.

Educational Program: a program of instruction to achieve at least one of the following:

- A basic literacy level of 8.9;
- Completion of a course in English as a second language;
- A GED, Adult Basic Education (ABE), or high school diploma;
- Completion of a special training or certificate course approved by a DSS employment and training program;
- A post-secondary degree approved by a DSS employment and training program; or
A second associate degree approved by a DSS employment and training program if it leads to a bachelor's degree and employment is obtained upon completion.

EIN: Employer Identification Number, providers use it to file taxes. It is now called Tax Identification Number (TIN).

Employment: Part-time or full-time work for which the parent or caretaker receives wages equal to or greater than the federal minimum wage.

Extended Care: Time that can be added to an authorization if the client **occasionally** needs more. (EX. A school age child normally needs 0-4 hrs. but when school is out needs 4-10 hrs.).

Family Child Care Home: A licensed child care provider who cares for one to six children in the provider's private residence. The children receiving subsidized child care may not be related to the provider or live at the same residence as the provider.

Family Size: Total number of individuals whose needs and incomes are considered together for determining child care assistance.

- A family size will always include the parent(s) and all the dependent children under the age of 18 years old who are living in the home.
- Parents are defined as the natural, legal, adoptive, or stepmother and father.

Field Trip Fee: Trips outside the daycare as well as programs brought into the daycare.

First State Financial (FSF): The system where monitors confirm that a provider's W-9 is complete.

Food Benefit Employment & Training: The DSS program that supports food benefit recipients by providing skill development, training, and work experience opportunities that can lead to self-sustaining employment. This program is also known as the Supplemental Nutrition Assistance Program (SNAP) Employment and Training program.

Graduated Phase-Out: 12-month transition out of the Child Care Subsidy Program that supports long-term financial stability and promotes self-sufficiency. Graduated Phase-Out is initiated at redetermination of the Child Care Subsidy Program when a family's gross income exceeds program income guidelines.

Program Handbook: A document that explains the program policies.

Holidays: Purchase of Care (POC) pays providers whether they provide care or not: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas and Juneteenth. Providers have the option of selecting the six holidays from the above list of state holidays. This can be done each year in October.

Income: Any type of earned or unearned money payment that is of gain or benefit to a family. Examples of income include wages, Social Security pensions, public assistance payments, and child support.

Income Eligible: a family is financially eligible to receive child care services based on the family's gross income.

Large Family Child Care Home: A licensed child care service provided by any person or entity that is permitted to care for seven to twelve children in a private home or a non-residential setting. Children of the owner and/or staff may not be authorized to the Large Family Home.

Licensed Site: A Site with a State issued permit to provide Child Care services for a specified period.

License (Child Care): A permit to provide childcare services issued by the Office of Child Care Licensing

Licensing Specialist: An employee of the Office of Child Care Licensing who ensures compliance with DELACARE Regulations.

Manual Adjustment Form634: A form used by DSS to ensure reimbursement to a provider when the authorization could not be entered in ASSIST Worker Web or if the effective date on the authorization needs to be corrected.

MCI: Master Client Index - Client/Child's ID number

Monitoring Visit: An announced or unannounced site visit conducted by a DSS Child Care Monitor to ensure compliance with the DSS/POC contract. At a site visit the Monitor will review documentation such as daily attendance, billing, children's files, etc.

Non-Temporary Care: a limited period of 90 days of continued care for families who no longer have a need for child care services due to a non-temporary change in circumstances.

OCCL: Office of Child Care Licensing

Orientation: An introduction to the POC program. Some topics reviewed during orientation include:

- Eligibility to provide care

- Provider Self Service
- Attendance
- Billing
- Reporting changes
- Payments
- Allowable fees
- Client eligibility
- Site visits, etc.

Orientation is mandatory for all newly contracted providers and any staff responsible for submitting daily attendance.

Outstanding Balance: Amount client did not pay before leaving a daycare. Providers must report this to their Child Care Monitor. Providers can only report client copayment, returned check, field trip and late pick up fees.

Overpayment: Overage that providers are paid that may need to be recouped. Established overpayments are typically withheld from future childcare payments.

Paid Days: The number of billable days paid for each child. It is calculated from the number and types of days billed.

Parent: The child’s natural mother, natural legal father, adoptive mother or father, or stepparent.

Parent Copayment: The portion of the state rate that the client must pay toward the cost of child care. This was previously called the “Child Care Parent Fee”.

1. The copayment will be determined from the gross income received by the family and the family’s size.
2. The gross income amount received by the family will be compared to the Federal Poverty Level (FPL).
3. A family will pay a percentage of their gross income for their copayment amount.

Parental Choice: The right of parents and caretakers to choose from a broad range of child care providers, including the type and location of the child care services.

POC Plus: A childcare option that allows a provider to charge the client the difference between the state’s reimbursement rate and the provider’s private rate. The provider must complete orientation and become certified before charging POC Plus fees. Provider must have a positive 6-month site visit and complete orientation and become certified before charging.

POC Plus Addendum to the Parent Contract: An additional document that client signs to commit to paying the POC Plus Fee.

POC Plus Certificate: A document issued to the provider after s/he meets all program requirements. The certificate must be posted where clients can easily see it.

POC Plus Fee: The additional amount a provider may charge which is the difference between the state reimbursement rate and the provider's private rate.

POC Plus Letter to Parents: A letter from the provider that explains the additional fee.

POC Plus Worksheet: A document completed by the provider to show the calculations used to determine the POC Plus fee and the total due. The worksheet must be signed by the parent to indicate that they agree to be responsible for the additional fee

Protective Services: The supervision and placement of a child by the Division of Family Service (DFS) to monitor and prevent situations of abuse and neglect.

Program Overview: Also called Appendix A of the provider contract.

Provider: The individual or business providing the child care services.

Provider Self Service (PSS): The Child Care Subsidy systems where POC providers can view attendance records, submit payment information and update program information.

Purchase of Care or POC: The name of Delaware's Child Care Subsidy Program which provides financial support to eligible Delaware families who need assistance paying for child care.

Purchase of Care Plus or POC+: A childcare option that allows providers to charge parents and caretakers in the Child Care Subsidy Program the difference between the DSS reimbursement rate and the providers private fee for service.

Recoupment: A process where any monies overpaid to a provider is recovered by the State from future payments.

Reimbursement Rate: The maximum dollar amount the State will pay for child care services. This will be either the state rate or the provider's private rate, whichever is lower.

Relative: An adult who is by marriage, blood relationship, or court decree. The grandparent, great grandparent, sibling, aunt, or uncle of the receiving child.

Seamless Care: The philosophy that families should be able to retain the same provider regardless of the source of funding, and providers are able to provide services to children regardless of a family's eligibility for assistance or the source of payment. This type of service, to the extent permitted by applicable laws, allows different funding streams to prevent interruption in child care services.

Self-Arranged Care: A childcare option that allows the parent/caretaker to choose a licensed provider who is not contracted with DSS. The parent/caretaker must pay the full tuition out of pocket and is then reimbursed the DSS maximum rate after the month ends.

Site: The physical facility where the childcare services are provided.

Social Services Block Grant or SSBG: A grant provided by the Administration for Children and Families (ACF) that is flexible funding source allowing states to fund different social service programs to meet the needs of citizens within their individual state.

Special Needs: Child care that is authorized due to a child under 19 years old or an adult who requires specialized care for physical, emotional, or developmental needs. A licensed doctor or other medical professional must verify the need and the required care.

State Median Income or SMI: The average income for each state reported yearly by the U.S. Census Bureau.

1. At any time, a family's income exceeds the federal income guidelines of 85% of Delaware's SMI, the family is no longer eligible for the Child Care Subsidy Program and the family's child care case will close.

Summary Attendance: A form that is mailed to providers at the end of the month. Providers transfer the totals from their Daily Attendance to this form and then enter the totals in Provider Self-Service.

Technical Eligibility: Requirements based on need and category that families must meet to receive child care services.

Temporary Care: Childcare that continues while a parent/caretaker experiences a temporary break in his or her need for childcare services. The temporary break should not exceed 90 days.

Termination: Provider releases a child from care. Must give client 5 days' notice.

W-9: A form that provides key information that a provider needs if they are an independent contractor. Providers must complete this form online to become a contracted provider.

Withdrawal Notice: A notice to the provider of a client's intention to withdraw their child from the program. Clients are required to inform the provider at least 5 days before withdrawing their child.

Section L

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11001 Overview of Child Care Policies

The purpose of this section is to outline the policies governing the Division of Social Services (DSS) Child Care Subsidy Program. This program is a collection of multiple Federal and State grants, which the Division chooses to combine into one seamless Child Care Subsidy Program. Therefore, except where specific differences are noted, the policies contained in these pages apply as one uniform standard to all individual child care funding sources.

The Division of Health and Social Services created a seamless Child Care Subsidy Program to ease the decisions child care staff make and to make it possible for families to continue receiving subsidized care as long as they remain eligible. The heart of the seamless system is a common fee scale, a standard set of payment rates, and a funds account management system all built around a sophisticated information system. The Purchase of Care System (POC) is an important part of the Division's Child Care Subsidy Program. It not only supports the information needs of staff, but also manages their major policy concerns. Therefore, staff should use this Policy Manual in conjunction with the POC User Manual to both understand and operate the Division's Child Care Subsidy Program.

The Child Care Subsidy Program Policy Manual is arranged much like the TANF Public Assistance Manual. The first section covers administrative functions, such as the purpose and goals of the program. The next section covers technical and financial eligibility for child care

assistance. The third section covers application processing, and the fourth section covers various items from parental rights and responsibilities to overpayments. The last section covers provider issues.

Each section is numbered in succeeding order, beginning with the 11001 series, e.g., 11001, 11002, 11003, etc. Policies which have more than one reference are numbered as follows: 11003 is the policy reference defining eligibility requirements, while 11003.1 refers to technical requirements, further defining eligibility.

11002 Administration for DSS Staff

This section discusses the following administrative policies:

- A. Purpose of Delaware's Child Care Subsidy Program,
- B. Goals,
- C. Services Provided,
- D. Persons Eligible,
- E. Responsibility for the Administration of Delaware's Child Care Subsidy Program,
- F. Legal Authority,
- G. Other Administrative Policies,
- H. Seamless Services, and
- I. Definitions and Explanation of Terms.

11002.1 Purpose of Delaware's Child Care Subsidy Program

The purpose of Delaware's Child Care Subsidy Program is to provide support to Delaware families who need care and who otherwise cannot pay for all or part of the cost of care.

11002.2 Goals

The goal of the Child Care Subsidy Program is to supplement the care and protection that children receive from their parents. This supplemental care is necessary when parents/caretakers must be apart from their children during a portion of a 24-hour day because:

- A. the children's parents/caretakers work,
- B. the children's parents/caretakers must participate in a DSS Employment and Training program and attend school or participate in a training program which leads to employment,
- C. the children or parents have a special need requiring either one of them to be out of the home, or
- D. the children need to be protected from neglect and/or abuse.

Child care provided under these circumstances enables families:

- A. to achieve and maintain independence;
- B. to provide care, protection, health, supervision, social experience and learning opportunities which are essential to a child's growth and development; and
- C. to maintain the bonds of family unity.

11002.3 Services Provided

Delaware's Child Care Subsidy Program offers the following services:

1. an evaluation of the need for child care services;
2. a determination of financial eligibility;
3. an assessment of the family's child care needs;
4. an explanation of the available types of child care, the choices parents/caretakers have regarding these provider types, and various provider requirements such as licensure, health, and safety;
5. an explanation of the State's payment rates and fee scale, including a discussion of how DSS assesses fees, where fees are to be paid, what happens if they are not paid, and how parents/caretakers are to keep DSS informed of changes that affect fees; and
6. an explanation of parent/caretakers' rights as recipients of DSS subsidized child care, including:
 1. the right to retain legal rights to their child while the child is in care,
 2. the right to make decisions about the choice of child care and child care provider,
 3. the right to request information about any substantiated parental complaints on any licensed or license-exempt child care provider, and
 4. the right to appeal any denial and/or termination of child care services.

11002.4 Determining Persons Eligible for Child Care Assistance

DSS provides child care services to eligible Delaware families with children who need child care.

1. Eligibility Criteria for Children

A. To be determined eligible for child care services, children must be:

- Under 13 years of age or 13 through 18 years of age and physically or mentally incapable of self-care as determined by a medical professional, and
- U.S. citizens or qualified aliens or non-U.S. citizens referred through the Division of Family Services.

B. Children are also eligible for child care services if they are:

- In need of protective services,
- Homeless, or
- In foster care or awaiting foster care placement.

2. Eligibility Criteria for Parents and Caretakers

- A. To be determined eligible for child care services, parents and caretakers must meet at least one of the following requirements:
- Participate in a TANF or Food Benefit Employment and Training program;
 - Receive wages from employment;
 - Attend approved job training or educational programs;
 - Receive protective services from the Division of Family Services;
 - Report a special need.

11002.5 Administering Delaware's Child Care Subsidy Program

This policy explains the direct responsibility within the Department of Health and Social Services for Delaware's Child Care Subsidy Program.

1. Delaware's Child Care Subsidy Program is established under:
 - Title IV-A and Title XX of the Social Security Act;
 - Public Law 101-508 of the Omnibus Budget Reconciliation Act of 1990;
 - Child Care and Development Block Grant (CCDBG) Act of 2014; and
 - Title 31 of the Delaware Code.
2. The Department of Health and Social Services (DHSS) is the agency designated by the State of Delaware as responsible for Delaware's Child Care Subsidy Program.
3. The Division of Social Services (DSS) is the agency within DHSS that assumes day-to-day responsibility for the administration of Delaware's Child Care Subsidy Program.
 - A. The DSS Policy and Program Development Unit assumes primary responsibility for:
 - i. Developing and implementing child care regulations found at 16 DE Admin. Code 11000;
 - ii. Managing the Child Care and Development Block Grant (CCDBG) and the Child Care and Development Fund (CCDF);
 - iii. Managing the Social Services Block Grant (SSBG);
 - iv. Collaborating with external stakeholders to develop and revise Delaware's CCDF State Plan;
 - v. Collaborating and receiving technical assistance from federal partners to ensure compliance with the requirements of the CCDBG Act.
 - B. The DSS Purchase of Care Unit assumes primary responsibility for:
 - i. Managing Delaware's Child Care Subsidy Program;
 - ii. Referring children to Head Start and other child care facilities for service;

- iii. Coordinating services and supports for Head Start eligible children;
- iv. Providing information to families and the public on the availability of subsidized funding for persons in need of child care;
- v. Establishing contracts with child care providers and other interested agencies to carry out the purpose and goals of Delaware's Child Care Subsidy Program;
- vi. Monitoring child care providers to ensure providers are adhering to the terms of their Purchase of Care contracts;
- vii. Determining eligibility for the Relative Child Care Program;
- viii. Establishing provider reimbursement rates, creating a parent fee scale, and determining income eligibility limits;
- ix. Collecting, analyzing, and maintaining statistical data on clients who receive services;
- x. Coordinating with public and private agencies to ensure and improve the availability and quality of child care.

