

June 13, 2025

GENERAL LETTER NO. 13-G-57

ISSUED BY: Bureau of Child Care
Division of Family Well-Being and Protection

SUBJECT: Employees' Manual, Title 13, Chapter G, **Child Care Assistance**, Contents 1-4, 47-80, 87 and 88, 103 and 104, 106, 110 and 111, 118-121, 131, revised.

Summary

This chapter is revised to

- Update the gross income limits for determination of eligibility for Child Care Assistance to be consistent with the federal poverty guidelines.
- Update the family co-payment tables
- Add language to clarify Temporary Lapse policy.
- Add language to clarify policy around necessary documentation to establish job seeking need for service.
- Add a new section to describe the child care staff program (CSP) because this pilot program is now going to be permanent.
- Add language to clarify how to calculate half-day rates for providers and complete the CCA Provider Agreement.

Effective Date

July 1, 2025.

Material Superseded

Remove the following pages from Employees' Manual, Title 13, Chapter G, and destroy them:

| <u>Page</u> | <u>Date</u> |
|--|---------------|
| Contents 1-4 | June 14, 2024 |
| 47-80, 87 and 88, 103 and 104, 106, 110 and 111, 118-121, 131 | June 14, 2024 |

Additional Information

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

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5a. Mr. and Mrs. G receive CCA for their two children. Both Mr. G and Mrs. G worked full time, but Mrs. G reports she was recently injured on June 23, 2018, and states she is now unable to work for the next four months. Mrs. G expects to return to work on October 20.

CCA benefits authorized from March 10, 2018, through March 9, 2019, can continue for this family.

5b. Mr. and Mrs. G receive CCA for their two children. Both Mr. G and Mrs. G have been working full time. A CCA Review form is received from the family. Mrs. G reports she was injured on June 23, 2018, and states she is now unable to work or provide care for her children while Mr. G is working.

Mrs. G's physician provides documentation that states she will be unable to work or care for her children for the next four months. Mrs. G expects to return to work on October 20. A new 12-month certification period can be approved for this family.

6. Ms. B receives CCA for her three children. She was working full time but has been court-ordered to attend a 60-day outpatient alcohol treatment program beginning August 2. Ms. B intends to return to work after treatment.

As long as Ms. B meets all of the other eligibility requirements, child care can continue for the same number of units for the period she attends treatment.

7. Mr. and Mrs. A receive CCA for their two children. Mr. A is permanently disabled and Mrs. A has been working full time. However, Mrs. A has recently had surgery and will not be able to work for the next 8 to 12 weeks.

As long as the family meets all of the other eligibility requirements, child care can continue to be approved for the next 8 to 12 weeks while Mrs. A recovers from surgery.

Seeking Employment

Legal reference: 441 IAC 170.2(2)“b”

Policy: Families are eligible for Child Care Assistance (CCA) when the parent or parents are looking for employment. A family may be eligible for CCA as an applicant or as a recipient who loses employment during an approved certification period.

CCA for job search is limited to only those hours the parent is actually looking for employment and travel time. PROMISE JOBS participants are limited to the number of hours approved by the PROMISE JOBS worker.

CCA for job search can be approved for up to three months.

Procedure for applicants: Approve CCA in two-parent families only during the hours when both parents are looking for employment at the same time or during the hours when one parent is looking for employment and the other parent is meeting another need for service.

Approve a job search after consultation with the parent to determine the start date of the job search period. The job search shall last no longer than three months. If employment is reported within this three-month period, but before a notice is issued to cancel, document the income and hours and continue with the current certification period (see [Reporting Changes](#)). If employment is not found, issue a notice to cancel the certification period (see [Reinstatement](#)).

Complete the child's schedule with the days and units chosen by the parent to conduct the job search. Allow a maximum of one unit of child care each day, unless the parent states they are looking for employment more than 5 hours per day. Then allow 2 units. Document this information in the casefile.

1. Mr. M is unemployed and applies for CCA because he needs child care while he looks for work. He decides that he will begin a job search on December 13, and will seek work Monday-Friday for approximately 4 to 5 hours each day.

Therefore, Mr. M **will** be approved for one unit of child care per day. The notice of decision reflects a 12 month certification period and that Mr. M is authorized to use child care only Monday-Friday for one unit each day.

Mr. M reports full-time employment starting February 20. Determine if additional units are necessary and continue the certification period. Do not increase the family fee amount.

2. Ms. N is unemployed and she would like to conduct a job search to find employment. Ms. N would like to begin her search on May 20 and will seek work five days per week for no more than five hours per day. Therefore, Ms. N is approved for one unit of child care daily for a total of five units per week beginning May 20.

The worker should enter the May 20 date into the RFI page in KT. If Ms. N does not report employment within 80 days (before August 8), a timely notice will be issued by the KinderTrack system on August 8 to cancel her certification period effective August 20.

3. Mr. and Mrs. P are unemployed and would like CCA in order to look for work. They agree to begin searching on March 1 and indicate they will search Monday-Saturday. The family is approved for one unit of child care per day, Monday-Saturday, starting March 1.

The worker should enter the March 1 date into the RFI page in KT. Mrs. P reports she started a new job on March 25. However, Mr. P does not report employment within 80 days (before May 20). Therefore, a timely notice is issued by the KinderTrack system to cancel the family certification period effective June 1.

4. Mr. O is unemployed and he would like to conduct a job search to find employment. Mr. O would like to begin his search on May 20 and will seek work five days per week for no more than five hours per day. Therefore, Mr. O is approved for one unit of child care daily for a total of five units per week beginning May 20.

On June 10, Mr. O reports he started a new job working 40 hours/week at \$12 per hour. Because the new job was reported before a notice to cancel was issued, document the change in the case file, update the units as appropriate, and continue the current certification period.

5. Mr. P is unemployed and he would like to conduct a job search to find employment. Mr. P would like to begin his search on April 20 and will seek work five days per week for no more than five hours per day. Therefore, Mr. P is approved for one unit of child care daily for a total of five units per week beginning April 20.

On July 10 a notice was issued to cancel due to "lapse not temporary". On July 12, Mr. P reports he started a new job working 40 hours/week at \$12 per hour. Because a notice to cancel had already been issued, a written request must be sent to verify the new employment. If the information is returned, the certification period can be reinstated. If the information is not returned, a notice should be issued indicating the case will remain cancelled.

Procedure for recipients: When a recipient family reports a job loss or the termination of an education or training program, they may continue to be eligible for CCA for up to three months to look for work.

Document the date the parent lost employment or left the education or training program and continue the current certification period with no reduction in units. If employment is not found within three months of the date of the job loss or education termination, issue a notice to cancel the certification period.

Mr. R reports on June 1 that he lost his job on May 20 and needs child care while he looks for work. Mr. R will continue to be eligible under his current certification period with no reduction in units until August 20.

The worker should enter the May 20 date into the RFI page in KT. If Mr. R does not report employment within 80 days (before August 8), a timely notice will be issued by the KinderTrack system on August 8 to cancel his certification period effective August 20.

Multiple Needs for Service

Legal reference: 441 IAC 170.2(237A,239B)

Policy: In a two-parent household, **both** parents must fully meet at least one of the needs for service to be eligible for Child Care Assistance (CCA). When parents have multiple needs for service, they must fully meet each need for service to be eligible for CCA for each need.

Comment:

1. Mr. A is employed 35 hours per week, from 9 a.m. until 5 p.m., Monday through Friday. Mrs. A attends school full time, from 10 a.m. until 3:30 p.m., Monday through Thursday. They have two children who need child care between 9:30 a.m. and 4 p.m.

Approve two units of care per day (Monday through Thursday) for each child. Do not pay for child care services on Friday, since both parents do not meet the need for service.

2. Mrs. B is employed 40 hours per week, from 2:30 p.m. until 11 p.m., Monday through Friday. Mr. B works 32 hours per week, from 8 a.m. until 1 p.m., Tuesday through Sunday. Even though both parents individually meet the need for service, there is no overlap in work schedules. Therefore, the B family is not eligible for CCA.

3. Mr. and Mrs. C attend school full time, Monday-Friday, from 9 a.m. until 3 p.m. They are getting two units per day of child care for their daughter while they attend class. Mrs. C begins a part-time job. She works Friday through Sunday evenings, from 5 until 9 p.m.

Mrs. C does not meet the additional need for service for CCA payment for her work hours because there is no overlap in schedules for the time she is working.

AmeriCorps and AmeriCorps VISTA Volunteers

Legal reference: Section 404(f)(2) of the Domestic Volunteer Service Act of 1973

Policy: An AmeriCorps*VISTA member who was a recipient of Child Care Assistance (CCA) immediately before becoming a VISTA volunteer will continue to meet the need for service requirements of CCA. The family must also meet all other eligibility requirements for CCA.

Procedure: AmeriCorps members and AmeriCorps*VISTA members who were not CCA recipients immediately before becoming a VISTA volunteer must apply for the child care benefit provided for AmeriCorps members and enroll in the program if eligible.

If an AmeriCorps or AmeriCorps*VISTA member who was not a CCA recipient immediately before becoming a member applies for CCA ask whether the member has applied for the child care program available to members.

If the household has not applied for the child care program available to members, send a letter to the household requiring them to apply for the benefit and accept it if eligible. Allow the household ten days to provide verification of the status of their application.

If the family is eligible for child care benefits available to AmeriCorps members, the family is not eligible for CCA. (See [Availability of Another Child Care Resource](#).)

If the household fails to provide verification showing they have applied for the child care program available to members deny the application or cancel the case. NOTE: With a signed release, you may contact the agency responsible for handling child care benefits for AmeriCorps members.

