



# FAMILY SUPPORT UNIT PROCEDURE MANUAL



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

### **1.1 MISSION STATEMENT**

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

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

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

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

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

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

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

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

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

- The program is made accessible to all eligible parents (as funding allows)
- Parents/guardians are given a choice of eligible providers and that the requirements of this program will not significantly restrict parental choice of the types of providers
- Parents/guardians will have unlimited access to their children and to the providers that are caring for their children during normal hours of operation

- A record of parental complaints is maintained and made available to the public on request
- Consumer education information is made available to the public concerning licensing and regulatory requirements, complaint procedures, health and safety information and policies relative to child care services
- Payment rates will be sufficient to ensure equal access for eligible children

### **1.3.1 Parental Choice**

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

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

The casehead must select a provider that:

- Is licensed or registered by the Division of Child Care and Early Childhood Education
- Meets the requirements of the State of Arkansas
- Has attended required provider training and has submitted a signed copy of the Child Care System Participant Agreement, DHS-9800

If a provider that meets these requirements cannot be located, the casehead may request assistance from the Program Eligibility Specialist (PES) in locating a facility.

### **1.3.2 Confidentiality of Information**

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

### **1.3.3 Prohibited Discriminatory Practices**

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

### **1.3.4 Use of Policy Manual**

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

## **1.4 OVERVIEW OF CASEHEAD RESPONSIBILITIES**

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

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

The casehead must provide a minimum of one (1) week written notice to the PES and the current child care provider when they wish to change child care providers. Failure to abide by this provision will result in the casehead being responsible for the child care bill at the new facility until the new authorization is written.

## **1.5 APPEALS AND HEARINGS**

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

Whenever an application is denied, or an adverse action is taken, the casehead will be informed in writing of the decision and of the right for a review of the decision. The notice must state that the casehead has ten (10) days from the date of the Notice of Action (DCC-531) in which to submit a request for Internal Review of the decision. The complete Internal Review and Appeal Process is outlined in Sections 1.5.2 and 1.5.3 of this procedure manual. The casehead, or an individual acting on behalf of a casehead, may request an Internal Review regarding the following actions:

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

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

Action taken by DCC-ECE as a result of unavailability of funds/reaching lifetime limit of sixty (60) months is not subject to appeal.

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

### **1.5.2 Internal Review**

The first step in appealing any adverse action is to request an Internal Review. Any complaint regarding an adverse action or service delivery must be made in writing to the Area Supervisor within ten (10) days of the adverse action. Once received, the Supervisor will render a written decision within five (5) working days. If the casehead is not satisfied with this decision, the casehead may request an Internal Review, in writing, from the Unit Administrator within seven (7) days of the date of notice of action from the Area Supervisor. The Unit Administrator will then render a written decision within five (5) working days of the request.

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

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

### **1.5.3 Administrative Hearing**

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

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

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

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

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

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

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

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

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

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

## **SECTION 2 – PROVIDER INFORMATION**

### **2.1 PROVIDER PARTICIPATION**

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

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

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

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

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

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

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

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

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

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

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

## **2.2 PROVIDER EXCLUSIONS**

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

## **2.3 PROVIDER TRAINING**

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

## **2.4 CORRECTIVE ACTION**

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

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

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

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

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

## **2.7 BILLING PROCEDURES**

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

## **2.8 COUNTY RATE CAPS**

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

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

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

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

## **2.9 PARENT FEES**

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

Under no circumstances will the parent be required to pay the difference between the County Rate Cap and the rate that the child care provider charges, if the provider's charges exceed the County Rate Cap. The only exception is providers that have achieved State Quality Approval/Accreditation. Providers meeting State Quality Approval/Accreditation have the option of charging the parent the difference between the County Cap Rate and the established rate the provider charges. .

## **2.10 FEE COLLECTION**

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

## SECTION 3 – CHILD CARE ASSISTANCE

### 3.1 ELIGIBILITY FACTORS

A family's eligibility unit is made up of one (1) or more adults and children related by blood or law, and residing in the same house when at least one of the adults has physical custody of the child(ren) for whom application is made. In households where adults other than spouses or parents of the child reside together, each may be considered a separate eligibility unit.

A child's parent(s)/legal guardian (s) must each be **either**:

- Working at least thirty (30) hours per week;
- A full-time student;
- Twelve (12) credit hours is considered full time (for condensed summer sessions, nine (9) credit hours is considered full time)
- Combining work and school to equal thirty (30) hours per week. (see section 3.2.4)

*US Citizenship is not required by the parent.*

**In a two-parent household, both parents must meet one of these requirements.**

The need for child care must meet minimum work and participation requirements based on family size, composition, and circumstance.