C. The DSS Operations Unit assumes primary responsibility for:

- i. Following federal and state policies and procedures for determining and processing technical and financial eligibility for the Child Care Subsidy Program;
- ii. Explaining the Child Care Subsidy Program rights and responsibilities to parents and caretakers applying for assistance;
- iii. Attending child care trainings provided by DSS.

D. The DSS Information Systems Unit assumes primary responsibility for:

- i. Developing and maintaining the eligibility system design to support child care policy;
- ii. Developing and maintaining the Purchase of Care system to support child care provider data;
- iii. Developing and maintaining the Provider Self Service system to support child care providers in receiving and reporting attendance data;
- iv. Maintaining client and provider data for administrative reports to meet federal reporting guidelines.

E. The DSS Fiscal Unit assumes primary responsibility for:

- i. Managing federal and state child care funds;
- ii. Ensuring funds are available for child care provider payments;
- iii. Processing Purchase of Care contracts and paying vendor invoices;
- iv. Transferring CCDF quality funds to the Delaware Department of Education and tracking the spending of CCDF quality funds;
- v. Managing the time and effort of all staff that perform CCDF work and are paid through CCDF, including staff at DSS, the Delaware Department of

- Education, and the Department of Services for Children, Youth and Their Families;
- vi. Reporting SSBG funding usage;
- vii. Completing federal and state child care reports.

F. DSS Staff Development Unit assumes primary responsibility for:

- i. Designing, developing, and updating trainings and training materials for the Child Care Subsidy Program;
- ii. Administering training sessions to DSS staff that cover current child care policies, procedures, and program requirements.

G. The DSS Fair Hearing Unit assumes primary responsibility for:

- i. Providing child care applicants and recipients with written information about their right to a fair hearing;
- ii. Reviewing and processing fair hearing requests;
- iii. Arranging the date, time, and location of fair hearings and sending written notification of the hearing to all parties.
- iv. Providing a written decision by the Hearing Officer to the appellant within 90 days from the date the appeal was filed.

11002.6 Legal Authority

The Delaware Child Care Subsidy Program operates under authority of both State and federal laws and regulations. The State grants authority under Title 31 of the Delaware Code. Federal authority is granted through Title XX of the Social Security Act, and Work Requirements under Section 273.7, Title 7, Chapter II of the Revised Code of Federal Regulations, and the Child Care and Development Block Grant as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

11002.6.1 State Law

The State Law governing the Child Care Subsidy Program is [Title 31, Part I, Chapter 3, Subchapter VI, Delaware Code](#) - Section 391. Intent and Purpose. The intent and purposes of this subchapter of the State Law are to:

1. provide child day care facilities available within this state to provide safe, adequate, economical care for children whose mothers, fathers, guardians, or custodians are employed or are seeking employment or are enrolled in training or education courses or where this service would contribute to the resolution of family problems;
2. secure by decentralized neighborhood management the highest attainable degree of assurance that each child day care center will properly and economically meet the needs of those children who can make the best use of that service within their neighborhood under supervision of the Division of Social Services with that objective in view.

11002.6.2 Federal Law/Regulation

In addition to the State Law noted above, Delaware's Child Care Subsidy Program operates under the authority of several rules, including:

1. Providing child care to families receiving TANF benefits who must participate in Delaware's TANF Employment and Training activities or to persons who work and receive TANF (Categories 11 and 12).
2. [Title 7, Chapter II of the Code of Federal Regulations, Part 273.7](#) "The State agency will reimburse the cost of dependent care it determines to be necessary for the participation of a household member in the E&T program up to the actual cost of dependent care, or the applicable payment rate for child care, whichever is lowest. The payment rates for child care are established in accordance with the Child Care and Development Block Grant provisions of [45 CFR 98.43](#), and are based on local market rate surveys. The State agency will provide a dependent care reimbursement to an E&T participant for all dependents requiring care unless otherwise prohibited by this section." Such child care is provided as part of the State's Food Stamp Employment and Training Program previously known as First Step - Food Stamps (Category 21).
3. The Child Care and Development Block Grant (part of Categories 31 and 41) as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

The purpose of the CCDBG as stated in Rule 98.1 of the CFR is, "to increase the availability, affordability, and quality of child care services." The goals of the grant are:

1. to provide low-income families with the financial resources to find and afford quality child care,
 2. to enhance the quality and increase the supply of child care for all families,
 3. to provide parents/caretakers with a broad range of options in addressing their child care needs,
 4. to strengthen the role of the family,
 5. to improve the quality and coordination of child care programs and early childhood development programs, and
 6. to increase the availability of early childhood development and before and after school services.
4. Title XX of the Social Security Act and the Omnibus Budget Reconciliation Act of 1981 establishes child care under the Social Services Block Grant (part of Categories 31 and 41).

The purpose of child care services provided under SSBG is to provide support to families with young children for parents to work, obtain training, or receive an education. The program also allows child care to meet the special needs of the child or for the child's protection in cases of abuse and/or neglect.

11002.7 Other Administrative Policies

Case Managers are to view Child Care Policy as an extension of the DSS Policy Manual. It is part of the whole. Therefore, policies on Administration and Fair Hearings contained in DSSM 1000 and DSSM 5000 equally apply to the Child Care Subsidy Program and the Case Managers who administer it.

Specifically, Case Managers must be familiar with the following corresponding policies on Administration:

1002 - Treating Clients with Courtesy

1003 and 1003.1 to .4 - Confidentiality

1004 - Safeguarding Case Records

1005 and 1005.1 - Compiling and Saving Case Record Contents

1006 and 1006.1 to .7 - Guaranteeing Civil Rights and Non-Discrimination

1007 and 1007.1 to .6 - Making Civil Rights Complaints

1008 - Providing Policy Information

1009 - Procedures for Serving Non-English-Speaking Hispanic Clients

1010 Procedures for Serving Hearing Impaired Clients

In addition, Case Managers must be familiar with the entire section of DSSM 5000, Fair Hearing Practices and Procedures.

11002.8 Seamless Services

The DSS Child Care Subsidy Program operates under the authority of different funding sources, with each source uniquely setting mandates for providing child care services to families. However, the Division combines these sources into one seamless program.

Seamlessness means that families can reasonably expect to continue to receive child care services with the same provider if families remain basically eligible (income and need) for services. Therefore, except where specific differences are noted, the policies in this manual act as a uniform standard for our Child Care Subsidy Program.

11002.9 Defining Child Care Subsidy Program Terms

This policy contains terms and definitions for the Child Care Subsidy Program.

1099: Payers use this form for Miscellaneous Income to report payments made during a trade or business to a person who is not an employee or to an unincorporated business.

Absent Days: Days a child is allowed to be out of the daycare when the child is scheduled and authorized to attend with the childcare provider. DSS will pay providers for up to five absences per month.

Adjustments: The provider re-enters attendance to make either positive or negative corrections within the last 12 months.

Allowable Charges: Charges that a provider is allowed to bill for. These charges are limited to returned check fees, field trips and late pick up fees (after the time on the authorization have been exhausted).

Appendix A: Part of the provider contract, also called the Program Overview. Collects private pay info: rates, ages served, hours, additional charges, etc.

“Application for Social Services and Internet Screening Tool” or “ASSIST”: an online self-service portal that allows individuals to apply for health and social service benefits in Delaware.

Attendance Codes and Authorization Types:

P= Half Day 0 - 4 hours
X = Full time 4 - 10 hours
T = Day & a half 10 - 14 hours
H = Holiday
C = Closed
A = Absent

Authorization: A child is approved for child care services. The authorization specifies the approved amount of care a child is eligible to receive. The authorization also informs the childcare provider of the DSS payment amount to the provider.

- DSS will enter the authorization for care after the child care case is confirmed and opened.
- DSS will send notification of the child care authorization to the parent or caretaker by a notice generated from AWW or by DSS Form 626 “Subsidized Child Care Client Agreement”.
- The authorization provides the parent or caretaker the ability to receive subsidized child care services.
- The authorization gives the child care provider the authority to provide subsidized child care services.
- The authorization also informs the child care provider of:
 - The amount of care the child is authorized to receive;
 - The DSS payment amount to the provider; and
 - The parent or caretaker copayment amount to the provider.

Authorization Effective Date: The start date for child care services. This is set by eligibility at the time of authorization.

Authorization Expiration Date: The end date of Child Care services for the specified eligibility period.

Authorization Letter: A letter mailed to client detailing provider, authorization, and copay.

Billed Days: Total number of days a provider can bill for the care of the child.

Caretaker: The non-parent adult who is responsible for the primary support and guardianship of a child.

- The caretaker acts in the place of the parent;
- If custody or guardianship has not been legally granted to the caretaker, DSS must make a referral to the Division of Family Services (DFS).

Child” means a person who is eligible for the Child Care Subsidy Program based on age or special need. To be determined eligible for child care services, the child must be:

- Under the age of 13 years old; or
- Between the ages of 13 and 19 years old and physically or mentally incapable of self-care or in need of protective services.

Child and Adult Care Food Program (CACFP): is a federal program that provides reimbursements for nutritious meals and snacks to eligible children and adults who are enrolled for care at participating child care centers, day care homes, and adult day care centers.

Child Care and Development Block Grant (CCDBG): The block grant that supplies federal funding for the Child Care Subsidy Program. CCDBG is also known as the Child Care and Development Fund (CCDF). The CCDBG provides:

- Childcare to low-income families;
- The ability for parents and caretakers to choose their childcare providers;
- Continuity of care for children; and
- Health and safety requirements for childcare providers

Child Care Center: Institution that provides supervision and care of infants and young children during the daytime, particularly so that their parents can hold jobs.

Child Care Certificate” means a form issued to a parent or caretaker that permits the parent or caretaker to choose a child care provider who has a contract with DSS.

- The certificate allows the parent or caretaker to select the DSS contracted provider of their choice;
- The certificate is not an authorization for child care services.

Child Care Referral Service: provide many different services, including childcare referrals, childcare provider training and more.

Child Care Services: the activity that assist eligible families in the arrangement of child care for their children.

Child Care Subsidy Program: The program that provides financial support to eligible Delaware families who need assistance paying for child care. The program also assists families who are having difficulty locating care for their children, including children who need care during non-traditional hours, children who are English language learners, and children who have special needs.

Child Care Type: The setting or place where child care is provided.

1. DSS categorizes child care types and assigns a site number to all new providers.
 - Family Child Care Providers have site numbers that begin with 15;
 - Large Family Child Care Providers have site numbers that begin with 16;
 - Child Care Center Providers have site numbers that begin with 17;
 - Summer Camps have site numbers that begin with 18;
 - Relative Child Care Providers have site numbers that begin with 19

Children and Families First (CFFDE): a non-profit social services agency that builds the foundation for strong communities with child-centered and family-focused programs.

Client Agreement (626): A form issued to clients and providers when it is not possible to enter an authorization in the system. It is a short-term guarantee of payment offered so the provider will accept the child until the authorization is showing.

Contract (parent): Written by the provider to explain his/her policies. Must be signed by client. Note that providers may substitute a handbook.

Code of Federal Regulations or CFR: the codification of the rules published by the federal government to implement federal regulations. The rules have the force of law once they become effective.

Contract (provider): Document created by DSS with provider policies that must be signed by provider to contract.

Contractor ID: Tax Identification Number (TIN) or Social Security Number (SSN), whichever the provider uses to file taxes.

Contractor Name: Owner of daycare – can be an individual or a business name.

Contractor Statement: A document that is mailed to providers when a payment is processed. Indicates amount of deposit, bank name, and last digits of bank account. Statements that can be viewed and/or printed within Provider Self Service.

Correct Transaction: A function within ASSIST Worker Web which allows a worker to make a positive change to an authorization for which the provider has already been paid (# of days, # of hours, extended care, absent days, parent copayment).

Daily Attendance: A preprinted document that is mailed to providers at the end of the month to be used for the following month. Providers use it to record daily attendance for each child.

DELACARE: Regulations from the Office of Child Care Licensing that licensed providers must follow.

Direct Deposit: The electronic payment from one bank account to another. All providers are paid by direct deposit into a checking or savings account.

Division of Accounting: Department that processes the W-9's for providers and issues 1099's.

Educational Program: a program of instruction to achieve at least one of the following:

- A basic literacy level of 8.9;
- Completion of a course in English as a second language;
- A GED, Adult Basic Education (ABE), or high school diploma;
- Completion of a special training or certificate course approved by a DSS employment and training program;
- A post-secondary degree approved by a DSS employment and training program; or A second associate degree approved by a DSS employment and training program if it leads to a bachelor's degree and employment is obtained upon completion.

EIN: Employer Identification Number providers use to file taxes. It is now called Tax Identification Number (TIN).

Employment: Part-time or full-time work for which the parent or caretaker receives wages equal to or greater than the federal minimum wage.

Extended Care: Time that can be added to an authorization if the client **occasionally** needs more. (EX. A school age child normally needs 0-4 hrs. but when school is out needs 4-10 hrs.).

Family Child Care Home: A licensed child care provider who cares for one to six children in the provider's private residence. The children receiving subsidized child care may not be related to the provider or live at the same residence as the provider.

Family Size: Total number of individuals whose needs and incomes are considered together for determining child care assistance.

- A family size will always include the parent(s) and all the dependent children under the age of 18 years old who are living in the home.

- Parents are defined as the natural, legal, adoptive, or stepmother and father.

Field Trip Fee: Trips outside the daycare as well as programs brought into the daycare.

First State Financial (FSF): The system where monitors confirm that a provider's W-9 is complete.

Food Benefit Employment & Training: The DSS program that supports food benefit recipients by providing skill development, training, and work experience opportunities that can lead to self-sustaining employment. This program is also known as the Supplemental Nutrition Assistance Program (SNAP) Employment and Training program.

