
POLICY TRANSMITTAL NO. 04-20	DATE: AUGUST 30, 2004
FAMILY SUPPORT SERVICES DIVISION	DEPARTMENT OF HUMAN SERVICES OFFICE OF PLANNING, POLICY & RESEARCH

TO: ALL OFFICES

SUBJECT: MANUAL MATERIAL

OAC 340:40-3-1; 40-5-1; 40-7-1; 40-7-6; 40-7-8; 40-7-9; 40-7-11 through 40-7-13; 40-9-1 through 40-9-3; 40-13-1; 40-13-3; and 40-13-5.

EXPLANATION: **Policy revisions were approved by the Commission and the Governor as required by the Administrative Procedures Act.**

OAC 340:40-3-1 is amended to clarify staff and client responsibilities and procedures regarding the electronic benefit transfer (EBT) system, add clarifying information about in-home child care providers, and add language about staff responsibility for some preventive child care requests with Child Welfare involvement and to refer clients and staff to Appendix C-4, Child Care Eligibility/Rates Schedule, and OAC 340:40-5-1(h) for information about income determination.

OAC 340:40-5-1 is revised to not allow a client to choose a parent or a stepparent of the child as a child care provider, remove the words "income eligible" as this is no longer a child care term, add language that allows the Commission for Human Services to make changes to the Appendix C-4 from time to time and to institute a new income eligibility level for applicants who apply on or after September 1, 2004 if needed, and to add client EBT responsibility language to the section.

OAC 340:40-7-8 is revised to remove language that allowed a child receiving Supplemental Security Income (SSI) to be exempt from a co-payment, to add clarifying language regarding protective or preventive child care requests, and to add a rule about when another Form ADM-123, Certification for Special Needs Child Care Rate, must be completed on the same child.

OAC 340:40-7-9 is amended to require a mandatory referral to the Child Support Enforcement Division (CSED) for child care clients when one or both of the children's parents is absent from the home and to change the process of determining whether a good cause exception should be given. Instructions to Staff are revised to add clarification that child support does not need to be pursued for the

minor parent when child care is requested for the minor parent's child.

OAC 340:40-7-11 is amended to add new language regarding payment of child care support to the client or child care provider and to add a rule regarding how to consider irregular income.

OAC 340:40-7-12 is revised to add clarifying language about how to consider in-kind income and vendor payments.

OAC 340:40-7-13 is revised by removing the earned income deduction as a deduction from gross income for child care services and adding language that staff use Appendix C-4 and OAC 340:40-5-1(h) to determine whether the household meets income guidelines.

OAC 340:40-9-1 Instructions to Staff are revised to show that all child care cases that are closed because of benefit reporting can be reopened if needed verification is received by the end of the seventh month.

OAC 340:40-9-2 is amended to reflect the correct location of the application form and to refer clients and staff to Appendix C-4 and OAC 340:40-5-1(h) for information about income determination.

OAC 340:40-9-3 Instructions to Staff are revised by changing language to how care is authorized rather than the rate given.

OAC 340:40-13-1 Instructions to Staff are revised concerning how to determine timeliness for in-home child care requests. Information is also added that staff can fax in-home requests to the Family Support Services Division (FSSD) Child Care Section.

OAC 340:40-13-3 is revised to add clarifying language regarding the special needs child care rate and adding a rule that care may only be authorized at one provider per day for the same child.

OAC 340:40-13-5 is amended to: (1) require one star child care home applicants to be licensed, not permitted, before a child care contract is signed; (2) remove language about the Statement of Understanding; (3) give more information about other circumstances when a new child care contract must be signed; (4) give information about circumstances when a child care provider might be given permission to move children eligible for a child care subsidy and the point-of-service (POS) machine to an alternate location; (5) update contract violations to coincide with recent changes to the child care

contract; and (6) change the procedure for notifying a child care provider that his or her contract is cancelled.

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WF # 03-42, 04-09, & 04-14 (NAP)

INSTRUCTIONS FOR FILING MANUAL MATERIAL

OAC is the acronym for Oklahoma Administrative Code. If OAC appears before a number on an Appendix or before a Section in text, it means the Appendix or text contains rules or administrative law. Lengthy internal policies and procedures have the same Chapter number as the OAC Chapter to which they pertain following a “DHS” number, such as personnel policy at DHS:2-1 and personnel rules at OAC 340:2-1. The “340” is the Title number that designates DHS as the rulemaking agency; the “2” specifies the Chapter number; and the “1” specifies the Subchapter number.

The chronological order for filing manual material is: (1) OAC 340 by designated Chapter and Subchapter number; (2) if applicable, DHS numbered text for the designated Chapter and Subchapter; and (3) all OAC Appendices with the designated Chapter number. For example, the order for filing personnel policy is OAC 340:2-1, DHS:2-1, and OAC 340:2 Appendices behind all Chapter 2 manual material. Any questions or assistance with filing manual material will be addressed by contacting Policy Management Unit staff at (405) 521-3611.

REMOVE

INSERT

340:40-3-1	340:40-3-1, pages 1-9, revised 9-1-04
340:40-5-1	340:40-5-1, pages 1-14, revised 9-1-04
340:40-7-1	340:40-7-1, pages 1-3, revised 9-1-04
340:40-7-6	340:40-7-6, pages 1-5, revised 9-1-04
340:40-7-8	340:40-7-8, pages 1-14, revised 9-1-04
340:40-7-9	340:40-7-9, pages 1-7, revised 9-1-04
340:40-7-11	340:40-7-11, pages 1-9, revised 9-1-04
340:40-7-12	340:40-7-12, pages 1-7, revised 9-1-04
340:40-7-13	340:40-7-13, pages 1-4, revised 9-1-04
340:40-9-1	340:40-9-1, pages 1-5, revised 9-1-04
340:40-9-2	340:40-9-2, pages 1-9, revised 9-1-04
340:40-9-3	340:40-9-3, pages 1-4, revised 9-1-04
340:40-13-1	340:40-13-1, pages 1-5, revised 9-1-04
340:40-13-3	340:40-13-3, pages 1-6, revised 9-1-04
340:40-13-5	340:40-13-5, pages 1-11, revised 9-1-04

340:40-3-1. Initial application

(a) **Initial application.** An applicant or the applicant's authorized representative completes Form K-2, Application for Child Care Services, or Form FSS-1, Comprehensive Application and Review, to apply for child care services. ■ 1 When child care is needed for a child with disabilities, the worker and applicant also complete Form ADM-123, Certification for Special Needs Child Care Rate. ■ 2

(1) **Date of request.** The date of request is the date the applicant requests child care services. A request can be made verbally or in writing. ■ 3

(2) **Date of application.** The date of application is the date the applicant or the applicant's authorized representative completes the child care interview and provides all necessary verification to the county office. This includes providing the name of the child care provider the client wishes to use. This provider must already have a valid Oklahoma Department of Human Services (OKDHS) child care provider contract and not be shown at OAC 340:40-5-1(g) as an exception to choice of provider. For applicants choosing an in-home provider, see OAC 340:40-13-1 and 340:40-13-2. ■ 4

(3) **Child care interview.** Child care interviews are typically completed face-to-face with the applicant or authorized representative. A face-to-face interview is required for preventive child care requests and strongly recommended for special needs requests. ■ 5

(4) **Explanation of eligibility factors.** At the time of the initial interview, the worker advises the applicant or authorized representative of his or her rights and responsibilities that are included on the application, all factors of eligibility, and explains which child care providers are eligible to receive subsidy payment. ■ 6 County staff ensure that the applicant and the authorized representative view the client training video. The video explains proper care and use of the client's electronic benefit transfer (EBT) card, the client's responsibility to swipe accurate attendance before OKDHS helps pay for the child's care, and the need to contact the worker immediately so that any problem can be resolved within ten calendar days. The applicant must cooperate with the OKDHS Office of Inspector General during any audit or investigation of the applicant or the provider the applicant uses for child care. The applicant must report within ten days any changes in his or her circumstances. ■ 7

(5) **Timeliness.** Near real-time (NRT) benefit processing time frames are used for all child care applications. To be considered timely, the worker must determine eligibility within two working days of receiving all necessary verification to certify or

deny the application. If the applicant does not provide requested verification, the worker must deny the request within 30 days of the date of request. The worker sends Form FSS-37, Notice Regarding Social Services, explaining the reason for delay to any applicant whose application is over 30 days old. ■ 8

(6) **Right to appeal.** The applicant has the right to appeal the untimely processing of a child care request or the decision of eligibility or ineligibility.

(b) **Expedited eligibility processing.** The worker must process an application immediately when required verification is beyond the applicant's control to provide, the applicant does not have the money to pay toward the cost of child care, and without child care the applicant: ■ 9

(1) is in danger of losing a job; or

(2) cannot start a new job.

(c) **Eligibility determination.** A Family Support Services (FSS) worker completes all applications when an eligibility determination for a family must be made. Child Welfare (CW) staff must process all applications made by CW foster parents for child care. Either FSS or CW staff may process preventive service requests. When CW staff do not maintain an open CW case because they are contracting with an agency outside of OKDHS to provide preventive services to a family, FSS staff determine eligibility for these child care requests. ■ 10 The worker uses OKDHS Appendix C-4, Child Care Eligibility/Rates Schedule, to determine whether the household meets income guidelines. See OAC 340:40-5-1(h) for more information about income determination.

(1) **Applicant determined eligible.** The earliest date the worker approves child care is the date the applicant provides all necessary verification to determine eligibility. The applicant is responsible for any child care used before the certification date or which is not part of the approved child care plan. Once care is approved, the client swipes attendance through a point-of-service (POS) machine at the child care facility. OKDHS does not pay for care for any day the child attends child care if the client fails to swipe attendance unless extenuating circumstances exist beyond the control of the client and/or provider. If the client fails to swipe attendance, he or she is responsible for any care given for that day and may be responsible for any absent day payment OKDHS pays if all days the child attended were recorded. ■ 11

(2) **Applicant determined ineligible.** The application is denied if the applicant is ineligible or requests cancellation of the application. ■ 12

INSTRUCTIONS TO STAFF

1. (a) An authorized representative is an individual who is knowledgeable of the household circumstances and who is designated in writing by the parent or caretaker of the child(ren) for whom child care is needed. The child care provider or an individual working for the child care provider cannot be the authorized representative. The household is informed it is held liable for any overpayment that results from erroneous information given by the authorized representative. Whenever possible, the parent or caretaker completes and signs Form FSS-1, Comprehensive Application and Review, or Form K-2, Application for Child Care Services, before the authorized representative brings it to the county office. Care is taken by the worker to ensure the household has freely requested the assistance of the authorized representative and that the household circumstances are correctly reported. The worker enters information about the authorized representative in the Information Management System (IMS) using the computer transaction EBTU.

(b) County staff are encouraged to place the pamphlet, "Paying for Child Care Just Got Easier," Pub. No. 02-06 in public locations or child care facilities where potential applicants can obtain it.
2. See OAC 340:40-7-8(h) for more information on approving a child with disabilities for the higher special needs rate at the chosen facility.
3. The date of request is entered in the Family Assistance/Client Services (FACS) Eligibility Notebook, Social Services tab in the "App Date" field (E1). The social services section of the case must be placed in application status on the system before an Access Oklahoma card can be issued. When the worker is ready to certify or deny benefits, the date of request is also entered in the FACS Eligibility Notebook, Auth. Daycare tab in the "Child Care Req Date" field (K9).
4. (a) The only time the date of request and the date of application are the same date is when the applicant completes a child care application, is interviewed, and provides all necessary verification on the same day. Eligibility factors which must be verified by the worker before approving child care benefits are found in OAC 340:40-7. The applicant must also advise the worker of the name of the child care provider he or she plans to use before the application date is determined.

(b) It is important that applicants know right away if they choose an ineligible

provider so a different choice can quickly be made. If the applicant chooses a child care provider who does not have a valid contract with the Oklahoma Department of Human Services (OKDHS), the worker must inform the applicant that the earliest date child care can be approved is the day a contract is granted. Payment for any child care used prior to that date is the responsibility of the applicant. The worker can determine when a new contract is granted by entering in IMS, PCI space and the contract number. The date shown under "original contract date" is the earliest date services can be approved.

(c) The date of application is entered in the FACS Eligibility Notebook in the Social Services tab, "Cert Date" field (E2) and in the Auth. Daycare tab, "Begin/Change Date" field (K45).

(d) If the applicant provides all requested verification and the worker then determines more verification is still needed, the application date entered is the date the applicant provides the initially requested verification.

5. (a) See OAC 340:65-3-1 for intake processes.

(b) The interview must be completed with the person who signs the application or the household's authorized representative who must be designated in writing by the parent or caretaker. The worker explores the applicant's eligibility for child care and advises the applicant of any other OKDHS programs for which the applicant might be eligible. The worker also arranges for the client to view the video, "EBT Child Care," explaining the electronic benefit transfer (EBT) system. Counties are encouraged to develop at least two methods to assist applicants in accessing child care services. Examples of possible methods include:

(1) extended office hours;

(2) telephone interviews with the client when a face-to-face meeting would cause a client to miss work or school. A signed Form FSS-1 or Form K-2 must be received before approval action is taken. The signature page of Form FSS-1 or Form K-2 is never signed prior to the rest of the application being completed;

(3) outstationing staff where needed to take applications;

(4) training volunteers to take face-to-face applications. Volunteers include

interested employers, child care providers, school or vo-tech counselors, Workforce Oklahoma Center staff, and church or civic group members. Interested volunteers must be approved by the county director and must be fully trained by county staff prior to taking applications. Training must include information about:

- (A) completing Form FSS-1 or Form K-2;
 - (B) documenting eligibility criteria;
 - (C) developing a plan of service;
 - (D) safeguarding client information; and
 - (E) sending the application to the county office within a set time frame after the interview is completed;
- (5) utilizing a home visit. See OAC 340:65-3-4(1) regarding home visits. If a home visit is scheduled, it is normally planned so the worker has an opportunity to meet everyone in the household. The visit is planned at a time which does not interfere with the applicant's job or the child's school schedule; and
- (6) allowing a client to be interviewed in a non-resident county if it is more convenient for the client.
- (c) Every effort is made to interview the applicant on the date of request to ensure the applicant knows what he or she must provide before a child care request can be considered an application. When the child care request is mailed or left at the county office, county staff contact the applicant that same day to explain that a child care interview must be completed and to advise what verification must be provided before an application date is assigned. A telephone interview is appropriate in this instance if it best meets the needs of the applicant.
6. (a) The worker reviews the last page of Form K-2 or Form FSS-1 with the applicant or the authorized representative to ensure the applicant understands reporting responsibilities, the days, hours, and reason child care is being approved, the applicant's EBT responsibilities, the earliest date child care can be approved, and rules concerning who the applicant can choose as a child care provider. The worker then secures the applicant's signature on the

appropriate form. The worker also gives or mails a copy of the application to the applicant or the authorized representative at the end of the interview, including the Client Child Care Responsibilities and Service Plan Agreement page, "Getting Help with Child Care Costs from the Oklahoma Department of Human Services," OKDHS Pub. No. 94-20, and the pamphlet "Child Care Services Tip Sheet for Clients and Providers," Pub. No. 01-14. See OAC 340:40-7 for details regarding conditions of eligibility, including need, and OAC 340:40-5 for detailed information regarding completing a plan of service and those child care providers who cannot be approved for subsidy payment.

(b) The worker gives or mails Form ADM-92, County Client Contact and Information Request, to the applicant when verification must be provided before child care benefits can be approved. When Form ADM-92 must be mailed, the worker calls the applicant, if a telephone number is available, to advise him or her what verification is needed before mailing the form. The worker advises the applicant verbally that a child care request is not considered an application until all necessary verification is received.

7. See OAC 340:40-9-2 for the types of changes that must be reported.

8. See OAC 340:65-3-5(1)(A) and (B).

9. (a) An example of verification being beyond the applicant's control to provide includes instances when an employer refuses to verify income for an employee until a paycheck is received. In instances such as this, the applicant must still provide all other verification that is within his or her control to provide. The worker uses the applicant's statement for the verification that is out of the applicant's control to provide. The worker certifies the application for a maximum of 30 calendar days.

(b) The applicant is not automatically assigned a zero family share co-payment because the expedited process is used. The worker counts ongoing or terminated income received in the application month. In the case of two-parent families, when one parent has been working for some time and the other parent is just starting a new job, the income of the parent who has been working is counted to determine the family share co-payment. The worker still uses the income processes described at OAC 340:40-7-10 through 40-7-13 to determine what income to count and when.