#### 3.1.1 Citizenship

The child(ren) for whom application is made must meet one of these citizenship requirements:

Proof of citizenship will only be requested if an individual's U.S. citizenship is questionable.

A United States citizen is:

- A person (other than the child of a foreign diplomat) born in the United States of America or in the District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands, or the Northern Mariana Islands who has not renounced or otherwise lost his or her citizenship.
- A person born outside of the United States to at least one U.S. citizen parent. (*These individuals are sometimes referred to as "derivative citizens."*)
- A naturalized U.S. citizen.

Individuals who claim to be naturalized citizens must have completed all the requirements for citizenship, including the swearing in, and must have verification of their status as a naturalized citizen before they can participate in the Food Stamp Program as a citizen. (*They may participate as a non-citizen if they meet those requirements.*)

A United States non-citizen national is:

- A person born in American Samoa or Swain's Island on or after the date the U.S. acquired the possession of either territory.
- A person whose parents are U.S. non-citizen nationals.

U.S. non-citizen nationals are treated as U.S. citizens.

The Program Eligibility Specialist must accept participation in another program as acceptable verification if verification of citizenship or non-citizen national status was obtained for that program. For other household members whose citizenship is questionable, the worker may accept any of the following documents as proof of citizenship:

- Birth certificate showing birth in one of the 50 states, the District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa, Swain's Island or the Northern Marianna Islands.
- United State passport except for limited passports which are issued for periods of less than five years.
- Report of birth abroad of a U.S. citizen issued by the Department of State.
- Certificate of birth by a foreign-service post.
- Certificate of Naturalization.
- Certificate of Citizenship issued to individuals who derive their citizenship through a parent.
- Northern Marianna Identification Card
- Statement provided by a U.S. consular officer certifying that the individual is a U.S. citizen.
- American Indian Card with a classification code "KIC"
- Adoption Finalization Papers that show the child's name and place of birth in the United States or one of its territories.

If none of these documents is available, the alien may provide secondary evidence such as religious records, school records, or census records that indicate birth in the United States.

If the household cannot obtain any of the forms listed above to verify citizenship and the household can provide a reasonable explanation as to why verification is not available, the worker will accept a signed statement, under penalty of perjury, from a third party indicating a personal knowledge that the member in question is a U.S. citizen or non-citizen national. The signed statement must contain a warning of the penalties for helping someone commit fraud. In the absence of verification or third party attestation of U.S. citizenship or non-citizen national status, the household member whose citizenship status is in question will be treated as a ineligible alien (see [[FSC 1621.6](#)]) until the issue is resolved.

All household members, citizens and non-citizens, will be counted in the eligibility unit and must meet all eligibility criteria. If there is not a child in the household for whom services are requested, that is a citizen or a lawful permanent resident, the application will be denied.

### **3.1.2 Residence**

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

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

### **3.1.3 Need for Service**

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

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

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

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

Except for protective services or foster care situations, child care assistance shall be provided only to families who voluntarily request the service. For protective services or foster care child care, a Request for Child Care Assistance Protective Services/Foster Care is made by the assigned DCFS worker. The PES will refer clients/providers to DCFS if the child is receiving protective services or foster care services.

### **3.1.4 Eligible Child/ Level of Care**

To be eligible, the casehead must have physical custody of a child under the age of thirteen (13) years. A child under the age of nineteen (19) who is physically or mentally unable to care for himself may be eligible for Special Needs child care services if the disability is verified by a

physician or a licensed/certified psychologist and in the full-time physical custody of the casehead.

The definitions of Special Needs Levels are as follows:

- Level 1 = No additional staff is needed
- Level 2 = Additional staff is needed temporarily
- Level 3 = Full time 1:1 additional staff is needed.

In order for a child to be eligible for assistance, the PES must validate the child's date of birth. Acceptable documentation includes:

- A valid birth certificate
- School records
- Medical records
- Verification from another agency division,
- Any official document that confirms the child's date of birth.

Copies of all documentation must be maintained in the case record. If documentation is questionable, the PES shall consult with the Area Supervisor. Waivers to this policy will be made on a case by case basis by the Area Supervisor or Unit Administrator.

### **3.1.5 Social Security Number**

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

### **3.1.6 Employment**

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

### **3.1.7 Job Search**

Child care services may be approved for forty-five (45) calendar days to allow applicants/recipients to actively seek employment. Forty-five (45) calendar days of child care services may be authorized for job search unless the casehead has exceeded the sixty (60) month lifetime limit. A one time extension of fifteen (15) calendar days may be granted if needed to secure employment. A hand written statement listing job contacts or documentation of the job search must be provided in order to receive an additional fifteen (15) calendar days of child care services. A casehead may only receive forty-five (45) days of job search child care one time in a calendar year.

