

CCDF Program Participant Agreement

**ARKANSAS DEPARTMENT OF HUMAN SERVICES
CHILD CARE DEVELOPMENT FUND (CCDF) PROGRAM PARTICIPANT AGREEMENT**

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Section I: Purpose and Performance of the Agreement

The purpose of this Agreement is to establish eligibility for participation in the CCDF Program and to set forth Department and Participant responsibilities and assurances. The CCDF Program provides participants the opportunity to provide child care services to children of families eligible to receive child care services funded through the Department of Human Services (DHS). Eligible families select a child care provider from a list of eligible participants.

The Participant must comply with state and federal regulations. If any statute or regulation is enacted or promulgated requiring changes in this Agreement, both parties will consider this Agreement to be automatically amended to comply with the newly enacted statute or regulation as of the effective date of the statute or regulation. DHS shall notify the Participant in writing within thirty (30) days of the receipt of any necessary changes or amendments to this Agreement resulting from newly enacted state or federal statutes or regulations.

This Agreement becomes effective when certified by the Department of Human Services, Division of Child Care and Early Childhood Education, Chief Fiscal Officer (CFO) or designee and will remain effective until amended or cancelled by either party.

Section II: Definitions

- A. **Absentee Billing:** Billing when a child is authorized to attend but is temporarily absent.
- B. **Agreement:** The Child Care Development Fund Program Participant Agreement.
- C. **Age Groups:** For billing purposes, age groups are as follows:

Infant	0-18 months
Toddler	18-36 months/ 18 months - 3 years
Preschool	30-71 months/ 2 ½ years - 5 years
School Age	60-155 months/ 5 to 13 years*

*Over age 13 to 19 years special needs (See definition of Special Needs Child)

- D. **Certificate of Authorization:** A document establishing DHS's financial obligation to pay the Participant after delivery of specified child care services.
- E. **Child Care Development Fund (CCDF):** Primary funding for the Child Care Assistance Program comes from the Child Care Development Fund. The Child Care Development Fund is under the administration of the U.S Department of Human Services, Administration for Children and Families.
- F. **Client:** The parent, custodian, or guardian (or in the case of a child in DHS custody, the child's primary caseworker) of the child receiving child care assistance.
- G. **Daily Rates:** Daily rates are determined by dividing the weekly rate by five (5). DHS will not pay drop-in rates as the daily rate.
- H. **DCCECE:** Division of Child Care and Early Childhood Education.
- I. **Department or DHS:** The Arkansas Department of Human Services.
- J. **DHS Representative:** A representative of DHS including, but not limited to, Child Care Service Specialists, Program Eligibility Specialists, investigators, etc.
- K. **Direct Deposit:** Electronic transfer of funds from the State of Arkansas to the Participant's financial institution

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- L. **Early Departure:** Occurs when a child is picked up prior to the regularly scheduled departure time.
- M. **Employer Identification Number (EIN):** A unique numerical identifier which is used to identify businesses, partnerships, or other entities and is used by the IRS for tax-related purposes.
- N. **Facility:** A licensed or registered site where child care services are provided.
- O. **Full-Time:** Five (5) hours up to ten (10) hours daily.
- P. **Half-Time:** Between three (3) and five (5) total hours per day. These hours may or may not be consecutive.
- Q. **Holidays:** A day listed on the official Federal and/or State of Arkansas holiday calendar with the exception of two holidays*. The days are:
- | | | |
|--------------------|--|--------------------|
| • New Year's Day | • Dr. Martin Luther King, Jr. Birthday | • President's Day |
| • Good Friday* | • Memorial Day | • Independence Day |
| • Labor Day | • Columbus Day | • Veteran's Day |
| • Thanksgiving Day | • Friday after Thanksgiving | • Christmas Eve |
| • Christmas Day | • New Year's Eve* | |
- R. **Hours of Care:** The hours when a child is the responsibility of the Participant including transportation time, if provided.
- S. **Improper Payment:** Payment to a participant for services not delivered.
- T. **License/Registration Number:** The number assigned by the Child Care Licensing Unit to each specific site name and address approved to provide child care services.
- U. **Licensure Adverse Action:** The revocation, suspension, or denial of a license or registration.
- V. **Night Care:** Care provided between the hours of 6:00 P.M. and 5:59 A.M. on a weekday. Over one-half of the total care must be provided after 6:00 P.M. for an authorization to be keyed for night care.
- W. **Part-Time:** Less than three (3) hours of care. The hours may or may not be consecutive.
- X. **Participant:** The name of the owner or business name of the organization providing child care services.
- Y. **Password:** A sequence of eight (8) to twenty (20) characters, consisting of letters and numbers, giving access to the Child Care Billing system.
- Z. **PHI:** Protected Health Information.
- AA. **Special Needs Child:** A child whose physical condition has lasted or is expected to last at least two (2) years as diagnosed by a licensed medical or psychological practitioner. A child determined eligible for special services under the Individuals with Disabilities Education Act for whom a current IFSP or IEP exists.
- BB. **Taxpayer Identification Number (TIN):** A number issued by the Internal Revenue Service to report income paid to an individual. This TIN may be either an individual's social security number or employer identification number.
- CC. **Weekend Care:** Care provided on Saturday and/or Sunday.