Graduated Phase-Out: 12-month transition out of the Child Care Subsidy Program that supports long-term financial stability and promotes self-sufficiency. Graduated Phase-Out is initiated at redetermination of the Child Care Subsidy Program when a family's gross income exceeds program income guidelines.

Handbook: Written by the provider to explain their policies to clients.

Holidays: Purchase of Care (POC) pays providers whether they provide care or not for six state holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas and Juneteenth. Providers have the option of selecting the six holidays from the above list of state holidays. This can be done each year in October.

Income: Any type of earned or unearned money payment that is of gain or benefit to a family. Examples of income include wages, Social Security pensions, public assistance payments, and child support.

Income Eligible: a family is financially eligible to receive child care services based on the family's gross income.

Large Family Child Care Home: A licensed child care service provided by any person or entity that is permitted to care for seven to twelve children in a private home or a non-residential setting. Children of the owner and/or staff may not be authorized to the Large Family Home.

Licensed Site: A Site with a State issued permit to provide Child Care services for a specified period.

License (Child Care): Issued by the Office of Child Care Licensing

Licensing Specialist: An employee of Office of Child Care Licensing who ensures compliance with DELACARE Regulations.

Manual Adjustment (634): A form used to get a provider paid when the authorization could not be entered in ASSIST Worker Web or if the effective date on the authorization needs to be corrected. Processed by monitor and payment issued by supervisor.

MCI: Master Client Index - Client/Child's ID number

Monitoring Visit: Conducted by child care monitors to check attendance, billing, children's files, etc.

Non-Temporary Care: a limited period of 90 days of continued care for families who no longer have a need for child care services due to a non-temporary change in circumstances.

OCCL: Office of Child Care Licensing

Orientation: A class where monitors offer providers an overview of POC, teach how to keep attendance and bill, etc. Mandatory for new contracted providers.

Outstanding Balance: Amount client did not pay before leaving a daycare. Providers can report this to monitors. Providers can only report client copayment, returned check, field trip and late pick up fees.

Overpayment: Overage that providers are paid that may need to be recouped

Paid Days: The number of billable days paid for each child. It is calculated from the number and types of days billed.

Parent: The child's natural mother, natural legal father, adoptive mother or father, or stepparent.

Parent Copayment: The portion of the state rate that the client must pay toward the cost of child care. This was previously called the "Child Care Parent Fee".

1. The copayment will be determined from the gross income received by the family and the family's size.
2. The gross income amount received by the family will be compared to the Federal Poverty Level (FPL).
3. A family will pay a percentage of their gross income for their copayment amount.

Parental Choice: The right of parents and caretakers to choose from a broad range of child care providers, including the type and location of the child care services.

POC Plus: A childcare option that allows a provider to charge the client the difference between the state's reimbursement rate and the provider's private rate. The provider must complete orientation and become certified before charging POC Plus fees. Provider must have a positive 6-month site visit and complete orientation and become certified before charging.

POC Plus Addendum to the Parent Contract: Additional document that client signs to commit to paying the POC Plus Fee.

POC Plus Certificate: Issued to the provider after s/he meets all program requirements. The certificate must be posted where clients can easily see it.

POC Plus Fee: The additional amount the provider is charging, up to the difference between the state rate and the provider's rate.

POC Plus Letter to Parents: A letter from the provider that explains the additional fee.

POC Plus Worksheet: A document completed by the provider to show the calculations used to determine the POC Plus fee and the total due. The worksheet must be signed by the parent to indicate that they agree to be responsible for the additional fee

Protective Services: The supervision and placement of a child by the Children of Family Service (DFS) to monitor and prevent situations of abuse and neglect.

Program Overview: Also called Appendix A to the provider contract.

Provider: The individual or business providing the child care services.

Provider Self Service (PSS): The Child Care Subsidy Program that child care providers can update their program information, view attendance records, and submit payment information.

Purchase of Care or POC: The name of Delaware's Child Care Subsidy Program that provides financial support to eligible Delaware families who need assistance paying for child care.

Purchase of Care Plus or POC+: A care option that allows providers to charge parents and caretakers in the Child Care Subsidy Program the difference between the DSS reimbursement rate and the providers private fee for service. The provider receives DSS rate, the DSS determined child care copayment (if applicable), and any additional provider determined copayments.

Recoupment: Amount of money previously overpaid to a Contractor that will be recovered by the State from future payments.

Reimbursement Rate: The maximum dollar amount the State will pay for childcare services. This will be either the state rate or the provider's private rate, whichever is lower.

Relative: An adult who is by marriage, blood relationship, or court decree. The grandparent, great grandparent, sibling, aunt, or uncle of the receiving child.

Seamless Care: A family can retain the same provider regardless of the source of funding, and providers are able to provide services to children regardless of a family's eligibility for assistance or the source of payment. This type of service, to the extent permitted by applicable laws, allows different funding streams to prevent interruption in child care services.

Self-Arranged Care: The parent/caretaker chooses a licensed provider who is not contracted. Must pay the full tuition out of pocket and is reimbursed the amount that DSS would have paid a contracted provider after the month ends.

Site: The physical facility where the childcare services are provided to the child.

Social Services Block Grant or SSBG: A grant provided by the Administration for Children and Families (ACF) that is flexible funding source allowing states to fund different social service programs to meet the needs of citizens within their individual state.

Special Needs: Child care that is authorized due to a child under 19 years old or an adult who requires specialized care for physical, emotional, or developmental needs. A licensed doctor or other medical professional must verify the need and the required care.

State Median Income or SMI: The average income for each state reported yearly by the U.S. Census Bureau.

1. At any time, a family's income exceeds the federal income guidelines of 85% of Delaware's SMI, the family is no longer eligible for the Child Care Subsidy Program and the family's child care case will close.

Summary Attendance: A form that is mailed to providers at the end of the month. Providers transfer the totals from their Daily Attendance to this form and then enter the totals in Provider Self-Service.

Technical Eligibility: Requirements based on need and category that families must meet to receive child care services.

Temporary Care: Child care will continue if a parent has a temporary break in his or her need for child care services. The temporary break should not exceed 90 days.

Termination: Provider releases a child from care. Must give client 5 days' notice.

W-9: A form that provides key information that a provider needs if they are an independent contractor. Providers must complete online to become a contracted provider.

Withdrawal Notice: Clients are required to inform the provider at least 5 days before withdrawing their child.

[11002.10 Establishing Program Integrity in Child Care](#)

This policy establishes guidelines to ensure integrity and accountability in Delaware's Child Care Subsidy Program.

1. DSS will support child care program integrity by:
 - A. Collaborating and sharing data with other agencies;
 - B. Verifying eligibility for families;
 - C. Verifying attendance standards for children served;
 - D. Monitoring providers; and
 - E. Reviewing quality assurance;
2. DSS will provide training to eligibility staff to reduce and prevent administrative and improper payment errors.
3. DSS will cooperate with other agencies to share information when appropriate and allowable by federal and state laws to reduce, detect, and prevent improper payments and fraud.

4. DSS will educate families receiving child care subsidy on program rules including reporting requirements for household changes.

11003 Determining Technical Eligibility for Child Care Assistance

This policy applies to applicants for and recipients of child care assistance.

1. Parents/Caretakers Must Meet Certain Eligibility Criteria

To be technically eligible parents/caretakers must have a need that requires them to be out of the home or reasonably unavailable to provide supervision (e.g., a medical condition, needing rest because of working a third shift, etc.).

1. Parents/Caretakers must be a Delaware resident.
2. Parents/Caretakers who need services must meet one of the following:
 1. Accept or keep a job;
 2. Participate in a DSS Employment and Training E & T program;
 3. Participate in the Transitional Work Program TWP;
 4. Participate in job search;
 5. Have a break in education/training;
 6. Prevent child abuse or neglect as referred by Division of Family Services (DFS);
 7. Provide care for the children when the parents/caretakers have a special need;
 8. Enrolled and attending middle school or high school;
 9. Enrolled and participating in a General Education Diploma (GED) program or similar secondary credential assessment approved by the Delaware Department of Education.
2. Children Must Meet Certain Criteria

Children may be eligible if they:

1. Live in the home and are under the age of 13;
 2. Live in the home and are age 13 to 18 and are physically or mentally incapable of caring for themselves.
 3. Are active with and referred by the Division of Family Services (DFS).
3. Non-Citizens May Qualify for Child Care Assistance

non-citizens may qualify if:

1. At least one U.S. citizen or legal alien lives in the household.
2. Both parents/caretakers meet technical and financial eligibility criteria.
3. The following aliens qualify for a period of five (5) years from the date of:

1. Obtaining status as a refugee; or
2. Obtaining status as an asylee; or
3. Their deportation is being withheld.
4. They are aliens admitted as permanent residents who have worked forty (40) qualifying quarters.
5. They, their spouses, or unmarried dependent children are honorably discharged veterans or on active military duty.

11003.1 Technical Requirements

Technical requirements relate to the circumstances which qualify a parent/caretaker for a specific category of child care funding. These circumstances help determine whether a child care need exists, whether DSS guarantees child care, whether DSS considers income, and whether the parent pays a child care fee.

11003.2 Processing Child Care for Parents and Caretakers Participating in TANF

This policy applies to parents and caretakers who need child care assistance while participating in the Temporary Assistance for Needy Families (TANF) program.

1. DSS guarantees child care for an eligible child when the child's parent or caretaker:
 - Participates in the TANF Employment and Training (E&T) program;
 - Participates in the TANF Transitional Work Program (TWP); or
 - Is employed or accepts an offer of employment.
2. DSS case workers must open child care for an eligible child and authorize care for twelve months when the parent or caretaker applies for TANF.
3. A parent or caretaker who loses eligibility for child care due to a TANF E&T or TWP sanction or loss of employment will receive three months of continued child care before their child care case is closed.
 - A. DSS case workers must authorize three months of child care beginning the month after the TANF sanction request or job loss in accordance with [DSSM 11004.12.1](#) to:
 - Provide continuity of care for the child; and
 - Give the parent or caretaker the opportunity to re-engage with the TANF E&T or TWP program or obtain employment.
 - B. If the parent or caretaker cures the TANF E&T or TWP sanction or obtains employment during the three months of continued child care, DSS will authorize care until the family's next eligibility review date.

11003.5 In-Home Child Care

The Fair Labor Standards Act requires that in-home child care providers be treated as domestic service workers. As a result, DSS must pay these providers the federal minimum wage. Paying

the federal minimum wage would make the cost of in-home care disproportionate to other types of care. As a result, DSS has placed a limit on parental use of the in-home care option.

1. As of July 1994, in-home care has been limited to:
 1. families in which four or more children require care, or
 2. families with fewer children only as a matter of last resort.
2. Examples of "last resort" may include:
 1. the parent works the late shift in a rural area where other types of care are not available, or
 2. there is a special needs child for whom it is impossible to find any other child care arrangement.

Federal regulations define in-home care as child care provided in the child's own home. In-home care also includes situations where the caregiver and the child share a home.

EXAMPLE 1: Ms. Jones lives at 100 Main Street in Newark. Ms. Jones goes to Mrs. Johnson's house at 200 Main Street in Newark to provide dependent care for Mrs. Johnson's children. Because in-home care is provided, Ms. Jones must be paid at least the federal minimum wage. Ms. Jones must, therefore, be providing dependent care to at least four children.

EXAMPLE 2: Ms. Smith and Ms. Kelly live in the same house at 500 DuPont Street in Wilmington. Ms. Smith provides dependent care for Ms. Kelly's only child in this house. The federal minimum wage provisions do not apply. Ms. Smith would receive the established rate for the one child even though the rate is below the federal minimum wage.

11003.7.1 Income Eligible/Program Limitation

There is no child care guarantee with the funding sources which make up the income eligible category like there is with Food Stamp Employment & Training (FS E&T) - AFDC and Transitional Child Care. Funding is limited by the amount of DSS' grant award. This means that DSS cannot serve all the income eligible parent/caretakers who have a legitimate child care need. Though families may be eligible, a lack of available funding will prevent DSS from authorizing service. DSS therefore, reserves the right to limit, where appropriate, its income eligible child care services whenever the demand for income eligible services comes near or matches available funding resources. DSS also reserves the right, under these conditions, to determine who it will serve, when it will serve them, and how it will serve them.

11003.7.2 Determining Child Care for Homeless Families

Families who apply for Purchase of Care and meet the definition of "homeless" will receive presumptive child care services for 90 days, regardless of whether documentation is provided at the time of application.

1. This policy references The McKinney-Vento Homeless Assistance Act definition of "homeless" which means individuals who lack a fixed, regular, and adequate nighttime residence, and includes individuals who are:

- Living in the housing of others due to loss of housing, economic hardship, or a similar reason;
 - Living in a motel, hotel, trailer park, or camping ground due to lack of alternative adequate accommodations;
 - Living in an emergency or transitional shelter;
 - Living primarily at a public or private place not designed or ordinarily used as a regular sleeping accommodation for human beings;
 - Living in a car, park, public space, abandoned building, substandard housing, bus, or train station, or similar setting;
 - Abandoned in a hospital; and
 - Migrant children who have joined a parent or the spouse of a parent within the past 36 months and who are living in any of the above situations.
2. Families who make a personal choice to reside in the housing of others are not considered homeless.
 3. Families who are homeless will qualify for child care services when:
 - The family is determined homeless based on the definition in this policy;
 - The family's income is at or below 185% of the Federal Poverty Level; and
 - The parent or caretaker is seeking employment or housing.
 4. Child care providers are required to allow children who are determined homeless and children in foster care to begin receiving child care services once they are determined eligible for child care subsidy, regardless of whether documentation has been provided, including immunization records.

11003.7.3 Income Eligible/Loss of Employment or Job Transition

Parent/caretakers who lose employment or who have a gap in employment because of a transition between jobs, can continue service for up to three months. Child care services will cease if employment does not begin again after this time.

11003.7.4 Income Eligible/Training

Parent/caretakers who participate in a DSS Food Benefit or TANF Employment and Training program can continue receiving child care services for the duration of their participation as long as:

1. the training was part of a TANF or Food Benefit Employment & Training (FS E&T) Employability Development Plan; and
2. there is a reasonable expectation that the training course will lead to a job within a foreseeable time frame (6 to 18 months), such as persons participating in apprenticeship programs, on-the-job training programs, or vocational skill programs.

Child care services can continue for up to three months to allow for breaks between training programs or to allow for an employment search upon completion of training.

11003.7.5 Determining High School/GED Eligibility and Participation

This policy applies to applicants and recipients seeking a high school diploma or GED.