The following applicants/recipients may receive job search child care:

- Applicant job search
- Recipient job search if laid off from employment or work hours have been reduced. The PES shall process the change of income in KIDCare and re-determine co-payment amount.
- Completion of Educational program which includes High School, Higher Education, G.E.D. and Training Programs.
- Student on Academic Probation

## **3.2 STUDENTS**

### **3.2.1 Classifications**

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

- High School: A person presenting documentation of full-time enrollment in high school shall be eligible for assistance.
- Higher Education: Students enrolled in institutions of higher learning (post-secondary education) must be considered a full time student with a minimum of twelve (12) semester hours or nine (9) quarter hours to receive childcare assistance. If a student is attending an institution's summer school program, the student must be enrolled in at least six (6) semester hours or nine (9) quarter hours per summer term. The only other exception to the credit hour requirement for college students would be the student who is pursuing a degree that requires a clinical or practicum, which involves long hours, or rotating shifts that would hinder the parent from obtaining employment or taking other classes.
- G.E.D.: A casehead who is enrolled in GED classes must show verification of full-time enrollment, the start and end times, days of the week, and the start and end dates of the classes.
- Training Programs: A client must demonstrate full-time enrollment at a work training program. Examples include Vocational Schools, Literacy Councils, Certified Nursing Assistant, Sheltered Work Shops, Day Treatment Centers, Cosmetology Schools, Career Training Centers, Work Force Training Centers and treatment for Mental Health or Substance Abuse.

### **3.2.2 Grade Requirements**

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

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

grades will be checked for semester hours ONLY in January and then checked for actual grades at the end of the spring semester.

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

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

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

### **3.2.4 Working Students**

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

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

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

Students attending summer school will be considered full-time and eligible for child care assistance if they carry six (6) or more hours per summer session. If a student is taking less than six (6) hours, the student must work a minimum of twenty (20) hours per week to qualify for childcare assistance.

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

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

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

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

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

## **3.3 SPECIAL CIRCUMSTANCES**

### **3.3.1 Emancipated Minors**

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

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

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

### **3.3.2 Relatives with Custody**

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

Grandparents may receive a one time waiver for six (6) months of child care assistance at no fee. After the first six (6) months the Grandparents must meet the same eligibility requirements as a parent or legal guardian. Any extensions to the initial waiver must be approved by the Unit Administrator.

### **3.3.3 Disabled Household Adult**

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

### **3.3.4 Active Military Duty**

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

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

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

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

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

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

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

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

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

### **3.3.6 Joint Custody**

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

## **3.4 INCOME**

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

### **3.4.1 Classification of Income**

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

Countable income from all household parents/guardians age eighteen (18) and over (or under eighteen (18) and emancipated) shall be considered in the budget.

The following households shall be exempt from income requirements:

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

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

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

- Contractual income

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

- SSI for casehead, not for child
- Social Security payments for casehead , not for child
- Unemployment
- Workers' Compensation
- Alimony
- Pensions and annuities
- Contributions

### 3.4.2 Monthly Gross Earned Income

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

- A. **Wages and salaries from employment:** Total gross earned. *If employed full-time, adults in the household must demonstrate earnings equivalent to at least 30 hours per week in order for the household to be eligible for child care assistance.*
- B. **Tips**
- C. **On-The-Job Training (OJT) wages:** Wages paid for on-the-job training and/or upgrading employability skills will be counted in the household's budget.
- D. **Stipends:** (AmeriCorps, VISTA, Delta Service Corps, etc.) includes monies earned or paid in exchange for volunteer services and are counted as earned income.
- E. **In-Kind benefits:** In-kind benefits are when a product or service is furnished to an employee in lieu of wages. In-kind benefits include, but are not limited to providing housing or making a car payment in exchange for a person working.
- F. **Contractual income:** Employees who work under a contract agreement will have their income prorated over a twelve (12) month period or the period of time the contract is designed to cover. A contractual arrangement exists when the employee and the employer have a written agreement that stipulates the annual or the monthly salary. Examples of contractual employees are school teachers and teachers' aides.
- G. **Piece work basis:** Individuals who are paid on an hourly or piece work basis will *not* have their income prorated over a twelve (12) month period, even though there may be a written agreement regarding the particulars of their employment.

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

- Copies of consecutive check stubs needed:
  - if paid weekly - four (4)
  - if paid bi-weekly (every two weeks) - two (2)
  - if paid semi-monthly (twice per month) - two (2)
  - if paid monthly - one (1)
- A completed Form DCO-97 (Verification of Earnings)
- A copy of the current contract agreement between employee and employer (contractual income)
- A verification letter from the employer

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

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

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

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

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

### **3.4.3 Income Deduction**

Each adult household member who is employed at least thirty (30) hours per week will have a \$100.00 work related deduction made from his/her gross income to account for withholding and other mandatory work-related expenses.