Temporary Lapse in Need

Legal reference: 441 IAC 170.2(2)“b”

Once the family is determined eligible for CCA, eligibility shall continue until the end of the certification period even if a temporary lapse in need for services occurs. A temporary lapse is defined as:

- Any time-limited absence from employment or education or training due to one or more of the following reasons:
 - Maternity leave
 - Family Medical Leave Act (FMLA) situations for household members
 - Participation in a treatment or rehabilitation program

- Any interruption in work for a seasonal worker who is not working between regular industry work seasons
- Any interruption in work for a seasonal worker who is not working between regular industry work seasons
- Normal student holidays or breaks between school terms for a parent participating in education or training
- Any reduction in work, training or education hours, as long as the parent is still working or attending training or education
- Any other cessation of employment or attendance in an education or training program that does not exceed three months

Continue the family's eligibility at the same level that existed before the temporary change unless the change results in an increase in the units the family needs, or the family fee would be reduced.

When a lapse is reported by the family, a determination must be made on whether or not the lapse is considered temporary. Document the decision that the lapse is temporary in the case file along with the date the lapse began and the expected end date for the lapse.

Family eligibility shall be canceled if the lapse is no longer considered temporary because it continues for more than three consecutive months for a parent who has lost or ended employment or an education or training program within an established certification period.

When a family's temporary lapse is due to ending employment or ending a training program, the temp lapse can be resolved and their original certification period reinstated if the family reports they have begun new employment or training before notice to cancel is issued (see [Reporting Changes](#)). If the family reports employment or training after notice to cancel has been issued, but before the effective date of cancellation, then send a written request for verification (see [Reinstatement](#)).

1. Mr. A has two children (household size of three). He is employed 35 hours per week making \$10 per hour. On September 7, Mr. A reports that he quit his job on August 15. Mr. A starts a new job at a different employer on September 1, working 40 hours/week at \$12 per hour. The family continues to be CCA eligible with no change in units or fee.
2. Mrs. B is attending school full time. The current semester will end on December 16. She is enrolled full time for the next semester which begins on January 12. The family will continue to be eligible with no change in units or fee during the semester break in classes.

3. Mrs. C works 40 hours per week. She reports that she is pregnant and her baby is due on July 20. On August 2, she reports that she has been on maternity leave since July 22 and plans to return to work on September 1.

Document the reason and expected time period for the maternity leave in the case file. The family will continue to be eligible with no change in units or fee during the time Mrs. C is on maternity leave.

4. Mrs. D is working 35 hours per week. On August 16 she reports that her hours have been cut as of August 8 and she is now only working 25 hours per week. She is trying to get more hours at her current job, and also looking for another job with more hours. The certification period shall continue and the family will continue to be eligible with no change in units and a reduced fee until her current certification period ends.
5. Mr. E has two children (household size of three). He is employed 35 hours per week making \$10 per hour. On September 7, Mr. E reports that he quit his job on August 15. On September 10, Mr. E reports he started a new job at a different employer, working 40 hours/week at \$12 per hour. Because the new job was reported before a notice to cancel was issued, the family continues to be CCA eligible with no change in units or fee.
6. Ms. F has two children (household size of three). She is employed 35 hours per week making \$10 per hour. On September 7, Ms. F reports that she quit her job on August 15. Her need is changed to "temporary lapse". On November 5 a notice was issued to cancel for "lapse not temporary". On November 10, Ms. F reports a new job at a different employer, working 40 hours/week at \$12 per hour. Because a notice has already been issued, a written request must be sent to verify the new employment. If the information is returned, the certification period can be reinstated with no change in units or fee. If the information is not returned, a notice indicating the case will remain cancelled should be issued.
7. Mrs. E reports that her job has been eliminated as of August 8 and she is now unemployed. She is now looking for another job. The certification period shall continue and the family will continue to be eligible with no change in units and a reduced fee for up to three months (until November 8).

If she reports a new job before the end of this three-month period, request verification of her income and hours to ensure the family remains eligible and then continue the family's certification period without interruption.

If she reports the new job after a notice has been issued to cancel CCA for lapse not temporary, but before the effective date of cancellation, issue a new notice to reinstate the case to what it was before the lapse unless units increase or income decreases.

If she fails to report new employment, the family will no longer be eligible and a timely notice to cancel the family's certification period effective November 8 must be sent.

6. Mrs. F is working two part-time jobs. She works 20 hours at one job and 20 hours at the other. On March 1, Mrs. F reports employment at one of her jobs has ended and now she is only working 20 hours per week at her remaining job. The family will continue to be eligible for the remainder of their current certification period.

Financial Eligibility

Legal reference: 441 IAC 170.2(1)

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

| Monthly Gross Income | | | |
|---|------------------------------|--------------------------------------|----------------------------|
| Family Size | Column A (Basic care) | Column B (Special Needs Care) | Column C (CCA Plus) |
| 1 member | \$2,088 | \$2,610 | \$2,936 |
| 2 members | \$2,821 | \$3,526 | \$3,967 |
| 3 members | \$3,554 | \$4,442 | \$4,997 |
| 4 members | \$4,288 | \$5,360 | \$6,030 |
| 5 members | \$5,021 | \$6,276 | \$7,061 |
| 6 members | \$5,754 | \$7,192 | \$8,091 |
| 7 members | \$6,488 | \$8,110 | \$9,124 |
| 8 members | \$7,221 | \$9,026 | \$10,154 |
| 9 members | \$7,954 | \$9,942 | \$11,185 |
| 10 members | \$8,688 | \$10,860 | \$11,582 |
| 11 members | \$9,421 | \$11,776 | \$11,823 |
| 12 members | \$10,154 | \$12,064 | \$12,064 |
| 13 members | \$10,888 | \$12,305 | \$12,305 |
| 14 members | \$11,621 | \$12,546 | \$12,546 |
| 15 members | \$12,354 | \$12,787 | \$12,787 |
| 16 members | \$13,028 | \$13,028 | \$13,028 |
| 17 members | \$13,269 | \$13,269 | \$13,269 |
| 18 members | \$13,510 | \$13,510 | \$13,510 |
| 19 members | \$13,751 | \$13,751 | \$13,751 |
| 20 members | \$13,992 | \$13,992 | \$13,992 |
| Add \$241 for each additional person over 20 members. | | | |

An applicant family must have income below the amount listed in Column A unless the family includes a child with special needs, then income must be below the amount listed in Column B.

For ongoing eligibility, family income must remain below the amounts listed in Column C.

EXCEPTION: If, at the end of an established certification period, the family's monthly gross income, according to family size, exceeds the amount in Column A, or Column B if the family includes a child with special needs, but does not exceed the amount in Column C, the family will continue to be financially eligible for child care (under the CCA Plus program).

CCA is provided without regard to income for:

- Families with a child with protective needs.
- Foster parents needing child care services for foster children.
- 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.

1. Mrs. D applies for CCA and has two children. One meets the criteria for special needs, while the other child does not. Mrs. D works full-time and her monthly gross income is \$4,000. Since this is a household of three, only the special needs child is eligible for CCA.
2. Mr. E applies for CCA and has two children. Neither child meets the criteria for special needs. Mr. E works full-time and his monthly gross income is \$4,000. Since this is a household of three, the family is not eligible for CCA.

3. Mr. F submits a CCA review form at annual review for his two children. Neither child meets the criteria for special needs. Mr. F works full-time and his monthly gross income has risen to \$4,000. Since this is a household of three, the family is no longer eligible for CCA.

However, the family is eligible for a new 12-month certification period under the CCA Plus program.

Comment: See [Fee Schedule](#) for the assessment of fees.

CCA Exit Program

If, at the end of an established certification period, the family's monthly gross income, according to family size, equals or exceeds the amount in Column C (the maximum income for CCA Plus), the family will continue to be financially eligible for child care under the CCA Exit program.

Policy: Families are financially eligible for the CCA Exit program when their monthly gross income, according to family size, is equal to or above the amount in Column C (the maximum income for CCA Plus), but no more than the amounts in Column D (Basic Care) or Column E (Special Needs Care) below:

| MONTHLY GROSS INCOME | | | |
|---|---------------------|----------------------------------|--|
| Family Size | Column C (CCA Plus) | Column D (Basic Care – CCA Exit) | Column E (Special Needs Care – CCA Exit) |
| 1 member | \$2,936 | \$3,263 | \$3,589 |
| 2 members | \$3,967 | \$4,408 | \$4,848 |
| 3 members | \$4,997 | \$5,553 | \$6,108 |
| 4 members | \$6,030 | \$6,700 | \$7,370 |
| 5 members | \$7,061 | \$7,845 | \$8,630 |
| 6 members | \$8,091 | \$8,990 | \$9,889 |
| 7 members | \$9,124 | \$10,138 | \$11,151 |
| 8 members | \$10,154 | \$11,283 | \$12,411 |
| 9 members | \$11,185 | \$12,428 | \$13,670 |
| 10 members | \$11,582 | \$13,575 | \$14,933 |
| 11 members | \$11,823 | \$14,720 | \$16,192 |
| 12 members | \$12,064 | \$15,865 | \$17,452 |
| 13 members | \$12,305 | \$17,013 | \$18,714 |
| 14 members | \$12,546 | \$18,158 | \$19,973 |
| 15 members | \$12,787 | \$19,303 | \$21,233 |
| 16 members | \$13,028 | \$20,450 | \$22,495 |
| 17 members | \$13,269 | \$21,595 | \$23,755 |
| 18 members | \$13,510 | \$22,740 | \$25,014 |
| 19 members | \$13,751 | \$23,888 | \$26,276 |
| 20 members | \$13,992 | \$25,033 | \$27,536 |
| Add | \$241 | \$1,146 | \$1,260 |
| for each additional person over 20 members. | | | |

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.

