

Child Care Provider Stipends FAQ

DECEMBER 12, 2023

WHO IS ELIGIBLE?

Licensed Child Care Centers and Child Development Homes.

Active registration or licensing status will be verified and cross-checked to application for funding to ensure program is operational prior to receiving funds.

HOW MUCH FUNDING IS AVAILABLE?

Stipends will be tiered based on the size of the program and number of applications received. Award amounts will be determined upon closure of the application period and will range from approximately \$10,000 for registered Child Development Homes to \$50,000 for the largest child care centers.

Program Type	Award Range
Child Development Home	\$5,000-\$15,000
Small Center (1-100 licensed capacity)	\$20,000-\$30,000
Medium Center (101-200 licensed capacity)	\$32,500-\$42,500
Large Center (201+ licensed capacity)	\$40,000-\$50,000

IS THIS TAXABLE INCOME?

Yes, this funding counts as taxable income to your child care program.

HOW DO I APPLY?

The applications can be found on the HHS website at [Child Care Funding Opportunities | Health & Human Services \(iowa.gov\)](#)

The applications will be open from December 12, 2023-January 12, 2024.

WHAT IF I HAVE MULTIPLE SITES?

Programs that have multiple sites need to apply individually for each site that has its own Provider (KinderTrack) Number.

WHERE DO I FIND MY PROVIDER (KINDERTRACK) NUMBER?

Your provider number may be found:

- On the Notice of Decision that you received, in the upper right-hand corner.

- In the Provider Portal near the top of the home screen in the white box next to the title “Location”.
- If you are a child development home provider, on your registration certificate.

WHAT ARE ELIGIBLE USES OF FUNDING?

- Employee recruitment and retention bonuses,
- Health and safety expenses such as upgrading equipment or supplies, security/secure entry systems, or
- Minor renovation needs to meet regulatory requirements,

WHAT ARE PROHIBITED USES OF FUNDING?

- Major renovation:
 - 45 CFR 98.56
 - For State and local agencies and nonsectarian agencies or organizations, no funds shall be expended for the purchase or improvement of land, or for the purchase, construction, or permanent improvement of any building or facility. However, funds may be expended for minor remodeling, and for upgrading child care facilities to assure that providers meet State and local child care standards, including applicable health and safety requirements. Improvements or upgrades to a facility which are not specified under the definitions of construction or major renovation at [§ 98.2](#) may be considered minor remodeling and are, therefore, not prohibited.
 - *From definitions section §98.2, Major renovation means: structural changes to the foundation, roof, floor, exterior or load-bearing walls of a facility, or the extension of a facility to increase its floor area; or extensive alteration of a facility such as to significantly change its function and purpose, even if such renovation does not include any structural change;*
- Ongoing expenditures such as rent, utilities, or other monthly payments
- Increase in staff wages

WHAT ARE SOME EXAMPLES OF ALLOWABLE MINOR RENOVATIONS TO MEET REGULATORY REQUIREMENTS?

Providers that want to use the funds for this reason are encouraged to review your regulatory checklist and reflect on if you can articulate how the expense you are considering is related to a regulatory requirement. Examples would include but are not limited to:

- Replacing carpet with hard flooring because it is more easily sanitized
- Replacing an old fridge that no longer keeps a consistent temperature
- Fencing the outdoor play area

Note: Sidewalk and driveway repairs or other projects involving pouring of concrete are NOT considered minor renovations.

CAN CDH PROVIDERS USE THE FUNDS FOR A RETENTION BONUS?

Yes, CDH providers may use the funds for a retention bonus.

WHAT IF I STILL HAVE QUESTIONS ABOUT ALLOWABLE EXPENSES?

HHS encourages providers to reflect on your logic set on how the expense meets one of the 3 eligible uses of funding listed above in this FAQ. In the event of an audit providers will need to be able to articulate how each expense the stipend funds were spent on meets one of the 3 approved uses. If you still have questions after reflection, you may provide the expense along with your logic set to the email below.

WHY CAN'T I USE THE FUNDS TO INCREASE STAFF WAGES?

You may consider using these funds to support recruitment and/or retention bonuses for staff however, because this is not sustainable funding, using one-time funds to increase staff wages without the ability to sustain the wage increase is not permitted.

WHAT IS REQUIRED IN MY DESCRIPTION FOR THE PLANS REGARDING USE OF FUNDING?

Please keep your description to a few sentences. The intent of this question is to list the majority of the expenses that you plan to use the funds on. We understand that you don't have an exact amount yet and may need to add or remove things from this description at a later time.

WHY DON'T CHILD DEVELOPMENT HOME PROVIDERS HAVE TO ENTER A CAPACITY?

All CDH providers will receive the same funding amount so we do not need to know your capacity.

HOW WILL I RECEIVE THE FUNDS?

Funds will be sent as checks to eligible programs. If your program currently receives CCA payments or you have received other stipends or stabilization grants, your information is already on file with the Department and you will receive the additional checks in the same manner as your CCA payments (e.g., paper check or direct deposit).

If your program **does not or has not** received CCA or other funds from the Department, we do not have your tax ID information in our systems.

Please submit a W9 form for your program to receive a stipend payment. Please complete [Form W-9 \(Rev. October 2018\) \(irs.gov\)](#) and send to:

E-mail: Wagestax9@dhs.state.ia.us

Mail:

Department of Health and Human Services, 5th Floor
Attn: Kim Shackelford

1305 E. Walnut St.
Des Moines, IA 50319

IF I HAVE MORE THAN ONE PROGRAM, DO I HAVE TO APPLY FOR EACH INDIVIDUALLY?

Yes.

HOW AND WHEN WILL I FIND OUT IF MY PROGRAM WILL RECEIVE A STIPEND?

After the stipend application deadline on January 12, 2024, HHS will review all applications to determine the number of eligible programs. Award amounts will depend on the number of eligible programs that applied. HHS will notify programs by using the email address that was provided in the application. We anticipate notifying programs mid-February.

WHAT HAPPENS IF I DO NOT SPEND THE FUNDS AS OUTLINED IN EACH RESPECTIVE FUNDING OPPORTUNITY?

At application, you must Agree/Attest to:

- Maintaining receipts of expenditures for auditing purposes
- Maintaining operations for no less than 12 months from application date.
- Following allowable and non-allowable expenses
- Understand that if the program ceases operations, a Certificate of Registration is revoked, or a license is terminated, the Department reserves the right to recoup any and all funding received from this stipend.

If you do not spend the funds in accordance with the guidance provided for each funding opportunity, you will be required to return the funding.

WHAT IF I HAVE QUESTIONS THAT AREN'T ANSWERED ON THIS FAQ DOCUMENT?

If you have additional questions that haven't been answered in this document, you can e-mail us at wecanhelp@dhs.state.ia.us