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

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

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

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

### **3.4.5 Unearned Income**

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

- A. **Social Security:** Social Security benefits are paid upon retirement, disability, or death of a covered wage earner. Retirement benefits are payable for some individuals beginning at age 62; disability benefits are payable at any age. A wife or widow is eligible at any age if there are minor children of the wage earner living in the home. An individual may receive a child's benefit at any age if incapacitated prior to the age of 21. All unmarried minor children of a wage earner are covered, even though the wage earner and the mother of the children were later separated or divorced. Illegitimate children may be covered if it can be established that the wage earner is the parent.

Social Security pensions, survivor's benefits, permanent disability insurance payments made by the Social Security Administration (*prior* to deductions for medical insurance), Civil Service retirement payments, and railroad retirement insurance checks from the U.S. Government will be counted as income. Social Security benefits received by a child(ren) are excluded from the budget.

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

- H. **Veteran's pension:** A veteran's pension is money paid periodically by the Veteran's Administration to disabled or retired members of the Armed Forces or to their survivors. This includes subsistence allowances paid to veterans for on-the-job-training, as well as so-called "refunds" paid to ex-servicemen as GI insurance premiums. Also included are "incentive" benefits promised to recruits upon enlistment and cashed out at a later date.
- I. **Railroad Retirement Benefits:** Benefits paid to individuals and spouses covered under the Railroad Retirement Act. An individual may receive both Railroad Retirement and Social Security, if covered under both programs, and the wife of a Railroad Retirement beneficiary may receive a wife's benefit while drawing Social Security.
- J. **Civil Service Retirement Benefits:** Civil Service Retirement Benefits are paid to retirees from federal government service under the Civil Service Act and their spouses. An individual may receive both Civil Service Retirement and Social Security. A widow of the Civil Service retiree may receive a wife's benefit while drawing Social Security.
- K. **Contributions**

### 3.4.6 Exclusions from Countable Monthly Gross Income

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

- A. Tax refunds, including Earned Income Credits, regardless of whether the client elects to receive the EIC in a lump sum or along with their regular paycheck;
- B. Non recurring lump-sum payments, i.e. Christmas bonuses, insurance settlements;
- C. Capital gains;
- D. Earnings of a child under 18 years of age;
- E. Loans, grants, scholarships, and work study earnings. Earnings for graduate and doctoral assistance educational programs regardless of the source;
- F. Income received for educational purposes from the Montgomery GI Bill or the Veterans Educational Assistance Program. Verification may be obtained through the school where the casehead is enrolled and attending;
- G. Irregular income;
- H. Reimbursements for work-related expenses;
- I. Child Support Payments of any kind;

- J. Social Security Benefits received by a child(ren);
- K. SSI payments received by a /child(ren) (see Section 3.4.1);
- L. Foster Care board payment(s);
- M. Adoption subsidy payment(s);
- N. The value of HUD rental assistance and utility assistance.

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

#### **SECTION 4 – APPLICATION PROCESS**

An application for assistance can be made to the Family Support Unit by completing and submitting an Application for Child Care Assistance (DCC-513) that is signed by the applicant, the guardian or the custodian.

For purposes of consideration, the date of application will be the date a completed and signed application is received in the DHS County Office or the Family Support Unit at Central Office. If a Program Eligibility Specialist is working at an off-site location and the applicant turns in an application, that date will be considered the date of application.

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

If the individual applying for child care is under the age of nineteen (19) years of age, the application must be completed and signed by the parent, guardian or custodian of the individual, unless the individual is considered an emancipated minor. (See Policy 3.1.4.)

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

In order to determine eligibility for child care services the following applicable information will be requested if unavailable through other DHS data systems:

1. Records documenting child(ren)'s dates of birth/citizenship.
2. Verification of social security numbers will be requested but not required. A pseudo number may be assigned by the area supervisor if social security numbers cannot be provided.

3. Earned income verification, copies of check stubs, DCO-97 Verification of Earnings, or letter from employer.
4. Unearned income verification examples include SSA benefits, SSI, TEA, VA benefits, unemployment benefits.
5. Copy of student schedule or student verification.
6. Child Care Arrangement Verification Form (DCC-552)

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

#### **4.1 APPLICATION TIMEFRAMES**

The Family Support Unit has a maximum of forty-five (45) days from the date of application for processing. Once all required information is received and/or verified through DHS data systems such as Answer and KIDCare, the PES shall have forty-five (45) days to:

- approve the family for services and process the service authorization,
- deny the application and send a Notice of Action (DCC-531),
- or waitlist the application and send Notice of Action (531A).