1. Mrs. C submits a review application and has two children. Neither child meets the criteria for special needs. Mrs. C works full-time and her monthly gross income is \$5,000. Since this is a household of three, the family is eligible for CCA Exit.
2. Mrs. D submits a review application and has two children. One meets the criteria for special needs, while the other child does not. Mrs. D works full-time and her monthly gross income is \$5,500. Since this is a household of three, only the special needs child is eligible for CCA Exit.
3. Mr. E submits a review application and has two children. Neither child meets the criteria for special needs. Mr. E works full-time and his monthly gross income is \$5,500. Since this is a household of three, the family is not eligible for CCA Exit.
4. Mr. F submits a review application for his two children. Neither child meets the criteria for special needs. Mr. F works full-time and his monthly gross income has risen to \$6,000. Since this is a household of three, the family is not eligible for CCA Exit.

Comment: See [Fee Schedule](#) for the assessment of fees.

Documenting Special Needs

Legal reference: 441 IAC 170.1(237A)

Before assessing the family's income against Column B, request documentation from the family to substantiate the child needing services meets the definition for special needs. A child with "special needs" meets one or more of the following conditions:

- A physician or a school psychologist endorsed by the Iowa Department of Education has diagnosed the child to have a developmental disability that:
 - Substantially limits one or more major life activities, and
 - Requires professional treatment, assistance in self-care, or the purchase of special adaptive equipment.

- A qualified intellectual disability professional has determined the child to have a condition that impairs the child's intellectual and social functioning.
- A mental health professional has diagnosed the child to have a behavioral or emotional disorder characterized by situationally inappropriate behavior that:
 - Deviates substantially from behavior appropriate to the child's age, or
 - Significantly interferes with the child's intellectual, social, or personal adjustment.

Documentation to substantiate that a child meets the definition of "child with special needs" may include:

- A copy of the child's Individual Education Plan.
- A psychological evaluation.
- A statement from a physician, intellectual disability professional, mental health professional, or school psychologist.
- Documentation to verify that the child is receiving SSI benefits.

NOTE: The fact that the child meets the definition for special needs alone does not mean that the child care provider can charge the special needs rate. See [Half Day Rate Ceilings](#).

Family Size

Legal reference: 441 IAC 170.2(1)

Policy: The family includes the following members:

- Legal spouses (including common law) who reside in the same household.
- Natural, adoptive, or stepmother or stepfather and children under the age of 18, or under the age of 19 if the child has special needs, who reside in the same household.
- A parent under the age of 18 and children who reside in the same household. Consider only the teen parent and the teen parent's children in the family size.
- A child residing with a person or persons not legally responsible for the child's support (caretakers or guardians). Consider the child as a family of one. Consider only the child's income when determining financial eligibility.

Procedure: Do not consider companion in the home in determining family size or income unless there is a common child.

The composition of the family does not change when one or more of the family members are temporarily absent from the household. Consider people who are temporarily absent when determining family size.

“Temporarily absent” means:

- Absence with the intent to return home within three months.
- A medical absence anticipated to be less than three months.
- An absence for the purpose of education or employment.

Comment:

1. Mr. and Mrs. F have three children. The household size is five.
2. Mr. and Mrs. G are married. Mr. G has two children from his previous marriage, and Mr. and Mrs. G have one child together. This is a household of five.
3. Mr. D and Ms. H are not married but they have a child together. This is a household of three.
4. Mr. and Mrs. J have a daughter under the age of 18. Their daughter has a child of her own. This is considered a household of two. Only the minor parent and her child are counted in family size.
5. Ms. K is the caretaker of her 17-year-old niece, who has a 6-month old baby. This is considered a household of two. Just the 17-year-old and her baby count in household size.
6. Mr. M is the caretaker of his 10-year-old nephew. This is a household of one. Only the nephew is counted in household size.
7. Mr. N has one child and he is the caretaker for his niece. This family is considered as two separate households. One household includes Mr. N and his child, and the other household includes only the niece.
8. Ms. P is in the military. She is assigned overseas and her two children will be staying with their uncle until she returns. The caretaker uncle applies for CCA because he works full time.

The household size remains three, Ms. P and her two children, and all of Ms. P's income continues to count towards CCA eligibility and fees. The uncle's income is not counted.

However, the need for service is based upon the caretaker's work schedule. If the uncle works Monday through Friday from 9 to 5, then CCA may be approved for two units per day, ten units per week.

Projecting Income

Legal reference: 441 IAC 170.2(1)

Policy: Verify and count the income of any person included in the family size in determining the family's monthly gross income.

To determine eligibility when processing an application, or a review, or when acting on a reported change, project income using one of the following methods:

- Income received in the 30-day period before the application, review, or reported change if it is indicative of future income, or
- Income received in a different 30-day period that is indicative of future income, or
- Income received in a longer period of time that is indicative of future income, such as an average of the income for the last two or three months, but for no more than the past six months, or
- Verification of future income from the income source, or
- Self-employment tax returns or books if indicative of future income.

Use the projected income amount to determine whether a family is eligible for CCA benefits **and** whether the family will be required to pay any fees. (See [Fee Schedule](#).)

Procedure: Accept the statement of the applicant or participant as to what time frame is indicative of future income. However, when the client is unsure of which would be the best indicator of future income, request verification from the income source.

The decision on whether to use the 30 days before the application, review, or reported change, use a different 30-day period, use a longer period, or request verification of future income from the income source should be primarily the client's.

Request verification from the income source if the client does not have pay stubs from the 30-day period or the longer period, if applicable.

Document the period of time used and the calculation in the case record.

Exclude income when you cannot predict the month it will be received. If you can predict the month when income will be received but the amount is uncertain, count only the amount that is certain.

Ms. A and her child are receiving CCA. Ms. A receives \$350 in child support on April 2, 2007, because CSRU took the child's father's state tax refund. Normally Ms. A does not receive child support. She is unsure if she will get this money in the future. This child support is not included in the income projection because we cannot predict if this income will be received again.

Determine monthly income by using “normal months.”

- If someone is paid bi-weekly, the monthly income is the total of the two paychecks received in the month.
- If someone is paid weekly, the monthly income is the total of the four paychecks received in the month.
- When a third or fifth check occurs during the period being used to project income, do not ignore it. Instead, convert the income into a normal month’s income as follows:
 - Add all check amounts together,
 - Divide the total by the number of checks,
 - Multiply that amount by four if the income occurs weekly, or by two if the income occurs biweekly.

This procedure applies to both earned and unearned income.

1. Mr. and Mrs. A have three children, so this is a household of five. Both parents are employed. Mr. A works 32 hours per week and earns \$650 biweekly. Mrs. A works 40 hours per week and earns \$500 weekly. The family is applying for CCA in July, which has four paydays. Gross monthly income is calculated as follows:

$$\begin{array}{rcl} \$650 \times 2 & = & \$1,300 \\ \$500 \times 4 & = & \$2,000 \\ \hline & = & \$3,300 \end{array} \quad \text{Fee} = \$1.20 \text{ per unit}$$

2. Mr. and Mrs. B have three children, so this is a household of five. Both parents are employed. Mr. B works 32 hours per week and earns \$650 biweekly. Mrs. B works 40 hours per week and earns \$500 weekly. The family is applying for CCA in August, which has five paydays. Gross monthly income is calculated as follows:

$$\begin{array}{rcl} \$650 \times 3 & = & \$1,950/3 = \$650 \times 2 = \$1,300 \\ \$500 \times 5 & = & \$2,500/5 = \$500 \times 4 = \$2,000 \\ \hline & = & \$3,300 \end{array} \quad \text{Fee} = \$1.20 \text{ per unit}$$

The income is converted into a normal month.

3. Ms. C has two children, so this is a household of three. She applies for CCA and provides an employer’s statement that indicates she will work an average of 35 hours per week, earning \$10.50 per hour, and she will be paid weekly. Calculate her gross monthly income prospectively as follows:

$$\begin{array}{rcl} \$ 10.50 & \$ 367.50 & \text{Fee} = \$0.00 \\ \times 35 & \times 4 & \\ \hline =\$367.50 & = \$1,470 & \end{array}$$

4. Mr. and Ms. D have two children and the family receives FIP. No income calculation is necessary to determine eligibility for this household.
5. Ms. E has two children, so this is a household of three. She works 32 hours per week and earns \$350 per week. She receives \$100 a week in child support for her children. The family returns a **Child Care Review** to the Department in July that includes verification of June's income. June had five paydays and she received five child support checks.

Calculate her gross monthly income prospectively as follows:

| Earnings | | Child support | |
|-----------|---------|---------------|---------|
| \$ 350.00 | June 1 | \$ 100.00 | June 1 |
| \$ 350.00 | June 8 | \$ 100.00 | June 8 |
| \$ 350.00 | June 15 | \$ 100.00 | June 15 |
| \$ 350.00 | June 22 | \$ 100.00 | June 22 |
| \$ 350.00 | June 29 | \$ 100.00 | June 29 |
| ÷ | 5 | ÷ | 5 |
| \$ 350.00 | | \$ 100.00 | |
| X | 4 | X | 4 |
| \$ 1,400 | | \$ 400 | |

The income is converted into a normal month. This household has gross income of \$1,800 (\$1,400 + \$400), and the fee is \$0.00.

6. Ms. F has one child, so this is a household of two. She works 32 hours per week and earns \$320 per week. She receives child support for her child of \$50 per week. The family applies for CCA on July 3. Ms. F received the following child support:

| | | | |
|---------|--------|---------|-------|
| 6/7/16 | \$ 50 | 6/28/16 | \$ 50 |
| 6/14/16 | \$ 200 | 7/5/16 | \$ 50 |
| 6/21/16 | \$ 50 | 7/12/16 | \$ 50 |

Calculate her gross monthly income prospectively as follows:

| Earnings | Child support |
|------------|---------------|
| \$ 320.00 | \$ 50.00 |
| x 4 | x 4 |
| \$1,280.00 | \$ 200.00 |

The extra \$150 of the \$200 child support payment is not included in the income calculation because the client does not expect to receive this weekly amount again. The household has a gross income of \$1,480 (\$1,280 + \$200) and a fee of \$0.00.