1.DSS Requires Parents/Caretakers Meet Certain Eligibility Criterion

Parents/Caretakers who attend high school or GED program can receive Child Care for the duration of their participation.

A. If parents/caretakers are:

- Attending high school or high school equivalency and have not previously received a high school diploma or GED.
- Meeting all other financial and technical requirements.

11003.7.5.1 Determining Post-Secondary Eligibility and Participation

This policy applies to applicants and recipients who meet Child Care income eligibility requirements.

1. DSS Requires Parents/Caretakers Seeking a Degree Meet Certain Criterion

Parents/Caretakers who are enrolled in higher education or training programs that lead to a degree or certification/licensure can receive Child Care for the duration of the education program.

1. The parents/caretakers must be participating:
 - In a DSS TANF Employment and Training (TANF E & T) Program; or
 - In the DSS Food Supplement Program Employment and Training (FS E & T) and;
2. DSS expects the course of instruction will lead to employment.
3. Parents/ Caretakers who already have a bachelor's degree or higher are not eligible.

11003.7.6 Income Eligible/Protective Child Care

DSS will provide child care services for children who need to receive or who receive protective services from the Division of Family Services exclusive of other child care needs. DSS will also give service priority to protective children, meaning DSS will provide an exemption to protective children during a waiting list period. However, by agreement with the Division of Family Services, this exemption will only exist for a limited number of protective children. Currently the limitation is 280 children but is subject to change based on available funding and forecasted need.

11003.7.8 Determining Special Needs for Child Care

This policy applies to parents and caretakers requesting Special Needs Child Care for themselves or for their children.

1. Families requesting Special Needs Child Care must meet the Special Needs eligibility requirements.
 - A. DSS will determine a parent or caretaker to be eligible for Special Needs Child Care if:
 - i. The parent or caretaker has a condition that causes the parent or caretaker to be unable to care for his or her child for some portion of the day; and
 - ii. The parent or caretaker is financially eligible for child care assistance.
 - B. DSS will determine a child to be eligible for Special Needs Child Care if:
 - i. The child is under 19 years of age;
 - ii. The child is physically or mentally incapable of self-care; and
 - iii. The parent or caretaker has a need per [DSSM 11003.8](#) and is financially eligible for child care assistance.
 - C. DSS requires documentation of the special need.
 - i. The family can verify the special need by submitting:
 - DSS Form 611 “Child Care Medical Certification Form”; or
 - Written documentation completed by a physician or medical professional that details the special need and the required care.
 - D. DSS considers children who are active with and referred by the Division of Family Services (DFS) to have met the need criteria for Special Needs Child Care.
 - i. Children referred by DFS:
 - Are not required to meet the financial criteria for child care assistance; and
 - May receive child care services regardless of their citizenship status.
 - E. DSS considers parents and caretakers who are active with the Transitional Work Program (TWP) to have met the need criteria for Special Needs Child Care.
 - i. Parents and caretakers participating with TWP:
 - Must be financially eligible for child care assistance; and
 - Are not required to submit documentation of a special need to DSS.
 - ii. TWP staff will request child care for clients who are participating with the program and will determine the amount of care needed.

11003.8 Necessity of Child Care

For parents/caretakers to receive child care services, DSS must determine if child care is necessary. For two-parent households, both parents must have a need for child care. Child care is necessary when:

1. The child is not in school during the hours of the parent's/caretaker's employment
2. The child is not in school during the hours of the parent's/caretaker's participation in a training or education component of a DSS Employment and Training program
3. The child is active with and referred by DFS for child care
4. The parent/caretaker is active with and referred by the DSS Transitional Work Program for child care
5. The parent/caretaker has a special need (See [DSSM 11003.7.8](#)).

11003.9 Financial Requirements

Child care services are available to families who otherwise cannot pay for all or part of the cost of care. This determination of who cannot afford to pay all, or a portion of the cost of care, is always a determination based on income. The financial requirements, which follow, relate to the circumstances which qualify parent/caretakers for child care services based on income. These requirements help determine whose income to count or not count, what is counted, and when and how to count it.

11003.9.1 Determining Income Eligibility for Child Care

This policy outlines how DSS determines income eligibility for applicants and recipients of the Child Care Subsidy Program.

1. DSS will determine income eligibility for the Child Care Subsidy Program when a family submits a completed and signed application and completes an interview for child care assistance.
2. Case workers must verify the past 30 days of income received by the family.
3. If a family's income fluctuates, DSS will average the last three to six months of the family's income and exclude temporary income (such as overtime, bonus, or holiday pay) for eligibility determination.
4. DSS considers all gross earned and unearned income received by the family when determining child care eligibility.
 - A. Gross income is the amount of earned and unearned income before deductions such as taxes, bonds, pensions, and union dues.
 - B. To be eligible for child care assistance, a family's gross monthly income must be equal to or less than 185% of the Federal Poverty Level (FPL) for the family size.
5. DSS counts the following income when determining child care eligibility:
 - A. Earned income, including, but not limited to:

- i. Wages and salary;
- ii. Armed forces pay;
- iii. Commissions, tips, and piece-rate payments; and
- iv. Self-employment earnings.
 - a. Self-employment earnings are counted after applying a standard deduction for self-employment expenses.
 - b. Self-employed clients must verify at least one business cost to receive the self-employment deduction.
 - c. Self-employment earnings must be equal to the federal minimum wage.

B. Unearned income, including, but not limited to:

- i. Social Security benefits, including Social Security Disability Income (SSDI), Supplemental Security Income (SSI), and Retirement, Survivors, and Disability Insurance (RSDI);
- ii. Veteran's benefits and military allotments;
- iii. Public assistance payments, including Temporary Assistance for Needy Families (TANF);
- iv. Net rental income;
- v. Unemployment compensation;
- vi. Workers' compensation;
- vii. Pensions;
- viii. Railroad retirement;
- ix. Annuities; and
- x. Alimony and child support.

6. DSS excludes the following income when determining child care eligibility:

- A. The value of U.S. Department of Agriculture (USDA) donated foods;
- B. The value of Supplement Nutrition Assistance Program (SNAP) food benefits;
- C. The value of supplemental food assistance under the Child Nutrition Act of 1966 and the National School Lunch Act, as amended;
- D. The value of homegrown produce used for household consumption;
- E. The earned income of a child under the age of 18 years old who is a student;
- F. All AmeriCorps VISTA income;
- G. Temporary U.S. Census Bureau employment income received during the census period;
- H. Temporary income received by a family that may determine the family to be over 85% of the State Median Income (SMI);
 - i. The family must submit documentation of when the income will end.
 - ii. The temporary work period cannot exceed 90 days.

- I. The money received from the sale of property such as stocks, bonds, a house, or a car;
 - i. If the client is in the business of selling such property, the net proceeds are counted as income from self-employment.
 - J. Withdrawals from bank accounts;
 - K. Money borrowed or received as a gift;
 - L. Capital gains;
 - M. Federal income tax returns;
 - N. Non-recurring lump sum payments (e.g., a lump sum child support payment);
 - O. Any payments derived from participation in activities under the Food Benefit Employment & Training program or other job training programs;
 - P. Loans or grants, such as scholarships obtained and used under conditions that preclude their use for current living costs;
 - Q. Any grant or loan to any undergraduate student for educational purposes made or insured under any program administered by the Commissioner of Education under the Higher Education Act;
 - R. Per capita payments to or funds held in trust for any individual in satisfaction of a judgment of Indian Claims Commission or the Court of Claims;
 - S. Payments made pursuant to the Alaska Native Claims Settlement Act to the extent such payments are exempt from taxation under ESM 21(a) of the Act; and
 - T. Any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
7. DSS does not consider resources such as cars, homes, savings accounts, or life insurance when determining income eligibility for child care assistance.
8. Once eligibility has been established, DSS will complete a net income test to determine if the family will have a copayment for child care assistance.
- A. Net income is the total income counted in the child care budget after shelter and utility deductions have been applied.
 - B. The net income test determines if the family has an excessive financial burden. DSS will waive the copayment if the family's income falls below 40% of the FPL per DSSM 11004.7.1.

11003.9.2 Whose Income to Count

In all categories, count all income attributable to the parent(s) and children included in the family size according to section [11003.9.1](#) as family income. Family size as used here means those persons whose needs and income are considered together as defined in section [11003.9.3](#). A person who acts as a child's caretaker (as defined in Section [11002.9](#)), is not included in the definition of family. In this instance, any income attributable to the child or children is the income which is counted.

Income of active DFS referrals/cases is excluded. Active DFS referrals/cases do not need to meet financial eligibility.

11003.9.3 Defining Family Size for Child Care

Family size is defined by the individuals who live together and whose needs and incomes are considered together for child care subsidy.

1. The family size includes parents and their children under age 18 who are living in a household together.
 - A. DSS defines parents as:
 - i. Natural birth parents of a child;
 - ii. Legal parents of a child as deemed by a court of law;
 - iii. Adoptive parents of a child as deemed by a court of law;
 - iv. A stepparent of a child; or
 - v. Unmarried partners with a child in common.
 - B. DSS includes in the family size the parent or parents with their natural, legal, adopted, or step- child or children under age 18 who are residing in the same household.
 - C. DSS groups unmarried partners together in the family size only if they live together and have a child in common residing in the same household.
 - i. When DSS groups unmarried partners together, the family size will include:
 - The unmarried partners;
 - The child in common; and
 - Any other child who is the natural, legal, adoptive, or step- child of one of the unmarried partners and residing in the same household.
 - D. DSS excludes from the family size any adults who are not the natural, legal, adoptive, or step- parent of the child or children in the household, including a caretaker, legal guardian, or unmarried partner who is not the child's parent.
 - i. In this type of case:
 - The family size will only include the child or siblings in the household; and
 - The income of the excluded adult will not count in determining the parent copayment.
 - E. A parent may receive child care even if there is another adult living in the household who is not included in the family size, such as an unmarried partner who is not the child's parent, a relative, or a friend.
2. DSS uses the earned and unearned income per DSSM 11003.9.1 that is received by the parents and children included in the family size to determine the family's financial eligibility and copayment for child care.
3. Examples of family size:
 - A. Mom and dad are married with two children. Both parents are employed and meet the financial requirements for child care. This is a family size of four.

- B. Dad and his unmarried partner have a child in common. Both parents are employed. Dad has two children from a previous relationship, and Dad's unmarried partner has one child from a previous relationship. The four children reside in the household. Since there is a child in common, this is a family size of six.
- C. Mom and her unmarried partner have no children in common. Mom is employed and has one child who resides in the household. Mom's unmarried partner is not employed and has two children who reside in the household. Mom is eligible to receive child care for her child only, and this is a family size of two.
 - i. Mom's unmarried partner is not required to care for Mom's child.
 - ii. Mom's unmarried partner is not eligible for child care because the partner does not have a need for care.
- D. Grandfather and grandmother have custody of their grandchild and receive child support for the grandchild. Grandfather is employed, and grandmother is on disability. This is a family size of one.
 - i. Only the child support income received for the grandchild will count when determining the parent copayment.
 - ii. Although grandmother is not working, she is not required to provide care for the child because she is not the child's parent.
- E. Uncle has custody of his nephew and his godchild. Uncle is employed and receives child support for his nephew. Because the children are not related to each other, there are two family size determinations.
 - i. The nephew is a family size of one and only the child support income will count when determining the parent copayment.
 - ii. The godchild is a family size of one and no income will count when determining the parent copayment.

11003.9.4 Determining Child Care for Parents Who Are Underage 18

This policy applies to minor parents who are under the age of 18 and residing with their legal guardians or parents.

1. **A minor parent who is applying for child care services must:**
 - Have a need for child care;
 - Meet financial eligibility requirements based on the minor parent's income;
 - Provide a referral from the Division of Family Services (DFS) if the family has an active DFS case; and
 - Provide a medical form or statement of a special need, if applicable.
2. **The legal guardian or parent of a minor parent must:**
 - Sign the child care application of the minor parent. DSS will deny child care if the legal guardian or parent of the minor parent does not sign the application.

- Verify legal guardianship of the minor parent’s child if:
 - i. The legal guardian or parent provides primary support for the minor’s child, and
 - ii. The legal guardian or parent is applying for child care services.

Note: An agency that has custody of a minor parent must apply on behalf of the minor requesting child care services.

11003.9.4.1 Determining Child Care for Minor Parents Participating in TANF E&T

This policy applies to minor parents (ages 16 through 17) who need child care assistance while participating in the Temporary Assistance for Needy Families (TANF) Employment and Training (E&T) program.

1. DSS guarantees child care for an eligible child when the child’s minor parent:
 - Participates in the TANF E&T program;
 - Participates in the TANF Transitional Work Program (TWP); or
 - Is employed or accepts an offer of employment.
2. DSS case workers must open child care for an eligible child and authorize care for twelve months when the minor parent applies for TANF.
3. A minor parent who loses eligibility for child care due to a TANF E&T or TWP sanction or loss of employment will receive three months of continued child care before their child care case is closed.
 - DSS case workers must authorize three months of child care beginning the month after the TANF sanction request or job loss in accordance with DSSM 11004.12.1 to:
 - Provide continuity of care for the child; and
 - Give the minor parent the opportunity to re-engage with the TANF E&T or TWP program, obtain employment, or attend an educational setting.
 - If the minor parent cures the TANF E&T or TWP sanction, obtains employment, or attends an educational setting during the three months of continued child care, DSS will authorize care until the family’s next eligibility review date.

11003.9.5 Making Income Determinations

Staff will use gross monthly income in all cases except for self-employment income. Gross income is income before any deductions. See [11003.9.1](#) for disregarded income.

Determine the monthly amount of income using the conversion method below. This applies to earned and unearned income.

1. Weekly gross income is multiplied by 4.33 to calculate the monthly income.
2. Bi-weekly gross income is multiplied by 2.16 to calculate the monthly income. Bi-weekly income is income that is received every other week.

3. Semi-monthly gross income is multiplied by 2 to calculate the monthly income. Semi-monthly income is income that is received twice each month.

If the income is different from pay to pay, use the income from the previous month or the average of the last three months income, whichever is less. This applies for earned and unearned income.

11003.10 Reporting Changes in Need and Income for Child Care

Parents and caretakers are required to report a change in household income and need for child care to DSS within 10 days of the change.