#### **4.2 INITIAL APPLICATION**

##### **4.2.1 Approval**

When all eligibility requirements have been established, the PES shall record the following information in KIDCare:

Initial Application Narrative

- Initial Application Completed
- Household Composition
- Documentation of Citizenship of child(ren)
- Employed/School
- Earned income
- Unearned income
- Parent Fee
- Comments

The PES shall send the casehead a Notice of Action (DCC-531) approval notice. The notice must contain the beginning and ending dates of service, the percentage amount of the fee the casehead must pay, and list eligible children. Any other pertinent information such as days or hours for which the child care is approved should be included on the notice.

The effective date of service will be the date that the PES makes a determination that all eligibility requirements have been met OR all relevant documentation has been received. DHS does not pay for child care services retroactive to the date of application, unless a client has been improperly deprived of services. The Unit Administrator must approve such services.

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

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

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

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

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

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

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

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

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

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

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

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

- A. Record information in the notes in KIDCare, including the reason for the denial and the date the notice is sent to the casehead. The PES shall document any supporting information. It is not necessary to verify any eligibility factor other than the one upon which the application is being denied.
- B. Document in the notes section of KIDCare:
  - Failed to attend appointment (narrate date of appointment & date of denial)
  - Failed to provide information (narrate specific requested information that was not received)
  - Working less than required hours (narrate verified number of hours working)
  - Failed to meet school requirements (narrate requirements not met)
  - Failed to meet work or school requirements (narrate requirements not met)
  - Non-working or student adult in home (narrate household member & requirement not met)
  - Over income (narrate income calculation used to reach determination)
  - Tea or ESS eligible (narrate referral to Tea or ESS child care services)
  - Disqualification (narrate dates of disqualification)
  - Application expired (narrate date of expiration)
  - Non-resident (narrate residence and supporting documentation)
  - Reached lifetime limit (narrate date lifetime limit reached)
  - No eligible child(ren) in household (narrate reason)
  - No longer using child care services (narrate last date of service & how verified)
  - Mail returned/unable to locate (narrate date mail returned & inquiries to determine address as unknown)
  - Other (narrate reason & circumstances of denial)

The PES shall send the casehead a Notice of Action (DCC-531) specifying the reason(s) for the denial of child care services. A copy of the DCC-531 should be kept in the case record.

- C. All denied applications are to be kept on file for a period of one (1) year following the date of denial.

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

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

statement is not received, a ten (10) day advance Notice of Action (DCC-531) will be sent to the casehead to advise of case closure.

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

If funds are unavailable, upon receipt of an application for child care, the PES shall place the application on the waiting list according to application date and priority. Applications on the waiting list shall be prioritized in the following order:

1. Special Needs
2. Teens in High School
3. Homeless
4. Low income with no fee
5. Low income with fee.

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

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

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

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

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

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

### **4.3.1 Re-Evaluation Process**

Eligibility Review for Re-evaluation (DCC-531CR) must be sent by the 1<sup>st</sup> working day of the 6<sup>th</sup> month or the last month of authorization. The casehead is given fifteen (15) calendar days to return requested information. The information due date is automatically printed on the DCC-531CR.

- All caseheads requiring a re-evaluation must be sent a KIDCare generated Eligibility Review for Reevaluation Notice of Action (DCC-531CR). The notice must advise the casehead of the action and information needed to process the re-certification and that failure to cooperate with the re-certification process will result in case closure.
- The child care provider will be sent a copy of page one (1) of the DCC-531CR notifying them of the impending action on the client's case.
- If the casehead fails to return all requested information the PES will send a KIDCare ten (10) day Notice of Action to provide the information. If the PES determines that the client has good cause for needing additional time to furnish verification or resolve conflicting information, the PES may extend the deadline to accommodate the client.
- If the casehead fails to return the Eligibility Review for Re-evaluation the PES will send a ten (10) day pending closure notice. The notice will state the case will close on the last day of the authorization.
- The case will remain open and authorizations will continue through the last day of the month. After the last day of the authorization the PES may close the case.

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

Eligible households that submit timely Eligibility Review for Re-evaluation Notice DCC-531CR for re-certification are entitled to uninterrupted services unless the household fails to follow through with the re-evaluation process. A timely DCC-531CR for re-evaluation is defined as a DCC-531CR that is received no later than the date listed on the re-evaluation notice.

Caseheads that fail to submit their DCC-531CR for re-evaluation in a timely manner forfeit the right to uninterrupted services and their case will be closed. Households may reapply for child care services by completing the DCC-513CR Application for Child Care Assistance or the DCC-531CR Eligibility Review for Reevaluation Notice. The DCC-531CR may only be used as an initial application if provided within thirty (30) days of the case closure date. Upon request from the PES the area supervisor shall reopen the case in KIDCare.

