



# Iowa Department of Human Services

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June 26, 2015

## GENERAL LETTER NO. 13-G-42

ISSUED BY: Bureau of Child Care  
Division of Adult, Children and Family Services

SUBJECT: Employees' Manual, Title 13, Chapter G, **CHILD CARE ASSISTANCE**, Contents (pages 2 and 4), revised; pages 3, 4, 24, 44, 65, 93, 97, 106, 133, 134, and 135, revised; and page 96a, new.

### Summary

Chapter 13-G is revised to:

- ◆ Update the gross income limits for determination of eligibility for Child Care Assistance to be consistent with the federal poverty guidelines.
- ◆ Revise the fee assessment schedule and examples to be consistent with the updated gross income guidelines.
- ◆ Revise the section regarding *Child Care Assistance Provider Agreements* to add more information describing when it is appropriate to terminate an agreement. New information will also be added to this section to describe new provider sanction timeframes when an agreement is terminated.
- ◆ Update the section regarding recoupment to clarify that overpayments caused by both the provider and family will be recouped at 50 percent from both.
- ◆ Change the name of forms 470-0462 and 470-0462(S) from *Financial and Health Support Application* to *Financial Support Application*.

### Effective Date

July 1, 2015

### Implementation Instructions

**Applicants:** Apply the new income guidelines and fee schedule to all applications processed on or after July 1, 2015.

**Participants:** Apply the new income guidelines for all reviews or changes that effect July 2015 eligibility or benefit amount.

### **Material Superseded**

This material replaces the following pages from Employees' Manual, Title 13, Chapter G:

<u>Page</u>	<u>Date</u>
Contents (page 2)	January 4, 2013
Contents (page 4)	September 23, 2011
3	September 23, 2011
4, 24	June 8, 2012
44	August 29, 2014
65	January 4, 2013
93	August 29, 2014
97, 106, 133, 134	September 23, 2011
135	June 8, 2012

### **Additional Information**

Refer questions about this general letter to your service area manager, income maintenance administrator, or Iowa Workforce Development coordinator.

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	<u>Page</u>
Financial Eligibility .....	44
Documenting Special Needs .....	45
Family Size .....	46
Projecting Income.....	48
Countable Income.....	52
Excluded Income .....	55
Self-Employment Income.....	57
Age .....	58
Verification .....	59
Acceptance or Denial of Application.....	60
Grace Period Following the Denial of an Application.....	61
Establishing the Certification Period.....	62
Availability of Another Child Care Resource.....	63
<b>Identifying the Provider.....</b>	<b>64</b>
Eligible Providers .....	64
Provider Requirements .....	66
Provider Cooperation with Investigations.....	66
Required Forms .....	67
Licensed or Registered Providers.....	68
Nonregistered Providers.....	68
Criminal and Child Abuse Record Checks .....	72
Exempt Programs .....	74
<b>Establishing Payment Rate.....</b>	<b>76</b>
Method for Calculating a Half-Day Rate.....	76
Maximum Payment Rates.....	77
Basic Care Rate .....	78
Special Needs Rate .....	78
In-Home Rate .....	79
Days of Absence .....	80
Limits on Payment .....	82
Appeal of Rate Calculation.....	83
<b>Authorizing Services .....</b>	<b>83</b>
Unit of Service .....	84
Fee Schedule .....	92
Nonpayment of Fees .....	95
Inability to Pay Fees.....	95
Child Care Assistance Provider Agreement.....	96
Provider Agreement Sanction .....	97
Completing the Agreement.....	97
Provider Tax ID .....	98
Notice of Decision: Child Care.....	99
KinderTrack Entry .....	102

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	<u>Page</u>
How to Calculate Overpayments .....	130
Failure to Cooperate.....	131
Client Failure to Cooperate .....	131
Provider Failure to Cooperate .....	132
Notifying DIA of the Overpayment.....	133
Who Is Responsible for Client Error Repayment .....	134
Who Is Responsible for Client and Provider Error Repayment.....	134
Who Is Responsible for Agency Error Repayment.....	134
DIA Overpayment Recovery Process .....	135
Issuing a Demand for Repayment .....	135
When Recovery Is Suspended or Waived.....	136
Overpayment Refunds and Payments.....	136
Client Refunds.....	136
Provider Refunds .....	137
Appeal Filed After Client or Provider Refund.....	138
Client or Provider Payments .....	138
Sanctions for Provider Fraud.....	139
Appeals Process.....	142

## **Application**

**Legal reference:** 441 IAC 170.3(237A,239B)

### **Policy:**

Families may apply for Child Care Assistance (CCA) by:

- ◆ Mailing an application to the Department's Centralized Child Care Assistance Unit;
- ◆ Completing an electronic application; or
- ◆ Sending or bringing an application to the local DHS office for the county where the family resides.