1. A family must only report a change in income that results in the family's monthly income exceeding 85% of the state median income (SMI) guideline for the household size.
2. A family must report a non-temporary change that occurs in their household circumstance, including:
 - The loss of employment;
 - The completion of an education or training program; and
 - A permanent change in state residency.
3. A family may report changes by:
 - Calling the local DSS office or the Change Report Center;
 - Emailing the local DSS office or the designated resource mailbox; or
 - Visiting the local DSS office.
4. When a family reports a non-temporary change that ends their need for child care, DSS will authorize 90 consecutive days of child care before the family's child care case is closed.
5. DSS must verify a change reported by a third-party agency or person with the family.

11004 Applying for Child Care Assistance

Parents and caretakers who are interested in receiving child care assistance may inquire about services by contacting a DSS office.

1. Parents and caretakers may informally inquire about child care eligibility by contacting a DSS office by phone call or unannounced office visit.
2. Each informal inquiry for child care services will be reviewed by a DSS eligibility case worker at the time of inquiry. Parents and caretakers who appear to be eligible may complete the formal application process on the same day as the informal inquiry.
3. Eligibility case workers who are assessing informal child care inquiries shall:
 - Review each applicant's need for child care based on the information that the applicant provides.
 - Review current case information in ASSIST Worker Web (AWW), if applicable.

- Notify parents and caretakers whether they are potentially eligible for services. A written decision is not required for an informal inquiry.
- Inform all parents and caretakers of their right to file a formal application.
- Proceed with the formal application process for potentially eligible parents and caretakers on the same day as the informal inquiry.
- Provide the applicant with Form 105 "Appointment and Request for Verification" when additional information is needed to complete the eligibility process.

11004.1 Processing Applications for Child Care

This policy applies to parents and caretakers who submit an application for child care assistance.

1. DSS will provide child care assistance for eligible children when a parent or caretaker:
 - Participates in a TANF or Food Benefit Employment and Training (E&T) program;
 - Participates in the TANF Transitional Work Program (TWP);
 - Attends a DSS approved educational program or job training program;
 - Is employed or accepts an offer of employment;
 - Receives protective services from the Division of Family Services (DFS); or
 - Verifies a special need.
2. A parent or caretaker may apply for child care:
 - In person at any DSS location;
 - Over the phone with a DSS case worker;
 - By mailing, faxing, or emailing a completed application to the local DSS office; or
 - Online through Delaware ASSIST or other online application methods.
3. DSS will interview the applicant and process the signed child care application within two business days. The application filing date will be the effective begin date for assistance.
4. A parent or caretaker must verify household income and the need for child care during the application process.
 - A parent or caretaker must verify the last 30 days of earned and unearned income received prior to the date of application for DSS to determine financial eligibility.
 - i. Earned income may be verified by:
 - a. Wage stubs;
 - b. A signed employer statement on employer letterhead noting the employee's name, start date, work schedule, earnings, and frequency of pay;

- c. Verification of Employment (Form 170); or
 - d. A data match confirming employment and income.
 - ii. Unearned income may be verified by:
 - a. Award letters;
 - b. Pension statements;
 - c. Court order documentation;
 - d. Other forms of documentation from sources verifying the gross unearned income amount; or
 - e. A data match confirming unearned income.
 - o A parent or caretaker must verify their need for child care by providing:
 - i. Wage verification or an offer of employment that includes the amount of work hours;
 - ii. A schedule, proof of registration, or statement from an authorized education program verifying the start date, days and hours of attendance, and expected completion date;
 - iii. A schedule, proof of registration, or statement from an authorized training program verifying the start date, days and hours of attendance, and expected completion date;
 - iv. A DFS referral for protective care; or
 - v. Child Care Medical Certification Form (Form 611) or written documentation completed by a physician or medical professional that verifies a special need and the required care.
 - o Presumptive child care may open when a parent or caretaker reports income and a need for child care but has not provided all mandatory verifications in accordance with DSSM 11004.8.
5. A parent or caretaker must provide all mandatory verifications, complete an intake interview, and make a provider selection within 30 days from the application date for child care to become effective on the application filing date.
- o If information is returned after 30 days of the application date, but before 60 days, child care will begin on the date verifications are received.
 - o If information is not returned before 60 days from the application date, the parent or caretaker must reapply for child care.
6. DSS must inform parents and caretakers of their:
- o Eligibility determination;
 - o Monthly parent copayment amount; and
 - o Rights and responsibilities for the Child Care Subsidy Program.

7. DSS must give parents and caretakers a Subsidized Child Care Client Agreement (Form 626) when child care approval cannot be generated from the eligibility system.

11004.2 Interviews and Necessary Documentation

Complete an interview either over the phone or in person. Conduct the interview the same day if possible. Parents will need to supply the following verifications:

1. if employed:
 - pay stubs for the 30 days before the date of application, or
 - a letter or employer statement (on company letterhead) noting the employer's name, telephone number, the parent's/caretaker's work schedule, earnings, frequency of pay, and start date,
2. any unearned income, such as child support, Social Security, and unemployment compensation
3. if in training and/or school:
 - a statement from the school/training program with starting and completion dates and days and hours required to attend, or
 - a copy of a registration form and class schedule;
4. any other information which will help in determining the need for service, such as documentation of a special need. Documentation of the special need may be provided on the Special Needs Form, or any other written correspondence submitted by a physician or medical professional with the authority to do so. For a protective need, a referral from Division of Family Services must be submitted.

Parents must be given any information that will help them to make an informed decision regarding their child care services. Provide parents/caretakers with a list of providers and a child care certificate packet as needed. Although verifications are needed, Presumptive Child Care may be opened pending information. Presumptive Care can be authorized for approximately one month, depending on the date of application. (For more information on Presumptive Child Care see [DSSM 11004.8](#)).

11004.2.1 Conducting the Interview

The interview will include:

1. An evaluation of parents/caretakers need for child care services (see [Section 11003](#));
2. A determination of financial eligibility as needed;
3. An assessment of the family's child care needs as well as the needs of the child(ren) to be placed in care;
4. An explanation of the available types of child care; the choices parents/caretakers have regarding these provider types; the various provider requirements regarding licensure, possible co-pays, health, and safety, including record of immunization; and required child abuse and criminal history checks;

5. An explanation of DSS payment rates and parent fee scale, including a discussion of how fees are assessed, where fees are to be paid, what happens if the fee is not paid, and how parents/caretakers are to keep DSS informed of changes that affect fees;
6. An explanation of parents/caretaker's rights and responsibilities;
7. Completion of the Application for Child Care Assistance, and as applicable completion of the Child Care Authorization and the Child Care Payment Agreement form; and
8. Verification of appropriate information establishing need and income.

The entire process, from the time when parents/caretakers make an informal request for child care to the time when a decision is finally made, should take no longer than one month.

Parents/caretakers who fail to keep their initial appointment for a formal interview are given the opportunity to reschedule.

11004.3 Review and Verification of Eligibility Requirements

As part of the formal application process, use the parents/caretakers' interview to review and verify eligibility requirements. This interview will always include an evaluation of the parents/caretakers need for child care and, as appropriate, a determination of financial eligibility. Section 11003, Eligibility Requirements, provides guidance for this review.

When a parent/caretaker makes a contact to inquire about child care, ask the following questions of the parent/caretaker to determine and verify need (these questions follow the eligibility requirements noted in Section 11003 and match DCIS II Child Care Sub system need codes.

1. Is the parent/caretaker employed or do they need child care to accept employment? (Category 12 for TANF employed or Category 31 if not on TANF)? The caretaker must be part of the TANF grant to be a Category 12.
2. Is the parent a TANF Employment and Training participant and needs care to participate in a TANF Employment and Training activity? (Category 11)
3. Is the parent/caretaker a Food Stamp Employment & Training (FS E&T) participant? (This is Category 21.)
4. Is the parent/caretaker a self-initiated participant, a mandatory or voluntary Food Stamp Employment & Training (FS E&T) participant? (This includes Category 21.)
5. Is the parent/caretaker in and regularly attending a training program or going to school? (Category 31)
6. Is a special needs child or parent/caretaker in the household? (Category 31)
7. Is there a protective referral from Family Services? (Category 31)
8. If the parent/caretaker meets a Category 13 need, is the family income equal to or below 200 percent of the federal poverty level?

Use the appropriate documents identified in Section [11004.2](#) to verify the need for service. However, verification will not delay authorization of service in the event documentation is not immediately available. Authorize service while allowing parents/caretakers ten days to provide

the appropriate verification. If the client is applying for services, the system will automatically determine eligibility for Presumptive Child Care. The system will generate the appropriate authorization. If the client does not meet presumptive requirements and fails to provide requested information, the system will close the case and give appropriate notice. (For more detail on Presumptive Child Care see section [11004.8](#))

11004.3.1 Prioritizing Service Needs

This policy applies to all Child Care Assistance applicants who may experience a delay in service due to a wait list.

DSS Requires When There Is a Wait List That Certain Groups Be Given Priority.

Applicants Will Be Referred to A Waitlist If Their Need for Child Care Does Not Meet One (1) of the Requirements.

1. Parents/Caretakers in the circumstance below will continue to receive Child Care Assistance as long as they meet all eligibility requirements.
 1. The following groups are given priority:
 1. TANF applicants and recipients who are Employment and Training (E&T) Mandatory and not working (Category 11);
 2. TANF recipients who are working (Category 12);
 3. Individuals receiving Food Supplement Program (FSP) who are mandatory E&T participants (Category 21);
 4. Teen parents who are enrolled in or attending middle school or high school; or a program to acquire a General Education Diploma (GED) or similar secondary credential approved by the Delaware Department of Education;
 5. Parent/Caretakers or child with special needs as defined in DSSM 11003.7.8;
 6. Homeless families as defined in DSSM 11003.7.2;
 7. Families who meet the 40% of FPL criteria as defined in DSSM 11004.7;
 8. Division of Family Services (DFS) may refer children to DSS for protective Child Care up to the number agreed upon by both Divisions.

11004.4 Child Care Certificates

As part of the application process, inform all parents/caretakers of their right to choose a child care provider. Parents/caretakers may elect to use a provider under contract with DSS or elect to receive a child care certificate. The child care certificate allows parents/caretakers to select any licensed non-contract provider. The child care certificate is part of a package of information provided to parents/caretakers as part of the formal application process. It is necessary to not only provide parents/caretakers with a copy of this package but explain the purpose of this package and ensure that parents/caretakers reasonably understand its contents.

11004.4.1 Explanation of Certificates

Use the following as a guide to explain the child care certificate package.

1. Parents/caretakers can use this package to select a child care provider of their choice. However, they must select care that is legal. Legal care is care that is licensed or that is exempt from licensing requirements.
2. Licensed Care: All family child care homes, large family child care homes and child care centers must have a license to operate in Delaware. Do not allow a parent to select an unlicensed family or large family child care home, or center child care provider.
3. License-exempt Care: The following provider type is exempt from licensing requirements in Delaware:

1. Relatives who provide care in their home for the parent/caretaker's child;

Though the above provider types are exempt from licensing requirements, they are still required to meet certain health and safety standards. These standards are:

- A. maintaining documentation of the child's immunization record,
 - B. safe and clean building premises,
 - C. providers and those 18 and older who live in the home where care is being provided are required to submit to a fingerprinted background check and must not have any prohibited criminal convictions or prohibited child abuse and neglect substantiations as designated under 31 Delaware Code, Section 309, 16 Delaware Code, Section 923 and the Child Care Development Block Grant Act of 2014, and
 - D. relatives who provide care cannot be part of the welfare grant.
- D. Once parents/caretakers know the appropriate provider to select, they also need to know how DSS will pay for the care provided. DSS has established rates above which it will not pay (see Appendix II for current reimbursement rates).

Parents/caretakers will need to know these rates and whether or not the provider is willing to accept them. If the provider is willing, the certificate will act just like a DSS contract and DSS will pay the provider directly less any child care fee. If the provider is not willing, the parent/caretaker will self-arrange care with the individual provider.

If the provider contracted purchase of care slots are full, the provider may offer the parent/caretaker the option of receiving service as a purchase of care plus client. The provider then receives the regular DSS subsidy from the Division, the DSS determined parent fee and any additional fee determined by the provider from the parent/caretaker.

If the provider is not willing to accept purchase of care plus, the parent/caretaker will self-arrange care with the individual provider. The parent/caretaker will pay

the provider and submit an original receipt to DSS for reimbursement. The parent/caretaker, however, will only receive reimbursement up to the DSS statewide limit.

- E. The provider will need to complete and return the original copy of the actual child care certificate before case managers can authorize care. Relative care providers will also complete and return the yellow copy of the License Exempt Provider Criminal History and Child Abuse and Neglect Background Check Request for all persons 18 and older living in the home. If this form is not returned, discontinue care.
- F. Service will not be delayed because of an incomplete child abuse clearance check but remind parents/caretakers that DSS will not pay for care if, after authorization, the check should reveal a history of abuse or neglect.
- G. Allow parents/caretakers one month to use a certificate. If the certificate is not used within that time, it no longer remains valid, and the parents/caretakers will need to obtain a new certificate if they still wish to receive service.
- H. The original copy of the child care certificate is completed and returned by the provider. The certificate package provides instructions for completion. The provider should keep a copy.
- I. The client has 60 days from confirmation of eligibility to provide the DSS Case Manager with the name of his/her provider. If the client fails to provide this information his/her case will close.

11004.4.2 Purchase of Care Plus (POC+)

POC+ is a care option that allows providers to charge DSS clients the difference between the DSS reimbursement rate up to the provider's private fee for service. The provider receives the DSS rate, the DSS determined child care parent fee if applicable, and any additional provider determined co-pay.

This option is primarily for DSS fee-paying clients. DSS chooses not to limit childcare options for any group of individuals. DSS will allow all DSS purchase of care clients eligible for POC with no parent fee the opportunity to waive their right to receive the childcare with no additional provider co-pays and choose a POC+ slot.

POC+ is an option for all DSS clients, not a requirement. If a provider does not have a regular POC slot available, the client can choose to self-arrange, enter into a POC+ arrangement or find another provider that will take the regular DSS payment.

It is the provider's responsibility to include in their contract with the DSS client the explanation of POC+, the length of POC+ if it is specified, the co-payment amount, the provider's policy on non-payment of fees, and a statement that they have explained to the client their options and that the client chooses to participate in POC+.

In order for providers to be able to participate in the POC+ option they must agree to take a percentage of DSS waived fee clients and attend training on POC+.

If a client is currently participating in POC+ and goes to a zero-parent fee for DSS, the client can stay POC+ or request a regular POC slot. If a regular POC slot is not available, the client can choose to remain in a POC+ slot, self-arrange, or find a provider with a regular POC slot.