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

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

#### 4.3.4 Re-Evaluation Process

Reevaluations may be completed by an in person appointment or by mail. During the re-evaluation process, the PES shall:

- A. Review the Eligibility Review for Reevaluation Notice (DCC-531CR) for completeness, comparing it with the previous DCC-513 or DCC-531CR for changes in status.
- B. Obtain and record sufficient information to establish the eligibility requirements of the Child Care Assistance Program. When all eligibility requirements have been established the PES shall record the following information in the case narrative.

#### Re-Evaluation Narrative

- Re-Evaluation Completed
- Household Composition
- Documentation of Citizenship of child(ren) added to household
- Employed/School
- Earned income
- Unearned income
- Parent Fee
- Comments

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

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

## **SECTION 5 - CASE MANAGEMENT**

### **5.1 CASE RECORD ORDER**

The PES shall maintain an accurate and current individual case record for each family determined eligible. The case folder should be labeled with the name of the casehead and the KIDCare assigned case number. Case record information verified through DHS data systems such as Answer or KIDCare must be documented in notes of KIDCare and is not required to be copied. If information is unavailable through DHS data systems the paper documentation must be filed in the following order:

#### **Left Side of Case Record p. 1** *(in descending order)*

1. Acceptable verification of Social Security Numbers\*:
  - a. Copies of actual Social Security Cards
  - b. Proof of application from the Social Security Administration
2. Records documenting child(ren)'s date(s) of birth

#### **Right Side of Case Record p. 2 most current initial/re-evaluation** *(in descending order)*

1. Initial/Re-Evaluation Application, DCC-513 or DCC-531CR
2. Earned Income Verification-Must be copies of check stubs, a completed
3. Verification of Earnings form, DCO-97, or a letter from the employer
4. Verification of Unearned Income-Examples include SSA benefits, SSI, VA, UI benefits
5. Copy of Student Schedule or Student Verification
6. Copy of Student Grades
7. Any additional correspondence or documents
8. Child Care Arrangement Verification Form DCC-552\_, if applicable

#### **Left Side of Case Record p. 3** Overpayments/Fraud

#### **Right Side of Case Record p. 4** *(in descending order)*

Previous initial/re-evaluation(s) in descending case record order. Refer to page 2.

### **5.2 CASE NARRATION**

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

## **5.3 NOTICES**

### **5.3.1 Notice of Action**

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

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

### **5.3.2 Adequate Notice**

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

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

## **5.4 REINSTATEMENT OF CLOSED CASE**

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

## **5.5 PROCESSING CHANGES**

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

### **5.5.1 Transfer of Case Record**

When a casehead notifies the PES that he/she is moving to another county and would like to continue child care services the PES shall:

1. Notify the current child care facility of the last day for services.
2. Enter new address in KIDCare and assign case to PES.
3. The PES in the original county must contact the PES in the new county to advise of transfer.
4. Send a ten day Notice of Action DCC-531 with name and address of the new Program Eligibility Specialist with a request to return Eligibility Review Notice DCC-531CR, verification of income/ student status, and a DCC-552 Child Care Arrangement Verification form to the new PES.
5. The case record will be sent to the new PES and a notation made in the notes of when and where the case was transferred.

If the casehead fails to furnish the Program Eligibility Specialist in the new county with a completed DCC-531CR within ten (10) days, the family will not be entitled to uninterrupted benefits and the case will be closed. If the family reapplies, the application will be treated as an initial application.(refer to 4.3.2)

### **5.5.2 Inactive Status**

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

### **5.5.3 Change in Child Care Providers**

Due to the cost of processing authorization, as well as the undue stress placed on a child with repeated changes of child care providers, the number of times a casehead may change facilities will be limited to a maximum of two (2) per twelve month period. Any additional requests will be questioned as to the need and approved only under certain conditions.

### **5.5.4 Reasons to Approve Additional Changes**

- The casehead moved to a new residence.
- The casehead changed job locations.
- The Casehead parent complains of problems with the provider, files an allegation of abuse or neglect with the Department of Children and Family Services, and /or makes allegation of provider licensing violations with Child Care licensing.
- The provider or regulatory agency closes the facility.
- The casehead transfers school age child(dren) to a different school.
- The child ages out of the care level provided by the current facility.
- The casehead cannot afford to pay the co-pay based on the facility rates.

### **5.5.5 Adding Children**

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

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

### **5.5.6 Case Closure**

**A child care assistance case shall be closed:**

- Upon written request of the parent/custodian.
- Upon notification from an agency in another state that the client has been approved for services in that state.
- Upon a parent's failure to complete the re-evaluation process, furnish requested information, or comply with other procedures necessary to establish their continued eligibility.
- Upon a casehead's failure to meet any eligibility requirements.