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Section III: DHS Responsibilities and Assurances

- A. DHS agrees to make training and technical assistance available to new and existing Participants.
- B. DHS agrees to establish an online public listing of all Participants in the CCDF Program. Eligible clients may select a child care Participant from the online listing. The link to the online listing can be located at www.arkansas.gov/childcare.
- C. DHS agrees to notify Participants via electronic mail and/or by issuance of the authorization that a client has been certified as eligible for assistance. The notification obligates the Department to reimburse Participants for services provided.
- D. DHS may require a Participant to certify the name of their business via the Arkansas Secretary of State.
- E. DHS agrees to reimburse the Participant for services delivered in compliance with this Agreement after the Certificate of Authorization has been received and services are rendered. A Participant cannot bill or receive payment for services until this Agreement has been signed by the Participant and certified by the Department.

DHS is not obligated to pay any bills received more than sixty (60) calendar days after the date the service was actually delivered without prior written approval from the CCDF Program Administrator.

- F. DHS reserves the right to recoup improper payments through current and subsequent payments to the Participant.
- G. DHS will permit billing for a temporarily absent child if the billing conforms to the requirements of the federal or state funding source. All absentee billing must be submitted in accordance with the requirements set out below. DHS will not permit billing when the facility is closed unless it is an observed holiday or inclement weather.
 - 1. DHS recognizes that a client's child may be temporarily absent from the facility because of illness or some reason connected with the plan of service. The intent of the absentee billing policy is to avoid penalizing either the client or the Participant by not allowing reimbursement for the child's temporary absence. The facility must be open and the billed services available before billing for a temporarily absent child is allowable. (See definition of Absentee Billing)
 - 2. Billing for a temporarily absent child is allowed only when the child is absent on a day the child is scheduled to attend and there is a reasonable expectation the child will return to the program. Billing for an absent child is not allowed if the child is not scheduled by DHS to attend or if the Participant has been notified by the client or DHS that care is no longer needed. For example: If a child is enrolled to attend only Monday, Wednesday and Friday, the Participant may not use absentee billing for Tuesday and Thursday.

The maximum billable absentee days per trimester are as follows:

Trimester	Days Allowed	Not to Exceed
July – October	12*	6 in a given month**
November – February	16*	8 in a given month**
March – June	12*	6 in a given month**

**Days will be pro-rated based on the start date of the authorization.*

***The Participant reserves the right to charge the client for absentee days that exceed the above limits.*

- 3. It is required that the Participant's billing practices apply equally to private pay and CCDF funded clients. Absentee billing is allowed only if private pay clients are also billed for absences. Absentee days are cumulative per child per twenty-four (24) hour period and may not exceed forty (40) days per calendar year without written approval. Waivers of the forty (40) day limit may be granted by the CCDF Administrator in cases including, but not limited to, extreme illness or other health related conditions.