Note: It is important to explain to DSS clients who receive POC and Food Stamps that if they choose to participate in POC+ they need to inform the DSS worker of the co-payment amount so that the Food Stamp case can be updated.

11004.5 Processing Eligibility for Child Care

The DSS eligibility system determines if families applying for the Purchase of Care (POC) program are eligible for child care subsidy based on federal and state rules.

1. DSS case workers will enter a family's financial and technical information into the DSS eligibility system at application, at redetermination, and when a family reports a change in circumstances.
2. DSS case workers will enter child care authorization information into the DSS eligibility system once a child has been determined eligible for the POC program.
3. DSS case workers will authorize eligible children for 12 months of care.
 - A. An authorization may be set for less than 12 months if the authorization period is requested in writing by:
 - i. The parent or caretaker;
 - ii. A medical professional verifying the length of time child care is required for a special need; or
 - iii. The Delaware Division of Family Services (DFS) verifying the length of time child care is needed to prevent child abuse or neglect.
4. DSS case workers will enter the child care copayment amount in the Dependent Care Expense screen of the DSS eligibility system after the copayment has been assigned to each authorization.
5. DSS will send notification to the family of their eligibility and authorization status for the POC program.
 - A. DSS will send a written eligibility notice to the family that will include:
 - i. The POC eligibility approval or denial determination;
 - ii. The family's income budget and expense deductions; and
 - iii. The copayment calculation if the family is approved for POC.
 - B. DSS will send a letter of authorization for each authorized child to the family. The letter will include:
 - i. The child's name;
 - ii. The child's Master Client Index (MCI) number;
 - iii. The child care provider's name;
 - iv. The type of care (full-time, part-time, or time and a half);
 - v. The number of days of care; and
 - vi. The family's copayment amount.

11004.6 Child Care Eligibility Screening Application

Complete an Application for Child Care Assistance for all parents/caretakers before authorizing child care services. The information from this form becomes the basis upon which child care services are authorized. Therefore, the information should be as complete and accurate as possible. It is important for the parent/caretaker requesting service to sign this application. Their signature represents their official request for service. If a face-to-face interview is not conducted to obtain the information to complete the application, obtain the parent/caretaker signature on the application at the earliest opportunity after service is authorized. Do not allow parents/caretakers to receive services beyond one month without having a signed application on file.

When it is necessary to authorize new child care services to parents/caretakers because of a category change (such as parents/caretakers going from a Category 11 to 31), it is not necessary to have parents/caretakers complete a new application. This enables DSS to maintain the concept of seamless service.

11004.7 Determining Child Care Copayments

DSS determines and assigns copayments for families who receive the Purchase of Care (POC) child care subsidy.

1. DSS determines copayments for the POC program according to:
 - A. The family's household size;
 - B. The family's gross monthly income;
 - C. The family's shelter and utility expense deductions; and
 - D. A percentage of the family's gross monthly income compared to the Federal Poverty Level (FPL) guidelines as listed in the current POC sliding fee scale that DSS publishes in the annual October Cost of Living Adjustments Administrative Notice.
2. DSS will waive the copayment if one of the following conditions applies to a family:
 - A. The family has net income below 40% of the FPL and is determined to have an excessive financial burden in accordance with DSSM 11004.7.1.
 - B. The family has gross income at or below 70% of the FPL.
 - C. The family is active with and referred by the Delaware Division of Family Services (DFS), including foster care families.
 - D. The family is participating in Delaware's Temporary Assistance for Needy Families (TANF) program.
 - E. The child receives TANF and is being cared for by a caretaker who is not the child's natural or adoptive parent.
 - F. The parent is age 18 or younger and is attending high school or a high school equivalent.
3. DSS may assign a copayment to a case with a caretaker if the eligible child receives income and does not meet one of the waiver conditions listed in section (2) of this policy.
4. DSS will calculate the family's assigned copayment as a monthly amount.

- A. The copayment will not increase beyond the initial copayment amount during the eligibility period if the family reports an increase in income.
- B. The copayment will decrease during the eligibility period if the family reports a decrease in income.

Note: If a family's copayment decreased during the eligibility period, and then the family reports an increase in income during the same eligibility period, the copayment may increase up to the initial copayment amount assigned at application or redetermination.

11004.7.1 Determining Excessive Financial Burden for Child Care

DSS determines if a family has an excessive financial burden when establishing the family's copayment for the Purchase of Care (POC) program.

- 1. DSS considers a family to have an excessive financial burden for the POC program if the family's net income is below 40% of the Federal Poverty Level (FPL) prior to or after DSS deducts certain household expenses from the family's gross income.
 - A. When determining excessive financial burden, expense deductions are limited to:
 - i. Rent, mortgage, and lot rent;
 - ii. Any mandatory expense required by a landlord or a mortgage holder (e.g., homeowners' insurance, property taxes, and school taxes);
 - iii. Current monthly utility expenses (e.g., electric, gas, trash, water, and sewer), excluding late fees and past due amounts;
 - iv. Telephone expenses, which are capped at the same rate as the Food Supplement Program's standard allowance; and
 - v. Unreimbursed medical costs.
 - a. Before DSS can consider medical costs as a deduction, a family not already receiving Medicaid, or the Delaware Healthy Children Program (DHCP) must first apply for either Medicaid or DHCP.
 - b. The DHCP premiums are included in the unreimbursed medical cost deduction.
 - c. DSS will consider any unreimbursed medical costs not covered by Medicaid or DHCP as a deduction to determine the family's income for excessive financial burden.
 - B. Case workers must verify all expenses by using:
 - i. The documentation of the actual billed expense;
 - ii. A receipt of payment;
 - iii. A signed lease; or
 - iv. A DSS approved form detailing the expense.
 - C. DSS will apply one of the following utility allowances as a deduction to a family's gross income when applicable:
 - i. The heating and cooling standard utility allowance (HCSUA);
 - ii. The limited utility allowance (non-heating/non-cooling);

- iii. The one-utility allowance; or
 - iv. The telephone allowance.
2. DSS will deduct allowable and verified expenses from a family's gross income to determine if the family's net income falls below 40% of the FPL for excessive financial burden.
 3. DSS will waive child care copayments for families who are determined to have an excessive financial burden.

11004.7.2 Paying the Child Care Fee

Parent/caretakers will pay their child care fee directly to the child care provider. This fee, in combination with what DSS pays the provider, represents the reimbursement limit DSS allows for child care services. These limits are based on the child care type and the age of the child. DSS has contracts with providers for these rates which include purchase of care plus option. If, however, providers do not accept these rates or the purchase of care plus option, parent/caretakers will self-arrange care directly with the provider. In this instance, the parent/caretaker will not only pay their fee, but also the provider's full charge for care. The parent/caretaker will submit an original receipt for reimbursement, at which time DSS will reimburse the parent/caretaker in an amount up to the statewide limits (see 11004.4.1 above), less the child care fee.

Parent/caretakers who fail to pay their child care fee or who fail to make arrangements to pay past fees owed will have their child care services terminated. Providers are responsible for informing DSS of the parent/caretaker's failure to pay the fee. Obtain such information in writing from providers whenever possible. However, it is acceptable to obtain this information verbally if the following procedures are used.

1. Accept and document (e.g. note the date and time of the call/conversation and the information given in the case record) the information from the provider.
2. Request that the provider follow up this information in writing to the child care monitor in their county.
3. Send the Failure to Pay Child Care Fee Closing (CCMIS Notice 4060) to the parent/caretakers informing them that service will terminate due to non-payment of the fee unless arrangements are made with providers to pay past fees owed.

NOTE: Allow timely (10 days) and adequate notice.

4. Require parent/caretakers to submit information in writing which details the arrangements they made with providers to pay past fees owed.

Parent/caretakers whose child care case closes because of failure to pay child care fees cannot receive a new authorization for service until they satisfy or make arrangements to pay past fees owed.

11004.8 Defining Presumptive Child Care Services

This policy applies to parents and caretakers who need immediate child care services, but who have not verified all mandatory eligibility factors.

1. Parents and caretakers may self-declare income and the need for child care at the time of application and receive presumptive child care services if they are determined eligible pending verifications.
2. Presumptive child care is limited to a one- or two-month eligibility and authorization period.
 - A. If a case is pending verifications prior to the date of adverse action in the eligibility system, child care will be approved for the current month only.
 - B. If a case is pending verifications after the date of adverse action in the eligibility system, child care will be approved for the current month and the next month only.

Note: Families who apply for Purchase of Care and meet the definition of “homeless” in DSSM 1003.7.2 will receive presumptive child care services for 90 days, regardless of whether documentation is provided at the time of application.

3. Parents and caretakers are not eligible for presumptive child care if they:
 - A. Received child care assistance in the previous month;
 - B. Were open in presumptive child care in their previous eligibility determination; or
 - C. Were denied for presumptive child care in their previous eligibility determination.
4. DSS case workers will:
 - A. Process the child care application and complete the intake interview within two business days for parents and caretakers in need of presumptive child care services.
 - B. Enter the application information and select “pending verification” for missing mandatory verifications in the eligibility system. The eligibility system will automatically open presumptive child care if the parent or caretaker is eligible in accordance with section (3) of this policy.
 - C. Enter the presumptive child care authorization period of one or two months after the child care has been confirmed.
 - D. Inform the parent or caretaker in writing of the mandatory verifications required to complete the eligibility determination for child care.
 - E. Update the mandatory verifications in the eligibility system to “verified” once the parent or caretaker provides the mandatory verifications.
 - i. The case worker will also update the authorization to the next review period, which will be 12 months from the application filing date, unless a shorter authorization period was requested in writing in accordance with [DSSM 11004.5](#).

- F. Update the mandatory verifications in the eligibility system to “not verified” one day after the requested return date if the parent or caretaker fails to provide the mandatory verifications.
 - i. The child care case will close at the end of the presumptive child care authorization period.

11004.9 Authorizing Child Care Service

All child care services must be authorized before parents/caretakers can receive subsidized child care. Parents/ caretakers can choose any provider who is:

- A. licensed, licensed exempt, or self-arranged, and
- B. approved to receive purchase of care.

No parent/caretaker can receive POC funds to provide child care services to their own children in a home or any other child care facility where the parent/caretaker provides direct care to that child. These parents may be able to get child care assistance if their children are placed in another child care setting.

Authorizations always start after service has been approved. The exact date is selected by the parent/caretaker. An authorization ends on the last day of the month of the authorization period. At no time can the authorization period exceed the review date. Child care may be authorized only for the days and hours that parents/caretakers need care. The types of care that can be authorized are part time (P), full day (X), and day and a half (T). All licensed and licensed exempt child care providers can receive up to five (5) absent days, depending on the number of days the child is authorized to attend. Children in self-arranged care and children authorized for seven (7) days do not receive absent days.

11004.9.1 Changing Authorizations

Complete a change to an existing authorization whenever a situation occurs within the authorization period which requires a change to the parent/caretaker's situation. The DCIS II Child Care sub-system defines this as a Change Authorization. Examples of when Change Authorizations occur are:

1. a change in the authorized level of service, for example number of days, type of service, absent days, etc.;
2. a change of provider;
3. a change in category;
4. a change in parent/caretaker need;
5. a change in family size;
6. a change in income; or
7. a change in the child care fee.

To make any changes necessary to the current Authorization, navigate to the Child Care Authorization Details II screen, make the change and re-run SFU-EDBC.

Change Authorizations always affect future events, meaning the change will affect future transactions (i.e. future payments for child care).

When changes to an authorization cause a decrease in parent/caretaker service (e.g. less care, increase in fee), DSS considers this a negative change. According to the DCIS II Child Care Sub-system, negative changes will occur the first day of the next month. Provide the parent/caretaker with adequate and timely notice whenever such a negative change occurs. DSS programmed the DCIS II Child Care Sub-system to allow for timely notice. Therefore, any negative change will not cause a change to the authorization unless sufficient time remains in the current month for Case Managers to send the parent/caretaker notice of this change. If there is not sufficient time, the change will not occur until the first day of the month following the next month.

EXAMPLE: On January 20, Case Manager X is notified by parent Y of an increase in parent Y's income. Case Manager X posts the adjusted income to the DCIS II income screen.

The adjusted income will increase the child care fee on the authorization, which is a negative change (i.e. parent Y will have to pay a higher fee). Since this change occurs after January 20 (change does not occur until the next work day), the DCIS II Child Care Sub-system will not make parent Y's new fee effective until March 1. The DCIS II Child Care Sub-system sends parent Y a letter notifying parent Y of the higher fee.

DSS considers changes which increase the level of parent/caretaker service (e.g. increase in the number of days, reduction in fee) a positive change. The DCIS II Child Care Sub-system is programmed to allow positive client changes to occur the first day of the current month.

A neutral change, like a change in category, will generally take place the first day of the next month. However, some category changes, going from a Category 11 or 12 (no fee) to a Category 31 will cause a negative change. The parent/caretaker will now have to pay a fee.

EXAMPLE: Parent Y who was a TANF participant and a Category 11 obtains a job. The job causes parent Y's TANF case to close. Parent Y can no longer get Category 11 child care but qualifies for Category 31. Enter new income in the DCIS II income screens. Parent Y's TANF case is due to close on January 31, but the change is not completed until after January 21. The DCIS II Child Care Sub-system will automatically change the category code from 11 to 31 and give notice once the client is no longer eligible for TANF but continues to be eligible under category 31.

The expiration dates for Change Authorizations will remain the same as on the original authorization.

Correct Transactions

If a change needs to be made to an old transaction (authorizations for which DSS already made payment), go to the Correct Transaction screen. The Correct Transaction function is located in DCIS II Child Care Sub system. Correct transactions can only be completed for positive changes, meaning the change caused an increase in service or a change in the child care fee, thereby increasing the provider payment. The only areas that can be changed on a transaction are:

1. family size increase
2. income decrease
3. waive fee code added
4. absent days change from no to yes
5. extended care changes from no to yes
6. days per week
7. type of day

Case Managers can only make corrections in the above areas to transactions created within the last 3 months. Supervisors may make changes in the above areas to any past transaction. Changes to transactions that are not editable (not listed above) will have to be referred to the Child Care Monitors.

If the change was negative, meaning a decrease in services, process an overpayment.

11004.9.2 Interrupted Child Care

Families receiving child care during the school year sometimes need to change their service requirements during the summer months. For instance, some parents make alternate arrangements during the summer for a school-age child who receives care throughout the school year. These arrangements may not require the need for child care services. However, the parent may still need child care when the school year starts again in September. In addition, some parents only work during the school year and may not need child care during the summer months, such as parents who drive a school bus.