### **Procedure:**

There are three forms a person may use to apply for CCA:

- ◆ *Child Care Assistance Application*, 470-3624 or 470-3624(S), or
- ◆ *Financial Support Application*, 470-0462 or 470-0462(S), or
- ◆ *Child Care Assistance Review*, 470-4377(M), or 470-4377(S) when returned after the end of the certification period.

To be considered valid, the application must contain a legible name and address and must be signed.

Accept applications made by:

- ◆ The applicant,
- ◆ The applicant's authorized representative, or
- ◆ Someone acting responsibly for the applicant, when the applicant is incompetent or incapacitated.

EXCEPTIONS: The following do not have to complete a child care application:

- ◆ Parents receiving court-ordered services.
- ◆ Families receiving protective child care services.
- ◆ Participants in PROMISE JOBS-approved activities.
- ◆ Families receiving FIP.

If a family was receiving CCA before losing FIP or PROMISE JOBS eligibility, redetermine eligibility for the family using form 470-4377(M) or 470-4377(S), *Child Care Assistance Review*.

NOTE: Eligibility for CCA continues for a FIP family who does not get a grant because the grant amount is under \$10.

When a family applies for CCA, provide the applicant with the brochure Comm. 62 or Comm. 62(S), *Child Care Assistance*.

The following sections give more information on:

- ◆ [Date of application](#)
- ◆ [Effective date of assistance](#)
- ◆ [Voter registration procedures](#)
- ◆ [Priority for child care services](#)
- ◆ [Placement on a waiting list when Child Care Assistance is not available](#)
- ◆ [Administration of Child Care Assistance waiting lists](#)

### **Date of Application**

**Legal reference:** 441 IAC 170.3(1)"c"

#### **Policy:**

The date of application is:

- ◆ The date a valid paper application is received and date-stamped in a local office, or
- ◆ The date a valid electronic application is received.

When an application is delivered to a closed local office or received electronically outside of work hours, consider it received on the first day that is not a weekend or state holiday following the day that the local office was last open.

NOTE: The date of application for families receiving FIP is the date the family requests Child Care Assistance.

#### **Procedure:**

If a household did not check CCA on the *Financial Support Application*, but the applicant asks to apply for CCA during the interview or before you take action on the application, allow the applicant to check the CCA box. The application date is the same for CCA as for the programs that were initially checked on the application form.

### **Using SAVE (Systematic Alien Verification for Entitlements)**

**Legal reference:** Immigration Reform and Control Act of 1986 (IRCA), Section 121, as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), and by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA) and the Balanced Budget Act of 1997 (BBA)

**Policy:**

Alien children must be qualified aliens to be eligible for child care.

**Procedure:**

Obtain verification of the alien's status through SAVE when:

- ◆ An alien's documentation does not have the necessary coding to show the alien's status, or
- ◆ The entry or admission date is missing, or
- ◆ The documentation is questionable.

The SAVE web site is: <https://save.uscis.gov/Web/>

Do not use SAVE when the parent claims a child is undocumented or provides acceptable documentation of an eligible or ineligible status.

Instructions on how to use the SAVE system can be found at:

<https://save.uscis.gov/web/media/resourcesContents/SAVEUserGuide.pdf>

### **Reporting Illegal Aliens**

At the time of interview, explain alien eligibility criteria and verification procedures to households that include non-citizen members. Check the status only of household members who are applying for assistance and claim to have an eligible status for the program.

Based on federal guidance, the Department is to report to the USCIS that an alien is not lawfully present in the U.S. only if we "know" that the alien is not lawfully present. The Department "knows" this only if:

- ◆ The alien applies to receive benefits, **and**
- ◆ The alien claims to have an eligible status for the program, **and**
- ◆ In making a formal determination of eligibility, we receive from USCIS verification of illegal status, such as a *Final Order of Deportation*.