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- H. DHS will permit billing for up to ten (10) of the fourteen (14) listed holidays, if the holiday is observed on a day when the child would have been scheduled to attend. DHS will only permit holiday billing if the facility is closed. (See definition of Holidays)
- I. DHS will permit billing when the facility is closed due to inclement weather, if allowable through the designated federal or state funding source and billed in accordance with the requirements set out below:
 - 1. DHS realizes that facilities may be forced to close due to inclement weather. DHS Inclement Weather Policy allows Participants to bill for those operational days lost due to severe weather conditions; however, the policy may only be applied when public schools in the Participant's area have been forced to close or whenever other extraordinary weather related conditions exist. "Extraordinary weather related conditions" exist whenever it can be demonstrated that clients were unable to reach the premises or the Participant could not open due to circumstances beyond the control of the Participant. This does not mean that a Participant must close when local schools close.
 - 2. Participants who bill inclement weather must maintain documentation of the reason for closure such as newspaper articles regarding weather conditions, statements from local utilities regarding power outages, notices regarding school closure, etc.
- J. DHS recognizes that early departure occurs for children in care. DHS agrees to pay the normal daily rate when a child is picked up earlier than usual. For instance, if a child is scheduled for full-time but only attends half-time on a particular day because of a doctor's appointment, etc., DHS will pay the full-time rate since that is the normal time of attendance. These days will not be billed as absentee days. If the temporary situation of early departure will exist longer than two (2) consecutive weeks, then a new authorization with the correct service code shall be written. DHS shall notify Participants when a child becomes ineligible for continued payment.
- K. DHS does not provide pre-notification of client withdrawal from the CCDF program and shall not be charged a drop fee by the Participant.
- L. DHS reserves the right to amend this Agreement with a thirty (30) day notice.

Section IV: CCDF Program Participant Responsibilities and Assurances

A. General Requirements:

- 1. The Participant agrees to comply with all the requirements set forth in this Agreement. Failure to comply is grounds for termination of participation from the CCDF Program and for possible further action by DHS.
- 2. The Participant agrees to conduct transactions by electronic means. Electronic transactions include but are not limited to: electronic mail, submission of the Participant Agreement, direct deposit, notices of action, authorizations, adverse actions and improper payments.
- 3. The Participant and/or designee agree **to complete DHS-sponsored mandatory training prior to the submission of this Agreement.** The Participant and/or designee agree to complete refresher training once every twelve (12) months. If training is not completed by the training due date, billing will be suspended and no new authorizations created until training is completed. In the event that the mandated training is not completed within sixty (60) days after the training due date, this Agreement will be cancelled. If an Agreement is cancelled in this way, a new Participant Agreement will not be accepted for sixty (60) days after the cancellation date. The Department at its discretion may mandate additional training. The Participant agrees to attend any additional mandated training. Examples of when additional mandated training may be required include, but are not limited to, Participants subject to adverse action, billing discrepancies, changes in key staff, etc.

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4. The Participant agrees to maintain a child care facility license, registration or church operated exemption and to comply with child care licensing or registration standards. This Agreement terminates upon any final agency determination of adverse action against the participant and will affect participation at any or all facility licenses' identified in the adverse action. (See definition of Licensing Adverse Action) The participant agrees that the agreement will terminate immediately upon emergency revocation and participation in the CCDF system will be cancelled notwithstanding any appeal of the emergency revocation. The participant also understands that the agreement will remain active pending appeal and final agency action for other licensing adverse actions. If a facility's compliance with licensing or registration rules cannot be determined because the facility does not submit required information or does not permit reasonable access to the facility, this Agreement will be terminated upon written notification to the Participant.
5. The Participant understands that Direct Deposit is a requirement to participate in the CCDF Program and allows reimbursements to be directly deposited to a checking/savings account. The attached Direct Deposit form must be submitted to DCCECE and must be signed by the owner. Owners may delegate this to an authorized representative. Authorized representatives must be identified in writing and be on file with DCCECE.
6. The Participant agrees to accept the electronic DHS Certificate of Authorization as approval to provide and bill for services. The Participant agrees to accept reimbursement received from DHS as payment in full for all services covered by this Agreement, which includes transportation (if available). This does not include reasonable charges to parents for special events outside the usual daily program costs, the application of the DHS sliding fee scale, or other fees expressly authorized by DHS.
7. The Participant may charge the client additional reasonable fees including, but not limited to, registration, late pick-up, late payment fee, insurance and materials. The Participant also has the option to charge the client for absentee days that exceed the limit allowed by this agreement. Any reasonable charges must be fully disclosed in a document to the client and available to DHS upon request. Reasonable fees must not exceed fees paid by private pay clients.