**When a child care assistance case is closed the PES shall:**

- Send ten (10) day advance notice of the closure to the recipient via the DCC-531 with a copy to the provider.
- Narrate date and reason for closure in the notes section of KIDCare.
- Close case in KIDCare.

**When a case is closed all pertinent information must be recorded in KIDCare notes.**

**Closure reasons/required documentation:**

- Failed to attend appointment (narrate date of appointment & date of closure)
- Failed to provide information (narrate specific requested information that was not received.)
- Working less than required hours (narrate verified number of hours working)
- Failed to meet school requirements (narrate requirements not met)
- Failed to meet work or school requirements (narrate requirements not met)
- Non-working or student adult in home (narrate household member & requirement not met)
- Over income (narrate income calculation used to reach determination)
- Tea or ESS eligible (narrate referral to Tea or ESS child care services)
- Disqualification (narrate dates of disqualification)
- Non-resident (narrate residence)

- Reached lifetime limit (narrate date lifetime limit reached)
- No eligible child(ren) in household (narrate reason)
- No longer using child care services (narrate last date of service & how verified)
- Mail returned/unable to locate (narrate date mail returned & inquiries to determine address as unknown)
- Other (narrate reason & circumstances of closure)

## **5.6 ACCESS TO CASE RECORDS**

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

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

## **5.7 CASE RECORD STORAGE**

With the exception of fraud referrals and cases with administrative hearings all closed cases over six months old should be sent to Central Office for storage. Closed cases over five (5) years old must be destroyed with the exception of cases with overpayments that have not been repaid. Only approved storage boxes can be used for closed cases. The PES may request these boxes from Central Office.

The PES shall:

1. Ensure that the Closure notice or application status screen is filed on top on the right side of the case record.
2. Write closed case with closure date on the front of the folder.
3. Place in order by closure month in the storage box.
4. Narrate in notes section of KIDCare date case record was sent to Central Office.

## SECTION 6 – OVERPAYMENTS

### 6.1 OVERVIEW

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

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

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

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

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

### 6.2 DEFINITION OF ERRORS

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

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

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

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

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

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

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

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

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

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

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

### **6.4 IMPROPER PAYMENT REFERRAL DOCUMENTATION**

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

*All referrals* must include the following:

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

## 6.5 IMPROPER PAYMENT REFERRAL PROCESSING

The county caseworker or Program Eligibility Specialist is responsible for preparing and submitting improper payment referrals to the DCC-ECE Central Office.

The PES will use the following procedures to report overpayments:

- A. Record Information in the Case Narrative: The worker will record in the case record the amount of the improper payment, the date the improper payment began, the reason why the improper payment occurred, and any other pertinent information. If the improper payment occurred because a client provided false or incomplete information or failed to report a change in circumstances within ten (10) days, the client will be advised of the possible consequences (request for repayment and/or prosecution for fraud) and asked to explain. The explanation will be recorded in the case record.
- B. Refer to Compliance Unit: All cumulative improper payment of twenty dollars (\$20.00) or more and less than \$500 will be sent to the DCC-ECE Compliance Unit. Client improper payments in excess of \$500 that resulted from agency error will also be sent to the Compliance Unit. For referrals involving agency error, the error must be identified in the narrative and if resulting from information obtained from another DHS system such as Answer, include a screen print. The Compliance Unit will record the information into tracking databases. After review and concurrence, the Compliance Unit will send the overpayment recommendations to the Division of Administrative Service's Overpayment Processing Unit, followed by updating internal tracking databases and informing associate DCC-ECE units. All improper payments to providers in excess of \$500 must be submitted as a Fraud referral.
- C. Refer to the Overpayment Processing Unit: The Compliance Unit will forward all cases involving incorrect payments under \$500 and those in excess of \$500 to the Division of Administrative Service's Overpayment Processing Unit, Central Office. The Overpayment Processing Unit will register all overpayment referrals. All documentation described above will be original documentation.

If fraud is suspected, the Program Eligibility Specialist will submit a Fraud Referral using KIDCare (See Section 6.7).

All cases of suspected fraud will be immediately brought to the attention of the Office of Quality Assurance's Fraud Unit (See Section 6.7). If it is found in the fraud investigation that the period of time and/or the amount of the improper payment is different from the original amount submitted in the referral the referral will be closed and returned to DCCECE for action.

## **6.6 REPAYMENT**

The Overpayment Processing Unit (OPU) will establish a payment schedule for the client or provider to repay any amount owed. The client should document that the payment is for a child care overpayment and enter their name, address, phone number and social security number on their payment.