DSS will continue service to those families who do not need service for the summer but who will need service again in September. This break is considered an interruption of service and not as an end to the family's service need. Therefore, even though these families need to re-apply for service before September, they will not be re-applying as totally new cases and will not have to go on the waiting list.

Certain families who have an authorization end date for June may not keep their redetermination appointments (due to making alternate arrangements for child care during the summer or not needing care at all). These families are notified to contact their Case Manager if they need care again in September. If they fail without good cause to keep their re-application appointments or to contact their Case Manager, their service will not continue as before. They will go on the waiting list.

11004.9.3 Changing Child Care Providers

Parents and caretakers who receive child care subsidy for their children have parental choice in selecting child care providers. DSS case workers will follow the procedures in this policy when a parent or caretaker requests to change or add a child care provider.

1. Parents and caretakers have parental choice to change and add child care providers during their eligibility period for the Purchase of Care program.

- A. A parent or caretaker who wants to change child care providers must give a five-day notice to their current child care provider prior to withdrawing the child from the child care site.
 - B. A parent or caretaker may add an alternate child care provider in the event the primary child care provider is unable to care for the child.
 - i. The alternate child care provider cannot receive payments for absent days.
 - C. A parent or caretaker may use two child care providers if care is needed during different hours or at different locations.
 - i. DSS will authorize each provider only for the days and hours that the child attends each child care site.
 - ii. Examples:
 - a. A parent is employed and works day and evening hours. The parent may use one provider during the day and a second provider during the evening.
 - b. A parent is employed and works two days at one location and three days at another location. The parent may use one provider near one location and a second provider near the other location.
2. DSS will remove and add child care provider authorizations in a family's Purchase of Care case when the parent or caretaker requests to change providers.
 - A. DSS case workers will end the authorization in the eligibility system for the child care site that the child will no longer attend effective the last day of the month the authorization will end.
 - B. DSS case workers will add the authorization in the eligibility system for the new child care site effective the first day the child will attend the site.
 3. DSS will add an additional child care provider authorization to a family's Purchase of Care case when the parent or caretaker requests an alternate provider or two providers.
 - A. DSS case workers will confirm a parent's or caretaker's need when a parent or caretaker requests two child care providers.
 - B. DSS case workers will add the authorization in the eligibility system for the new child care site effective the first day the child will attend the site.

11004.9.4 Creating Unmet Needs

Under certain conditions, DSS may not be able to provide service to eligible parent/caretakers. Either because of a lack of funding or because DSS cannot match child's child care need with an available provider, do not authorize service. When an authorization for one of the above reasons cannot be completed, place the child or children on an Unmet Need Waiting List. Follow the Unmet Needs Section of the User Manual both for placement and removal of a child(ren) on the Unmet Need Waiting List.

When services to parent/caretakers who are a non-service priority must be delayed, do the following:

1. continue to accept requests and applications for child care services,

2. complete the child care case information to create a DCIS II case,
3. place the child(ren) on the Unmet Need Waiting List,
4. inform parent/caretakers that DSS is placing them on a waiting list and that they will be notified when an opening becomes available, and
5. either authorize care when services are available or close the case if parent/caretakers no longer desire service.

11004.9.5 Establishing 12-Month Authorization for Child Care

Families approved for Purchase of Care must be authorized for 12 months of child care.

1. **DSS case workers must set Purchase of Care authorizations for a 12-month period.**
2. **Purchase of Care authorizations may be set for a shorter period only if the client provides a written statement verifying the length of time requested for child care. The written statement may be from:**
 - o The parent or caretaker;
 - o A medical professional verifying the length of time child care is required for a special need;
 - o The Delaware Division of Family Services (DFS) verifying the length of time child care is needed to prevent child abuse or neglect.
3. **Purchase of Care authorizations must continue during the following circumstances:**
 - o The child turns 13 years old during the authorization period;
 - o The child is temporarily out of state;
 - o The parent or caretaker experiences a temporary change in work, education, or training, including, but not limited to:
 - i. An injury resulting in time off of work,
 - ii. A break from approved educational study, or
 - iii. A transition from past employment to new employment;
 - o Any other temporary circumstance in a household that will not exceed 90 days.

11004.10 Child Care Payment Agreement

Parent/caretakers will no longer receive a copy of the authorization. Instead, as authorizations are created, the CCMIS will automatically batch and process the authorizations each night at the DCIS data center. The DCIS data center will mail the authorization to providers the next work day. Instead of the authorization, provide parent/caretakers with a copy of the Child Care Payment Agreement Form (Form 626). Parent/caretakers will present this copy of the Child Care Payment Agreement form to providers as their initial verification of service authorization. (Providers have been instructed to accept this as a sign of authorization until the official authorization arrives in the mail.)

The purpose of the Child Care Payment Agreement Form is to ensure that parent/caretakers acknowledge their responsibilities as recipients of DSS child care services. Complete the blank spaces of this form with information appropriate to each parent/caretaker. Complete the form, give two copies to the parent/caretaker (one for their records and one for presentation to the provider), and keep one copy with the Case Manager's file.

11004.11 Determining and Reviewing Child Care

All recipients of child care assistance are continuously eligible for 12 months of child care services as outlined in this policy.

1. DSS must complete an interview with the client at application and redetermination as part of the child care eligibility process. The client can complete the interview with DSS in person or by telephone.
2. DSS must authorize 12 months of child care services for every eligible child.
3. DSS case workers must complete Form 636 "Child Care Checklist" when adding an additional child to an open, on-going child care case.
4. The child care copayment:
 - Must decrease when a decrease in the family's income is reported; and
 - Must not increase beyond the initial copayment amount during the authorization period.

Note: If a family's income decreases during the childcare authorization period and then increases, the adjusted copayment cannot exceed the original copayment amount.

5. If a family has a loss of need for child care services during the authorization period, DSS must authorize the family for 90 days of continuing care before the child care case is closed (see DSSM 11004.12.1). If the family regains a need for child care services before the 90 days ends, the family will remain eligible and authorized for child care until their next review.
6. DSS will close a child care case at any time during the authorization period for the following reasons (see DSSM 11004.12):
 - Excessive unexplained absences of the child from the child care site;
 - A permanent change in the child's state residency;
 - The family's income exceeding 85% of the state median income (SMI);
 - Substantiated fraud or intentional program violations;
 - A written request to close the case or to authorize child care for a specific length of time; or
 - The death of the case head or of the authorized child.
7. DSS case workers must redetermine the eligibility of a child care case prior to the end of the authorization period.

8. A client must show good cause for not returning a redetermination application timely to avoid the closure of the child care case. Good cause can be anything believed to be reasonable, but generally includes things such as:
 - An illness;
 - A court required appearance;
 - A household emergency (e.g., fire, heating problem, family crisis, etc.);
 - A lack of transportation;
 - A domestic violence situation; or
 - Inclement weather.
9. A family whose child care case closed due to failure to complete a redetermination or provide verification may reapply for service. If DSS is using a wait list for child care assistance, the family will be subject to the DSS priority service order (see DSSM 11004.3.1).
10. DSS must not end a child care authorization or close a child care case without providing the family with at least a 10-day notice.

11004.12 Closing Child Care Cases

This policy applies when DSS ends child care eligibility and authorization for services.

1. DSS will close child care cases prior to redetermination or during graduated phase-out due to:
 - Excessive unexplained absences of the child from the child care site;
 - A permanent change in the child's residency;
 - The family's income exceeding 85% of the state median income (SMI);
 - Substantiated fraud or intentional program violations;
 - A written request to close the case or to authorize child care for a specific length of time (see DSSM 11004.9.5); or
 - The death of the case head or of the authorized child.
2. DSS case workers must complete the following steps prior to closing child care cases for excessive unexplained absences:
 - Mail Form 330 "Request for Contact" to the parent or caretaker to request clarification regarding the child's absences;
 - Close the child care case if the parent or caretaker does not contact the DSS office by the requested due date.
3. The DSS eligibility system will:
 - Provide a 10-day closing notice informing the parent or caretaker of their right to a fair hearing;

- End date the authorization on the last day of the current month. If a 10-day notice cannot be given, the authorization will end on the last day of the next month.

Note: Excessive unexplained absence is defined as 10 or more unexplained absences per month.

11004.12.1 Continuing Child Care after Loss of Need

Under certain circumstances, DSS will continue child care for up to three months after parents/caretakers lose their need for service. DSS will continue to authorize service for up to three months for parents/caretakers who:

1. lose employment and who need to search for new employment,
2. experience a gap in employment because of a transition between jobs,
3. end an education/training program and need to search for employment, or
4. experience a break in an education/training program.

11004.13 Determining Graduated Phase-Out for Child Care at Redetermination

This policy applies to recipient families whose income exceeds the child care income limit at redetermination.

1. **The graduated phase-out of assistance is provided to families that report during redetermination income exceeding 185% but falling at or below 200% of the Federal Poverty Level (FPL).**
2. **The graduated phase-out of child care assistance has a two-tier income range applicable at the time of redetermination.**
 - Tier 1: Income over 185% of the FPL - the graduated phase-out of assistance begins.
 - Tier 2: Income over 200% of the FPL - the child care closes.
3. **An additional twelve months of child care will be authorized at the time of the graduated phase-out.**
 - The family must continue to have a need for child care during the graduated phase-out period.
 - The family will remain eligible for the full twelve months of assistance even if during the graduated phase-out period the family's income increases above 200% of the FPL but remains below 85% of the State Median Income (SMI).
 - If the family's income exceeds 85% of the SMI during the graduated phase-out period, the child care will close.
4. **A new parent fee will be set at the start of the graduated phase-out period.**

11005 Review of Parent/Caretakers' Rights and Responsibilities

Complete the application process by reviewing with parent/caretakers their rights and responsibilities. These rights and responsibilities reflect DSS' belief that parent/caretakers should be well informed about the child care decisions they make. Therefore, ensure that parent/caretakers receive the following information as part of the application process.

11005.1 Parent/Caretaker Rights

1. Parent/caretakers have the right to choose the type of provider and the type of care for their children (see Section [11004.4](#) for discussion of certificates and parental choice).
2. Parent/caretakers have the right to have unlimited access to their children and the child care provider during normal working hours and whenever the children are in the provider's care.
 1. Licensed providers must allow parental access as part of their licensing standards. Complaints against licensed providers who fail to provide parental access should be addressed to the Office of Child Care Licensing, Department of Children, Youth, and Their Families.
 2. Exempt providers must agree to allow parental access as part of the certificate process. Those providers who do not certify to allow access can be denied authorization to provide service.
3. Parent/caretakers have the right to request a list of substantiated parental complaints on any licensed or license-exempt provider. Maintain a record of complaints, particularly substantiated complaints, and provide this information to parent/caretakers upon request. The DSS Contracts Administrator's Office is the central repository for complaints about providers.
4. Parent/caretakers have the right to appeal any denial and/or termination of child care services.

11005.2 Parent/Caretaker Responsibilities

1. Parents/caretakers have the responsibility to give accurate information to Case Managers concerning their financial status and their need for service. Failure to provide requested and accurate information could lead to a denial and/or termination of service.
2. Parents/caretakers have the responsibility to report changes in their financial status and need for service as these changes occur. Failure to do so could lead to denial and/or termination of service.
3. Parents/caretakers have the responsibility to pay their assessed child care fee. Parents/caretakers pay the fee directly to the provider at a schedule determined by the provider. Providers have the right to deny service to parents/caretakers who fail to pay their fees.

4. Parents/caretakers have the responsibility to abide by the provider's rules and procedures regarding the operation of their child care facility. Failure to do so could lead to termination from the provider's program. (Such a termination will not cause termination from DSS' subsidized child care services but can make it difficult for DSS to locate another placement.)
5. Parents/caretakers have the responsibility to reimburse DSS for any payments made on their behalf for which they were not eligible. DSS has the right to recoup such overpayments. In cases where fraud is suspected, recovery must be attempted.

11005.3 Child Care Case Records

Child care case records are maintained in accordance with DSSM policies as noted in Section 1000 under the heading Administration. However, ensure that child care case records contain, at a minimum, the following information:

1. a copy of the Application for Child Care Assistance;
2. verification of child care need, such as pay stubs and/or employer letter, school or training registration, special needs form;
3. verification of income, such as pay stubs or employer letter;
4. a copy of the Child Care Payment Agreement (Form 601b); and
5. any information pertinent to the child care case, such as protective referral, etc.

Authorizations, client notices, and other pertinent case information is contained in the DCIS II Child Care Sub-system. The DCIS II Child Care Sub-system is considered an electronic case file and, therefore, equally or more valuable as the manual record. Maintain both the manual file as well as the electronic file in an up-to-date manner.

11005.4 Overpayments

A child care overpayment occurs when DSS pays for more child care service than parents/caretakers are eligible to receive. Overpayments may be the result of an agency, provider, or parent/caretaker action.

DHSS will attempt recovery in all cases of suspected fraud, in all cases involving current recipients, and in all cases where the overpayment amount would equal or exceed the costs of recovery. Each adult in the child care household is liable for repayment of the overpayment. In instances where a legal guardian or parent is required to sign the child care application, the legal guardian(s) or the parent(s) in the home are responsible for the overpayment even though the parent(s) or guardian(s) is not technically part of the child care household.

11005.4.1 Determine the Overpayment Amount

To determine the amount of the overpayment subtract the amount that the parent should have paid the provider from the DSS calculated parent fee. The difference is the overpayment amount.

11005.4.2 Overpayment Notices

Notify parents/caretakers in writing of any overpayment. The overpayment notice will contain:

1. a statement of the client's right to a fair hearing as provided in [DSSM 5300](#)
2. the method by which s/he may request a fair hearing
3. what to do to continue receiving your benefits after requesting a fair hearing
4. a statement that s/he may represent him/herself or that s/he may be represented by counsel or by another person
5. the reason for the overpayment
6. the amount of the overpayment
7. the overpayment time period
8. the name of the child/ren associated with the overpayment.

DSS can only recoup child care [overpayments] from child care benefits. Any attempt to recover child care overpayments from TANF benefits can only occur if there is a voluntary request from the recipient family. Audit and Recovery Management Services (ARMS) is the agency responsible for establishing repayment agreements and the collection of overpayments.

11006 Subsidized Child Care Provider Policy

The purpose of the subsidized child day care program is to provide care for children for a portion of the day in the absence of the parent/caretaker. It is a support service to enable the parent/caretaker to hold a job and/or obtain training or education leading to employment. The program is also used to meet the special developmental needs of the child that would otherwise go unmet or to remove the child from a family situation where he/she may be in danger.