The Participant agrees to waive all registration, insurance, materials, absentee and fee charges for Transitional Employment Assistance (TEA) clients who are not employed but participate in work activities, education or training components.

8. The Participant shall not charge DHS, or the client, a drop fee for withdrawal. The facility shall terminate any implied, written or agreed upon contractual arrangement with the client upon withdrawal of their child(ren). Any further or future arrangement, agreement, or contract entered into by the Participant with a former CCDF client as a private pay attendee shall be separate and apart from the CCDF Agreement.
9. The Participant agrees that DHS will not pay for services delivered prior to the date the Certificate of Authorization is approved. The Participant agrees not to accept the child(ren) without **written approval** from an authorized DHS representative or Certificate of Authorization obligating DHS.
10. The Participant may hire a CCDF Program recipient as a caregiver. The recipient's children, if in care at the Participant's facility, must represent less than fifty percent (50%) of the Participant's current attendance.
11. The Participant agrees that the rate established for clients served by this agreement will not be more than the rate normally charged to private pay clients receiving substantially the same service. However, the Participant may allow discounts for private pay clients who have more than one child attending the facility, discounts for employees of the facility, and may also provide scholarships to private pay clients.
12. The Participant agrees to charge the client the portion of the rate established by DHS as the client's assessed fee as stated on the Certificate of Authorization. If the Participant's normal rate is higher than the published rate, the Participant will not charge the client the difference between the two rates unless the Participant's facility is certified in Better Beginnings.

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13. All rate changes must be submitted to DHS using the approved form available on DCCECE's website at http://www.arkansas.gov/childcare/familysupport/pdf/newratechange_distributed.pdf. DHS then has ten (10) business days, from the date of receipt, in which to input new rates. The Participant agrees that rate changes may only be submitted twice within a calendar year. Rate changes will only affect new authorizations written after the rate change.
14. The Participant agrees to notify the DHS Authorized Representative when a child withdraws from the CCDF Program. Notice, in the form of electronic mail, shall be provided no later than the next working day after the child withdraws.
15. The Participant agrees to allow the client unrestricted access to their child(ren).
16. The Participant agrees not to discriminate against any employee or applicant for employment. Upon a final determination by a court or administrative body having proper jurisdiction that the Participant has violated state or federal laws and regulations regarding discrimination, DHS may impose a range of appropriate remedies, up to and including termination of the Agreement and exclusion from all DHS programs.

The Participant agrees to comply with Titles VI and VII of the Civil Rights Act and to operate, manage and deliver services without regard to age, religion, disability, political affiliation, veteran status, sex, race, color or national origin.

17. The Participant agrees to comply with Executive Order 98-04 (Guidelines for Employment, Grants, Contracts, and Purchasing) by completing and returning the appropriate Disclosure Forms to the Department. Failure to make any disclosure required by Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that Order, shall be a material breach of the terms of this Agreement. Any Participant, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the DHS.
18. The Participant agrees to notify and submit a new Contract and Grant Disclosure and Certification Form to DHS within ten (10) days of the beginning of employment should the owner, a member of the owner's immediate family, or an authorized representative of the facility accept employment with the State of Arkansas. If a member of the Participant's Board of Directors is employed by the Participant and then accepts employment or does additional business with the State of Arkansas, the board member must submit a Contract and Grant Disclosure and Certification Form to DHS within ten (10) days of state employment or other business with the State of Arkansas.
19. The Participant agrees to comply with Public Law 101-121 (Anti-Lobbying Act):
 - a. If the Participant receives more than \$100,000 per award of appropriated federal funds in any Agreement period (July 1 - June 30), the Participant must certify that these funds will not be used to pay for lobbying activities by completing a Certification Regarding Lobbying Form (DHS-9350) and submitting the form to the Department.
 - b. If the Participant has paid or will pay for lobbying using funds other than appropriated federal funds, Standard Form-LLL (Disclosure of Lobbying Activities) must be completed and submitted to the Department.
 - c. The Participant (referred to as the lower tier Participant in the following clause) agrees to comply with Executive Order 12549 (Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion - Lower Tier Covered Transactions), which states:

By signing and submitting this lower tier proposal (this Agreement), the prospective lower tier Participant, as defined in 45 CFR Part 76, certifies to the best of its knowledge and belief that it and its principals:

- Are not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency.