(c) The worker enters the authorization into the system with a beginning and ending date. These are the "begin/change date" field K45 and the "end date"

field K47 located in the FACS Eligibility Notebook under the Auth. Daycare tab. To reopen this authorization when the client provides verification, the worker must open the authorization and then close it rather than entering both dates in the same step. The worker also enters the information under the Social Services tab in the FACS Eligibility Notebook as well as the Day Care, and Income tabs in the FACS Interview Notebook.

(d) When the client swipes attendance at the child care facility, the provider can see whether care is approved or not on the point-of-service (POS) machine tape. The worker also gives the client Form ADM-92 detailing any outstanding verification needed to establish eligibility within this 30-day time frame before further child care is authorized.

(e) When the client provides requested verification needed to determine continued eligibility, the worker can reopen the closed authorization if the client continues to use the same provider and the history of the authorization shows it was in open status prior to closing. A new authorization is entered if a new provider is chosen or the prior authorization cannot be reopened. To reopen an authorization the worker enters an R in the "action taken" field K12 and an A in the "notice indicator" field K92 of the Auth. Daycare tab as well as any other fields where changes are needed. If the family share co-payment is different than originally determined, enter all necessary information in the Household, Income, and Social Services tabs in the same action or prior to reopening the authorization so the correct family share co-payment maps to the authorization.

(f) An overpayment is not written on the expedited services period unless the worker and supervisor believe the client intentionally provided incorrect information. In those instances, the worker sends an overpayment memo to the Family Support Services Division (FSSD) Overpayment Section.

(g) A new application is not needed when an applicant fails to complete the application and provide verification within 30 days, but then provides the required verification within 60 days of the original request date. The worker approves the authorization beginning with the date the required verification is provided. If the client does not provide this information, the Social Services tab in the FACS Eligibility Notebook is closed for the next effective date when no other services are provided in the case. If a client requests expedited eligibility processing again at a later date and this earlier verification was never received, the new application is not approved until current eligibility is established.

10. See OAC 340:75-7-64 and OAC 340:75-7-65 for Child Welfare (CW) foster care requirements and OAC 340:75-6-91 for CW protective or preventive child care cases. When care is needed for a foster child under an Interstate Compact on the Placement of Children (ICPC) with another state or when CW staff do not maintain an open CW case because they are contracting with an agency outside of OKDHS to provide preventive services to a family, Family Support Services (FSS) staff take the application. The local ICPC worker advises FSS staff whether the foster family is receiving funds for child care from the other state. If funds are available for child care, the application is denied. FSS staff also process applications for tribal foster parents when child care funds are not available from the tribe to meet the need. See OAC 340:40-7-8(g) for more information about processing protective or preventive child care requests.
- 11.(a) If the applicant chooses a provider that has not yet been granted a contract, see Instructions to Staff 4(b). To certify the case for child care services, the worker enters the Day care, Household and Income tabs of the FACS Interview Notebook as well as the Auth. Daycare and Social Services tabs in the FACS Eligibility Notebook. See OAC 340:40-5-1 for details regarding the plan of service. See OAC 340:40-9-3 for notice requirements. See OKDHS Appendix C-4-B, Guidelines for Weekly Authorizations, for information on when a weekly authorization is approved, the minimum number of days a child must attend to qualify for an absent day payment, and the maximum number of days that can be paid in a given month. See OAC 340:40-13-4 for information about the child care payment process that includes manual claims.
- (b) Circumstances beyond the control of the client and/or provider include, but are not limited to, some type of worker or system error.
- 12.(a) The worker denies the child care request if the applicant does not provide, within the agreed upon time frame, verification necessary to certify benefits, including the name of the child care provider the applicant intends to use. The worker provides information and referral services that may be helpful to the family in developing alternative arrangements.
- (b) See OAC 340:40-9-3 for notice requirements. The worker denies the child care request in the FACS Eligibility Notebook, Auth. Daycare tab by entering:
- (1) Action Taken (K12);
 - (2) Child Care Req Date (K9);

(3) Person Number (K4);

(4) Reason (K16);

(5) Begin/Change Date (K45); and

(6) Adult Day Services (K95).

(c) If the child care provider's contract number is known and entered in "Contract Number" field K40, a notice computer-generates to both the applicant and the child care provider.

(d) See OAC 340:65-3-4 regarding investigation of eligibility conditions, OAC 340:65-3-5(1)(B) for circumstances beyond the control of the applicant, OAC 340:65-3-7 for denial of application, and OAC 340:65-5-6 for reconsideration of administrative action.

340:40-5-1. Plan of service

(a) **Plan of service.** Providing child care is part of an overall plan of service designed to help the parent(s) or caretaker(s) with whom the child(ren) lives to achieve his or her maximum potential for self-support. Quality child care services assure the parent(s) or caretaker(s) that each child has adequate care which affords developmental and learning experiences while the parent(s) or caretaker(s) is engaged in self-support activities. ■ 1

(b) **Plan components.** The plan of service consists of many components that all link to form a goal-directed plan of care. These components include:

(1) the name, age, and grade level of the child(ren) for whom child care is needed;

(2) need for child care; ■ 2

(3) the days and hours for which care is approved, including travel time; ■ 3

(4) whether care is approved on a weekly, full-time, blended, or part-time care basis; ■ 4

(5) whether there is an appropriate, feasible alternative to Oklahoma Department of Human Services (OKDHS) subsidized child care;

(6) that the plan to increase the client's income is in place;

(7) a back up plan for care when the child(ren) cannot go to the authorized child care provider;

(8) the name, address, and telephone number of a person to call in case of an emergency;

(9) a plan to help the client choose a child care provider;

(10) a discussion about the family share co-payment, if one is required;

(11) a discussion of any other social service needs of the family; and

(12) a discussion of the client's responsibilities and rights when using subsidized child care.

(c) **Alternative to subsidized child care.** The worker explores with the client whether

there is an appropriate, feasible alternative to OKDHS subsidized child care. The client has a choice whether to use this alternative unless the alternative is a spouse or the natural or adoptive parent of the child(ren) who lives in the home and who does not meet a need factor. ■ 5 Possible alternatives include:

(1) care by a dependable relative who is able and willing to assume responsibility for care and supervision of the child(ren) for part of the day;

(2) care in a free or low cost facility, such as a preschool, pre-kindergarten, kindergarten, Head Start, Early Head Start, or tribal child care program; ■ 6

(3) dependent care expenses paid directly by a Temporary Assistance for Needy Families (TANF) client which are considered as earned income exemptions; and ■ 7

(4) for a school age child(ren), the possible rearrangement of the parent's or caretaker's employment or training schedule to coincide with the hours the child(ren) is in school.

(d) **Plan to increase income.** At each application or review, the client and the worker discuss ways the client can increase income to the household. The client and worker identify together the goals child care helps the family achieve. Together they estimate when the family can assume progressively greater responsibility for the cost of child care. The worker makes referrals to other agencies as appropriate. ■ 8

(e) **Back up plan.** The worker discusses with the client the back up plan for child care he or she has in place if the child(ren) cannot go to the usual provider for some reason such as illness, school holidays, or another unforeseen emergency. The back up plan includes the name and address of a person the client feels he or she can rely on when the normal plan of care cannot be used.

(f) **Emergency contact.** Form FSS-1, Comprehensive Application and Review, or Form K-2, Application for Child Care Services, includes the name, phone number, and address of a person to contact in case of emergency when the primary parent or caretaker cannot be reached. ■ 9

(g) **Choice of provider.** The worker documents the choice of provider on Form FSS-1 or Form K-2. He or she calls the chosen provider to ensure acceptance of the child(ren) does not cause the provider to exceed his or her licensed capacity after describing the days and hours care is needed. If the client does not choose a provider at the time of the request, the worker provides the client with information to help in making the choice. The client can choose a family child care home regardless of star

level. ■ 10 The client cannot choose a child care:

- (1) facility that does not have a valid contract with OKDHS;
- (2) facility in which the client or his or her spouse, including the child's parent or stepparent, has an ownership interest;
- (3) home in which the child resides;
- (4) home in which the client also works during the hours his or her child(ren) is in care;
- (5) center in which the client works and has job responsibilities which include care of the child(ren) for whom child care is requested;
- (6) provider who is related to the client and only accepts a relative's child(ren);
- (7) provider who does not allow parental access during the hours the provider is caring for children;
- (8) provider who is receiving state or federal funds, such as Head Start, Early Head Start, or public schools unless:
 - (A) all parents are charged a fee for the hours subsidy payment is requested; and
 - (B) the program is offering extended day services. Programs operating only during typical school or Head Start hours are not eligible; ■ 6
- (9) provider caring for a school age child during the regular school day when such student could be attending a public or private school during those hours; or ■ 11
- (10) center which is a one star facility unless there are no one star plus, two, or three star centers in the community or one of the special exception criteria are met. Special exception criteria are:
 - (A) the child(ren) was already approved for care at this one star center prior to January 1, 2003. The child(ren) can remain at this facility unless the child(ren) stops attending there for more than 30 days. The child(ren) can also be approved at this same facility again if the only reason the child(ren) did not attend for more than 30 days was because of a school break or due to circumstances beyond the control of the family such as illness of the child; ■ 12

(B) care is requested for a child living in the same home as a child already approved for care as described in (10)(A) of this subsection for the same one star child care provider; or

(C) the parent or guardian demonstrates that there is no other child care option that meets the family's needs. ■ 13

(h) Income determination. The worker uses policy in OAC 340:40-7 to determine who must be considered part of household for income determination, what income is countable, and what income is excluded. After determining the amount of countable household income, the worker uses OKDHS Appendix C-4, Child Care Eligibility/Rates Schedule, to determine whether the household meets income guidelines. Clients who are approved for child care prior to September 1, 2004 meet income eligibility guidelines if their income, family size, and number of children in care meet the guidelines stated on the Schedule of Co-payments chart on OKDHS Appendix C-4, as amended from time to time, as approved by the Commission for Human Services, with or without a transition plan as determined by the Commission. If the Commission approves a transition plan to migrate to a new eligibility schedule pursuant to a new Schedule of Co-payments chart on OKDHS Appendix C-4, previously eligible clients continue to be eligible using the previously approved Schedule of Co-payments chart as long as they do not lose eligibility for more than one month. If these clients stop receiving child care assistance or lose eligibility for more than one month, the worker determines their eligibility using the new eligibility Schedule of Co-payments chart. Clients approved for child care on or after September 1, 2004 meet income eligibility guidelines if their income, family size, and number of children in care meet the eligibility standards stated in the Schedule of Co-payments chart which is effective on September 1, 2004, or such other later date as their eligibility is determined which matches the Schedule of Co-payments then in effect. If the income of the family exceeds the eligibility standard of the chart or are off the chart, they are not eligible for child care services. ■ 14

(i) Family share co-payment. The worker uses OKDHS Appendix C-4 to determine income eligibility and the family share co-payment for each family. The family share co-payment is applied before OKDHS pays a child care subsidy. ■ 15 The amounts the family and OKDHS pay toward the cost of care varies depending on the plan of service, family size, income, and the number of children receiving child care services.

(j) Social services requests. When a client requests help in meeting the social services needs listed on Form FSS-1 or Form K-2, the worker provides all available information to aid a client in meeting these needs. ■ 16

(k) Client rights and responsibilities.

(1) The client has the right to an explanation by the worker of the "Client Child Care Responsibilities and Service Plan Agreement" listed on Form FSS-1 or Form K-2 before signing the form.

(2) The worker must advise the client that a child care request is not approved back to the date of request unless the interview is conducted and verification is provided on that same date.

(3) The client has the right to ask for a fair hearing if he or she disagrees with an action taken on his or her case. ■ 17

(4) The client is advised by the worker that the provider may charge the client extra for special fees such as enrollment or transportation fees as long as these fees are posted and also charged to the general public. The provider may also charge the client for any days OKDHS refuses to pay for care because: ■ 18

(A) the client did not swipe attendance for the correct days and times his or her child(ren) attended child care;

(B) swipes were denied and the client did not get them corrected within ten days;
or

(C) the provider loses the absent day payment for a child(ren) approved for a weekly authorization because the client did not swipe correct attendance for every day the child(ren) attended that month.

(5) The worker advises the client that the provider is not allowed to charge him or her for:

(A) days and hours covered in the child care plan when all attendance was correctly swiped even if the hours are more than customary for a full-time day;
and

(B) days the child(ren) is not in attendance. ■ 19

(6) The client is advised he or she is required to cooperate with the OKDHS Office of Inspector General in any audit or investigation of possible overpayments by the client or by his or her chosen provider.

INSTRUCTIONS TO STAFF

1. A major focus of all client contacts is to establish a good relationship with the family. Establishing a relationship of mutual trust helps to identify the family's needs, strengths, and goals. Actually seeing and talking to the child(ren) in the family also helps in developing a true picture of the family and its dynamics. The worker helps the client become more independent by suggesting ways to increase household income and identifying strengths in the client's life. The Family Support Services (FSS) worker and the Child Welfare (CW) staff freely share information to develop a plan that best meets the needs of the family when both are working with the family.
2. See OAC 340:40-7-7 for information on establishing the need factor.
3. The amount of travel time approved varies depending on what is reasonable for that client. The worker asks the client how much time it takes him or her to get to the work or training activity after dropping the child(ren) off at child care and then how long it takes to get from the work or training activity to the child care facility. If extra care is approved because the client must ride with another person whose schedule varies from the client or the client lives a long distance from his or her job, the worker documents this in Case Notes. See OAC 340:40-7-8 for information on defining need and travel time.
4. (a) The worker approves a full-time daily authorization when care is needed more than four hours per day unless the child qualifies for a blended or weekly authorization.

(b) If care is needed for four hours or less in a given day, child care is approved for a part-time rate unless the child qualifies for a blended authorization.

(c) Child care authorized on a weekly basis is paid at a full-time daily or part-time daily rate for the days the child attends care. An absent day payment may be made to the child care provider for days the child does not attend care only if the child attends the minimum number of days required in the month to qualify. See OKDHS Appendix C-4-B, Guidelines for Weekly Authorizations to determine the minimum number of days a child must attend to qualify for an absent day payment and the maximum number of days the Oklahoma Department of Human Services (OKDHS) can pay the provider.

(1) The worker approves child care on a weekly basis when the child

attends the child care facility for the entire month and:

(A) the client works only three or four days per week and works at least 40 hours per week or 80 hours every two weeks and also needs child care for all of the work hours. When the client needs care three or four days per week but is not working 40 hours per week or 80 hours in a two week period, a daily rate is approved; or

(B) the client needs child care on a regular basis five, six, or seven days per week more than four hours each day. The client can require care for any of the need factors shown at OAC 340:40-7-7.

(2) Child care is not approved on a weekly basis when:

(A) the same child uses two different child care providers;

(B) any of the care needed is part-time;

(C) the need for child care fluctuates. For example, if the client needs care three to five days per week, the worker approves a daily authorization;

(D) the child is using an in-home child care provider; or

(E) the child care provider prefers a daily authorization.

(3) See OAC 340:40-13-3, and OAC 340:40-13-4 for more information about weekly authorizations and how they are paid.

(d) The worker approves a blended authorization for children age four and older during the school year when care is needed Monday through Friday part-time for the days school is in session and full-time for school holidays. OKDHS has established two blended authorization types, traditional and extended school year. The traditional school year blended authorization is approved when full-time care is needed during the summer months. It is calculated from August 16 through May 15th of each year. The extended school year blended authorization is for year around school and is calculated for the entire calendar year. The worker must determine which blended authorization type is appropriate. During the summer months the provider is paid the full-time daily rate with an absent day payment if applicable for authorizations coded traditional blended. The blended authorization is not

appropriate if:

- (1) the child requires more full-time care days in addition to school holidays during the school year;
- (2) the facility is not open on school holidays;
- (3) only part-time care is needed;
- (4) more than one child care provider is needed for the child; or
- (5) the child qualifies for a special needs or in-home child care rate.

(e) Care may only be authorized at one facility per day per child. When the client advises the worker that he or she plans to use two different providers for the same child, the worker determines what days of the week care is needed at each provider. If care is needed on different days, the worker can authorize care at both providers. The total number of units or days authorized for both providers cannot exceed the maximum that would be authorized if care was only needed at one provider. For example, the client wishes to use one provider three days per week and another provider two days per week. In this instance, the maximum number of days that the worker approves for care totals 23 days per month.