**Financial Eligibility**

**Legal reference:** 441 IAC 170.2(1)

**Policy:**

Families are financially eligible for Child Care Assistance (CCA) when their monthly gross income, according to family size, is no more than the following amounts:

MONTHLY GROSS INCOME					
<u>Family Size</u>	<u>Column A</u> (Basic care)	<u>Column B</u> (Special needs care)	<u>Family Size</u>	<u>Column A</u> (Basic care)	<u>Column B</u> (Special needs care)
1 member	\$1,423	\$1,962	11 members	\$6,449	\$8,013
2 members	\$1,925	\$2,655	12 members	\$6,952	\$8,177
3 members	\$2,428	\$3,349	13 members	\$7,455	\$8,341
4 members	\$2,931	\$4,042	14 members	\$7,957	\$8,505
5 members	\$3,433	\$4,735	15 members	\$8,460	\$8,669
6 members	\$3,936	\$5,429	16 members	\$8,833	\$8,833
7 members	\$4,439	\$6,122	17 members	\$8,997	\$8,997
8 members	\$4,941	\$6,815	18 members	\$9,161	\$9,161
9 members	\$5,444	\$7,509	19 members	\$9,325	\$9,325
10 members	\$5,947	\$7,849	20 members	\$9,489	\$9,489
Add \$164 for each additional person over 20 members.					

CCA is provided without regard to income for:

- ◆ Families with a child with protective needs.
- ◆ Participants in PROMISE JOBS-approved activities.
- ◆ Recipients of FIP, or people whose income was considered in determining the needs of a FIP recipient.

**Procedure:**

Use all income to determine eligibility and copayment. To verify income, request documentation from the source of the payment, such as pay stubs, employer statements, and payor statements on child support payments that are not issued through the Child Support Recovery Unit. Document the income and how it was verified in the case file. (See [Verification](#).)

If a family has some children that meet the criteria for special needs while others do not, establish eligibility using both columns in the table.

The parent indicates the choice of provider on form 470-3624 or 470-3624(S), *Child Care Assistance Application*, or 470-0462 or 470-0462(S), *Financial Support Application*. There are limits to parental choice of provider:

- ◆ Children who are receiving **protective** child care services must be served in a licensed center or registered child development home, unless the service worker determines that a nonregistered provider is the most appropriate choice for the specific case. Consider the child's needs when child care is part of a protective services plan to prevent or alleviate child abuse or neglect.

The worker determines that a child is in need of social skills and language development and that the child would benefit more from placement in a child care center where the peer group experience is optimal. The parent chooses a registered child development home, where the child is the only child receiving care besides the provider's own child.

The child care arrangement chosen by the parent is not approved, because it is determined not to be in the best interest of the child.

- ◆ Approve **in-home** care only when the family has three or more children who require care. If the parent has chosen in-home care, but does not have at least three children requiring care, the parent must select another type of care.

EXCEPTION: If the provider lives in the same household as the children requiring care, treat the provider as either a registered child development home or a nonregistered home as long as the home is a single-family residence that the provider owns, rents, or leases. If the provider does not own, rent or lease the location, inform the family that they will need to select a different provider.

Ms. A and her two preschool children live with her mother, Ms. B. Ms. B agrees to provide child care for her two grandchildren while Ms. A works. Ms. B is treated like a nonregistered child care provider and will be paid the nonregistered home rate instead of the in-home rate.

All of the children in the family requiring child care must receive their care from the in-home provider. However, the children need not all receive the same number of units of service in a 24-hour period. For example, the care may include both before- and after-school care to the school-aged children in the family and full-day care to the preschool children in the family.