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- Or, where the prospective lower tier Participant is unable to certify to any of the above, such prospective Participant shall attach an explanation to this proposal.
20. The Participant agrees that it will indemnify and hold harmless DHS against any and all liability, loss, damages, costs or expenses which the Participant may sustain incur or be required to pay as a result of any act or omission by DHS.
 21. The Participant agrees to notify DHS via electronic mail immediately of any change in ownership, change in business structure, facility site location, and change in employer identification number or closure of the facility. The Participant agrees to provide DHS with a copy of the notice from the Internal Revenue Service verifying any change in a Taxpayer Identification Number.
 22. The Participant may not delegate, assign, or subcontract the performance of any obligations contained in this Agreement.
 23. The Participant agrees that all facilities holding a valid license and all license categories under this ownership, whether present and future, will participate in the CCDF Program.
 24. The Participant understands that this Agreement does not create an employer - employee relationship.
 25. Participants who are incorporated must be registered with the Secretary of State's office and must remain in good standing to participate in the CCDF Program.

B. Billing:

1. A password is required to submit billing to DHS. The Participant accepts liability for all bills submitted to DHS using the password and agrees that only directors, owners, or authorized representatives will submit bills to DHS. The password is non-transferable; therefore, a change in Taxpayer Identification Number (TIN) or License/Registration Number will require a new password.
2. The Participant agrees to submit a bill for absentee billing, inclement weather billing or actual services performed to receive payment utilizing state-approved electronic billing methods.
3. The Participant agrees to submit electronic billing within sixty (60) days of the dates the service was actually delivered to eligible clients. No exceptions will be allowed unless a previously written wavier is obtained from the CCDF Administrator prior to the end of the sixty (60) day period.
4. The Participant agrees to follow absentee, holiday and inclement weather billing procedures for children temporarily absent from the program. Billing is not allowed when the facility is closed unless it is an observed holiday or inclement weather. In cases where the client is responsible for a co-pay, the Participant is responsible for collecting the co-pay amount for days billed as absentee, holiday or inclement weather. When applicable, the Participant may charge the client for absentee days over those allowed by this Agreement. (See Section IV, Paragraphs G, H, and I)
5. The Participant agrees to promptly correct all billing or payment errors and understands that they are responsible for all improper payments or fraud. In addition to any other remedy, which may exist in law, equity, or administrative procedures, DHS may, after proper notification, recoup payments through current and subsequent payments to the Participant and/or other measures as necessary.

Payments may be withheld until verification of attendance records. Current State Fiscal Year attendance records must be presented when requested by DHS staff or authorized representatives within approximately one (1) hour of the request. All other attendance records must be submitted by 10:00 a.m. the following business day after the request from DHS staff or authorized representative. Site visits by DHS staff or authorized representatives may be unannounced.

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C. Records and Financial:

1. The Participant agrees to retain all books, records, and other documents relating to expenditures, services rendered, attendance or individuals served under this Agreement for five (5) years from the date of service. If an audit or investigation is pending at the end of the five year period, information shall be retained until resolution of the audit, investigation, or any issues, disputes or appeals raised by or resulting from the audit or investigation. Any person authorized by DHS will have full access to these materials during this period.
2. The Participant must use a paper form or an electronic attendance system. To be approved, the attendance form or system must include:
 - a. child's name
 - b. dates child was present or absent,
 - c. time care begins and ends,
 - d. signature of parent, guardian or authorized representative verifying accuracy of attendance records, on a daily or weekly basis (Electronic attendance systems will not require a signature. Computer spreadsheets are not considered an electronic attendance system and are NOT exempt from signatures.)
 - e. signature of staff person; and
 - f. the following statement:
 - i. Provider Certification: I declare under penalty of perjury that the above information is true and that these children were provided services at the above location and on the days and times listed above. I understand that I must repay any overpayment resulting from false or incorrect information and that I may be prosecuted for fraud.