(f) A child care plan is normally not approved to cover an entire 24-hour calendar day. If due to the nature of the parent or caretaker's work he or she must leave the child(ren) in child care over 24 hours on an occasional basis, the worker may authorize care after receiving approval from the Family Support Services Division (FSSD) Child Care Section.

5. The purpose of this discussion is to help a client consider other possibilities to purchased care that might be more suitable for the child(ren). If a natural or adoptive parent is living in the home and is not a spouse, he or she can refuse to care for the child(ren) for whom he or she is not the natural parent. OAC 340:40-7-8(g) contains information on preventive or protective child care if the client does not want a spouse to care for the child(ren).
6. (a) Programs receiving federal grant funds, such as Head Start or Early Head Start, and public schools receiving state funds for education may receive subsidy funds only if offering extended day services. Extended day means care is provided beyond the hours covered by other state or federal funds.

For example, if a Head Start program's hours are defined between 8:00 am to 2:00 pm daily, the provider must also be open before or after these hours in order to qualify for a subsidy payment. Head Start, Early Head Start, kindergarten, or pre-kindergarten programs must only charge the child care subsidy program for the hours not covered by their federal grant or state funds. This may be a full-time or part-time rate depending on the number of subsidy hours needed based on the parent's schedule.

(b) If the client's tribe is paying the cost of child care, the provider cannot charge both OKDHS and the tribe for the cost of care. The child who has dual eligibility for both programs can be approved for the child care subsidy program and the tribe can pay the family share co-payment. The worker can authorize full-time or part-time care depending on the number of subsidy hours needed based on the parent's schedule.

7. See OAC 340:10-3-33(3) for more information regarding Temporary Assistance for Needy Families dependent care expenses.
8. See OAC 340:40-7-9 for more information on pursuing available income. The worker may talk to the client about how to get a raise in pay at work or how to look for another job with better earning potential. The worker may refer the client to other local resources for help in increasing his or her earning potential by either looking for another job or obtaining new job skills. Local resources include the Oklahoma Employment Security Commission, Workforce Investment Act (WIA), Workforce Oklahoma Centers, the local technology center, or community college. The worker advises the client of any other OKDHS programs or community resources that might help meet the needs of the family.
9. Helping a client plan in advance for emergencies when a child cannot go to child care may help a client keep a job. The worker brainstorms with the client for possible alternatives, including available relatives, friends, or neighbors; or the client may discuss possible alternatives with his or her employer.
10. See OAC 340:40-13-1 for information regarding out-of-home and in-home child care arrangements. Information the worker gives the client to help make this choice includes:
 - (1) the name and address of the area Child Care Resource and Referral agency for the county. This information is listed in the pamphlet, "Five Things You Should Know About Child Care Resource and Referral,"

OKDHS Pub. No. 98-09;

(2) giving the client a list of contracted providers. A list is obtained by searching the Child Care Locator database available on the InfoNet under OKDHS Tools. The worker prints a list of all one star plus, two star, and three star child care centers and all child care homes that meet the client's search criteria. If there are no one star plus, two, or three star centers in the community, the list includes the one star centers. If the client expresses an interest in a child care facility on a military base or an out-of-state provider, the worker prints a list of these contracted providers from the Outlook Public Folder/ All Public Folders/ STO.Child Care/ Subsidy/ Out of State/ Military folder;

(3) advising a client to request case summaries of potential providers from the Division of Child Care (DCC) licensing staff or to make an appointment to look at the licensing files;

(4) explaining to the client that the "Star" status of a facility is an indicator that the facility meets additional quality criteria. The worker advises the client that care is not approved at a one star child care center unless there are no one star plus, two, or three star centers in the community or the exception criteria described at OAC 340:40-5-1(g)(10) is met and the worker's supervisor or county director approves an exception. The client can choose a family child care home regardless of the star level. Before a provider is certified to receive a one star plus rating, the provider must meet additional quality criteria which includes: additional training, reading to children daily, parent involvement, and program assessment. To be certified as a two star program, the provider must be nationally accredited or meet the one star plus criteria and also employ master teachers who meet additional educational requirements. Three star providers must meet all two star quality criteria and be nationally accredited. See OAC 340:110-1-8.3 which describes how a provider is certified for a differential quality rate;

(5) giving the client all or some of the pamphlets DCC Licensing produces to help clients choose quality care. They are:

(A) "Choosing a Day Care Center for Your Child," OKDHS Pub. No. 87-50;

(B) "Reaching for the Stars," OKDHS Pub. No. 01-18;

- (C) "Five Things You Should Know About Child Care Resource and Referral," OKDHS Pub. No. 98-09;
- (D) "Child Care: Check it Out," OKDHS Pub. No. 85-60;
- (E) "The ABC's of Quality Child Care Parent Handbook," OKDHS Pub. No. 87-91; and
- (F) "Paying for Child Care Just Got Easier," OKDHS Pub. No. 02-06; and
- (6) encouraging the client to watch the video, "Choosing Quality Child Care."
11. A child(ren) receiving home schooling must receive this instruction from his or her own parent or caretaker except for the time a tutor might be hired. A child care provider cannot be approved to provide child care in order to home school someone else's child. The parent or caretaker cannot be approved for child care for a school age child during the hours public or private school is in session during work or school hours because he or she wants to home school his or her child(ren) during the evening. School age is defined as a child enrolled in the first through 12th grade. Exception: a provider can be approved to provide child care for a school age child(ren) with disabilities during the hours public or private school is in session if the child receives shortened day services from the local school system. Care can also be approved if a child is suspended or expelled from school and the school system verifies there is no other educational alternative available to the child.
12. The school break can be due to the parent's or the child's school schedule. The worker documents in Case Notes why the exception is being granted.
- 13.(a) Exceptions can be granted on a case-by-case basis by the supervisor or county director. Prior to granting an exception, the worker gives the parent or caretaker a list of all possible contracted one star plus, two star, and three star centers and, if the client is willing to use a child care home, all contracted child care homes that meet the client's search criteria. The client is not required to choose a one star plus, two star, or three star child care home before considering a one star center if the client states he or she does not want to use a child care home. If there are no one star plus, two, or three star centers in the community, the list includes one star centers and an exception is not required. The worker uses Child Care Locator, available on the InfoNet under OKDHS Tools, to generate this list. The worker can also print a list of

all military base or out-of-state contracted providers bordering the county from the Outlook Public Folder/ All Public Folders/ STO.Child Care/ Subsidy/ Out of State/ Military folder. The worker instructs the parent or caretaker to contact all providers on the Child Care Locator list to see if care is available during the hours needed. The client notes on the list why care is not available at any of these locations or why they did not meet the client's needs. If the client does not find care from the providers on the list, the supervisor or county director reviews the client's notes on this list to determine whether to grant an exception. The supervisor or county director documents in Case Notes on the Family Assistance/Client Services (FACS) system whether an exception was granted and why. Exceptions may be granted when none of the providers on the client's list:

(1) has an opening during the times care is needed. For example, the client works during the evening or overnight and no one else provides care during those hours;

(2) is willing to meet the special needs of the child. For example, the other providers are unable to meet the needs of a child with disabilities or provide transportation to and from the child's school; or

(3) is within a reasonable distance from the parent's or caretaker's home because of transportation issues.

(b) When the supervisor or county director agrees that an exception is warranted under (a) of this Instruction, the worker provides the parent or guardian a list of one star center providers. If the client then finds a one star center that meets the family's needs, care can be approved at that facility.

14. See OKDHS Appendix C-4 for details concerning income eligibility guidelines.

15. (a) In the Household tab in FACS, the worker chooses "social services" in the "benefit" field (F24) and "added to benefit section" in the "status" field (F25) to add only the child being approved for child care. All other household members are shown as "not included in benefit. Income and resources are considered in benefit computation" in the "status" field (F25). The family share co-payment is calculated by the system based on information listed in the Household and Income tabs of FACS and the "number of children receiving child care" field (E52) and is shown in the "Family Co-pay" field (E53) in the Social Services tab. The system maps this family share co-payment to the "copay" field (K70) of the authorization section when a

change action is entered in the Social Services tab. The family share co-payment is never prorated.

(b) When more than one provider is used by the family, the worker must determine which provider cares for the child(ren) the majority of the time. The worker chooses "N" for non-exempt in the "copay exempt" field (K78) of the Auth. Daycare tab for each authorization approved for that provider. For all other providers, the worker chooses "S" for second provider in field (K78) "Co-Pay Exempt." The system maps the entire family share co-payment to each child's authorization where the "copay exempt" field is marked "N" and maps a zero co-payment to each authorization marked "S" in the "copay exempt" field. The authorization(s) for the non-exempt provider must be open on the system without edits before the worker enters the authorization(s) for the provider exempted from co-pay. If the worker tries to enter both authorizations at the same time, the authorization coded "S" in (K78) edits as it cannot find an open authorization for another provider.

(c) If a child's authorization is closed or opened, the family share co-payment is recalculated by the system after the worker enters a change action in the Social Services tab and enters the correct number of children in the "children in daycare" field (E52). The system maps the family share co-payment to each open authorization and generates a notice to the client. See OAC 340:40-9-2(b) and Instructions to Staff 4 for more information about adding children and OAC 340:40-9-2(c) and Instructions to Staff 5(a)(2) for more information about removing children.

(d) The entire monthly family share co-payment appears on the tape from the point-of-service (POS) machine each time the client swipes attendance at the child care facility. The only time the amount of co-pay showing on the tape changes is when the worker reduces the family share co-payment for that month.

(e) When a child is removed from licensed child care, the worker assesses whether that child's current care arrangement places the child at risk of abuse, neglect, or exploitation. A referral is made to Child Welfare (CW) if appropriate.

(f) See OAC 340:40-7-11(c)(5) for information on handling court-ordered child care payments. If someone outside of the home is paying part of the cost of child care directly to the child care provider, this is recorded in field E55, "Court Ordered Child Care," of the Social Service tab. The system adds fields

E55 and E53 in the Social Services tab together. OKDHS begins paying a subsidy payment after the co-payment from both sources has been met. The worker sends Form FSS-37, Notice Regarding Social Services, to both the client and child care provider advising of the additional co-payment.

(g) See OAC 340:40-9-2(e) for information regarding calculation of the family share co-payment when the client changes child care providers.

16. Each county has a list of community resources that can be given to a client to help meet social services needs. The worker checks to ensure the identified agency can help before sending the client to that agency. When information is requested to prevent domestic violence or child abuse, the worker determines whether to complete a referral to CW on Form K-13, Information/Referral – Social Services. If questions arise that the worker is unsure how to handle regarding this or any other social service needs mentioned by a client, the worker seeks the help of his or her supervisor, if available, or other county staff.

17. See OAC 340:2-5 for more information about filing for a fair hearing. The applicant may request a fair hearing because of actions taken on a child care request as well as a child care application.

18. It is important that the worker emphasizes to the client the importance of making sure the POS machine is showing swipes are approved and if there is any problem, to report it to his or her worker immediately. The video the client must watch emphasizes this responsibility. See OKDHS Appendix C-4-B for information about weekly authorizations and absent day payments. Also see Instruction to staff 4 of this Section and OAC 340:40-13-3 and OAC 340:40-13-4.

19. See OAC 340:40-13-5(g) for a list of contract violations by a provider.

340:40-7-1. Categories of eligibility

A person may be predetermined eligible for child care services, determined income eligible based on the gross income of the household, or have dual eligibility with his or her tribe.

(1) **Predetermined eligible.** A person is predetermined eligible for child care services with a zero co-payment when he or she is a recipient of public assistance or Supplemental Security Income (SSI). Public assistance is defined as a State Supplemental Payment, Temporary Assistance for Needy Families (TANF), or Refugee Cash Assistance. This definition also includes non-cash vouchers a child receives from the TANF program per OAC 340:10-3-56(3)(k). ■ 1

(A) The Administration for Children and Families requires that the Oklahoma Department of Human Services (OKDHS) guarantee child care for dependent children younger than 13 years of age when that care is needed for a TANF eligible family member to accept employment, remain employed, or participate in an approved education or training activity. ■ 2

(B) All TANF recipients who currently receive child care services for reasons of employment are eligible for child care under the Child Care and Development Fund or for the cost of child care to be considered as an earned income exemption while continuing to receive cash benefits. ■ 3

(2) **Income eligible.** Households who are not predetermined eligible for child care services must meet income eligibility guidelines shown on OKDHS Appendix C-4, Child Care Eligibility/Rates Schedule, for their household size, to receive assistance with child care costs. ■ 4

(3) **Transitional child care.** Per Section 230.61 of Title 56 of the Oklahoma Statutes, a TANF recipient who becomes employed is eligible for transitional child care services for 24 months following the date of employment as long as he or she meets income eligibility guidelines on Appendix C-4 for his or her household size unless:

(A) the employer provides child care benefits; or

(B) the monthly salary received from the employer exceeds the monthly allowance of assistance pursuant to the TANF program plus the cost of child care and medical insurance to which the recipient would be entitled. ■ 5

(4) **TANF families in the Work Supplementation Program.** TANF families in the

Work Supplementation Program are considered income eligible families and must meet income eligibility guidelines shown on OKDHS Appendix C-4 for their household size, to receive assistance with child care costs. ■ 6

(5) **Dual eligibility.** An individual may have dual eligibility for both the child care subsidy program through OKDHS and through his or her tribe. The child care provider may not receive payment from both programs simultaneously. ■ 7 The client may be approved for the child care subsidy program and the tribe may pay the client's family share co-payment.

INSTRUCTIONS TO STAFF

1. **(a) See OAC 340:10-3-56(3)(K) for more information regarding children who receive non-cash vouchers. Supplemental Security Income is a means tested program administered by the Social Security Administration.**
(b) The child must also meet all other conditions of eligibility defined in this Subchapter before subsidized child care is approved.
(c) Enter information regarding eligibility in the Family Assistance/Client Services (FACS) Interview Notebook under the Household and Income tabs.
2. **The worker must document in the case narrative or in FACS Case Notes the offer of this service. If child care is not needed, the narrative also reflects what alternative to the Oklahoma Department of Human Services (OKDHS) subsidized child care is being utilized.**
3. **The worker informs the client of the right to choose child care either as a Temporary Assistance for Needy Families (TANF) deduction or as a child care service. The worker explains to the client the choice is to go from subsidized child care to child care as an earned income exemption, the client must actually pay the child care expense out of pocket for one month. If the choice is to terminate subsidized child care and begin child care as an earned income exemption, the closure of subsidized care must meet notification requirements listed in OAC 340:40-9. A TANF recipient is never approved for Child Care and Development Fund subsidized child care and child care considered as an earned income exemption during the same month. When a recipient is discovered to have received both kinds of child care during the same month for the same children, overpayment procedures in OAC 340:40-15 are followed.**

4. See OKDHS Appendix C-4, Child Care Eligibility/Rates Schedule, for income eligibility guidelines and OAC 340:40-7-11 for types of income considered. Document income eligibility in the FACS Interview Notebook under the Household and Income tabs.
5. A former TANF recipient must still meet the income guidelines listed on OKDHS Appendix C-4 to receive child care services. The TANF worker is required to advise the client of his or her potential eligibility for child care services and document the offer in the case narrative or in FACS Case Notes. When it is determined the client does not meet the eligibility guidelines for subsidized child care, the worker provides resources and referral information. If child care is not needed, the narrative also reflects what alternative to subsidized child care is being utilized. The worker provides all families who receive earned income, information about the Earned Income Credit and the Child Tax Credit and how to apply for these credits.
6. See OKDHS Appendix C-4 for income eligibility guidelines and OAC 340:40-7-11 for types of income considered. This is the only group of active TANF recipient families who are expected to help pay for subsidized child care. It is essential the worker counsel with families who must make family share co-payments to ensure they understand how much they must pay. Realistically, these families are a step closer to the goal of assuming the total cost of child care services. While working with families, the worker includes this goal as part of the overall service plan.
7. If there is a tribal child care program in the county for which the client might qualify, the worker asks the client if he or she is receiving subsidized child care from this program. If the client chooses to receive OKDHS subsidized child care, the same rules governing other clients applies to this client as well. The client may receive subsidized child care and the tribe pay the client's family share co-payment. The child care provider may not file a claim with both OKDHS and the tribe.