Level	Monthly Income According to Family Size										Unit Fee Based on Number of Children in Care		
	1	2	3	4	5	6	7	8	9	10	1	2	3 & up
A	\$932	1,262	1,591	1,920	2,250	2,579	2,908	3,238	3,567	3,896	\$0.00	\$0.00	\$0.00
B	981	1,328	1,675	2,021	2,368	2,715	3,061	3,408	3,755	4,101	0.20	0.45	0.70
C	1,008	1,365	1,722	2,078	2,434	2,791	3,147	3,503	3,860	4,216	0.45	0.70	0.95
D	1,036	1,402	1,769	2,134	2,501	2,867	3,232	3,599	3,965	4,331	0.70	0.95	1.20
E	1,065	1,442	1,818	2,194	2,571	2,947	3,323	3,700	4,076	4,452	0.95	1.20	1.45
F	1,094	1,481	1,868	2,254	2,641	3,028	3,413	3,800	4,187	4,573	1.20	1.45	1.70
G	1,125	1,522	1,920	2,317	2,715	3,112	3,509	3,907	4,305	4,701	1.45	1.70	1.95
H	1,155	1,564	1,972	2,380	2,789	3,197	3,605	4,013	4,422	4,829	1.70	1.95	2.20
I	1,188	1,608	2,028	2,447	2,867	3,287	3,706	4,126	4,546	4,964	1.95	2.20	2.45
J	1,220	1,651	2,083	2,513	2,945	3,376	3,806	4,238	4,669	5,100	2.20	2.45	2.70
K	1,254	1,698	2,141	2,584	3,027	3,471	3,913	4,357	4,800	5,243	2.45	2.70	2.95
L	1,288	1,744	2,200	2,654	3,110	3,565	4,020	4,475	4,931	5,385	2.70	2.95	3.20
M	1,324	1,793	2,261	2,728	3,197	3,665	4,132	4,601	5,069	5,536	2.95	3.20	3.45
N	1,360	1,842	2,323	2,803	3,284	3,765	4,245	4,726	5,207	5,687	3.20	3.45	3.70
O	1,398	1,893	2,388	2,881	3,376	3,870	4,364	4,858	5,353	5,846	3.45	3.70	3.95
P	1,437	1,945	2,453	2,959	3,468	3,976	4,482	4,991	5,499	6,005	3.70	3.95	4.20
Q	1,477	1,999	2,521	3,042	3,565	4,087	4,608	5,130	5,653	6,173	3.95	4.20	4.45
R	1,517	2,054	2,590	3,125	3,662	4,198	4,733	5,270	5,807	6,342	4.20	4.45	4.70
S	1,559	2,111	2,663	3,213	3,764	4,316	4,866	5,418	5,969	6,519	4.45	4.70	4.95
T	1,602	2,169	2,735	3,300	3,867	4,433	4,998	5,565	6,132	6,697	4.70	4.95	5.20
U	1,647	2,229	2,812	3,393	3,975	4,558	5,138	5,721	6,303	6,884	4.95	5.20	5.45
V	1,692	2,290	2,888	3,485	4,083	4,682	5,278	5,877	6,475	7,072	5.20	5.45	5.70
W	1,739	2,354	2,969	3,583	4,198	4,813	5,426	6,041	6,656	7,270	5.45	5.70	5.95
X	1,786	2,418	3,050	3,680	4,312	4,944	5,574	6,206	6,838	7,468	5.70	5.95	6.20
Y	1,836	2,486	3,136	3,783	4,433	5,082	5,730	6,380	7,029	7,677	5.95	6.20	6.45
Z	1,886	2,554	3,221	3,886	4,554	5,221	5,886	6,553	7,221	7,886	6.20	6.45	6.70
AA	1,939	2,625	3,311	3,995	4,681	5,367	6,051	6,737	7,423	8,107	6.45	6.70	6.95
BB	1,992	2,697	3,401	4,104	4,809	5,513	6,216	6,920	7,625	8,328	6.70	6.95	7.20

- ◆ The provider does not meet one of the applicable requirements found at [Provider Requirements](#).
- ◆ The provider fails to comply with any of the terms and conditions of the *Child Care Assistance Provider Agreement*, form 470-3871 or 470-3871(S).
- ◆ The provider submits attendance documentation for payment and the provider knows or should have known the documentation is false or inaccurate.
- ◆ An overpayment of CCA funds with a balance of \$3,000 or more exists and the provider fails to enter into a repayment agreement with the Department of Inspections and Appeals (DIA) or does not make payments according to the repayment agreement on file with DIA.
- ◆ The provider is found to have more children in care at one time than allowed for the provider type.