A sample attendance form is available at <http://www.arkansas.gov/childcare/familysupport/forms.html>. Attendance records must reconcile with billing records. If attendance records without an appropriate signature are not available, DHS will consider the payment in question to be an improper payment. (See definition of Improper Payment)

The Participant may be required to submit statistical records on expenditures charged to other funding sources in order to verify non-duplication of payment.

3. The Participant agrees to maintain all client records in a confidential manner. The Participant agrees to report to DHS/DCCECE any loss of information that would be considered Protected Health Information (PHI) within twenty-four (24) hours of the loss.

Upon request, access to Participant records, related to individuals served under this agreement, will be made available to DHS employees, DHS designated agents, or any agency of state or federal government for purposes of auditing or any other reason connected with DHS service programs. The Participant may require official identification prior to allowing records access except with the informed, written consent of the client. If the client is not an adult or has been declared incompetent by a probate court, the client's parent, custodian, or guardian may consent on the client's behalf.

4. The Participant agrees to have an annual audit in accordance with the "Guidelines for Financial and Compliance Audits of Programs Funded by DHS" effective for the period of this Agreement. A copy of the "Guidelines" will be provided upon request. Failure to follow these guidelines will result in the Participant losing the privilege to participate in the child care assistance program until the issue is resolved, and may result in the Participant's exclusion from all DHS programs per DHS Policy 1088. (Notice will be provided in writing with specific timeframes for submission of the audit.) Whether an audit is required or not, all financial information will be readily available for any review conducted by an authorized DHS representative.
5. The Participant agrees to accept responsibility for the reporting of funds received through DHS each calendar year. The Participant is responsible for the payment of all required federal and state taxes accrued.

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Section V: Cancellation of the Agreement

- A. This Agreement is non-transferable, and automatically terminates without DHS action if the ownership or fifty percent (50%) or more of the ownership interest of a facility under a TIN is transferred to a new owner, if the only open facility under the TIN closes, if the only open facility under the TIN relocates.

The Participant may change their Taxpayer Identification Number (TIN) from a social security number to an Employer Identification Number (EIN) issued by the IRS by submitting a new W-9 and letter requesting the change to the address listed on the signature page. Any change in TIN must be accompanied by written verification from the IRS.

- B. The Participant or DHS may cancel this Agreement unilaterally, at any time, by giving the other party thirty (30) calendar days written notice, and delivering notice of cancellation either in person or by certified mail, return receipt requested, restricted delivery. If the Participant is the party canceling the Agreement, such notification must be sent to the Director of the Division of Child Care and Early Childhood Education.
- C. DHS may cancel this Agreement pursuant to DHS Policy 1088, which refers to the exclusion of any participant/vendor by any Division of DHS. This exclusion to participate includes immediate family (blood relative, by marriage, etc.) and/or anyone affiliated with your facility (sharing common ownership, board members, or any other interest). DHS may prohibit participation regardless of the name or location of the participating entity. The Participant agrees that submission of falsified records or participation in any form of fraud for the purpose of obtaining benefits for the Participant or a CCDF Program recipient or submission of falsified records for the purpose of obtaining a child care license will result in exclusion from all DHS programs. A copy of DHS Policy 1088 will be provided upon request.
- D. If DHS determines there is immediate jeopardy to the health and safety of children receiving services from the Participant, DHS may cancel the Agreement *immediately* upon notice to the Participant.
- E. Any written notice from DHS to the Participant canceling this Agreement shall specify the reason for cancellation.

Section VI: Administrative Appeal Procedure

- A. The Participant may appeal any adverse action taken by DHS (including audit, billing, payment, termination, etc.) by filing a written notice of appeal within thirty (30) days from the Participant's receipt of DHS notification in accordance with DHS Administrative Appeal/Hearing Procedures. A copy of the appeal procedures will be provided by DHS upon request.
- B. The Participant agrees to notify DCCECE of any legal controversies with any local, state or federal governmental agency including other agencies within DHS.