340:40-7-6. Household composition and income consideration

(a) **Household composition and income consideration.** To establish a child's eligibility for subsidized child care, it is necessary to define who must be considered part of household composition for income consideration. ■ 1 Individuals who must be included are:

(1) the natural, adoptive, or stepparent of the child(ren) who lives in the home and for whom child care is needed; ■ 2

(2) the caretaker(s) of the minor child(ren) who needs child care if that caretaker is legally and financially responsible for the child(ren); ■ 3

(3) all minor children and their siblings who live in the home for whom child care is requested; ■ 4

(4) any non-relative adult of the opposite sex who is living in the home with the natural or adoptive parent; and ■ 5

(5) any child(ren) of the non-relative adult of the opposite sex who is living in the home with the natural or adoptive parent. ■ 6

(b) **Periods of absence.** When a household member is out of the home due to a temporary absence, he or she is still considered a household member as long as he or she plans to return to the home. ■ 7 Examples of temporary absence include:

(1) a hospitalization for physical or mental health reasons;

(2) incarceration;

(3) attending school;

(4) military service; ■ 8

(5) vacation time for a child; and ■ 9

(6) working or looking for a job away from home. ■ 10

(c) **Definition of household composition terms.** The worker determines household composition for income considerations using the definition of terms listed in (1) through (7) of this subsection.

(1) An adult is an emancipated minor or person 18 years of age or older. A child who is also a parent is considered an adult.

(2) A child is any unmarried, unemancipated, non-parental person under 18 years of age.

(3) A child who has married or voluntarily left the parental home for any reason and established independent living arrangements, other than being away from home for school or health reasons, is considered emancipated and treated as an adult. Once a child is emancipated, the emancipation is permanent.

(4) Spouses are persons married by ceremony or common-law and who are living together, or living separately on a temporary basis with no intentions of severing the marital relationship, or who are involuntarily separated.

(5) A non-relative adult is defined as any person over 18 years of age or an emancipated minor who is not related to the parent or caretaker by blood, adoption, or marriage.

(6) The term legally and financially responsible adult is defined as a parent or stepparent of the child(ren) for whom child care is needed. The term also includes other caretaker adults who are court-ordered to be legally and financially responsible for the child.

(7) The term in loco parentis is defined as a person acting in place of a parent without going through legal proceedings. He or she is expected to pursue child support from the natural or adoptive parent(s) of the child(ren) if it is not currently being received. See OAC 340:40-7-9 for more information regarding pursuit of child support.

(d) **Joint or shared custody.** When parents separate or divorce and share custody of their child(ren), either voluntarily or through a court order, the worker considers each parent's eligibility separately as well as his or her income. If only one parent qualifies for subsidized child care, only the days and hours of care needed while that parent has physical custody of the child(ren) is approved. ■ 11

INSTRUCTIONS TO STAFF

1. (a) See OAC 340:40-7-10 through 340:40-7-13 for information on considering income for individuals who must be included in the household.

(b) In the Household tab in Family Assistance/Client Services (FACS), the

worker chooses "social services" in the "benefit" field (F24) and "added to benefit section" in the "status" field (F25) to add only the children being approved for child care. All other household members are shown as "not included in benefit. Income and resources are considered in benefit computation" in the "status" field (F25).

(c) Household composition is handled differently for other programs. See OAC 340:50-5-1 for food stamps, OAC 340:10-3-55 through 340:10-3-57 for Temporary Assistance for Needy Families (TANF), and OAC 317:35-38 through 317:35-45 for medical assistance.

2. (a) If the natural parent(s) is in the home, he and/or she must apply for child care benefits for his or her own child(ren) regardless of whether he and/or she has custody of the child(ren). If, in the judgment of the worker, the natural parent(s) is considered too unstable or incapacitated to apply, someone else living in the home may apply. The natural parent(s)'s income and need factor must be considered in determining the child(ren)'s eligibility for child care assistance.

(b) When the parent is a minor parent, the minor parent's income must be considered in determining the family share co-payment. If the minor parent lives with his or her parent(s), neither the grandparent's income nor his or her need factor is considered for the grandchild. Either the grandparent or the minor parent can file the child care request.

(c) The adoptive parent(s)' income is not considered until the adoption is final. If the adoption is final and the natural parent whose rights have been terminated and the adoptive parent(s) live in the same household, consider only the income and need factor of the adoptive parent(s).

3. A court order must state that the caretaker is legally and financially responsible for the child before the caretaker's income is considered. If the child's own parent(s) lives in the home with the child, count the own parent's income instead of the caretaker's income.
4. A child(ren)'s income must be considered unless specifically excluded in OAC 340:40-7-12. If a sibling receives other benefits in a companion case, that child is shown as added to the "benefit" and "status" fields as "not included in benefit. Income and resources are considered in benefit computation" in the "Household" tab of the child care case. When the household consists of the client's own child(ren) as well as any other child(ren) such as a niece, nephew,

or grandchild(ren) the adult is not legally and financially responsible for, the worker first determines which child(ren) requires child care assistance.

(1) If child care is needed for both the client's child(ren) and any other child(ren), the worker sets up two separate cases unless combining the households results in a lower family share co-payment. The client's income and his or her own child(ren)'s income is considered in the case for the client's child(ren). Only consider the income of any other child(ren) in the case set up for them.

(2) If child care is needed only for the client's own child(ren), the worker counts the income of the parent and his or her own child(ren). The worker does not count the income of the other child(ren) unless including that child(ren) in household size and his or her income reduces the family share co-payment for the household.

(3) If child care is only needed for another child(ren) that the adult is not legally and financially responsible for, the worker only counts the income of that child(ren) and any siblings not requiring child care services. Household size includes these children only.

5. If the natural or adoptive parent is living with a couple, the couple's income is not considered available to the child care household. If more than one non-relative adult of the opposite sex is living in the home, all of their income is considered.
6. (a) All persons whose income is counted in determining the family share co-payment are included to determine whether to use a family size of five members or less or for six or more members on OKDHS Appendix C-4, Child Care Eligibility/Rates Schedule.

(b) When a male and female live together and each have their own child(ren) living in the household who require child care assistance, one case record is established for the household. If they are not married to each other, the worker uses the single parent need factor policy for each per OAC 340:40-7-7(b).
7. See OAC 340:40-7-7 for information on establishing the need factor for child care. If it is determined a parent is not temporarily absent, child support is pursued from that parent. See OAC 340:40-7-9 for exploration and development of potential income.

- 8.** When a parent is absent due to military service, use his or her total gross income, not just the dependent allowance, to calculate the family share co-payment. This applies to single parents who give temporary custody of their child(ren) to a caretaker while they are away from home and to two-parent households where only one of the parents is temporarily away from home.
- 9.** When a child(ren) goes to stay with someone other than a natural or adoptive parent for a vacation, household composition, income, and need is based on the usual home situation. The person the child(ren) is staying with must also meet the need factor for child care. See OAC 340:40-7-7 and 340:40-7-8 for information regarding who meets the need factor. When the child(ren) is staying with a noncustodial natural or adoptive parent, that parent must apply for child care for that time frame based on his or her own household's eligibility.
- 10.** When one or both parents are working or looking for work out-of-town, his and/or her income is considered in determining the household's eligibility. He or she must also meet a need factor described in OAC 340:40-7-7 in order for child care to be approved.
- 11.** When both parents qualify for subsidized child care, establish two separate cases. Each parent must meet the need factor while that parent has physical custody of the child(ren). The maximum amount of child care in both cases combined is never more than 31 days per month. Neither case qualifies for the weekly authorization. See OAC 340:40-7-7 and 340:40-7-8 for more information concerning the need factor for child care.

- 8.** When a parent is absent due to military service, use his or her total gross income, not just the dependent allowance, to calculate the family share co-payment. This applies to single parents who give temporary custody of their child(ren) to a caretaker while they are away from home and to two-parent households where only one of the parents is temporarily away from home.
- 9.** When a child(ren) goes to stay with someone other than a natural or adoptive parent for a vacation, household composition, income, and need is based on the usual home situation. The person the child(ren) is staying with must also meet the need factor for child care. See OAC 340:40-7-7 and 340:40-7-8 for information regarding who meets the need factor. When the child(ren) is staying with a noncustodial natural or adoptive parent, that parent must apply for child care for that time frame based on his or her own household's eligibility.
- 10.** When one or both parents are working or looking for work out-of-town, his and/or her income is considered in determining the household's eligibility. He or she must also meet a need factor described in OAC 340:40-7-7 in order for child care to be approved.
- 11.** When both parents qualify for subsidized child care, establish two separate cases. Each parent must meet the need factor while that parent has physical custody of the child(ren). The maximum amount of child care in both cases combined is never more than 31 days per month. Neither case qualifies for the weekly authorization. See OAC 340:40-7-7 and 340:40-7-8 for more information concerning the need factor for child care.

340:40-7-8. Defining the need factor for child care services

(a) **Employment.** Employment means the adult earns wages for work performed if the adult is part of the household for income purposes. ■ 1

(1) If the adult is not making at least minimum wage for the number of hours he or she is working, the worker counsels with the individual regarding increasing his or her income. If counseling is unsuccessful, child care benefits can be reduced or terminated. ■ 2 A person employed and working from his or her own home may be approved for child care services in an out-of-home child care home or center. ■ 3

(2) Job search meets the definition of employment and child care may be approved only when a recipient who has received child care services for at least 30 days loses employment or successfully completes a formal education or training program and requests child care assistance to look for a job. Child care may be approved for a maximum of 30 calendar days from the date the client loses employment or successfully completes a formal education or training program. Job search may be approved no more than twice per calendar year. ■ 4

(b) **Training.** Job skills training includes vocational training and hands-on work experience to develop technical skills, knowledge, and abilities in specific occupational areas. All training programs must include qualitative measures to evaluate the participant's progress. Examples include competency gains, proficiency levels, and certificates of completion. ■ 5

(c) **Formal education program.** A formal education program is defined as a course of study which leads to the attainment of an associate's or bachelor's degree. ■ 5

(d) **Temporary Assistance for Needy Families (TANF) Work activity.** When a client receives TANF assistance, child care may be provided for any activity outlined in the client's Form TW-2, TANF Work/Personal Responsibility Agreement. ■ 6 Need is also met when the individual is waiting to enter an approved TANF Work activity. Approval is limited to a time period not to exceed:

(1) two weeks; or

(2) one month on an exception basis where child care arrangements or other services would otherwise be lost and the subsequent activity is scheduled to begin within that period. ■ 7

(e) **TANF applicant job search.** TANF applicants referred for immediate employment are eligible for child care for job search. ■ 8 TANF applicants are advised:

- (1) child care for job search is limited to 20 days which must be used within 30 calendar days from the date of request;
- (2) in-home child care arrangements are not available for TANF applicants;
- (3) child care may only be used during the times the applicant is actually looking for a job; and
- (4) he or she must notify the county office immediately upon securing employment.

(f) **Food Stamp Employment and Training (E&T) recipients.** Income eligible food stamp recipients who live in a Food Stamp E&T county may receive voucher-authorized child care for E&T activities if child care services are necessary for the parent or caretaker to participate in the E&T activities. Participants are eligible for a maximum of \$160 per month per child. ■ 9

- (1) Child care services are available whether the parent or caretaker is a required or voluntary participant.
- (2) In two-parent or two-caretaker families, both parents may participate in E&T activities simultaneously and receive voucher-authorized child care unless one parent or caretaker has been exempted to care for a child(ren) under six years of age.
- (3) Child care services are only purchased from licensed and contracted out-of-home child care facilities.
- (4) Food Stamp E&T participants are predetermined eligible for voucher-authorized child care and are approved with a zero family share co-payment.
- (5) At the end of each calendar month, the client submits to the worker a completed Form FSP-22, Job Search Plan. ■ 10
- (6) An overpayment is submitted to the Family Support Services Division (FSSD) Overpayment Section for any voucher-authorized child care used by the client for which he or she was not eligible. ■ 11
- (7) The FSSD Food Stamp Section monitors a random selection of cases quarterly to ensure the integrity of the program.

(g) **Protective or preventive child care.** Protective or preventive child care services are used as an early intervention strategy in certain critical situations to help in

preventing neglect, abuse, or exploitation. The worker may approve child care in these situations to help stabilize the family situation or to enhance family functioning. The client must provide proof of the need for this child care before the worker authorizes care. ■ 12

(1) The worker may approve protective or preventive child care for a maximum of 30 calendar days at the county level. If protective or preventive child care is needed beyond this initial 30 day period, the worker obtains approval for this extension from the FSSD Child Care Section. ■ 13

(2) The family may or may not be expected to help in paying the cost of this child care depending on the unique circumstances of the family. ■ 14

(3) If the family is financially ineligible for child care services but there is evidence the family is so burdened by debt that the additional financial pressure of paying for child care may result in further deterioration of family stability and functioning, the worker may approve protective or preventive child care. A plan to reduce such debt must be established. ■ 15

(4) If determining financial eligibility will take time, the worker may approve child care while the parent or caretaker is gathering necessary information as long as the client has provided proof of the need for child care.

(5) Protective or preventive child care is temporary and planning to reduce or eliminate the need for such child care begins at the initial contact.

(h) **Child with disabilities.** A child with disabilities is defined as a child who receives Supplemental Security Income (SSI), SoonerStart early intervention services, or special education services provided in accordance with an Individualized Education Program (IEP) by the local school district. ■ 16 This definition also includes a child whose SSI payment stops because of financial reasons but who still meets the medical definition of disability as determined by the Social Security Administration. ■ 17 Child care may be approved for a child with disabilities through the day before the child's 19th birthday when a statement from a licensed health care professional is provided stating the child is physically or mentally incapable of self-care as age appropriate.

(1) **Approval for the higher special needs rate.** Form ADM-123, Certification for Special Needs Child Care Rate, is completed and signed by the parent or guardian, the child care provider, Division of Child Care (DCC) licensing staff, and the child's Family Support Services worker or Child Welfare worker. The parent or caretaker must submit the child's IEP or Individualized Family Service Plan (IFSP) that documents the care needs of the child. If a child who receives SSI is not receiving

special education services or SoonerStart services, the parent or caretaker must submit a statement from a health professional describing the care needs of the child is submitted. A change to the higher special needs rate is effective the first of the month following the month eligibility for the rate is determined by DCC licensing staff. When care is not provided until the special needs rate is approved, it is effective the first day care is provided. ■ 18 Once Form ADM-123 has been completed and the worker determines the child is eligible for one of the special need rates, a new Form ADM-123 is only completed when:

(A) the needs of the child change; ■ 19

(B) the child moves to a different child care facility; or ■ 20

(C) the child stops attending the facility that was approved for the special needs rate for more than six months. ■ 21

(2) **Enrichment child care services for children with disabilities.** The purpose of enrichment child care services is to assist the child in developing socialization skills. Children with disabilities receiving SSI who are normally not eligible for child care may be approved for enrichment child care services based solely on the needs of the child's condition of delay or disability rather than on the activities of the parent or caretaker. Child care is limited to a maximum of two days per week not to exceed ten full-time or part-time days per month for enrichment child care. ■ 22 The parent or caretaker must provide a statement from a professional involved in the child's life recommending child care be provided and the reason child care would be beneficial to the child. ■ 23 When such enrichment child care is approved, it is provided outside of the child's home, preferably in a setting where at least one other child is present.

INSTRUCTIONS TO STAFF

1. (a) **Employment from exempt sources of income such as work study or Workforce Investment Act meet the need factor for employment as long as the parent or caretaker is paid at least minimum wage for each hour of work performed.**

(b) **When the client is self-employed, the worker can accept his or her statement regarding work hours as long as it appears reasonable and meets the minimum wage requirement shown in OAC 340:40-7-8(a)(1). When child care is requested in two-parent or two-caretaker families for self-employment, care must be taken to determine whether self-employment work hours could be adjusted to reduce or eliminate the need for child care.**

(c) When child care is needed for employment, the days and hours approved are limited to the actual hours of employment, including reasonable travel time. The worker verifies and documents the actual hours of employment on Form FSS-1, Comprehensive Application and Review, Form K-2, Application for Child Care Services, or in the Interview Notebook under the Day Care tab in Family Assistance/Client Services (FACS).

(d) Bartering for services in exchange for work performed does not meet the definition of need because of employment.

2. (a) Counseling may include:

(1) helping the client determine whether this is the best field of employment for him or her;

(2) referring the client to the Oklahoma Employment Security Commission for help in locating other employment;

(3) helping the client develop an action plan to increase income from the enterprise;

(4) referring the client to a local resource which helps with small business planning. Most technology centers offer this type of service; or

(5) referring the client to the Department of Labor to file a complaint if his or her employer is not paying minimum wage.