See [Provider Agreement Sanction](#) for more information about terminating the agreement.

Ten calendar days advance notice are required to terminate the *Child Care Assistance Provider Agreement*, so that if care must be terminated, parents have adequate time to secure other child care arrangements.

Send a *Notice of Decision: Child Care* to inform the provider that their *Child Care Assistance Provider Agreement* is being terminated. The provider has the right to appeal this decision and may continue to receive CCA payments while the decision is pending.

Any CCA payments received pending the appeal decision will be recouped from the provider if the Department's decision to terminate is upheld in the appeal.

When a *Child Care Assistance Provider Agreement* has been revoked for failing to cooperate with investigations conducted by DIA, the Department will not enter into another agreement with the provider until cooperation occurs.

When a provider requests that the Department enter into a new agreement with them after their agreement has been revoked for not cooperating with DIA if the provider has:

- ◆ Cooperated and all other requirements are met, complete the agreement and return a signed copy to the provider.
- ◆ Not cooperated with DIA, deny the agreement and issue an NOD to the provider informing them that the Department will not enter into an agreement with them until they cooperate with DIA.

### **Provider Agreement Sanction**

**Legal reference:** 441 IAC 170.5(5)

#### **Policy:**

If a *Child Care Assistance Provider Agreement*, form 470-3871 or 470-3871(S), is terminated for any of the reasons found at [Child Care Assistance Provider Agreement](#), except for failure to provide a social security number or employer identification number, the agreement shall remain terminated for the time periods set forth below.

- ◆ The first time the agreement is terminated, the provider may reapply for another agreement at any time.
- ◆ The second time the agreement is terminated, the provider may not reapply for another agreement for 12 months from the effective date of termination.
- ◆ The third and subsequent time the agreement is terminated, the provider may not reapply for another agreement for 36 months from the effective date of termination.

The Department shall not act on an application for a *Child Care Assistance Provider Agreement* submitted by a provider during the sanction period.

### **Completing the Agreement**

#### **Policy:**

The *Child Care Assistance Provider Agreement*, form 470-3871 or 470-3871(S), must be prepared:

- ◆ At least every 24 months, or
- ◆ When there is a change in circumstances that requires a change to the form.

#### **Procedure:**

The child care provider shall complete all information on page one as requested (except for the agreement number), sign the form, and return the form to the Department's CCA worker.

**Procedure:**

The provider will submit attendance on-line or to DHS central office for scanning and staff will calculate and “authorize” the payment as usual. However, KT will not allow these payments to be moved to a “paid” status.

Once the payments are “authorized” staff will need to print a Payment Summary report for the payments. See 14-H, [KINDERTRACK SYSTEM](#), for instructions on how to print a payment summary.

Attach a screen print of the attendance detail for each payment from the Payment > Payment page to the payment summary. (See 14-H, [KINDERTRACK SYSTEM](#), for instructions on how to navigate to this page.) Make sure the “show attendance” button is checked and use the print icon at the bottom right of the KT page. Print the first page that shows the daily attendance.

On the Payment Summary write the following:

“The invoice for child care services was submitted to DHS through KinderTrack. These pages are screen prints from KinderTrack to support payment”.

The **Supervisor must sign** below this statement.

Send this documentation to the Bureau of Purchasing, Payments, Receipts and Payroll, Hoover Building, 1st Floor.

## **Case Maintenance**

**Legal reference:** 441 IAC 170.2(237A), 170.4(237A), 170.5(237A) and 170.3(237A,239B)

The following sections describe procedures for:

- ◆ [Reporting changes](#)
- ◆ [Changing providers](#)
- ◆ [Household’s mail returned with no forwarding address](#)
- ◆ [Household’s mail returned with a forwarding address](#)
- ◆ [Reviewing eligibility](#)
- ◆ [Adverse service actions](#)
- ◆ [Reinstatement](#)

If the overpayment is a result of miscalculation of benefits, issue a *Notice of Decision: Child Care* to the client and send a copy to the provider specifying the corrected rates or payments.

If the overpayment involves suspected collusion between the provider and client to create a fraudulent payment, follow the procedures for recoupment for both the client and provider. When completing your summary on the Fraud Referral screen in the OPR system, be sure to supply information on the suspected collusion and the relevant client information.