7. Mr. G has three children, so this is a household of four. He works 40 hours per week and earns \$1,000 bi-weekly. The family applies for CCA in June. Mr. G worked 40 hours of overtime in the month of May to cover for co-workers who were on vacation. The employer verifies that the overtime will not continue. The last 30-days of income is not indicative of future income.

Calculate his gross monthly income prospectively as follows:

| | |
|----------|------------|
| Earnings | \$1,000.00 |
| x | 2 |
| | \$2,000.00 |

The overtime is not included in the income calculation because it is not indicative of future income. The household has a gross income of \$2,000 and a fee of \$0.00.

8. Same as Example 7, except that Mr. G worked 10 hours of overtime in the first week of June. The worker verifies with the employer that the overtime will not continue. The overtime is not included in the income calculation because it is not indicative of future income. The household has a gross income of \$2,000 and a fee of \$0.00.

Determine monthly gross income for a migrant seasonal farm worker by calculating the total amount of income earned in the 12-month period preceding the date of the application and dividing the total amount by 12. Apply this calculation when the applicant or participant:

- Performs seasonal agricultural work that requires travel so that the applicant or participant is unable to return to a permanent residence within the same day, and
- Derives most of the income from seasonal agricultural work performed during the months of July through October. "Most" means a simple majority of the income.

Comment: Families who are eligible for FIP, PROMISE JOBS, or protective services are eligible for CCA regardless of income.

Countable Income

Legal reference: 441 IAC 170.2(1)

The "monthly gross income" is the monthly sum of income received by a person from the following sources that are identified by the U.S. Census Bureau in computing the median income:

- **Alimony:** Include all periodic payments family members receive from ex-spouses. Exclude one-time-only property settlements.

- **AmeriCorps:** Count payments made to participants in AmeriCorps*USA (for participants 17 years and older) and AmeriCorps*NCCC (for participants 16 to 24 years of age) programs as follows:
 - Treat the living allowance (stipend) as earned income.
 - Do not count the child care allowance as income.
 - Exempt the educational award as income.
 - Exempt the unearned in-kind benefits of health insurance, reasonable accommodations, supplies and services made available for AmeriCorps participants who have disabilities as income.

VISTA payments are unearned income, because participants are considered volunteers rather than employees. Title I VISTA volunteer payments are excluded as income as long as the director of ACTION determines that their total value is less than the federal or state minimum wage divided by the hours of service.

To date, the director of ACTION has determined no VISTA payment to equal or exceed the minimum wage. When VISTA payments exceed the minimum wage limit, count the entire amount.

- Cash payments.
- **Casino profits:** Include income paid to Indian tribe members from profits of a casino. Prorate the income over the number of months for which the income is received.
- **Child support:** Include the periodic payments from an absent parent for the support of children, even if these payments are made through a state or local government office.
- **Earnings, wages, or salary:** Include the total money earnings a family member received from work performed as an employee, including wages, salary, Armed Forces pay, commissions, tips, piece-rate payments, cash bonuses earned, and sheltered workshop earnings.

This is the amount before deductions are made for items such as taxes, bonds, pension, union dues, uniforms, and similar purposes. Include the total money earnings of a child who is over 14 years old, unless a full-time student.

- **Dividends, interest on savings or bonds, income from estates or trusts:** Include dividends from stock holdings or membership in associations, interest on savings or bonds, periodic receipts from estates or trust funds.
- **Net rental income or royalties:** Include receipts from boarders or lodgers and net royalties and net income from rental of a house, store, or other property to others. "Net rental income" is that income remaining after expenses such as taxes, interest, or borrowed principal to purchase property, insurance, and upkeep of the property.

- **Net income from farm self-employment:** Include gross receipts minus operating expenses from a person's operation of a farm as an owner, renter, or sharecropper. "Gross receipts" include:
 - The value of all products sold.
 - Payments from government loan programs.
 - Money received from the rental of farm equipment to others.
 - Incidental receipts from the sale of wood, sand, gravel, etc.
 - Money received from farm property if payment is based on a percentage of crops produced.

"Operating expenses" include costs of feed, fertilizer, seed and other farming supplies, cash wages paid to farmhands, cash rent, interest on farm mortgages, farm building repairs, and farm taxes (not state and federal personal income taxes). The value of fuel, food, or other farm products used for family living is not included as part of net income.

NOTE: Do not offset the loss from one self-employment enterprise against the profit of another self-employment enterprise or any other earned or unearned income the household has.

- **Net income from nonfarm self-employment:** Include gross receipts minus expenses from a family member's own business, professional enterprise, or partnership. "Gross receipts" include the value of all goods sold and services rendered.

"Expenses" include cost of goods purchased, rent, heat, lights, power, wages and salaries paid, business taxes (not personal income taxes), and similar costs. The value of saleable merchandise consumed by the proprietors of retail stores is not included as part of net income.

NOTE: Do not offset the loss from one self-employment enterprise against the profit of another self-employment enterprise or any other earned or unearned income the household has.

- **Pensions and annuities:** Include pensions or retirement benefits paid to a retired person or the person's survivors by a former employer or by a union, either directly or through an insurance company; periodic receipts from annuities or insurance.
- **Permanent disability insurance:** Include Social Security Disability Insurance (SSDI) payments made by the Social Security Administration, before deductions for medical insurance.
- **Public assistance or welfare payments:** Include public assistance payments, such as FIP, State Supplementary Assistance, general assistance, and cash payments received under the FIP Diversion program and the statewide Family Self-Sufficiency Grant program.
- **Railroad retirement insurance:** Include checks from the U.S. Government.

- **Social Security:** Include Social Security pensions and survivors benefits
- **Strike pay:** Include strike benefits received from union funds.
- **Supplemental Security Income:** Include federal, state, and local welfare agency payments to low-income people.
- **Unemployment compensation:** Include compensation received from government insurance agencies or private companies during periods of unemployment.
- **Veterans benefits:** Include all monies paid to or on behalf of a family member because of veteran status as income, regardless of the purpose of the payments. Include money paid periodically by Veterans Affairs to disabled members of the armed forces or to survivors of deceased veterans for education and on-the-job training, as well as so-called “refunds” paid to ex-service persons as GI insurance premiums.
- **Workers compensation:** Include compensation received periodically from private insurance companies for injuries incurred at work. The cost of this insurance must have been paid by the employer and not by the person.
- Work study.

Excluded Income

Legal reference: 441 IAC 170.2(1)

“Total gross income” equals the amount of countable income minus any excluded income. Use the total gross income amount to determine eligibility for Child Care Assistance (CCA) (see [Financial Eligibility](#)) and to determine whether the family will be responsible for paying a portion of the child care costs (see [Fee Schedule](#)).

Exclude the following types of income from the computation of monthly gross income:

- Earnings of a child 14 years of age or under.
- Earnings of a child 18 years of age or under who is a full-time student. Assume a child 17 and under is a full-time student unless you have information otherwise. Treat the income of a minor parent in the same way as any other parent.
- Payments or earnings received by any youth under the Workforce Investment Act (WIA).
- The first \$65 and 50% of the remainder of income earned at a sheltered workshop or work activity center.
- The income of the parents with whom a teen parent resides if the application is for the teen parent’s child.

- The income spent on any regular, ongoing cost that is specific to a child's disability. NOTE: A family must be applying for CCA for the special needs child in order to exclude this income.
- Payment from the Iowa Individual Assistance Grant Program (IIAGP).
- Loans and grants, such as scholarships, or gifts that are:
 - Obtained and used under conditions that preclude their use for current living costs, or
 - Made or insured under the Higher Education Act to any undergraduate student for educational purposes.
- Capital gains and money received from sale of property, such as stocks, bonds, a house, or a car. (NOTE: If the person is engaged in the **business** of selling such property, the proceeds are counted as income from self-employment.)
- Lump-sum inheritances or insurance payments or settlements, such as (but not limited to):
 - Per capita payment to, or funds held in trust for, any person in satisfaction of a judgment of the Indian Claims Commission or the Court of Claims.
 - Payments made pursuant to the Alaska Native Claims Settlement Act, to the extent such payments are exempt from taxation under Section 21(a) of the Act.
 - Any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies of 1970.
 - Agent Orange Settlement payments. NOTE: This settlement fund is now closed as all funds have been distributed.
- Use of personal resources, such as:
 - Withdrawals of bank deposits.
 - Tax refunds.
 - Home produce used for household consumption.
- Payments from the Low-Income Home Energy Assistance Program.
- Certain public assistance income, including:
 - The value of the benefit allotment in the Food Assistance program.
 - The value of United States Department of Agriculture donated foods.
 - The value of supplemental food assistance under the Child Nutrition Act of 1966 and the special food program for children under the National School Lunch Act, as amended.
 - The value of payments to vendors or vouchers under the FIP Diversion program and the statewide Family Self-Sufficiency Grant program.

- Adoption subsidy payment received from the Department.
- Stipends received by persons for participating in the Foster Grandparent program under Public Law 93-113, Section 418, Part B.
- Public housing subsidies.
- Monies received under the federal Social Security Persons Achieving Self-Sufficiency program or the Income-Related Work Expenses program.
- Monies from federal or state earned income tax credit, whether received with regular paychecks or as a lump sum included with the tax refund.
- Reimbursements from an employer for job-related expense.
- Stipends from the preparation for adult living (PAL) program.
- Payments from the subsidized guardianship waiver program.
- The living allowance payments made to participants in the AmeriCorps*VISTA program, as long as the director of ACTION determines the value of all such payments is less than minimum wage.
- Census earnings received by temporary workers from the Bureau of Census.

Self-Employment Income

Determine the hours of work for self-employed parents by accepting their statement of hours worked, unless you have reason to question the hours. Verify monthly income using whatever method is the simplest.

Resource and Asset Limit

The family must attest on the **Child Care Assistance Application, form 470-3624**, or the **Child Care Assistance Review, form 470-4377(M)**, that they do not have assets exceeding one million dollars. Do not request verification unless the information appears questionable.