(b) The worker and client decide jointly what strategy to use to increase the client's income and by what date this plan can be accomplished or progress made. If the client does not cooperate in either making an action plan to increase income or in following through with the plan he or she agreed to try, child care for this employment enterprise can be reduced or terminated. The worker consults with his or her supervisor before taking such action and documents his or her reasoning in FACS case notes.

3. When the client is operating a child care home, the worker only approves child care in an out-of-home child care home or center if the client's own child(ren) places him or her over maximum licensed capacity. A family child care home provides care for seven or fewer children. Large family child care homes provide care for eight to 12 children. The provider's own child(ren) under five years of age counts toward licensed capacity. To establish whether a client,

who is a child care provider, will be over capacity if his or her own child(ren) remains in the home, the worker consults with Division of Child Care (DCC) licensing staff and documents this discussion in FACS Case Notes. See OAC 340:110-3-84 and 340:110-3-97.1 for licensing guidelines. If child care is approved, it must be in an out-of-home child care home or center.

4. (a) Job search is approved for recipients who have received child care services continuously for at least 30 days in order to ensure that child care services are not lost and continuity of care for the child(ren) is provided while the parent or caretaker attempts to locate a job. Care is only continued when the child remains at the same child care facility for the entire 30 days job search is approved. If the client wishes to change child care providers, care by a different provider is not approved for job search.

(b) To approve a client for job search, the worker closes the current authorization using the reason code "30 day job search time frame has ended." The end date entered on the authorization is 30 days from the time the client lost employment or successfully completed a formal education or training program.

(c) The worker makes changes as needed to the income listed for the family and to the family share co-payment prior to closing the authorization. No change is made to the days and hours of care.

(d) If the client obtains a job during the period job search was approved and requires more care, the worker contacts the Family Support Services Division (FSSD) Child Care Section to ask that a change be made to the authorization because the worker cannot make a change to a closed authorization.

(e) If an authorization is closed because job search has ended, it cannot be reopened when the client meets another need factor. The client must complete a new application based on new circumstances before further child care is approved.

(f) If the authorization is closed on another reason code prior to offering child care to search for a job, it can be reopened to cover this 30 day period. The authorization is then closed using the reason code "30 day job search time frame has ended."

(g) When the client does not report the loss of employment or completion of a formal education or training program within ten calendar days but continues

to use child care, the worker asks the client whether he or she is searching for a job.

(1) When the client is searching for a job, the worker closes the authorization effective the date job search would have ended if the client had notified the worker timely or using the advance notice deadline schedule shown on OKDHS Appendix B-2, Deadlines for Case Actions, Section I, whichever date is greater.

(2) When the client does not plan to job search, the worker closes the authorization using the advanced notice deadline schedule shown on OKDHS Appendix B-2, Section I.

(3) If the client uses care beyond the time frame that the client was eligible for job search child care, a client overpayment is written and sent to the FSSD Overpayment Section.

5. (a) Documentation of need must include proof of the client's training or class schedule for each semester and proof the client is making progress in completing the degree or training program. Child care is limited to actual classroom attendance, including travel time. This can include scheduled televised courses.

(b) Self-paced courses taken over the Internet are not covered.

(c) Child care may also be approved for activities outside of the classroom required to pass the course such as internship and practicum placements, volunteer hours required to pass a specific class, laboratory work, or other required activities.

(d) Additional study time is never approved.

(e) When there are gaps in class times, the worker may approve child care beginning with the first class of the day through the last class of the day.

6. See OAC 340:10-2-1 for approved work activities. Child care is limited to the days and hours needed to complete the Temporary Assistance for Needy Families (TANF) Work activity plus travel time.

7. This provision is included to ensure that child care services are not lost and continuity of care is provided so an individual can continue the employment

process.

8. The worker approves child care before expecting the applicant to begin job search. The worker assists the applicant in selecting a licensed, contracted facility. Upon selection of a facility, the worker contacts the child care provider to ensure acceptance of this child(ren) does not cause the child care provider to exceed his or her licensed capacity. The authorization is then entered into the system in the FACS Eligibility Notebook under the Auth. Daycare tab showing a reason, "for caretaker to search for employment," and a beginning and ending date for the authorization using fields K45 and K47. The ending date is no more than 30 days from the date of request and is approved for a maximum of 20 full-time days. If the client requests a change of provider during this 30 day period, the worker only approves child care for the number of days remaining in the 30 day period.
9. Oklahoma County 55C is the only county office with a Food Stamp Employment and Training (E&T) Program. See Food Stamp Program Policy at OAC 340:50-5-88 for authorized E&T activities. There is no limit to the number of times food stamp voucher-authorized E&T child care may be authorized but workers are expected to use prudent judgment. The Food Stamp E&T worker is responsible for:
 - (1) completing the child care application with the client;
 - (2) authorizing E&T child care by completing and giving Form TXX-37-V-JS, Authorization for Food Stamp (FS) E&T Day Care Services, to the E&T participant. An authorization is not entered in the Auth. Daycare tab for this type of approval;
 - (3) maintaining the service case for the duration of authorized child care for Food Stamp E&T activities;
 - (4) referring the non-PA food stamp recipient to the appropriate worker when other services are requested or needed;
 - (5) closing the service case at the completion of E&T activities for which child care is needed or transferring the case to a worker after employment or training is secured;
 - (6) submitting any established overpayment to the Family Support Services Division (FSSD), Overpayment Section; and

(7) advising the FSSD, Food Stamp Section of all voucher-authorized child care.

10. This is a written log of activities and dates which justifies the need for child care.

11. The overpayment is sent to FSSD, Overpayment Section. See OAC 340:40-15-1 for more information regarding overpayments.

12. (a) Proof of need may include a statement from a professional such as a doctor, counselor, therapist, Child Welfare (CW) worker, or SoonerStart worker stating the reasons why the parent or caretaker is incapable of safely caring for the child.

(b) When a family is considered at risk for child abuse and neglect by CW worker but the family is not court involved, the CW worker contracts for Comprehensive Home Based Services (CHBS) with the Oklahoma Children's Services (OCS). When CW is not maintaining an open CW case, the FSSD worker completes the application for preventive child care services. The CHBS case manager assists the family in applying for child care. To verify the need for child care the CHBS case manager provides a written statement to the FSSD worker indicating:

(1) the name(s) and age(s) of the child(ren);

(2) why child care is needed and how it can eliminate or reduce the risk to the child(ren);

(3) what days and hours child care is needed; and

(4) how long the child care is expected to be needed.

13. (a) The worker sends a memo to FSSD, Child Care Section requesting an extension. The worker attaches to the memo any verification supporting the need for child care. For most preventive extension requests the memo must include:

(1) names and ages of all children for whom child care is needed;

(2) an explanation of the reason child care is needed, the circumstances leading to the conclusion the child(ren) is at risk of neglect, abuse, or

exploitation, and how child care can eliminate or substantially reduce risk to the child(ren);

(3) an explanation of whether a CW referral was made and, if not, the reason, as well as any coordination efforts between FSSD, CW staff, and any other community partners;

(4) the days and hours child care is requested for each child;

(5) an explanation of the support system available to the family;

(6) an explanation of the exploration of any free alternative to child care. Examples include the availability of other family members, Head Start, and Mother's Day Out programs;

(7) the length of time child care is needed;

(8) an explanation of what, if any, family share co-payment the family is expected to contribute. If the family share co-payment is reduced or completely waived because of family expenses, an explanation of the plan to decrease the debt is included in the memo; and

(9) the worker's opinion about the need for child care.

(b) When the family is involved with a CHBS case manager and more than 30 days of care is needed, the FSSD worker completes a short memo requesting preventive child care services to attach to the statement provided by the CHBS case manager. Other information requested in (a) of this Instruction to Staff are not required.

(c) FSSD Child Care staff typically approve protective or preventive requests for no more than six months at a time. When an extension is requested beyond the original time frame approved by FSSD, the worker sends a new memo that includes more detail to show what efforts are being made to reduce or eliminate the need for protective or preventive child care.

(d) In the FACS Eligibility Notebook under the Auth. Daycare tab enter reason, "prevention of or protection from abuse, neglect, or exploitation," on the authorization.

14. The worker documents plans to increase the family's responsibility toward

meeting the family share co-payment in the memo. Families for whom preventive child care is requested by a CHBS case manager, are approved with a zero co-payment. If the family is receiving other FSSD benefits and income is considered for those other benefits, the worker diverts the income in the Social Services tab of FACS, "total diverted income" field E47.

15. A plan to reduce the debt may include the worker helping the client develop a budget which decreases the debt or referring the client to Consumer Credit Counseling or another local resource to help develop a budget which reduces the client's debt. This plan is included in the memo.
16. The client must provide proof the child is receiving services based on special needs criteria from at least one of these sources before the child is considered a child with disabilities. A child must receive SSI to be predetermined eligible for a child care benefit with a zero family share co-payment if he or she meets all conditions of eligibility for child care.
17. The client must provide proof from the Social Security Administration that the child meets the medical definition of disability and the Supplemental Security Income (SSI) is closed because of financial reasons.
18. Form ADM-123, Certification for Special Needs Child Care Rate, is completed any time the parent or caretaker requests the higher special needs rate. Steps (1) through (4) in this Instruction must be followed before approving a child with disabilities for the higher special needs rate listed on Oklahoma Department of Human Services (OKDHS) Appendix C-4, Child Care Eligibility/Rates Schedule. To approve a child for the higher special needs rate:
 - (1) the FSS worker, CW worker, child care provider, or DCC licensing staff gives Form ADM-123 to the parent or caretaker to complete Sections I and II. Section I contains identifying information about the child. In Section II the parent or caretaker checks one statement in each category which best describes the child's needs in a child care setting when compared with a typical child of the same age. For example, question number three in Section II of Form ADM-123 asks whether the child requires extra assistance in eating and toileting. If the child is an infant, the answer is marked (d) unless this child requires more assistance than a typical infant. The Birth to Six Prescreen Wheel for Vision, Hearing and Development is a resource available in the county office which describes a typical child's development from birth to six years of age. The parent or caretaker then

gives details about the child's individual needs in each area listed;

(2) the parent or caretaker takes Form ADM-123 to the child care facility of his or her choice to complete Section III of the form. This Section outlines how the child care facility plans to meet the special needs of the child. Both the child care provider and the parent or caretaker sign Section III;

(3) the worker, the client, or the child care provider then sends Form ADM-123 to DCC licensing staff. DCC licensing staff visit the child care facility within ten days of receiving the request per OAC 340:110-1-9.1(b) to determine whether the facility is able to meet the special needs of that specific child. DCC licensing staff complete Section IV of Form ADM-123 stating whether the facility meets or does not meet certification requirements and sends the form back to the worker for case action. Certification requirements include confirming the provider has received required First Aid and Cardio-Pulmonary Resuscitation (CPR) training and an on-site consultation as described at OAC 340:110-1-9.1; and

(4) the worker compares the parent or caretaker's answers on Form ADM-123 to the Individualized Education Program (IEP), Individualized Family Service Plan (IFSP), or health professional's statement describing the care needs of the child for consistency. If the information is inconsistent, the worker further consults with the parent or caretaker and the professional who signed the document for further clarification. When agreement is reached, the worker completes Section V of Form ADM-123 using Form ADM-123-A, Scoring Sheet for Special Needs Rate Determination, to determine whether to approve the child at the applicable daily, blended, or weekly authorization or the moderate or severe special needs rate.

(A) When certification requirements are not met and the parent or caretaker still wishes to use the facility, the worker approves the child at the applicable daily, blended, or weekly authorization for that child's age.

(B) When certification requirements are met, the higher special needs rate is authorized for that child. Copies of the completed Form ADM-123 are sent to the parent or caretaker, the provider, and DCC licensing staff for their records.

(i) When the child does not attend the facility until the facility is certified for the higher special needs rate, the special needs rate is

effective the first date care is provided. If a child care provider refuses to care for the child until the higher special needs rate is approved, the worker informs the provider that this is an Americans with Disabilities Act (ADA) violation. If the provider continues to refuse, the worker completes Form OCR-1, Discrimination Complaint Form - Client or Vendor, and sends it to the OKDHS Office for Civil Rights.

(ii) To authorize the child for the higher special needs rate, go to the FACS Eligibility Notebook under the Auth. Daycare tab and select either the moderate or severe special needs rate on a full-time, part-time, or weekly basis. Select the reason code which best meets the need factor for which child care is approved, such as employment or education.

(C) Per OAC 340:110-1-9.1(b) DCC licensing staff monitors the facility's ability to meet the child's needs each time a visit is made to that facility.

19. If the parent or provider reports that the child requires more or less care than previously determined, a new Form ADM-123 is completed to reflect the child's current care needs. Form ADM-123-A is also completed to determine whether a change is needed in the rate paid by OKDHS.
20. A new Form ADM-123 must be completed with the new provider because both the child and the provider must meet certain criteria before the child is authorized at a higher special needs rate. The new provider must agree to follow the Child Care Plan developed in Section III of the form and licensing staff must certify in Section IV that the new provider meets certification requirements for the higher rate.
21. If the child stops attending the facility that was approved for the special needs rate for fewer than six months and then returns to the same facility, a new Form ADM-123 is not needed unless the care needs of the child have changed. The worker ensures that both the provider and licensing staff still have a copy of Form ADM-123 and that the provider agrees to follow the Child Care Plan described in Section III of the form. If the child stops attending the facility for more than six months, a new Form ADM-123 must be completed.
22. If child care is needed more often for protective purposes, see OAC 340:40-7-8(g) for protective or preventive child care. In the FACS Eligibility Notebook under the Auth. Daycare tab, enter the reason, "prevention of or

protection from abuse, neglect, or exploitation." When child care is approved for socialization and enrichment, use the reason, "enrichment, supervision, training, or to avoid institutionalization." The Form ADM-123 process must be followed to approve the higher special needs rate.

23. Professionals who may provide a statement include the child's doctor, SoonerStart worker, school counselor, and therapist. The worker submits a memo to FSSD, Health Related Medical Section, Supplemental Security Income-Disabled Children's Program (SSI-DCP) coordinator requesting approval for child care. Reviews of this service are completed as requested by the SSI-DCP coordinator. The worker enters a child care request using the AUSNC transaction. See OAC 340:70-8-1(3) for SSI-DCP information. The child care mentioned here is the same child care described in this Section. Once this is approved by the SSI-DCP coordinator, the worker enters an authorization on the system in the FACS Eligibility Notebook, Auth. Daycare tab. When the child has other avenues to receive enrichment such as attending school or Head Start, socialization child care is normally not approved.

340:40-7-9. Exploration and development of potential income

(a) **Exploration and development of potential income.** The worker explores all potential sources of income such as court-ordered child support from a noncustodial parent(s), Social Security benefits, Supplemental Security Income (SSI), unemployment benefits, and veterans benefits at the time of application and at each review. ■ 1 The client is encouraged but not required to apply for SSI when the client indicates that a household member has a disability. The client must agree to pursue child support through the Child Support Enforcement Division (CSED) at the time of application when one or both of the child(ren)'s parents are absent from the home as indicated at (b) of this Section. For all other types of potential income identified at application or review, the client must pursue such income within 90 calendar days of the income being identified. ■ 2

(1) If the client refuses to pursue available income at the time of request and good cause as described in (c) of this Section does not exist, the worker denies the child care request.

(2) If the client agrees to pursue all potential income and then fails to do so, the worker closes the child care benefit for the next negative action deadline. ■ 3

(3) At each review the worker determines whether the client continues to pursue potential income.

(A) If the client begins receiving such income, the worker considers the income for the next negative action deadline after it is reported.

(B) If the client was determined not eligible for the income, the worker records this in the case record and stops exploring this potential income with the client.

(C) If the client stops pursuing the income and good cause as described in (c) of this Section does not exist, the worker closes the client's child care benefit for failure to cooperate for the next negative action deadline.

(4) If the client reapplies after closure because of non-cooperation regarding pursuit of potential income, the client must verify receipt or pursuit of such income or that such income is no longer potentially available before child care can be approved.

(b) Mandatory referral to CSED. When one or both of the child(ren)'s parents are absent from the home, the worker makes a mandatory referral to CSED to pursue child support at the time child care is certified. The worker makes this referral whether or not the client is currently receiving court-ordered child support. After the worker approves

the client for child care, all future child support payments must be made to the Centralized Support Registry (CSR).

(1) The client must provide the name(s) of the person(s) alleged as responsible for the support of a child(ren) and provide identifying information such as name, address, and the employer(s) of the person(s), if known.