**Comment:**

The ABC Center begins caring for Mr. K's daughter on July 15. The center bills the Department for two units per day, five days per week. On September 10, Mr. K's daughter starts kindergarten. The center continues to report attendance to the Department showing the need for two units per day per week, although the child attends the center only after school.

During a case review on November 15, the worker finds the error and contacts Mr. K to verify that his daughter is attending school. Mr. K affirms that his daughter is at school during the day. The worker issues a timely notice of decision to the client and the provider with the corrected authorization of units.

The worker informs the center that she is investigating a possible overpayment and needs the records for verification. After ten days, the worker hasn't received the information from the center. The worker refers the case to DIA. The amount of the overpayment is calculated as follows: 1 unit per day x 45 days (September 10-November 15).

**Notifying DIA of the Overpayment**

**Legal reference:** 441 IAC 170.9(1)

**Policy:**

Refer all Child Care Assistance (CCA) overpayments to the Department of Inspections and Appeals (DIA)

**Procedure:**

When you have determined a CCA overpayment occurred, documented it in the case record and make entries into the Overpayment Recovery System (OPR).

The OPR system automatically determines whether the worker needs to complete a fraud referral to be submitted along with the overpayment claim.

NOTE: When a provider returns the original CCA warrant, you do not need to refer the overpayment to DIA if the warrant covers the total amount of the overpayment and the period of overpayment is only one month. (This does not apply to refunds by money order, personal check, or cash.)

### **Who Is Responsible for Client Error Repayment**

**Legal reference:** 441 IAC 170.9(6)"d"

**Policy:**

Recoupment may be made from the parent, or the person who serves in the capacity of the parent, who received Child Care Assistance (CCA) at the time the overpayment occurred. When both parents were in the home when the overpayment occurred, both parents are equally responsible for repayment.

**Comment:**

A parent or caretaker who received CCA benefits at the time of overpayment remains responsible for refunding the overpayment even if the person moves to another household. If the children move into the home of another relative, the new payee has no liability for the overpayment.

### **Who Is Responsible for Client and Provider Error Repayment**

**Legal reference:** 441 IAC 170.9(6)"d," "e," and "f"

**Policy:**

When overpayments are caused by both the parent and the provider, both the parent and the provider are equally responsible for repayment.

**Procedure**

Recoup overpayments equally, 50 percent from the parent and 50 percent from the provider.

### **Who Is Responsible for Agency Error Repayment**

**Legal reference:** 441 IAC 170.9(6)"d" and "e"

**Policy:**

Recoupment for agency errors may be made from the parent or the provider.

**Procedure:**

Recoup agency error overpayments from the parents, or the person serving in the capacity of the parent who received assistance when the overpayment occurred because of a Department error:

- ◆ In determining eligibility or the appropriate number of units, or
- ◆ In timely making changes when the Department has the information.

Recoup agency error overpayments from the provider when the Department incorrectly pays the provider because of errors in typing or copying, computer input errors or mathematical errors.

**DIA Overpayment Recovery Process**

**Legal reference:** 441 IAC 170.9(5); 441 IAC 11.1 (217,421)

**Policy:**

The Department of Inspections and Appeals (DIA) reviews the circumstances of each referral, and then decides whether recovery should be initiated immediately, or if a referral should be made to the county attorney for prosecution. For a complete guide to the overpayment recovery process, please refer to 6-G, [RECOVERY OF PUBLIC ASSISTANCE DEBTS](#).

Records of the Public Assistance Debt Recovery Unit are confidential in accordance with 1-C, [CONFIDENTIALITY AND RECORDS](#).

**Issuing a Demand for Repayment**

**Legal reference:** 481 IAC 71.5(10A)

**Policy:**

The debt establishment and repayment process begins with a notice to the debtor that an overpayment has occurred.

DIA sends form 470-4530, *Notice of Child Care Assistance Overpayment*, to either the client or provider.

A demand letter is sent whether the case is active or closed.

The client or provider has 30 days from the date of the demand letter to enter into a repayment agreement or to appeal the overpayment.

DIA reviews the circumstances of each referral and decides whether recovery should be initiated immediately or a referral should be made to the county attorney for prosecution.