Age

Legal reference: 441 IAC 170.2(2)

Children are eligible for Child Care Assistance (CCA) benefits up to age 13. EXCEPTIONS:

- Children with special needs are eligible for CCA benefits up to the age of 19 years. Refer to [Documenting Special Needs](#) for the definition of a “child with special needs.”
- Children aged 13 up to age 16, where there are special family circumstances that put the safety and well-being of the child at risk if left home alone, **may** be eligible for CCA. There must be exceptional circumstances that put the child at risk.

The parent or guardian must request an exception to policy through the normal channels. See [1-B, Exceptions to Policy](#). The CCA worker should submit

documentation of the special circumstances as necessary. The application or review for CCA should be pended until a decision has been made by the Director on the exception to policy.

1. Ms. C applies for CCA for her 13-year-old child. Ms. C works 10 PM to 7 AM Monday through Friday. Ms. C indicates she is not comfortable leaving her child home alone overnight because, "he'll get into trouble." There are no special circumstances that put the child's health and safety at risk being home alone. The CCA worker denies the application for no eligible child in the home.
2. Mr. D applies for child care for his 14-year-old child. Mr. D works Monday through Friday noon to 9 PM. Mr. D and his child live in a documented high crime neighborhood. Mr. D's home was broken into recently and he has called the police numerous times in the last six months because of people trespassing on his property. The child being home alone until Mr. D returns from work puts the child's safety at risk.

The CCA worker has Mr. D apply for an exception to policy and forwards the exception and documentation to the Appeals Unit in central office. The worker leaves the application pending. If the director approves the exception to policy, and Mr. D meets all other eligibility criteria, his application for child care is approved.

Verification

Legal reference: 441 IAC 170.5(237A)

Policy: When requested, applicants and participants must supply information or verification to the Department so that eligibility or continued eligibility for CCA can be determined. "Supply" means the Department receives the requested information or verification by the specified due date. The household has the primary responsibility to explain its situation and provide documentary evidence to support its statements on the application or review.

Income information reported on the application or review must be supported by verification. To verify income, request supporting documentation such as pay stubs, employer statements, social security checks, and child support payments. Document the income in the case file. Any questionable or conflicting information must be resolved before determining eligibility.

Procedure: Request the information or verification from the applicant or participant in writing. Inform the applicant or participant in writing of the date the information is due and the consequences for failure to supply the information or verification.

Allow the participant ten days to supply the requested information or verification. The ten-day period begins with the day after you issue the written request. When the tenth day falls on a nonworking day or a legal holiday, extend the due date to the next working day for which there is regular mail service.

Extend the deadline when the applicant or participant requests an extension after making every reasonable effort to get the information or verification but being unable to do so.

Applicants or participants may be denied or terminated from assistance unless they give you either:

- All information or verification you requested to establish eligibility for CCA; or
- Written permission for another person to release the specific information that is needed to verify the applicant or participant's eligibility or continued eligibility.

You may ask the applicant or participant to sign a release form when the applicant or participant cannot provide the information or when you question information provided by the applicant or participant. An applicant or participant who provides a signed release of information to a specific individual or organization for specific information has met the requirement to provide information and verification.

Document everything that supports the decision about the household's eligibility and benefit level. The documentation needs to contain enough detail so that anyone reading it can understand what was decided and why.

Acceptance or Denial of Application

Legal reference: 441 IAC 170.3(3), 170.5(237A), 170.6(237A)

Policy: Approve or deny the application for Child Care Assistance (CCA) within 30 days from the date the signed and dated application form is received by the Department. You can extend the 30-day processing period if:

- You and the applicant have made every reasonable effort to get information that has not arrived.
- Emergencies, such as fire, flood, or other conditions beyond the Department's control, delay action.

Procedure: Use form **470-4558, Notice of Decision: Child Care** to notify the applicant of approval or denial of services. When CCA is approved, send **470-4444, Certificate of Enrollment** to the child care provider on the date the determination is made.

Deny services when:

- The family does not meet the eligibility requirements, including need for service, financial eligibility, or age of the child needing services; or

- The family fails or refuses to provide requested information needed to determine eligibility; or
- The funding is not available to provide the service. EXCEPTION: People participating in approved PROMISE JOBS activities and recipients of FIP, or those whose earned income was taken into account when determining the needs of a FIP recipient, are not subject to denial for lack of funding.

The written notice must be “adequate.” This means that it must include:

- A statement of what action is being taken;
- The reason for the intended action;
- The manual chapter number and subheading supporting the action;
- An explanation of the applicant’s right to appeal; and
- The circumstances under which the service is continued during an appeal.

Grace Period Following the Denial of an Application

Legal reference: 441 IAC 170.3(6)

Policy: Reprocess an application that has been denied for failure to provide requested information when all information needed to determine eligibility is provided within 14 days of the date the notice of decision denying the application was issued. “All information” includes verification of all changes in the family’s circumstances.

If the 14th day falls on a weekend or legal holiday, extend the 14th day to the next working day for which there is regular mail service. If the family is eligible for CCA, the effective date of child care eligibility shall be the date the **final** piece of information required to establish eligibility is provided.

Procedure: If all of the information is not returned by the 14th day after the date of the denial notice, no further action is required and another notice is not sent.

If there were multiple pieces of information requested and some of the information is returned after the denial, do not send a “remain denied” notice. However, it is good practice to try to contact the household to let them know you still don’t have everything you need to reinstate the case.

If the previously requested information is provided, but the household also reports another change for which verification is necessary, make every effort to help the client to verify the information.

A written request for information for the new changes is not necessary. Do inform the household that the application cannot be reprocessed until the change is verified. If a generic release is on file, it should be used.

If the new information is not verified by the end of the 14th day after the date of the denial notice, a “remain denied” notice is sent. This is because the original reason for denying the application has been cured, but the household’s did not provide the verification of the new information.

When an additional change is reported and it is unlikely you will be able to verify the information before the 14-day period expires, you should inform the client that it would be a good idea to submit a new application to preserve the earliest possible effective date.

Once the information is returned, the effective date will be the date the information is provided or the new application date, whichever is earlier.

Comment:

1. Ms. A, a CCA applicant, fails to provide an employer’s statement of earnings that was requested by the Department. The IM worker issues a notice to deny the application. The denial notice date is December 2.

Ms. A provides the employer’s statement on December 10 and there have been no other changes in the family’s circumstances. The IM worker reprocesses the application and determines the family meets all eligibility criteria. The household is approved for CCA effective December 10.

2. Mr. G, a CCA applicant, fails to provide an employer’s statement of earnings and school schedule that were requested by the Department. The IM worker issues a notice to deny the application. The date on the denial notice is June 10. Mr. G provides both items on June 21 and reports that he is no longer working at that first employer and has started a new job.

The IM worker explains that Mr. G has until June 24 to provide verification of the ending job and verification of the start of the new job. Mr. G fails to provide either employer’s statement. The IM worker issues a notice stating that Mr. G’s application remains denied for failing to provide requested information.

Establishing the Certification Period

Legal reference: 441 IAC 170.3(1)“c”

Policy: Certification periods shall be established for a 12-month period except for the following situations:

- A family includes a child who will turn 13 years old within 6 months from the end of a 12-month certification period.
- A family needs CCA to attend post-secondary education and they will exhaust their 24-month funding limit within 6 months from the end of a 12-month certification period.

Procedure: The certification period for a family shall be established for a 12-month period. Do not establish a shorter or longer certification period **except** when one or more of the situations described in this section applies to the family. In that case, base the length of the certification on the household's circumstances. Use the following chart to assign the certification period:

| Situation | Certification length |
|--|---|
| Child will turn 13 | If the child will turn 13 within 6 months after the end of a 12-month certification period, establish a longer certification period for this family (up to a maximum of 18 months). |
| 24-month funding limit will be reached | If the 24-month funding limit will be reached within 6 months after the end of a 12-month certification period, establish a longer certification period for this family (up to a maximum of 18 months). |

Comment:

1. Ms. A applies for CCA for her children on July 15. The application is approved effective July 15, 2016. Her need for service is ongoing full-time employment. The certification period will be established from July 15, 2016, to July 14, 2017 (12 months).
2. Ms. B applies for CCA for her children on July 15, 2016. Her need for service is ongoing full-time employment. One of her children will turn 13 on September 10, 2017. The certification period will be established from July 15, 2016, through September 9, 2017 (14 months).
3. Mr. C applies for CCA for his children on July 15, 2016. His need for service is full-time post-secondary education. His 24-month funding limit will be reached on December 20, 2017. The certification period will be established from July 15, 2016, through December 20, 2017 (17 months).
4. Ms. D applies for CCA for her children on July 15, 2016. Her need for service is ongoing full-time employment. One of her children will turn 13 on February 10, 2018. The certification period will be established from July 15, 2016, through July 14, 2017 (12 months).
5. Ms. E applies for CCA for her children on July 15, 2016. Her need for service is ongoing full-time employment. One of her children will turn 13 on March 10, 2017. The certification period will be established from July 15, 2016, through July 14, 2017 (12 months).

Availability of Another Child Care Resource

Legal reference: 441 IAC 170.5

Policy: When another resource (person, agency, program, or funding source) that allows the parent to select from the full range of eligible child care providers is available free of charge to provide the same or similar service that will meet the family's needs, the family is not eligible for the Child Care Assistance program.

Procedure: Determine whether the resource allows for a full range of child care providers similar to the Child Care Assistance program before denying an application or terminating assistance for this reason.

FIP recipients, PROMISE JOBS participants, those receiving Child Protective Services and those who were receiving CCA when they became a member of AmeriCorps *Vista are eligible for Child Care Assistance regardless of this issue.

Comment:

AmeriCorps and AmeriCorps *Vista members have access to child care benefits that allows participants to select from a full range of state-approved child care providers.

A program that does not allow participants to select from a full range of state-approved child care providers, such as a free child care service for students at the school the parent attends, does not meet the criteria of this policy.