(2) The termination of parental rights does not eliminate the obligation of either parent to provide financial support for his or her minor child(ren). Per Section 7006-1.3 of Title 10 of the Oklahoma Statutes, termination of parental rights affects the parent's rights, not his or her responsibility to support the child(ren) except in the case of adoption. An adoptive parent's legal obligation continues even if a child(ren) is returned to the care of the natural parent.

(3) The worker makes the referral to CSED by completing with the client Form FSS-AP-1-A, Absent Parent (AP) Information Sheet, for each absent parent. ■ 4 The worker gives Form C-16, Child Support Services and Responsibilities, to the client. The form explains CSED services and client expectations. Supplemental information sent to the appropriate CSED district office by the worker includes:

(A) a signed and completed Form CSED-1-A, Affidavit of Child Support Payments Received;

(B) a signed and completed Form CSED-1-B, Mother's Affidavit of Paternity. This form is only completed if the mother is applying for child care benefits and paternity has not been established; and

(C) copies of any legal documents concerning custody or child support.

(4) If paternity has not yet been established, the worker discusses the voluntary acknowledgment of paternity process with the alleged father when he is located. If the alleged father admits paternity, the worker secures the alleged father's and the mother's signature on Form CSED-209, Affidavit Acknowledging Paternity, per instructions under the Notice of Rights and Responsibilities on the form. ■ 5

(c) **Good cause.** Although the client's cooperation in the pursuit of child support through CSED is required as a condition of eligibility for child care, good cause for refusal to cooperate may be granted when such cooperation is not in the best interest of the child. The Oklahoma Department of Human Services (OKDHS) may determine that child support activities can be safely conducted without the cooperation of the client.

(1) The client must sign Form C-9, Cooperation Agreement and Request for Good Cause, at the time of the initial application, at the time of an additional child request, or when circumstances result in an applicant's or recipient's request for good cause. The worker does not deny, delay, or discontinue child care benefits pending a determination of good cause for refusal to cooperate if the applicant or recipient has complied with the requirements to furnish evidence or information. ■ 6

(2) OKDHS determines that the client has good cause for refusing to cooperate only if:

(A) there is possible physical or emotional harm to the child;

(B) there is possible physical or emotional harm to the parent or caretaker;

(C) the child was conceived as a result of incest or forcible rape;

(D) legal proceedings for adoption of the child are pending before a court; or

(E) the client is currently being assisted by a public or licensed private social agency to resolve the issue of whether to keep the child or relinquish the child for adoption.

(3) It is the responsibility of the applicant or recipient who makes a claim for good cause to supply documentary evidence to establish the claim, or to furnish sufficient information to permit OKDHS to investigate the circumstances of good cause for refusing to cooperate. Uncorroborated statements of the applicant or recipient are not acceptable documentation. The evidence must be of probative value and supported by written statements to the extent possible. Examples of acceptable written statements include:

(A) birth certificate or medical or law enforcement records which indicate that the child was conceived as a result of incest or forcible rape;

(B) court documents or other records which indicate that legal proceedings for adoption are pending before a court of competent jurisdiction;

(C) criminal, medical, child protective services, social services, psychological, or law enforcement records indicating that the putative or absent parent might inflict physical or emotional harm on the child or caretaker;

(D) medical records indicating the emotional health history and present emotional health status of the caretaker or child, or a written statement from a

mental health professional indicating a diagnosis or prognosis concerning the emotional health of the caretaker or child;

(E) a written statement from a public or licensed private social agency that the applicant or recipient is being assisted by OKDHS to resolve the issue of whether to keep the child or relinquish the child for adoption; and

(F) sworn statements from individuals other than the client with knowledge of the circumstances which provide the basis for the good cause claim.

(4) Upon request, the worker assists the client in obtaining evidence that is not reasonably obtainable. This requirement is limited to the specific documentary evidence in (3)(A) through (F) of this subsection. The client must specify the type of document or record needed, as well as provide sufficient identifying information to make it possible to be obtained.

(5) Under limited conditions the parent(s) of a child removed from the home by a custody order may be exempt from the required referral to the CSED district office as a condition of the child's eligibility. The Children and Family Services Division (CFSD) or Office of Juvenile Affairs (OJA) worker must send a referral that includes reasons for the request of an exemption to the requirement to cooperate in the development of child support.

(d) **Failure to cooperate in the pursuit of child support.** Failure to cooperate in pursuit of child support without good cause may be indicated at the time of application or at any time further action by the client is necessary.

(1) Actions indicating failure to cooperate include refusals to:

(A) identify and assist in locating a known parent;

(B) establish paternity; or

(C) establish, modify, or enforce a support order.

(2) When the worker is informed by CSED that the client is not cooperating, the worker closes the child care benefit for the next negative action effective date. ■ 7

INSTRUCTIONS TO STAFF

1. (a) The worker and the client jointly determine which sources of income may be available to the client and develop a plan to pursue identified potential

income. The worker records this plan on Form FSS-1, Combined Application and Review, Form K-2, Application for Child Care Services, or in the Family Assistance/Client Services (FACS) Interview Notebook under the Day Care tab.

(b) If the client is not making at least minimum wage at the time of the application and is not self-employed, the plan to pursue potential income may include reporting the employer to the Department of Labor for not paying minimum wage. See OAC 340:40-7-8(a) and Instruction to Staff 2 for information about counseling with the client to increase income.

(c) The client must be willing to pursue available income for all household members whose income is considered in the child care case whether or not that person requests child care services. For example, a parent may not choose to only pursue child support from the absent parent(s) of the child(ren) needing child care services and refuse to pursue from another absent parent(s) of a child(ren) in the home. When a minor parent requests child care for his or her child and is not living with his or her parents, child support does not need to be pursued for the minor parent. The minor parent is considered an emancipated adult per policy at OAC 340:40-7-6(c)(1).

2. The worker sets a 90-day tickler to determine whether potential income is being pursued and sends Form ADM-92, County Client Contact and Information Request, at the time of certification advising the client what income must be pursued within 90 days.
3. If the worker has not received information verifying that the client is now pursuing potential income, he or she sends Form ADM-92 giving the client ten additional calendar days to provide proof that potential income is being pursued. If verification is not provided, the worker closes the child care benefit for the next negative action deadline date shown on OKDHS Appendix B-2, Deadlines for Case Actions, Section I.
4. The worker enters information from Form FSS-AP-1-A, Absent Parent (AP) Information Sheet, in the Deprivation tab of the Family Assistance/Client Services (FACS) Interview Notebook.
5. The worker sends the original and one copy of Form CSED-209, Affidavit Acknowledging Paternity, to the Oklahoma State Department of Health (OSDH), Division of Vital Records and gives a copy to the mother and the alleged father. Completion and filing of Form CSED-209 legally establishes paternity for a child. If either parent, within 60 calendar days of completing

Form CSED-209, changes his or her mind about acknowledging paternity, he or she signs Form CSED-209-R, Rescission of Affidavit Acknowledging Paternity. Copies of the form are distributed as indicated on the form.

6. When a claim for good cause is made, the worker updates the Deprivation tab in the Interview Notebook of FACS to indicate that a good cause determination is pending. Child Support Enforcement Division (CSED) forms are completed but not submitted until a good cause determination is made. The good cause determination process is completed when Form C-15, Good Cause Report, and appropriate documentation supporting the good cause claim are forwarded to the appropriate CSED district office.

(1) On an application without a previous good cause request, the worker and supervisor determine whether good cause is justified after evaluating all of the information.

(2) If the county office and CSED district office concur with the client's claim for good cause, the county office updates the appropriate entries on the Deprivation tab of FACS.

(3) If the county office and CSED district office do not concur with the client's claim of good cause, the worker advises the client that if he or she continues to refuse to cooperate, the child care benefit must be closed. If the client agrees to cooperate at this point, he or she signs a new Form C-9, Cooperation Agreement and Request for Good Cause. The worker submits the appropriate CSED forms to the appropriate CSED district office and updates the Deprivation tab to indicate the client is cooperating.

(4) When the county office and CSED district office do not concur with each other in a determination of good cause, the county office submits all pertinent information, including Form C-15 to the Family Support Services Division (FSSD) where a final determination regarding good cause is made. The two offices make every effort to reconcile their decisions before referring the decision to FSSD. FSSD returns Form C-15 with Section V completed to the county office for appropriate action and sends a copy to the CSED district office.

(5) When the client reapplies for child care and good cause has previously been approved, the worker interviews the client regarding what changes, if any, there are from the circumstances that resulted in the previous good cause determination. If there are no changes, the worker completes

Sections I, II, and III of Form C-15 and forwards it to the CSED district office for concurrence. If changes have occurred that might affect the good cause determination, the worker asks the client to furnish sufficient documentary evidence to substantiate the reported changes. Upon receipt of the documentation, the worker completes Sections I, II, and III of Form C-15, attaches a copy of the documentation, and forwards it to the CSED district office for concurrence.

(6) At each child care review, the worker asks the client whether any circumstances have changed regarding good cause. If circumstances have not changed, the worker takes no further action regarding good cause. If it appears circumstances have changed and good cause may no longer exist, the worker completes Section VI of the original Form C-15, attaches documentation of the change(s), and sends it to the CSED district office for concurrence of the good cause consideration. If there is no Form C-15 in the case record, the worker completes Sections I and VI of a new Form C-15. The CSED district office completes Section VI and returns the form to the county office.

(7) If the county office staff and CSED staff jointly agree that good cause no longer exists, the client is advised he or she must pursue child support through CSED or the child care benefit must be closed. If the client agrees to cooperate, he or she signs a new Form C-9. The worker mails appropriate CSED forms to the CSED district office and updates the Deprivation tab in FACS.

(8) If an additional child(ren) is added to the case and good cause has already been approved for the same parent, the worker codes the Deprivation tab to show good cause exists unless good cause circumstances have changed.

7. The CSED district office sends a message via the G3 discrepancy transaction to inform the worker when a client is not cooperating. The same process is used to notify the worker when the client resumes cooperation. To confirm cooperation, the worker can check the G3 discrepancy transaction by entering G3 space case number. The worker can also check cooperation by looking at CSED's CCPI transaction. The worker accesses the CCPI transaction by entering CCPI space the client's family group number (FGN). If the cooperation field is marked Y, the client is cooperating. The worker can find the client's FGN number by entering SSN space and the client's Social Security number.

340:40-7-11. Sources of income considered

(a) **Sources of income considered.** Income may be received periodically or at irregular intervals. All income unless specifically excluded in OAC 340:40-7-12 is considered in determining monthly gross income. Income is classified as earned or unearned income. Gross income is treated the same for both types of income.

(b) **Earned income.** Earned income means total money earned by an individual through the receipt of wages, salary, commission, or profit from activities in which the individual is engaged as self-employed or as an employee.

(1) **Wages.** Wages include total money received for work performed as an employee including armed forces pay, commissions, tips, piece-rate payments, longevity payments, and cash bonuses before any deductions are made such as taxes, bonds, pensions, union dues, credit union payments, and cafeteria plans. ■

1

(A) Only the portion of the cafeteria plan the client controls is counted as income. ■ 2

(B) Reimbursements for expenses such as a uniform allowance or transportation costs, other than daily commuting, are subtracted from gross income.

(C) Payments made for annual leave, sick leave, or severance pay are considered as earned income during the month such income is received whether paid during employment or at termination of employment.

(D) Wages that are garnisheed or diverted and paid to a third party are also counted as income.

(2) **Self-employment.** Earnings derived from a business enterprise owned by the individual are considered as self-employment income. Gross income is determined by calculating total gross receipts or sales and subtracting the costs of producing the income listed in this Section. ■ 3

(A) **Costs of producing self-employment income.** Allowable costs of producing self-employment income include, but are not limited to, the identifiable cost of labor, stock, raw material, seed and fertilizer, and payments on the principal of the purchase price of income producing real estate and capital resources, equipment, machinery, and other durable goods, interest paid to purchase income producing property, insurance premiums, and taxes paid on income producing property. ■ 4 Items not considered as a cost of producing

self-employment income are:

- (i) net losses from previous periods;
- (ii) federal, state, and local income taxes, money set aside for retirement purposes, and other work related personal expenses, such as meals and necessary transportation; ■ 5
- (iii) depreciation;
- (iv) penalties and fines; and
- (v) charitable contributions.

(B) Monthly self-employment income. Self-employment income received on a monthly basis is normally averaged over a 12-month period. ■ 6 If the averaged amount does not accurately reflect the household's actual monthly circumstances because the household has experienced a substantial increase or decrease in business, the worker calculates the self-employment income based on anticipated earnings. ■ 7

(C) Seasonal self-employment. Self-employment income intended to meet the household's needs for only part of the year is averaged over the period of time it is intended to cover. ■ 8

(D) Annualized self-employment income. Self-employment income that represents a household's annual support is averaged over a 12-month period, even if the income is received in a short period of time. If the averaged amount does not accurately reflect the individual's actual monthly circumstances because the individual has experienced a substantial increase or decrease in business, self-employment income is based on anticipated earnings. ■ 6

(E) Income from rental property. Income from rental property is considered income from self-employment.

(F) Income from room and board. Payments from roomers or boarders are considered self-employment if the roomer or boarder is paying a reasonable amount. If the roomer or boarder is a non-relative adult of the opposite sex, OAC 340:40-7-6(a)(5) applies. ■ 9

(G) Self-employed farm income. Self-employed farm income is determined like other self-employment income except when the business expenses exceed the

self-employment income. When the cost of producing self-employment income exceeds the income derived from self-employment as a farmer, such losses are offset against any other countable income in the household. When the annual net loss has been established, the worker prorates the loss by dividing by 12 for the monthly amount to be subtracted from the total countable income. For purposes of this exception, to be considered a self-employed farmer, the farmer must receive or anticipate receiving annual gross proceeds of \$1000 or more from the farming enterprise. Farming is defined as cultivating or operating a farm for profit either as owner or tenant. A farm includes stock, dairy, poultry, fish, fruit, and truck farms, and also plantations, ranches, ranges, and orchards. A fish farm is an area where fish are grown or raised and where they are artificially fed and protected and does not include an area where they are merely caught or harvested. A plant nursery is a farm for purposes of this definition. ■ 10

(3) **On-the-job training.** Earned income from regular employment for on-the-job training is considered as any other earned income.

(4) **Workforce Investment Act (WIA).** Income earned in on-the-job training positions is considered earned income. This is on-the-job training provided under Section 134 of WIA for individuals 19 years of age or older. On-the-job training provided must be full-time positions, and there must be a contract between WIA and the employer for each individual position. This does not include classroom training and institutional training or intern assignments sponsored by WIA, even when an hourly amount is paid for such training.

(5) **Title I payments of Domestic Volunteer Services Act.** Payments under Title I of the Domestic Volunteer Services Act of 1973 as amended [P.L. 93-113] are considered income unless they are excluded under OAC 340:40-7-12. This includes income to Volunteers in Service to America, University Year for Action, and similar volunteer payments.

(6) **Earnings of children.** Earned income of a minor parent is treated as adult earned income. Earnings of other children 17 years of age and younger who are under the parental control of an adult household member are excluded as long as the child is attending school regularly. This exclusion continues to apply during temporary interruptions in school attendance due to semester or vacation breaks, provided the child's enrollment resumes following the break. ■ 11

(c) **Unearned income.** Unearned income means income an individual receives for which he or she does not put forth any daily, physical labor. Types of income listed in paragraphs (1) through (11) of this subsection are considered unearned income. ■ 12

(1) **Assistance payments.** Assistance payments include state means tested programs such as TANF and State Supplemental Payment (SSP) to the aged, blind, or disabled, and Refugee Cash Assistance. ■ 13

(2) **Pensions, disability, and Social Security benefits.** Annuities, pensions, retirement benefits, disability benefits from either government or private sources, or Social Security survivor benefits are considered unearned income.

(3) **Supplemental Security Income (SSI).** SSI is considered unearned income. ■ 14

(4) **Unemployment and workers' compensation.** Income from unemployment insurance benefits or workers' compensation is counted as unearned income.