Payments may be mailed to:  
Arkansas Department of Human Services  
Attention: Overpayment Unit  
PO Box 8181  
Little Rock, AR 72203-8181

The PES may refer any questions regarding overpayments to the Overpayment Unit at 1-800-282-7505 or (501) 682-6428.

## **SECTION 7 - FRAUD**

### **7.1 OVERVIEW**

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

### **7.2 DEFINITION**

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

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

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

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

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

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

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

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

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

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

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

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

### **7.4 REFERRAL DOCUMENTATION**

When child care fraud is suspected, it is critical that the Program Eligibility Specialist communicate with the DCC Compliance Unit to complete a thorough and accurate referral. *The referral should be entered into KIDCare and any supporting documentation sent directly to the Compliance Unit.*

*All referrals* must include:

- Referral type case or facility

- Program Eligibility Specialist
- Suspected Fraud start date
- Suspected Fraud end date
- Narrative
  
- Any additional information that cannot be found in the case record

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

## **7.5 LEGAL ACTION AND DISQUALIFICATION**

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

Refusal of a client to cooperate in any fraud investigation will result in case closure and termination of benefits. Any provider who refuses to cooperate in a DHS investigation will be subject to the termination of the Child Care System Participant Agreement (Form DHS-9800) and exclusion from participation in DHS programs.

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

A. Client Disqualification: A disqualification period occurs when the Office of Appeals and Hearings uphold the agency finding that an Intentional Program Violation (IPV) was committed, when the client does not appeal the IPV finding or when the client fails to repay a child care overpayment within the established timeframes. Extended Support Services (ESS), Foster Care and Protective Service categories are exempt from any child care disqualification. After a client has been disqualified, the client will not be allowed to participate in the Child Care Assistance Program or have the client's name placed on the waiting list for the duration of the disqualification period. The penalties will be imposed as follows:

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

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

B. Provider Disqualification: A disqualification period occurs when a child care provider is the subject of a final determination of fraud, fraudulent misrepresentation and

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

## **APPENDIX–DEFINITIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Homeless** – Any person who is living in a homeless or battered women's shelter or who is transitioning out of a shelter, which meets the eligibility requirements and has a child in need of child care services.

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

**In Loco Parentis** – A person having physical custody of the child. The person has assumed guardianship and responsibility for the child. Child care can be provided for this person to enable employment training or education; however, the income of that person (regardless of relationship to the child) will be counted in determining eligibility and setting fees for service.

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

**Internal Review** – The process within DCC-ECE by which a casehead may register a complaint and ask for a reconsideration of an adverse action taken on a case or application. This entire process is outlined in Policy Section 1.5.2

**Job Training and Educational Program** - Activities designed to enhance the employability and self-sufficiency of parents and which lead to employment at the end of the training or education program. Parents must currently be enrolled a minimum of twelve (12) credit hours to be eligible for assistance.

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

**Low Income/No Fee** – The total household income received does not require the parent/guardian to pay a fee.

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

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

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

**Physical or Mental Incapacity** *(if the Lead Agency provides such services to children age 13 and older)* – A child who has a physical or mental condition which substantially limits one or more major life activities, who has a record of such an impairment, or who is regarded as having such an impairment, and diagnosed by a licensed medical or psychological practitioner.

**Protective Services** – Services provided to a family after a child maltreatment report has been founded true or during the investigation to prevent removal of the children. These services are provided as in home services and risk to the child is not imminent so removal is not necessary. Services provided to prevent further abuse or neglect and to strengthen family functioning and overall well being of children.

**Provider** – An individual or group of individual(s) who operate a business for the purpose of supplying child care services. The procedures for becoming a licensed child care provider in the State of Arkansas can be obtained from the DCC-ECE Licensing Unit. Regulations concerning providers participating in the Child Care Assistance Program are found in Policy Section 2 and the Form DHS-9800.

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

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

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

**Residing with** – Living with or in a household with a parent or legal guardian or other individual standing in loco parentis.

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

**Shall** – A mandatory standard.

**Special Needs** – 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.

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

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

**Teen Parent** – Any person seventeen (17) years or younger who is the parent of a child who lives with that parent. The teen parent must live with a responsible adult, such as their parent, a spouse, or be declared an emancipated minor.

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

**Very Low Income** – An income that is at or below forty (40)% of the 2007 State Median Income Scale. Families whose monthly income is at this level would not be required to pay a fee for child care services based on the sliding fee scale.

**Working-** To do work, to be employed and receive payment for the work either in cash or in-kind, seeking or obtaining employment, making contact with potential employers, apply for vacancies, and interviewing for jobs or enrolled as a full time student for a minimum of twelve (12) credit hours per semester.