Identifying the Provider

In many situations, parents will have already selected the child care provider by the time they apply for child care services. If the parent needs assistance in choosing a provider, refer the parent to the Child Care Resource and Referral agency serving the county, direct them to the child care website provider search link, or provide the parent with a list of providers in their local area.

The policies and procedures for identifying eligible providers and the requirements that must be met by a provider are organized into the following sections:

- [Eligible providers](#)
- [Provider requirements](#)

Eligible Providers

Legal reference: 441 IAC 170.4(3)

A parent can choose care from:

- A licensed child care center.

- A registered child development home.
- A nonregistered child-care home.
- A provider who provides care in the child's own home.
- A provider located in another state.

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, and the family does not have at least three children needing care, 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, who owns the home. 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.

- A family may choose to use a provider who is located **outside of Iowa**. Staff must request verification from the provider to verify the provider is legally operating and meets all of the regulatory requirements of the state in which they are located.
- Do not approve providers who have been sanctioned by the CCA program. See [Sanctions for Provider Fraud](#) for more information.

Provider Requirements

Legal reference: 441 IAC 170.4(3)

Policy: Providers must meet specific requirements in order to be eligible for payment from the Child Care Assistance (CCA) program. The requirements vary according to the type of provider. Refer to the following sections:

- [Provider cooperation with investigations](#)
- [Required forms](#)
- [Licensed or registered providers](#)
- [Nonregistered providers](#)
- [Out-of-state providers](#)

Provider Cooperation with Investigations

Legal reference: 441 IAC 170.5(1)“c”

Policy: To be eligible for payment from CCA, all providers must cooperate with the Economic Fraud Control Unit of the Department of Inspections, Appeals, and Licensure (DIAL) when the provider is referred for investigation.

DIAL conducts front-end and fraud investigations of providers upon referral from HHS.

Procedure: When the Economic Fraud Control Unit notifies you that a provider has failed to cooperate in an investigation, deny or cancel the provider agreement. Issue a timely **Notice of Decision** to cancel the provider agreement.

Procedures for what to do when a provider reapplies after the provider agreement has been revoked for failure to cooperate are explained in the [Child Care Assistance Provider Agreement](#) section.

Required Forms

Legal reference: 441 IAC 170.4(3)

Policy: Child care providers must meet the requirements specified by the following documents, depending on the classification of the provider.

Procedure: Verify the status of the provider before you approve payment.

| PROVIDER TYPE | REQUIREMENTS |
|-----------------------------------|---|
| Child care center | <ul style="list-style-type: none"> ▪ Certificate of License, 470-0618 ▪ Child Care Assistance Provider Agreement, 470-3871 |
| Registered child development home | <ul style="list-style-type: none"> ▪ Certificate of Registration, 470-3498 ▪ Child Care Assistance Provider Agreement, 470-3871 |
| Nonregistered child care home | <ul style="list-style-type: none"> ▪ Guidelines for Child Care Homes with a Child Care Assistance Provider Agreement, Comm. 95 ▪ Payment Application for Nonregistered Providers, 470-2890 or 470-2890(S) ▪ Child Care Assistance Provider Agreement, 470-3871 or 470-3871(S) ▪ Authorization for Release of Child and Dependent Adult Abuse Information, 470-3301 ▪ Completed Federal Fingerprint Card, form FD-258 ▪ Waiver Agreement and Statement, form DCI-45 ▪ Lead Assessment and Control, form 470-4755 or 470-4755(S) ▪ Criminal History Record Check Request Form, DCI-77 |
| In-home care | <ul style="list-style-type: none"> ▪ Payment Application for Nonregistered Providers, 470-2890 or 470-2890(S) ▪ Child Care Assistance Provider Agreement, 470-3871 or 470-3871(S) ▪ Authorization for Release of Child and Dependent Adult Abuse Information, 470-3301 ▪ Completed Federal Fingerprint Card, form FD-258 ▪ Waiver Agreement and Statement, form DCI-45 ▪ Criminal History Record Check Request Form, DCI-77 |
| Out-of-state | <ul style="list-style-type: none"> ▪ Written verification of license or registration issued by the other state ▪ Child Care Assistance Provider Agreement, 470-3871 or 470-3871(S) |

NOTE: A relative who is a registered provider must follow the requirements set forth for child development homes. A relative who is not registered must follow the requirements set forth for nonregistered child care providers.

Licensed or Registered Providers

The Department (HHS) staff or PROMISE JOBS staff follow three steps to obtain approval to make payment to licensed or registered providers.

1. Check to see if the family's chosen provider is a registered or licensed child care provider by accessing the KinderTrack (KT) screens. The KT screens provide information about what type of provider the family has chosen and whether the provider has signed a **Child Care Assistance Provider Agreement**. See [14-H, KinderTrack System](#).
2. If the provider **is** registered or licensed, but has **not** signed a **Child Care Assistance Provider Agreement**, issue the following to the provider, with instructions to return the form to your office:
 - Form **470-3871, Child Care Assistance Provider Agreement**.
 - A self-addressed-stamped-envelope.
3. Once this form is returned, HHS staff finish the provider approval process by approving or denying the **Child Care Assistance Provider Agreement** and by making the appropriate entries into KinderTrack.

Nonregistered Providers

Legal reference: 441 IAC 170.4(3)"f," 441 IAC 120(237A)

People who do business as a nonregistered child care home must meet the definition of a child care home, pass the required background checks, meet all minimum health and safety requirements, and complete the appropriate paperwork.

To meet the definition of a child care home the provider must provide care in a single-family residence that the provider owns, rents, or leases. EXCEPTION: A provider that goes into the family's home to care for children (in-home care) does not have to meet the residence requirement.

If the setting meets the definition of a child care home, determine if the provider meets all other eligibility criteria. If the setting **does not** meet the definition of a child care home, the provider is not eligible to care for children at that location.

People who have a founded child abuse record or criminal conviction cannot legally provide child care or get Child Care Assistance (CCA) payments, unless the Department finds through an evaluation of the records that the person is eligible to provide child care. This requirement also applies to people age 14 or over who live in the home of the provider or have access to a child when the child is alone.

The Department checks these records before licensing or certifying registration of a child care provider. However, providers who provide care for five children or less are not required to register with the state.

Any person who provides child care services to a CCA recipient, and anyone age 14 or over who lives in that home or has access to a child when the child is alone, must have successfully completed criminal, sex offender, and child abuse record checks.

Any person who provides child care services to a CCA recipient, and anyone age 18 or over who lives in that home or has access to a child when the child is alone, must have successfully completed national criminal history checks based on fingerprints.

HHS staff follow three steps to obtain approval to pay nonregistered providers. (PROMISE JOBS staff complete only steps one and two.)

1. Check to see if the family's chosen provider is already an approved nonregistered provider by accessing KinderTrack (KT) screens. See [14-H, KinderTrack System](#).

The KT screens will show whether the provider is currently active and has signed a **Child Care Assistance Provider Agreement**.

2. If the provider has not yet been approved as a nonregistered provider for the CCA program, HHS staff must issue the following to the provider, with instructions to return the forms to the centralized CCA unit:
 - **Comm. 095, Guidelines for Child Care Homes with a Child Care Assistance Provider Agreement.**
 - Form **470-2890, Payment Application for Nonregistered Providers.**
 - Form **470-4755 or 470-4755(S), Lead Assessment and Control.**
 - Form **470-3301, Authorization for Release of Child and Dependent Adult Abuse Information** (one form for each person over age 13 who lives in the household or who has access to the children in care).
 - Form **470-3871, Child Care Assistance Provider Agreement.**
 - Form **DCI-45, Waiver Agreement and Statement** (one form for each person over age 17 who lives in the household or who has access to the children in care).
 - Form **DCI-77, Criminal History Record Check Request Form** (one form for each person over age 13 who lives in the household or who has access to the children in care).

Establishing Payment Rate

Legal reference: 441 IAC 170.4(7)

Child Care Assistance (CCA) payment rates are based on a half-day unit of service. The child care rate tables for basic and special needs care (see [Maximum Payment Rates](#)) represent statewide maximum rate ceilings derived from a market rate survey of child care providers.

Payment policies are organized into the following sections:

- [Method for calculating a half-day rate](#)
- [Maximum payment rates](#)
- [Days of absence](#)
- [Limits on payment](#)
- [Appeal of rate calculation](#)

Method for Calculating a Half-Day Rate

To establish the provider's rate of payment, first determine if the provider already has a rate with the Department. Verify the rate by checking the Provider Rates screen of the KinderTrack (KT) system. Refer to [14-H, KinderTrack System](#).

If the selected provider does not have a provider agreement with HHS, follow the steps listed under [Nonregistered Providers](#).

There may be circumstances when a provider does not have a rate. Examples:

- A provider who has never provided services to a child whose care is subsidized by the Department.
- A provider who has a rate for one age group, but is now expanding to cover additional age groups.

Based on the information submitted on form **470-3871, Child Care Assistance Provider Agreement**, determine whether the provider has a half-day rate. If the provider does not have a half-day rate, use one of the following methods to calculate one:

- Calculate a half-day rate by dividing the provider's full-day rate by 2, or
- If the provider has neither a half-day nor full-day rate, calculate a half-day rate by multiplying the provider's hourly rate by 4.5.
- If the provider does not have a half-day, full-day or hourly rate, calculate the half-day rate by dividing the provider's weekly rate by 5 to get a daily rate and then dividing this daily amount by 2 to get the half-day rate.

EXCEPTION: For school-age children who use before-and-after school care, a provider's school-age weekly rate should be divided by 5 to get a half-day rate. For school-age children who attend full-time (except summer breaks), the provider's school-age weekly rate should be divided by 10 to get half-day rates. If the **CCA Provider Agreement** information is not clear, contact the provider to clarify rates before entering them into the KinderTrack system.