11006.1 Service Providers

All licensed family day care homes, group day care homes, and day care centers are eligible for a contract to provide subsidized child day care service. The contract must be fully signed before the provider can begin to provide subsidized care.

The contracted fee for service is established by DHSS, published in the annual Social Services Block Grant Plan. The department reserves the right to withhold payment if the provider does not perform in accordance with the terms of the contract.

11006.2 Client Eligibility Policy

Eligibility is based on the financial and situational needs of the applicant for service and in accordance with DHSS established priorities for service.

11006.3 Acceptable Service Authorizations

This policy applies to all Licensed, Licensed Exempt, Relative/Non-Relative Providers.

1. Eligible Children Must Be DSS-Approved for Provider to Receive Payment
2. Child Care Providers Will Receive Authorization Notice

Providers will receive authorization notice for each child at first enrollment and for each change or redetermination. The providers will receive a computer-generated copy of the parent/caretaker authorization letter for each child in their care. In the case of a computer problem or last-minute authorization, the provider may instead receive a handwritten authorization form (Subsidized Child Care Client Agreement- Form 626) from the DSS worker to validate the provider services. Providers will also receive a computer-generated authorization letter from DSS when data entry for the handwritten form has been completed.

Authorizations for service will show:

- The child's name and ID number.
- The service start and end date.
- The number of service days per week.
- The length of the service day (part day, full day, etc.)
- Any co-pay the parent must pay.

3. Providers Verify Authorization Information

The child care provider must verify information on the authorization form. DSS will only pay for those services stated on the form. If a provider feels the service information is not accurate, the parent/caretaker must contact DSS to have the information adjusted.

4. Provider must have the Authorization Letter or Form 626 at the start of Service

DSS cannot guarantee payments for services provided without a valid authorization in place. All providers must have Purchase of Care (POC) or form 626 to support the start date of a child.

5. Only DSS Authorized Children Will Be Accepted for Continued Services

Payment cannot be made after the expiration date unless a new DSS authorization has been issued. Providers cannot assume that parents/caretakers with expired authorizations will continue to be eligible for services.

11006.4 Provider Reimbursement

Reimbursement is monthly as indicated on the Day Care Contract (Compensation, Method of Payment, and Collection of Fee sections). Complete records must be retained by the provider for a period of three years, listing each child's daily attendance, accurately stating the number of authorized days present by type, and the number of absent days. These records will be monitored on a regular basis.

Payment will be made only for the number of days and type of authorization indicated on the child's authorization notice and in accordance with absent day policy. Reimbursement rates differ for each type of child care setting.

11006.4.1 Paying for Absent Days and Holidays in Child Care

This policy explains provider payments for absent days and holidays during authorized child care.

1. The number of paid absent days per month for a child is the same as the number of days authorized for care in one week, up to a maximum of five days per month.
2. DSS will pay for absent days for an authorized child after the family's copayment has been paid and there is a remaining balance due to the provider.
3. DSS will pay for up to five absent days per month for an authorized child who does not have an assigned copayment.
4. DSS may pay for more than five absent days per month for a child who is authorized for Special Needs Child Care and is absent due to the eligible child's or the eligible parent's or caretaker's verified disability or serious health condition.
5. DSS will pay for the six major holidays per year that the provider has chosen. The authorized child must be attending the provider's site prior to the date of the holiday for the provider to receive payment for the holiday.

11006.4.2 Charging Fees to Purchase of Care Families

Purchase of Care (POC) providers may charge certain fees to families receiving the POC child care subsidy.

4. POC providers can charge families receiving POC only for the following fees:
 1. The parent copayment that DSS determines based on the family's household size and income.
 2. Purchase of Care Plus (POC+) fees that are determined by subtracting the State's daily payment rate from the provider's private daily payment rate. Families in the POC+ program must pay the difference between the two rates.
 3. Late pick-up fees charged when a child is picked-up after the family's authorized hours for care.
 4. Field trip fees charged for a child to participate in an activity.
 - The provider must present the activity, the date of the activity, and the cost of the activity to the family prior to the field trip.
 - The provider must allow the family to choose if the child will participate in the field trip.

- If the child does not participate in the field trip, the provider cannot charge the family for the field trip date if child care services are not available to the child because the provider's site is closed during the activity.
5. Returned check fees charged when the family's payment cannot be collected.
 5. Fees not listed in section (1) must be approved by DSS before the provider can charge the family.
 6. A family that receives POC is responsible for paying their parent copayment (if applicable) and the fees listed in section (1) when the fee is charged by the POC provider.
 1. A family must continue to pay their parent copayment during instances when their POC provider is closed, unless DSS waives the family's copayment for an approved reason.
 - A family will pay their copayment when their provider is closed due to:
 - Vacation;
 - Illness;
 - Training; or
 - A provider holiday that replaces a DSS approved holiday.
 7. POC providers are responsible for collecting fees from the families that they serve.
 8. POC providers must develop a fee policy, discuss the policy with families at initial enrollment, and review the policy with families at least every 12 months.
 1. The provider's fee policy must state:
 - The fees that the provider will charge to families prior to, during, and after delivery of service; and
 - The provider's fee collection schedule.
 2. Providers who are approved by DSS to charge POC+ fees must:
 - Display the POC+ certificate;
 - Inform families of regular POC slots as slots become available;
 - Review the POC+ contract with families;
 - Complete a budget with families that agree to pay POC+ fees; and
 - Maintain copies of executed POC+ contracts signed by families and the provider.

11006.4.3 Clients Who Fail to Pay Child Care Fee

A client may be denied service or terminated from service if notice is received from the provider that the client has failed to pay the assessed fee for service. Provider notice must be written, and a copy forwarded to the Case Manager. Service may be authorized if:

1. the client submits written documentation that arrangements have been made with the provider to pay fees due the provider; or
2. the Unit Supervisor has determined, based on case review, that care should not be denied.

11006.4.4 State of Emergency

The provider will be paid at the current rate of payment for those normal hours of operation during which the provider is closed because of conditions which result in an officially declared "state of emergency" by the Governor if the emergency restricts or prohibits travel in the vicinity of the provider.

The provider may be paid for approved absent days for emergency closing caused by fire, flood, health, or safety hazard determined by the Office of Child Care Licensing. Consideration will be given to each individual case based on relocation, rehabilitation, or permanent closing of the provider.

11006.4.5 Multi-site Programs

If the site the child(ren) attends is closed and care is offered at an alternate site within the same organization, payment will be made only for those children who attended the alternate site. The provider should attach a memorandum listing the children and the alternate site they attended.

11006.4.7 Reporting of Payment Problems

Providers should contact the Child Care Monitor if a payment error is suspected on the site payment statement, or if additional information is needed regarding the transaction listed on the statement.

DSS must be informed no later than 60 days after the first statement was sent.

EXAMPLE: The October attendance report is submitted in November for payment. Upon reconciling provider records with the DSS site payment statement, the provider determines that an error was made. The provider must notify the monitor no later than January 30 that an error was made.

The following information is needed:

1. provider name,
2. provider identification number or EIN/Social Security number,
3. child(ren)'s name and identification numbers,
4. dollar amount of the suspected error, and
5. a description of the error or payment in question and a clear explanation of why an error is believed to have occurred or why additional information is needed.

DSS will investigate the complaint and correct any error. The corrected payment will be included in the following month's payment.

If a provider fails to notify DSS of an error or problem within the 60-day time frame, the provider may be subject to loss of payment.

11006.4.8 Completing Correct Transactions

DSS staff will complete a correct transaction to adjust a child care provider payment.

1. A correct transaction is entered into the DSS eligibility system to correct provider payment errors that occurred because of:
 - A. A DSS processing error; or
 - B. A change in care or family circumstances reported or discovered during an authorized month, such as:
 - i. An increase in the level of care;
 - ii. An increase in the number of days needed for care;
 - iii. A change in paid absent days;
 - iv. A change in family size; or
 - v. A change in family income.
2. DSS staff will complete a correct transaction to adjust a provider payment when:
 - A. A child care provider reports an authorization or payment discrepancy within 60 days of the date of the applicable payment and DSS confirms the payment error; or
 - B. DSS determines that a payment discrepancy occurred due to a processing error or a change in care or family circumstances.
3. DSS staff may complete a correct transaction once the provider has been paid for the month in which the correct transaction is being requested.
4. The DSS eligibility system will automatically issue the difference in payment to the provider once the correct transaction has been entered.

1006.4.9 Completing Manual Adjustments

DSS staff will complete a manual adjustment to request a change to a child care authorization.

1. DSS staff will complete Form 634 “Child Care Manual Adjustment Form” to correct authorization errors that occurred because of:
 - Overlapping eligibility;
 - Prior confirmation;
 - An incorrect start date; or
 - An incorrect payment rate.
- A. DSS staff will complete Form 634 when:

- i. A child care provider reports an authorization or payment discrepancy within 60 days of the date of the applicable payment and DSS confirms the authorization error; or
 - ii. DSS determines that an authorization discrepancy occurred due to a processing error.
 - B. DSS staff who prepare Form 634 must:
 - i. Have their supervisor sign and approve the form;
 - ii. Enter a case comment in the eligibility system detailing the reason for the manual adjustment; and
 - iii. Submit the completed form to a DSS child care monitor.
2. Upon receiving Form 634, the child care monitor will:
- Notify the provider of the adjustment;
 - Request a summary attendance report from the provider; and
 - Submit the required manual adjustment documents to the Purchase of Care (POC) administrator.
- A. The child care monitor must submit the following documents to the POC administrator for manual adjustments:
- i. Form 634 “Child Care Manual Adjustment Form”;
 - ii. The DSS manual adjustment worksheet;
 - iii. A copy of the case comment from the eligibility system that details the reason for the manual adjustment;
 - iv. A copy of the child care authorization from the eligibility system;
 - v. The provider’s summary attendance report or a copy of the attendance report from the eligibility system; and
 - vi. The self-arranged payment report (for self-arranged care authorizations only).
3. A POC administrator will review the documents submitted by the child care monitor and enter approved manual adjustments into the DSS POC system.
4. The DSS eligibility system will automatically issue the difference in payment to the provider once the manual adjustment has been entered.

11006.5 Termination

Providers may terminate a child(ren) for the following reasons.

1. The parent/caretaker frequently abuses/disregards operating policy of the facility (hours, etc.).
2. The parent/caretaker fails to pay the established fee or is frequently late with payment.

Five calendar days' notice must be given to the parent/caretaker and the DSS Case Manager. Termination MUST be in writing and a copy sent to the Case Manager.

11006.5.1 Terminating Providers and Self-Arranged Clients

This policy applies to Purchase of Care (POC) providers and clients who have self-arranged child care.

1. DSS may terminate a provider from the POC program if the provider:
 - A. Has a suspended, closed, or terminated Office of Child Care Licensing (OCCL) license;
 - B. Commits fraud against DHSS;
 - C. Charges fees not allowed by DSS, has failed to reimburse unallowable child care fees, or has repeated offenses in this area;
 - D. Charges POC Plus fees when the provider is not a DSS authorized POC Plus provider;
 - E. Does not keep accurate records per the DSS POC contract, has been counseled and has failed to meet the requirements of a corrective action plan agreed upon with the POC program, or has repeated offenses in this area; or
 - F. Does not keep an open bank account to receive direct deposit payments from the POC program.
2. In addition to the conditions listed in section 1, DSS may terminate a relative care provider from the POC program if the relative care provider:
 - A. Does not complete 28 hours of mandatory health and safety training within 12 months of becoming a relative care provider, or the training requirements as outlined in the initial POC orientation session; or
 - B. Has an unsuitable criminal history, or a member of the provider's household has an unsuitable criminal history. DSS uses the OCCL's guidelines and Title 11, Chapter 85 of the Delaware Code to determine unsuitable criminal history.
3. DSS may terminate a parent or caretaker who has self-arranged child care from the POC program if the parent or caretaker:
 - A. Submits fraudulent attendance records to DSS;
 - B. Does not keep an open bank account to receive direct deposit payments from the POC program as required to participate in self-arranged child care; or
 - C. Does not attend the mandatory orientation to become a self-arranged client.

11006.6 Complaints

Client Complaints

Clients may make a complaint when they believe a facility is out of compliance with licensing regulations or the provisions of the DSS contract. Complaints should be made to a Case Manager who will write it up on a Client Provider Complaint Form (Form 633). The Case Manager will either forward the complaint to the Office of Child Care Licensing or the Child Care Administrator. Licensing will send results of the investigation to the Child Care Administrator.

Provider Complaints

Providers may make complaints regarding clients to a Child Care Monitor. The complaint should be in writing.

11006.7 Determining Relative Child Care

This policy applies to families who request Purchase of Care funding for a relative to provide child care.

1. The relative providing child care must be related to the child by:
 - Marriage,
 - Blood relationship, or
 - Court decree.
2. The relative providing child care must be related to the child in one of the following relationships:
 - Great-Grandparent,
 - Grandparent,
 - Adult Sibling,
 - Aunt, or
 - Uncle.
3. The relative provider shall:
 - Be 21 years of age or older;
 - Only provide care for the children of one family member;
 - Not reside in the same home as the children needing care; and
 - Only provide care during non-traditional hours that are not normally offered through a licensed child care provider. Relative child care is limited to evening and weekend shift work hours only.
4. The relative provider must successfully complete:

- The “Criminal History, Child Abuse, and Neglect Background Check Request Form”. This form must be completed for the relative provider and each individual 18 years of age or older who is living in the relative provider’s home;
 - The orientation class on relative child care rules and regulations;
 - 28 hours of approved training within 12 months of completing the relative child care orientation class;
 - Three hours of health and safety training annually; and
 - CPR and first aid courses. The relative provider’s certifications must be current and re-certifications must be completed every two years.
5. In the children’s home, the relative provider shall:
- Care for a minimum of four children in the home. The total number of children who are cared for in the home may not exceed a maximum of five children.
 - Care for no more than two children under two years of age.
 - Care for the children of one family member. The children must be related as siblings.
6. In the relative provider’s home, the relative provider shall:
- Care for a minimum of one child in the home. The total number of children who are cared for in the home may not exceed a maximum of five children.
 - Care for no more than two children under two years of age.
 - Care for the children of one family member. The children must be related as siblings.

DIVISION OF SOCIAL SERVICES

PURCHASE OF CARE ORGANIZATIONAL FLOW CHART



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