(5) **Child support, court-ordered child care, and alimony.** Child support, child care payments, and alimony payments, whether court-ordered or voluntary, which are made directly to the household from non-household members are counted as unearned income. If a child care payment is paid directly to the child care provider, it is not considered income for the client. When the absent parent reports he or she is paying a portion of the client's family share co-payment to the child care provider, the only action taken by the worker is to record this in the case record. If the absent parent or another third party is making a payment to the provider in addition to the client's co-payment, it is considered as an additional co-payment which must be met before OKDHS makes a subsidy payment to the provider. Any other payment made to a third party for a household expense must be considered as income when a court order directs that the payment be made to the household. Payments for medical support are excluded. ■ 15

(6) **Veterans compensation, pensions, or military allotments.** Annuities, pensions, disability compensation, military allotments, servicemen dependent allowances, and similar payments are considered unearned income. ■ 16

(7) **Contributions.** Appreciable contributions recurrently received in cash are considered unearned income except in instances where the contribution is not made directly to the recipient. To be appreciable, a contribution must exceed \$30 per calendar quarter per individual.

(8) **Dividends, interest, minerals, and royalties.** Dividends, interest income, income from minerals, royalties, and similar sources are considered unearned income. When income from these sources is received irregularly or in varied amounts, it is averaged over 12 months. Income from royalties is treated as unearned, self-employment income. ■ 17

(9) **Lump sum payments.** Non-recurring lump sum payments which are from a countable income source are considered as income the month they are received. Money not expended within the month of receipt is considered as a resource. Recurring lump sum payments, including income from earnings, are averaged over the period they are intended to cover. ■ 18

(10) **Title IV-E or State Adoption Subsidy.** Federally or state funded adoption subsidy payments are made to adoptive parents of children with special needs are considered as unearned income.

(11) Irregular income. Income received irregularly but in excess of \$30 per quarter is considered as income unless it is from an excluded income source specifically mentioned at OAC 340:40-7-12. Countable irregular income is averaged over 12 months.

INSTRUCTIONS TO STAFF

1. **Wages are averaged over a minimum of the last 30 days unless these wages are not indicative of future earnings. See OAC 340:40-7-13 for more information on computing income. Record income information in the Family Assistance/Client Services (FACS) Interview Notebook under the Income and DC Compute tabs. For information concerning military pay, see Instruction to Staff 15 of these Instructions.**
2. **If the client is credited with benefits in the cafeteria plan that cannot be converted to cash, such as certain types of insurance benefits for the employee or the employee's dependents, these benefits are not considered income. First determine if the employer requires the employee to purchase insurance to receive the benefit allowance. If purchase of insurance is:**
 - (1) **required, count the regular gross earnings plus any excess money left after deducting the insurance cost from the benefit allowance; or**
 - (2) **not required, count the regular gross earnings plus the amount of the benefit allowance available as cash.**
3. **Capital gains income is excluded for child care services. See OAC 340:50-7-30(1) for food stamps.**
4. **(a) Additional examples of allowable costs of producing self-employment income include:**

- (1) licensing fees;**
- (2) business transportation costs;**
- (3) rental payments on income producing property;**
- (4) utilities paid on business property;**
- (5) costs for the repair and maintenance of equipment;**
- (6) storage and warehousing costs;**
- (7) special equipment or clothing specifically needed to perform the job, such as welder's shield or a house cleaning uniform; or**
- (8) the cost of rooms and meals for any self-employed individual whose job takes him or her away from home and requires the individual to remain at the job site overnight.**

(b) If the individual filed a federal income tax form for the self-employment income for the most recent year, the worker uses Schedule C, Profit or Loss from Business, of the Internal Revenue Service Form 1040 to determine monthly income. The line on Schedule C entitled Gross Income shows gross income after the cost of goods sold is subtracted. The worker starts with this figure. The worker then subtracts business expenses listed on this form. Expenses entitled Depletion, Depreciation, Employee benefit programs, and pension and profit-sharing plans are not countable business expenses. Other lines may also need to be questioned and excluded if they are costs shown at OAC 340:40-7-11(b)(2)(A)(i) through (v) or shelter expenses incurred because the person lives at the business property. The remaining figure after subtracting appropriate business expenses is then divided by 12 months to determine monthly countable income.

- 5. When the client goes back and forth to the same job site each day, additional transportation expenses are not allowed. If the client must travel from place to place in order to perform the job, the worker allows additional mileage costs. For example, if a client is a self-employed hairdresser and goes to one business location for work, no additional mileage from home to work is allowed. If the client is a self-employed sales person who goes to various businesses to make sales, additional mileage expenses are allowed at the rate allowed by the Internal Revenue Service.**

6. The worker uses whatever income is representative of future earnings to determine the family share co-payment. The client must receive income before a family share co-payment is calculated. If the individual's self-employment enterprise has been in existence for less than a year, the income and allowable business expenses listed on Schedule C of the Internal Revenue Service Form 1040 are each divided by the number of months the business has been in operation. The monthly business expenses are then subtracted from the monthly income to determine a monthly countable income amount. If the business has been in existence less than a year and federal income tax has not been filed, the worker uses the client's business records of income and expenses to determine countable income.
7. The worker uses whatever income is representative of future earnings to determine the family share co-payment. If income has not been received, no family share co-payment is calculated. Record documentation about family share co-payment changes in the FACS Interview Notebook under the DC Compute tab and in Case Notes if needed to support the change in circumstances in the case record.
8. For example, if an individual is self-employed only during the summer months and works as an employee for someone else during the rest of the year, the worker averages the self-employment income only for the summer months.
9. For a client to declare someone to be paying room and board rather than being a roommate, the client must own or be buying the home separately from the tenant. Determining who must be considered part of a household is different for food stamp purposes. See OAC 340:50-5-1 and 340:50-7-30(8) for Food Stamp Program policy.
10. See OAC 340:40-7-8(a) for defining the need factor for employment.
11. When a child turns 18 years of age he or she is considered an adult for child care purposes. His or her income is not counted if he or she is related to the payee. See OAC 340:40-7-6 for more information regarding household composition and income consideration. See OAC 340:50-5-1 for information regarding who must be included in a household for food stamps.
12. See OAC 340:65-3-4 for information regarding ways to verify and document unearned income.
13. Recipients of these assistance programs are predetermined income eligible

with a zero family share co-payment for the child care benefit.

14. A recipient of Supplemental Security Income (SSI) is predetermined income eligible with a zero family co-payment for the child care benefit. The worker considers the SSI income in determining the family share co-payment for other household members. The child receiving SSI is not counted as a child in OKDHS subsidized care on OKDHS Appendix C-4 when determining the family share co-payment for the other child(ren). The child is counted as a family member in determining household size.

15.(a) The worker obtains copies of any established court orders. If the client states he or she is receiving any of these types of income, the worker obtains current statements or phone interviews from the person providing this assistance as to dates and amounts of all payments made within the last 60 calendar days. If support is received sporadically or in varying amounts, the worker may choose to average income over a longer period of time and document his or her reasoning.

(b) To determine if these payments are paid through the Child Support Enforcement Division, the worker uses the Information Management System (IMS) and enters SSN space and the client's Social Security number to find the family group number (FGN). Enter KI1 space FGN to display a list of payments received. For an explanation of the FGN enter M space CSMLDATA, and for information on using transaction KI1 enter M space KI1.

(c) If the absent parent is paying a portion of the client's family share co-payment and the client is also receiving food stamp benefits, the portion that the absent parent is paying is not considered a dependent care deduction for the Food Stamp Program. See OAC 340:50-7-31(4).

(d) If someone outside of the client's home is paying a portion of the cost of child care directly to the child care provider and states this money is in addition to the client's family share co-payment, the worker enters this payment in the FACS Eligibility Notebook under the Social Services tab, "Court-ordered" field (E55). If a dollar amount is entered in field (E55), the worker sends Form FSS-37, Notice Regarding Social Services, to both the client and the provider advising them that an additional co-payment is paid by someone other than the client in addition to the family share co-payment owed by the client.

(e) Exclude money paid directly to household expenses that are not

court-ordered. See OAC 340:50-7-29(b)(3) for information on how this income is considered for the Food Stamp Program.

16. Military allotments include the amount allotted for rent and food which may appear on an active military person's pay check. This is considered part of that person's earned income.

17. See OAC 340:40-7-11(b)(2)(A) for business expenses for self-employment.

18. Lump sum payments from income sources that are not mentioned in this Section are not considered. See OAC 340:40-7-12(1). Lump sum payments from Supplemental Security Income (SSI) income are also excluded.

340:40-7-12. Sources of excluded income

Only the income listed in this Section is excluded in determining a household's eligibility for child care services. No other income is excluded.

(1) **Lump sum payments.** Both one-time and recurring lump sum payments are excluded as income unless they are specifically mentioned in OAC 340:40-7-11.

(2) **In-kind income.** In-kind income is defined as any gain or benefit which is not in the form of money payable directly to the household, including non-monetary or in-kind benefits such as meals, clothing, public housing, or produce from a garden, and is excluded. ■ 1

(3) **Money received from the sale of property.** Money received from the sale of property such as stocks, bonds, a house, or a car is excluded. This exclusion does not apply if the person is engaged in the business of selling such property. ■ 2

(4) **Bank or trust account withdrawals.** Money withdrawn from a bank or trust account is excluded as income even if used to meet current living expenses.

(5) **Capital gains.** The proceeds from the sale of capital goods or equipment is excluded.

(6) **Earnings of children.** Earnings of an individual 17 years of age and younger who is considered a child in the case is excluded as long as the child is attending school regularly. This exclusion continues to apply during temporary interruptions in school attendance due to semester or vacation breaks, provided the child's enrollment resumes following the break. Earned income of a child who is head of his or her own household, such as is the case for a minor parent, is treated as adult income. ■ 3

(7) **Irregular income.** Any income received too infrequently or irregularly to be reasonably anticipated is not counted unless it is in excess of \$30 per calendar quarter.

(8) **Reimbursements.** Reimbursements for past or future expenses to the extent they do not exceed actual expenses are excluded. ■ 4

(9) **Tax refunds.** Federal or state income tax refunds, including the state and federal Earned Income Tax Credit (EITC), and advance payments of federal EITC are excluded.

(10) **Money received for third parties.** Money received and used for the care and maintenance of a third party who is not a household member is excluded.

(11) **Loans.** All loans, including loans from private as well as commercial institutions, are excluded. Verification that the income is a loan is required.

(12) **Grants.** Grants obtained and used under conditions that preclude their use for current living costs is excluded.

(13) **Educational assistance.** All education grants, work-study, scholarships, and student loans are exempt if receipt is contingent upon the student regularly attending school.

(14) **Stipends.** Stipends paid to students participating in the Indian Vocational Education Program through the Carl D. Perkins Vocational and Applied Technology Education Act is excluded.

(15) **Service Corps of Retired Executives (SCORE) and Active Corps of Executives (ACE).** Payment for supportive services or reimbursement of out-of-pocket expenses made to volunteers serving as foster grandparents, senior health aides, or senior companions, and to persons serving in SCORE and ACE is excluded.

(16) **Government rent or housing subsidies.** Government rent or housing subsidies by government agencies which is received in-kind or in cash for rent, mortgage payments, or utilities is excluded.

(17) **Foster care payments.** Foster care payments received for a foster child in state or tribal custody are excluded as income.

(18) **Victims of Crime Act of 1984.** Payments made from the crime victims compensation program as amended in Section 1402 of the Victims of Crime Act of 1984 are excluded. [42 USC 10602]

(19) **Family Support Assistance Payment Program.** Family Support Assistance Payment Program payments paid to individuals by the Developmental Disabilities Services Division of the Oklahoma Department of Human Services (OKDHS) are excluded as income.

(20) **Vendor payments.** Vendor payments are payments in money on behalf of a household when a person or organization outside the household uses its own funds to make a direct payment to either a household's creditors or a person or

organization providing a service to the household are excluded. Payments specified by a court order or other legally binding agreement to be paid directly to the client but that are instead diverted to pay a third party for a household expense are counted as income. ■ 5

(21) **Income excluded by federal law.** Income excluded by federal law is defined as:

(A) payments received under Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;

(B) payments received:

(i) under the Alaska Native Claims Settlement Act [Public Law (P. L.) 92-203, § 21(a)];

(ii) under the Sac and Fox Indian Claims Agreement [P.L. 94-189];

(iii) from the disposition of funds to the Grand River Band of Ottawa Indians [P.L. 94-540];

(iv) by members of the Confederated Tribes of the Mescalero Reservation [P.L. 95-433]; or

(v) under the Maine Indian Claims Settlement Act of 1980 to members of the Passamaquoddy and the Penobscot Nation [P.L. 96-420];

(C) any payment to volunteers under Title II, Retired and Senior Volunteer Program, Foster Grandparents and others, of the Domestic Volunteer Services Act of 1973 [P.L. 93-113] as amended. Payments under Title I of that Act, Volunteers in Service To America, University Year for Action, and Urban Crime Prevention Program, to volunteers are excluded only if the monthly amount, when converted to an hourly rate, is less than the Oklahoma minimum wage; ■ 3

(D) income derived from submarginal land of the United States which is held in trust for certain Indian tribes [P.L. 94-114, Sec. 6];

(E) Indian payments, which include judgment funds or funds held in trust, distributed per capita by the Secretary of the Interior of the Bureau of Indian Affairs or distributed by the tribe subject to approval by the Secretary of the Interior. Also, any interest or investment income accrued on such funds while

held in trust or any purchases made with judgment funds, trust funds, interest, or investment income accrued on such funds. Any income from mineral leases, from tribal businesses investments, and the like, as long as the payments are paid per capita. For purposes of this paragraph, per capita is defined as each tribal member receiving an equal amount. However, any interest or income derived from the principal or produced by purchases made with the funds after distribution is considered as any other income;

(F) income up to \$2,000 per year received by individual Indians, which is derived from leases or other uses of individually-owned trust or restricted lands is not counted as income. The income exclusion applies to calendar years beginning January 1, 1994. Any remaining disbursements from the trust or restricted lands are considered as income;

(G) allowances, earnings, and payments received by a child(ren) in the household from a program funded by participation in the Workforce Investment Act (WIA), including Job Corps income are not counted as income;

(H) payments, allowances, or earnings to individuals participating in programs under Title I of the National and Community Service Trust Act of 1993. Title I includes three Acts: Serve-America, The Community Service, Schools and Service-Learning Act of 1990, the American Conservation and Youth Service Corps Act of 1990, and the National and Community Service Act. Most of the payments are made as a weekly stipend or for educational assistance. The Higher Education Service-Learning Program and the AmeriCorps Umbrella Program come under this Title. This includes AmeriCorps income;

(I) payments or allowances made under any federal law for the purpose of energy assistance, Low Income Home Energy Assistance Program (LIHEAP), and also utility payments and reimbursements made by the Department of Housing and Urban Development (HUD) and the Farmers Home Administration (FmHA);

(J) the amount of the mandatory salary reduction of military service personnel used to fund the G.I. Bill;

(K) all funds paid to individuals under the Community Service Employment Program under Title V. [P.L. 100-175] This program is authorized by the Older Americans Act. Each State and various organizations receive some Title V funds. These organizations include:

(i) Green Thumb;

- (ii) National Council on Aging;
 - (iii) National Council of Senior Citizens;
 - (iv) American Association of Retired Persons;
 - (v) U.S. Forest Service;
 - (vi) National Association for Spanish Speaking;
 - (vii) National Urban League;
 - (viii) National Council on Black Aging; and
 - (ix) National Council on Indian Aging;
- (L) payments made from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement In Re Agent Orange Product Liability Litigation, M.D.L. No. 381 (E.D.N.Y.);
- (M) payments received under the Civil Liberties Act of 1988. These payments are made to individuals of Japanese ancestry who were detained in interment camps during World War II;
- (N) payments made from the Radiation Exposure Compensation Trust Fund as compensation for injuries or deaths resulting from exposure to radiation from nuclear testing and uranium mining;
- (O) payments for the fulfillment of a Plan for Achieving Self-Support under Title XVI of the Social Security Act;
- (P) payments made to individuals because of their status as victims of Nazi persecution;
- (Q) payments made for the Experimental Housing Allowance Program under Annual Contributions Contracts entered into prior to January 1, 1975, under Section 23 of the U.S. Housing Act of 1937 as amended;
- (R) monetary allowances provided to certain children of Vietnam War veterans as described in Chapter 18 of Title 38 of the United States Code (USC);
- (S) federal major disaster and emergency assistance provided under the

Disaster Relief Act of 1974, and comparable disaster assistance provided by states, local governments, and disaster assistance organizations. For payments to be excluded, the disaster or emergency must be declared by the President of the United States;

(T) the value of the food stamp allotment under the Food Stamp Act of 1977; and

(U) the value of supplemental food assistance under the Child Nutrition Act of 1966 and the special food services program for children under the National School Lunch Act of 1970, both as amended by the Omnibus Budget Reconciliation Act of 1981.