Use this method for establishing the half-day rate for basic care. Special needs rates should be set using the state maximum rates for each provider type and age group found in the tables below. However, refer to [Half Day Rate Ceilings](#) for the conditions that must be met before a special needs rate can be paid.

Approve the half-day rate providing the following policies are met:

- No rate can be approved that is above the maximum rate applicable to the type of care, the provider, and the age group.
- No rate can be approved that exceeds the rate the provider charges a private pay individual.
- Each rate reported by the provider should be calculated and approved on the **Child Care Assistance Provider Agreement** and entered into KinderTrack.

EXCEPTION: In-home care is paid at the minimum wage amount. The half-day unit rate for all in-home care providers must be \$36.25 (the current hourly minimum wage rate of \$7.25 times five hours). The only KinderTrack rate type applicable to in-home providers is the in-home rate type. Other rate types should not be entered for this type of provider.

Maximum Payment Rates

The following definitions apply in the use of the rate tables:

“Child care home (not registered)” means a family child care home caring for five or fewer children (including relative care) that is not registered with the state. This is also the rate used for out-of-state family home-based providers.

“Child development home” means a person or program that has received a certificate of registration from the state to provide child care to six or more children at any one time.

“Infant and toddler” means a child aged two weeks to three years.

“Licensed center” means a child care center licensed in Iowa. This is also the maximum rate used for an out-of-state center provider.

“Preschool” means a child aged three years to kindergarten (“school aged”). Approve preschool rates for summer hours before kindergarten classes begin.

When a temporary change or lapse in need for service occurs, do not decrease or cancel the number of authorized units or increase the amount of the family's fee. If the change being reported indicates the family needs more units, or their fee should be reduced, then staff should act on that change.

Fee Schedule

Legal reference: 441 IAC 170.4(2)

Policy: For the CCA and CCA Plus programs, assess a fee for each half-day unit of service based on the following table. EXCEPTION: Do not assess a fee to:

- Families at or below 100% of the federal poverty guidelines (income level A).
- Recipients of FIP and participants in approved PROMISE JOBS activities.
- Families where services are provided without regard to income due to protective needs or for foster families needing child care for foster children.

| 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 | 11 | 12 | 13+ | 1 | 2 | 3 or more |
| A | \$1,240 | \$1,675 | \$2,110 | \$2,546 | \$2,981 | \$3,416 | \$3,852 | \$4,287 | \$4,722 | \$5,159 | \$5,594 | \$6,029 | \$6,465 | \$0.00 | \$0.00 | \$0.00 |
| B | \$1,305 | 1,763 | 2,221 | 2,680 | 3,138 | 3,596 | 4,055 | 4,513 | 4,971 | 5,430 | 5,888 | 6,346 | 6,805 | 0.20 | 0.45 | 0.70 |
| C | \$1,342 | 1,812 | 2,283 | 2,755 | 3,226 | 3,697 | 4,169 | 4,639 | 5,110 | 5,582 | 6,053 | 6,524 | 6,996 | 0.45 | 0.70 | 0.95 |
| D | \$1,378 | 1,862 | 2,345 | 2,830 | 3,314 | 3,797 | 4,282 | 4,766 | 5,249 | 5,734 | 6,218 | 6,701 | 7,186 | 0.70 | 0.95 | 1.20 |
| E | \$1,417 | 1,914 | 2,411 | 2,909 | 3,407 | 3,904 | 4,402 | 4,899 | 5,396 | 5,895 | 6,392 | 6,889 | 7,387 | 0.95 | 1.20 | 1.45 |
| F | \$1,455 | 1,966 | 2,477 | 2,989 | 3,499 | 4,010 | 4,522 | 5,033 | 5,543 | 6,055 | 6,566 | 7,077 | 7,589 | 1.20 | 1.45 | 1.70 |
| G | \$1,496 | 2,021 | 2,546 | 3,072 | 3,597 | 4,122 | 4,648 | 5,174 | 5,699 | 6,225 | 6,750 | 7,275 | 7,801 | 1.45 | 1.70 | 1.95 |
| H | \$1,537 | 2,076 | 2,615 | 3,156 | 3,695 | 4,235 | 4,775 | 5,314 | 5,854 | 6,394 | 6,934 | 7,473 | 8,013 | 1.70 | 1.95 | 2.20 |
| I | \$1,580 | 2,134 | 2,689 | 3,244 | 3,799 | 4,353 | 4,909 | 5,463 | 6,018 | 6,573 | 7,128 | 7,682 | 8,238 | 1.95 | 2.20 | 2.45 |
| J | \$1,623 | 2,192 | 2,762 | 3,333 | 3,902 | 4,472 | 5,043 | 5,612 | 6,182 | 6,752 | 7,322 | 7,891 | 8,462 | 2.20 | 2.45 | 2.70 |
| K | \$1,668 | 2,254 | 2,839 | 3,426 | 4,011 | 4,597 | 5,184 | 5,769 | 6,355 | 6,941 | 7,527 | 8,112 | 8,699 | 2.45 | 2.70 | 2.95 |
| L | \$1,714 | 2,315 | 2,917 | 3,519 | 4,121 | 4,722 | 5,325 | 5,926 | 6,528 | 7,130 | 7,732 | 8,333 | 8,936 | 2.70 | 2.95 | 3.20 |
| M | \$1,762 | 2,380 | 2,998 | 3,618 | 4,236 | 4,854 | 5,474 | 6,092 | 6,711 | 7,330 | 7,948 | 8,567 | 9,186 | 2.95 | 3.20 | 3.45 |
| N | \$1,810 | 2,445 | 3,080 | 3,716 | 4,351 | 4,987 | 5,623 | 6,258 | 6,893 | 7,530 | 8,165 | 8,800 | 9,437 | 3.20 | 3.45 | 3.70 |
| O | \$1,860 | 2,513 | 3,166 | 3,820 | 4,473 | 5,126 | 5,781 | 6,433 | 7,086 | 7,741 | 8,394 | 9,046 | 9,701 | 3.45 | 3.70 | 3.95 |
| P | \$1,911 | 2,582 | 3,252 | 3,924 | 4,595 | 5,266 | 5,938 | 6,609 | 7,279 | 7,951 | 8,622 | 9,293 | 9,965 | 3.70 | 3.95 | 4.20 |
| Q | \$1,964 | 2,654 | 3,343 | 4,034 | 4,724 | 5,413 | 6,104 | 6,794 | 7,483 | 8,174 | 8,864 | 9,553 | 10,244 | 3.95 | 4.20 | 4.45 |
| R | \$2,018 | 2,726 | 3,434 | 4,144 | 4,852 | 5,561 | 6,271 | 6,979 | 7,687 | 8,397 | 9,105 | 9,813 | 10,523 | 4.20 | 4.45 | 4.70 |
| S | \$2,075 | 2,803 | 3,531 | 4,260 | 4,988 | 5,716 | 6,446 | 7,174 | 7,902 | 8,632 | 9,360 | 10,088 | 10,818 | 4.45 | 4.70 | 4.95 |
| T | \$2,131 | 2,879 | 3,627 | 4,376 | 5,124 | 5,872 | 6,622 | 7,370 | 8,117 | 8,867 | 9,615 | 10,363 | 11,112 | 4.70 | 4.95 | 5.20 |
| U | \$2,191 | 2,960 | 3,728 | 4,499 | 5,268 | 6,037 | 6,807 | 7,576 | 8,345 | 9,115 | 9,884 | 10,653 | 11,423 | 4.95 | 5.20 | 5.45 |
| V | \$2,250 | 3,040 | 3,830 | 4,621 | 5,411 | 6,201 | 6,992 | 7,782 | 8,572 | 9,364 | 10,153 | 10,943 | 11,735 | 5.20 | 5.45 | 5.70 |
| W | \$2,313 | 3,125 | 3,937 | 4,751 | 5,563 | 6,375 | 7,188 | 8,000 | 8,812 | 9,626 | 10,438 | 11,249 | 12,063 | 5.45 | 5.70 | 5.95 |
| X | \$2,376 | 3,210 | 4,044 | 4,880 | 5,714 | 6,548 | 7,384 | 8,218 | 9,052 | 9,888 | 10,722 | 11,556 | 12,392 | 5.70 | 5.95 | 6.20 |
| Y | \$2,443 | 3,300 | 4,158 | 5,017 | 5,874 | 6,732 | 7,591 | 8,448 | 9,306 | 10,165 | 11,022 | 11,879 | 12,739 | 5.95 | 6.20 | 6.45 |
| Z | \$2,509 | 3,390 | 4,271 | 5,153 | 6,034 | 6,915 | 7,798 | 8,678 | 9,559 | 10,442 | 11,322 | 12,203 | 13,086 | 6.20 | 6.45 | 6.70 |
| AA | \$2,580 | 3,485 | 4,390 | 5,298 | 6,203 | 7,109 | 8,016 | 8,921 | 9,827 | 10,734 | 11,639 | 12,545 | 13,452 | 6.45 | 6.70 | 6.95 |

| Basic Care | Monthly Income According to Family Size | | | | | | | | | | | | | Fee for each child in care |
|------------|---|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|----------|----------------------------|
| | Level | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | |
| A | \$2,936 | \$3,967 | \$4,997 | \$6,030 | \$7,061 | \$8,091 | \$9,124 | \$10,154 | \$11,185 | \$11,582 | \$11,823 | \$12,064 | \$12,305 | 33% |
| B | \$3,067 | \$4,143 | \$5,219 | \$6,298 | \$7,374 | \$8,451 | \$9,529 | \$10,606 | \$11,682 | \$12,761 | \$13,837 | \$14,913 | \$15,992 | 45% |
| C | \$3,197 | \$4,319 | \$5,441 | \$6,566 | \$7,688 | \$8,810 | \$9,935 | \$11,057 | \$12,179 | \$13,304 | \$14,426 | \$15,548 | \$16,672 | 60% |
| D | \$3,263 | \$4,408 | \$5,553 | \$6,700 | \$7,845 | \$8,990 | \$10,138 | \$11,283 | \$12,428 | \$13,575 | \$14,720 | \$15,865 | \$17,013 | 60% |

| Special Needs Care | Monthly Income According to Family Size | | | | | | | | | | | | | Fee for each child in care | |
|--------------------------|---|---------|---------|---------|---------|---------|---------|----------|----------|----------|----------|----------|----------|-------------------------------------|-----|
| | Level | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | | 13+ |
| A | | \$2,936 | \$3,967 | \$4,997 | \$6,030 | \$7,061 | \$8,091 | \$9,124 | \$10,154 | \$11,185 | \$11,582 | \$11,823 | \$12,064 | \$12,305 | 33% |
| B | | \$3,197 | \$4,319 | \$5,441 | \$6,566 | \$7,688 | \$8,810 | \$9,935 | \$11,057 | \$12,179 | \$13,304 | \$14,426 | \$15,548 | \$16,672 | 45% |
| C | | \$3,458 | \$4,672 | \$5,886 | \$7,102 | \$8,316 | \$9,529 | \$10,746 | \$11,959 | \$13,173 | \$14,390 | \$15,603 | \$16,817 | \$18,033 | 60% |
| D | | \$3,589 | \$4,848 | \$6,108 | \$7,370 | \$8,630 | \$9,889 | \$11,151 | \$12,411 | \$13,670 | \$14,933 | \$16,192 | \$17,452 | \$18,714 | 60% |

- 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, Appeals, and Licensure (DIAL) or does not make payments according to the repayment agreement on file with DIAL.
- 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 DIAL, 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 DIAL 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 DIAL, 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 DIAL.

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.

If the form is returned to the PROMISE JOBS office, it will be forwarded to the Department's CCA worker for processing. (PROMISE JOBS workers do not complete this form.)

The Department worker:

- Reviews the form to ensure that page one is completely filled out, and that the provider has signed the form.
- Reviews the provider's rates.
- Completes the third column of the table on page two with the approved half-day unit rates for each age group.
- Completes the "Other rates" section with the approved half-day unit rate for each discount rate reported by the provider on page one.

The Department's Child Care Assistance (CCA) worker then signs form **470-3871 or 470-3871(S), Child Care Assistance Provider Agreement**, and returns a copy to the provider. Form 470-3871 or 470-3871(S) is not valid unless both the provider and the Department's worker have signed it.

Refer to [14-H, KinderTrack System](#) for complete instructions for entering agreements.

Return a copy of the attendance sheet with the **Child Care Claim Cover Letter** to the provider, explaining that the parent should contact the caseworker if the family needs additional units. Send a copy of the **Child Care Claim Cover Letter** to the parent to inform the family that if they need additional units they should discuss this with their caseworker.

If the parent contacts the caseworker, the worker must request verification to show the need for additional units. Pay the additional units if the Department has received documentation of the need for the additional units and the caseworker has approved the additional units.

When the worker determines that a payment can't be processed, it must be returned to the provider within five business days. The claim needs to be rejected in the KT system to track timeliness and reason for return.

When a claim is completed and accepted, the system automatically releases the claim for payment on the daily payment run.

If it is necessary to make a corrective or additional payment to a provider for a billing period that has already been paid, follow the instructions in [14-H, KinderTrack System](#).

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](#)

Reporting Changes

Parents may report any changes in circumstances that affect eligibility or benefits. Some changes must be reported by the family. Changes reported within ten calendar days of the date of the change are considered to be reported timely. The effective date of the change depends upon whether the change was reported timely and whether the change has a positive or negative effect on eligibility.

Changes that must be reported include:

- Ending employment and not starting a new job
- Changes in income if the family's gross monthly income exceeds 85 percent of Iowa's median family income
- Ending an education or training program
- Change in residency outside of the state of Iowa
- No eligible child remains in the home

Acting on Changes

Policy: Act on the change as soon as possible, but no later than ten working days from the date you become aware of the change. Only a change that is required to be reported can be acted on during an establishment certification period, unless the change being reported benefits the family.

Procedure: "Acting on a change" includes requesting information within ten working days of the date a change is reported **and** taking action within ten working days of receiving verification of the change.

Positive Changes Reported

Positive changes **do not** require a timely notice to be sent. Changes are considered "positive" when they benefit the family. Examples are:

- Increase in employment hours resulting in need for more units of care
- Decrease in income resulting in a reduction in the family's fee

When a positive change is reported timely, the effective date on the notice of decision is the date of the change.

Mr. A reports on June 2 that his employment hours increased from 30 per week to 40 per week as of May 26, and he needs an increase in the number of units he is authorized to use. A notice of decision is sent with an effective date of May 26 to authorize the additional units.

When a positive change is **not** reported timely, the effective date on the notice of decision is the date the change was reported.

NOTE: No recoupment of Child Care Assistance benefits is necessary when positive changes are reported. However, when positive changes are not reported in a timely

manner, the parent is responsible to pay the provider for the extra units not covered until a new notice of decision is issued.

Mrs. B reports on June 12 that her employment hours increased from 30 per week to 40 per week as of May 26, and she needs an increase in the number of units she is authorized to use. A notice of decision is sent to authorize the additional units with an effective date of June 12.

Mrs. B is responsible to pay out of her own pocket for any units she used between May 26 and June 12 beyond the units originally authorized.

Negative Changes Reported

Changes are considered “negative” when benefits are reduced or canceled. When a negative change is reported, a timely notice is required. Examples of negative changes are:

- Employment termination and no new job reported within three months,
- Increase in income beyond 85 percent SMI.

| 85 Percent SMI | | | |
|---|-----------------|--------------------|-----------------|
| Family Size | Column A | Family Size | Column A |
| 1 member | \$4,182 | 11 members | \$11,823 |
| 2 members | \$5,469 | 12 members | \$12,064 |
| 3 members | \$6,756 | 13 members | \$12,305 |
| 4 members | \$8,043 | 14 members | \$12,546 |
| 5 members | \$9,330 | 15 members | \$12,787 |
| 6 members | \$10,617 | 16 members | \$13,028 |
| 7 members | \$10,858 | 17 members | \$13,269 |
| 8 members | \$11,099 | 18 members | \$13,510 |
| 9 members | \$11,341 | 19 members | \$13,751 |
| 10 members | \$11,582 | 20 members | \$13,992 |
| Add \$241 for each additional person over 20 members. | | | |

When a negative change is reported, the effective date on the notice of decision must be ten calendar days after the date the notice was sent. The timely notice period begins the day after the notice of decision is mailed. The provider can bill the Department for services provided during the timely notice period (from the date the notice is issued through the effective date of cancellation) when:

- The client continues to take the child to the provider, or
- The client does not withdraw the child. The provider may bill for up to four days of absence.

The provider cannot bill the Department for services provided during the timely notice period when the client withdraws the child.

When determining if there is a CCA overpayment, consider the following:

- When a negative change is reported timely, there is no recoupment of CCA benefits used through the effective date of cancellation.
- When a negative change is **not** reported timely, CCA benefits used through the effective date of cancellation are subject to recoupment.

1. Mr. C contacts the CCA worker on June 2 to report that he quit his job on May 26. Since this change was reported in a timely manner, no recoupment of CCA benefits is necessary.
2. Mrs. D contacts the CCA worker on September 1 to report that she lost her job on May 20. A notice of decision is sent on September 2 canceling her CCA eligibility effective September 12.

Since this change was **not** reported timely, the Department will recoup from Mrs. D any child care units she uses from August 21, the date the three month temporary lapse period expired, until September 12, the effective date of cancellation.

See [How to Determine When an Overpayment Occurred](#) for more information about how to calculate overpayments.

Changing Providers

Legal reference: 441 IAC 170.2(4), 441 IAC 170.4(7)

When parents wish to change their provider, it is important for them to inform both their old and new providers of the change **before** making the change, and to report this to their CCA or PROMISE JOBS worker in a timely manner.

This is necessary so that the proper **Notice of Decision: Child Care** can be sent to the family, the new provider can be sent a **Certificate of Enrollment**, and the old provider can get a **Provider Cancellation Letter**.

If the parent fails to inform the current provider before terminating services, the terminated provider has the right to bill the CCA program for up to four days of absence. This means that the new provider will not be able to receive CCA payments for these days, and the parent will be responsible for paying the new provider for any care provided during that time.

Reinstatement

Legal reference: 441 IAC 170.3(6)

Eligibility policies and procedures on when a case can be reinstated without a new application are organized into the following sections:

- [Reinstatement before the effective date of cancellation](#)
- [Reinstatement after the effective date of cancellation](#)

Reinstatement Before the Effective Date of Cancellation

Legal reference: 441 IAC 170.3(6)

Policy: When all information is provided before the effective date of cancellation and eligibility can be reestablished, you must reinstate a case without a new application. This is true even if you don't make the necessary computer entries until after the effective date of cancellation.

If there is a change in the family's circumstances, the change must be verified before the case can be reinstated. The effective date of child care eligibility is the day following the day the case was canceled.

Procedure: See [Notification of Action](#) for notification requirements. Issue adequate and, if appropriate, timely notice whenever an attempt at reinstatement is made.

Reinstatement After the Effective Date of Cancellation (Grace Period)

Legal reference: 441 IAC 170.3(6)

Policy: When a case is canceled for failure to provide requested information, reinstate the case when all information needed to determine eligibility, including verification of all changes in the family's circumstances, is provided within 14 days of the effective date of cancellation.

If the 14th day falls on a weekend or legal holiday, extend the due date to the next working day for which there is regular mail service. The effective date of child care eligibility shall be the date the **final** piece of information required to establish eligibility is provided.

This policy also applies when a household is canceled for unable to locate because mail was returned to the Department without a forwarding address. If the household contacts the Department within 14 days of the effective date of cancellation and provides a current address consider this providing the information needed to establish eligibility.