INSTRUCTIONS TO STAFF

- 1. See OAC 340:40-7-11(c)(5) for court-ordered benefits.**
- 2. See OAC 340:40-7-11(b)(2) for how to handle self-employment income.**
- 3. For purposes of this provision, an elementary or high school student also includes someone who attends classes, to obtain a General Educational Development (GED) certificate, that are recognized, operated, or supervised by the student's state or local school district.**
- 4. (a) Examples are reimbursements for:**
 - (1) job or training related expenses such as travel, per diem, uniforms, and transportation to and from the job or training site. However, if these expenses are not reimbursements, they are not otherwise deductible;**
 - (2) out-of-pocket expenses incurred by volunteers in the course of their volunteer activity;**
 - (3) medical or dependent care; and**
 - (4) services provided by Title XX of the Social Security Act.**
- (b) When a reimbursement, including a flat allowance, covers multiple expenses, each expense does not have to be separately identified as long as none of the reimbursement covers normal living expenses. The worker counts the amount of the reimbursement that exceeds the actual incurred expenses. The worker does not consider a reimbursement to exceed actual expenses unless the provider or household indicates the amount is excessive.**

5. (a) Examples of vendor payments that are excluded as income are:

(1) a friend, employer, agency, church, relative, or former spouse making payments for household expenses such as rent or utilities directly to the landlord or utility company. If the payment is made from funds not owed to the household, it is a vendor payment and excluded as income;

(2) a payment made directly to the landlord or financial institution for the household's rent or house by an employer, in addition to paying regular wages, is excluded;

(3) payments specified by a court order or other legally binding agreement to go directly to a third party rather than the household are excluded as income as they are not otherwise payable to the household; or

(4) payments or allowances made by the Department of Housing and Urban Development (HUD) or by the Farmers Home Administration (FmHA) directly to mortgage holders, landlords, or utility providers are vendor payments and excluded as income.

(b) An example of a vendor payment that is considered as income is when a non-custodial parent is directed by the court to pay \$400 in child support to the client. The non-custodial parent pays \$200 to the client and \$200 directly to the landlord for rent. The worker counts the entire \$400 as unearned income because the payment is taken from money that is owed to the household. If the court order had directed the non-custodial parent to make a payment directly to a vendor, that payment is excluded as income.

6. See OAC 340:50-7-22(5)(H) for food stamps.

340:40-7-13. Computation of income

(a) Any income that is received regularly but in amounts that vary, or income received irregularly, is averaged over a minimum of 30 days unless the client has received less than 30 days of representative income. ■ 1 This includes overtime pay, irregular child support, and other occasional increases or decreases in the monthly gross income. When income is received more often than once per month, the income is converted to a monthly amount. ■ 2

(b) Income of the applicant or recipient is verified by the best available information. ■ 3 With new employment, the worker verifies the beginning date, date the first full paycheck is expected to be received, hourly rate, and anticipated number of hours per week. ■ 4

(c) All earned and unearned income is added together to arrive at the gross income for the household.

(d) Once gross income is computed, the only allowable deduction from gross income is for the amount of any verified legally-binding child support payments paid by a household member to or for a non-household member, including child support and child care support payments made to a third party on behalf of the non-household member. ■ 5

(e) The worker uses Oklahoma Department of Human Services (OKDHS) Appendix C-4, Child Care Eligibility/Rates Schedule to determine whether the household meets income guidelines. See OAC 340:40-5-1(h).

INSTRUCTIONS TO STAFF

1. (a) If ongoing income fluctuates to the extent that a 30 day period alone cannot provide an accurate indication of anticipated income, a longer period of past income may be requested and used to determine representative income.

(b) When the worker is computing income in the same case for multiple programs and the programs compute income differently, it is sometimes necessary to use the "total diverted" field E47 in the Social Services section to ensure income is correctly computed for child care. This field is most often used for the initial month of certification when other programs count anticipated income before the applicant receives a full paycheck. The worker takes care in this instance to remove income from the divert field effective the month the income is countable per child care policy.

2. (a) Food Stamp Penalty Income is not considered for child care computation.

(b) In instances where the amounts to be converted differ, such as fluctuating daily, weekly, or biweekly amounts, the worker obtains an average and the average is multiplied by 4.3, 2, or 2.15, whichever is applicable. The method used to convert income to a monthly amount is income received:

(1) on a daily basis:

(A) when there is a consistency in days worked each week and there is a regularity of pay dates, is converted to a weekly amount then multiplied by 4.3; or

(B) when income is received at irregular intervals and there is no consistency in the work offered or when pay is received, it is appropriate to average all income received in a calendar month rather than converting to a weekly amount;

(2) weekly is multiplied by 4.3;

(3) twice a month is multiplied by 2; or

(4) every two weeks is multiplied by 2.15.

(c) The worker carries cents through all steps and then rounds to the nearest dollar when arriving at the monthly amount. The worker rounds one cent through 49 cents down and 50 cents through 99 cents up. The worker records income in the Family Assistance/Client Services (FACS) Interview Notebook under the Income tab.

3. (a) For new applications, if the client has received some pay but less than a full month's worth, the worker uses any full paychecks received to anticipate income for future months. See OAC 340:40-7-10(c) for information regarding when to start counting income from a new source. If the applicant has received at least 30 days of income but income records are not available, use whatever records are available that best establish the amount of income expected for future months. Actual income must be verified and recomputed within 90 days. The worker enters this income information in the FACS Interview Notebook under the Income tab and documents in Case Notes why the records were not available.

(b) If the client's ongoing income has changed and the last 30 days of income are not indicative of future earnings, the worker uses the best available information and documents his or her reasoning in FACS Case Notes. Actual income must be verified and recomputed within 90 days. For earned income, pay stubs are used for verification only if the client's name or Social Security number, date(s) of the pay period, and amount of income before deductions are shown on the pay stub. When this information is not shown on the pay stub, or pay stubs are not available, employer verification is required.

(c) When computing on-going income using paycheck stubs, the steps in (1) through (5) of this Instruction help ensure more accurate earned income calculation.

(1) The client must provide the most recent 30 days of paycheck stubs from the date of the face-to-face interview including any pay stub received on the date of the interview.

(2) Paycheck stubs provided must be consecutive. Using a calendar to identify the pay dates, ensures there are no missing pay stubs.

(3) Gross amounts of income must be used in the calculation process.

(4) If hours worked fluctuate from each pay period, the worker discusses with the client the reason for varying hours, such as the employee missed work due to illness or hours fluctuate due to the amount of work performed. The worker documents this discussion in Case Notes.

(5) The worker only uses those paycheck stubs that the worker determines are representative of future earnings for future months. Actual income is used for the current month if it is available. If the worker excludes any paycheck stubs, he or she documents in the case record or in Case Notes the reason they were excluded.

4. Income from a new source is never used in calculating the family share co-payment until after income is received. See OAC 340:40-7-10 for general provisions regarding income. When the client has not received a full paycheck from new employment, it is appropriate to use an employer's statement or Form ADM-94, Employment Verification, that the employer has completed. When the worker is projecting income for a future month using only an employer's statement, the income is converted using either 2.15, 2, or 4.3 calculation method.

- 5. Child support is defined as any money court ordered and designated to be paid for the support of a child. This may include, but is not limited to, child support, child support arrearages, medical insurance or other health care premiums, child care obligations, or other obligations specified in individual court or administrative orders. Money owed to a state for services provided for a child including, but not limited to, TANF, Medicaid services, and foster care is also considered as child support. Before allowing a child support deduction, the worker obtains proof of the amount ordered and the actual support payments being made each month. The worker enters the amount of child support paid to or for a non-household member in the Social Services tab of the FACS Eligibility Notebook in the "child support deduction" field (E46).**

340:40-9-1. Review of child care eligibility

(a) **Child care review.** The social services specialist completes a review of all conditions of eligibility for child care services by the date agreed upon by the social services specialist and the client. ■ 1 A review is completed no later than 12 months from the date of approval of the application or from the last review. ■ 2 The social services specialist also completes a review when a family's cash assistance stops and child care services are still needed. ■ 3

(b) **Semi-annual reporting households.** Households considered semi-annual reporters for food stamps or Medicaid must be considered semi-annual reporters for the Child Care Program. Semi-annual reporters are sent a computer-generated benefits report form in the fifth month of certification. The benefits report form asks households to report changes in the household's circumstances which could affect their benefits. The semi-annual benefits report form must be completed and returned to the county office, along with all required verification, by the last day of the sixth month, or the child care benefits automatically close. If the household fails to provide sufficient information regarding a deductible expense, continued eligibility is determined without regard to the deduction. The social services specialist must act on any changes reported on the benefits report form in a timely manner. ■ 4

(c) **Coordination of benefits.** Certification and review dates must be coordinated between Child Care Program, food stamps, and Medicaid benefits when the household is a semi-annual reporter. ■ 5

INSTRUCTIONS TO STAFF

1. **Conditions of eligibility which must be reviewed are found at OAC 340:40-7. Reviews of child care are completed on Form FSS-1, Application and Review, Form K-2, Application for Child Care Services, or by entering information in the Family Assistance/Client Services (FACS) Interview Notebook under the Income, Household, and Day Care tabs and in the FACS Eligibility Notebook under the Auth. Daycare and Social Services tabs. If the client is using a one star child care provider at the time of review interview, the worker also gives the client the "Reaching for the Stars" pamphlet, OKDHS Pub. No. 01-18, and discusses the benefits of choosing a provider who is licensed as a one star plus, two star, or three star facility. See OAC 340:40-5-1(g) for more information on helping a client choose an appropriate child care provider.**
2. (a) **Child care reviews occur more often than annually when there is an expected or reported change in the days and hours child care is needed or to keep the child care review due at the same time as other benefits the client**

receives. A client who is in school or training is an example of an expected change in days and hours. Most student schedules change each semester or trimester and are reviewed accordingly.

(b) At review and when there is a change in the days and hours care is needed, the last page of Form FSS-1 or Form K-2 is signed by the client agreeing to the current child care plan. A copy of this form is given to the client for his or her records and to share with the provider.

(c) Changes to either the child care plan or to the family share co-payment are made in accordance with policy at OAC 340:40-9-2 that discusses the effective date of when changes can be made.

3. (a) Form FSS-1 or Form K-2 is only completed when a Temporary Assistance for Needy Families (TANF) case closes, if the reason child care is needed changes, or the days and hours of the plan of service changes. The worker enters all countable income in the Income tab of the FACS Interview Notebook and determines whether to assign a family share co-payment.

(b) The worker reviews the client's eligibility for child care in the same manner as the initial determination. See OAC 340:40-3-1 for initial eligibility procedures. The worker must complete a face-to-face interview if one was not completed at the most recent application or review unless there are extenuating circumstances that are documented in FACS Case Notes. One such circumstance is if the client has had a face-to-face interview for another program in the interim. The child(ren) is seen at the face-to-face interview, whenever possible, to help determine if other social services are needed.

(c) When it is determined that the family continues to meet all conditions of eligibility and continues eligible for the same level of service, the worker verbally advises the client of the decision. When the client continues to meet all factors of eligibility but at a different level of service, notification is computer generated to the client and the child care provider. See OAC 340:40-9-3 for actions requiring computer notice.

(d) When it is determined the family is no longer eligible for subsidized child care services, computer generated notices are sent to the client and the child care provider. If the family continues to need child care services, the worker provides information and, if applicable, referral services and records these services in FACS Case Notes. Referral services may include:

- (1) assisting the family in making suitable alternative child care arrangements;
 - (2) locating less costly care; or
 - (3) providing information to encourage continued quality care.
- (e) See OAC 340:65-5-6 for information regarding reconsideration of adverse actions.
4. (a) Households receiving child care benefits are only considered semi-annual reporters if they are considered semi-annual reporters for another program. The worker is responsible for determining which households are identified as semi-annual reporters. See OAC 340:50-9-5(i) and (j) for information on who is considered a semi-annual reporter for food stamps. Certain non-public assistance Medicaid households may be semi-annual reporters. See OAC 340:40-9-2 for information about which changes must be reported and when action must be taken on these changes for the child care program.
 - (b) When Form FSS-BR-1, Benefit Review Report, is returned to the county office, the worker determines if the form is complete and all required verification is received. Required income verification includes verification of income for the month specified on the form. If more than that month's income is received, the worker evaluates all income provided to determine what is most indicative of future earnings.
 - (1) If complete, the worker processes all changes, updates the "date of last review" field (E7), the "benefits report action" field (E135) with a C, and enters the "benefit report date" field (E136). The worker also enters benefit reporting fields in other sections of the case if applicable.
 - (2) If incomplete or lacking all required verification, the worker updates the "benefits report action" field with an I indicating an incomplete form, and enters the date action is taken in each applicable section of the case.
 - (3) If the benefits report form is not returned to the county office, the "benefit report action" field remains blank. When this field remains blank or shows an I at negative action deadline, all semi-annual reporting sections automatically close with the next effective date showing a reason code of 36S. The authorization section shows a closure reason code of 36.

(c) If the child care authorization and social services sections were automatically closed, during the period between negative action deadline and the last day of the sixth month, the worker may reopen these sections when the completed Form FSS-BR-1 and required verification are received by the last day in the seventh month. Any required changes are processed along with the action to reopen child care benefits. To reopen child care benefits the worker enters an R in the "action type" field (E3) of the Social Services section and the number of children for whom care is approved in the "children in day care" field (E52). It is also necessary to update the "benefit type" and "status" fields (F24), and (F25) for those persons included in the benefit household in each person's Household tab in the FACS Interview Notebook. To reopen the child care authorization the worker must enter an R in the "action type" field (K12) and an A in the "notice indicator" field (K92) as well as any other fields requiring changes. If the child changed child care providers, a new authorization must be entered rather than using the reopen action.

(d) If the worker fails to take action in a timely manner and child care benefits close the worker can reopen the child care benefits within 30 days of the effective date of the closure by reopening the Social Services and authorization sections in the same manner described in (c) of this Instruction. If the authorization has been closed longer than 30 days from the effective date of the closure before the worker takes action, a new authorization must be entered to approve benefits.

(e) In the event the completed Form FSS-BR-1 and verification indicates that the client is no longer eligible for child care, the worker closes child care benefits by the next negative action deadline shown on Appendix B-2, Deadlines for Case Actions, Section I showing the appropriate reason code. If child care benefits were already closed because Form FSS-BR-1 was not returned timely, the worker sends Form FSS-37, Notice Regarding Social Services, to advise the client of his or her ineligibility.

(f) A CWA Report 17 is shown as a result of the issuance of the benefits report form. This serves as a tracking tool. As the "report action" field is updated with C for complete, the related case sections are removed from the report. The related case sections are also removed from CWA Report 17 when they are automatically closed by the system due to failure to return Form FSS-BR-1 or required verification timely.

5. (a) To ensure that reviews are due at the same time for all programs, a child

care review must be completed at the same time the application for other benefits is completed when child care services are open prior to the application for food stamps or Medicaid. If an application for child care services is approved for a later effective date than food stamp benefits or Medicaid benefits, the "date of last review" field (E7) is shortened to match the other benefits. If food stamp benefits are open and the household is considered a reporter, Medicaid and child care benefits review date fields (E7) and (D10) must match the certification date shown for food stamps.

(b) To determine whether a child care review must be completed in order to coordinate benefits, the worker looks at the "reporter status" field (C37) in the Food Stamp section or field (D137) in the Medical Services section. If an S for "semi-annual reporter" or A for "annual reporter" is shown there, the child care portion of the case is also a reporter. If food stamps or Medicaid is shown as a reporter, the system automatically places an S in the "reporter status" field (E137) in the Social Services section to indicate the household is a semi-annual reporter for child care. The " date of last review" field (E7) of the Social Services section must equal the "certification date" field (C2) in the Food Stamp section and the "last redetermination date" field (D10), if those benefits are open, or the worker receives a synchronicity edit advising him or her that these dates must match as the household is a reporter.

340:40-9-2. Case changes

(a) **Case changes.** The client must report any changes in his or her circumstances that would result in an increase or decrease in the level of child care services within ten days. ■ 1 The worker acts on changes which increase or decrease child care services regardless of whether the client is a semi-annual reporter or not. ■ 2 Failure to report changes timely may result in an overpayment assessment against the client or in the client being responsible to pay for increased services for previous time periods. ■ 3 Examples of changes the client must report include:

- (1) household income;
- (2) household composition;
- (3) names and number of household members in child care;
- (4) the reason child care is needed;
- (5) parent's or caretaker's work or school schedule affecting the days and hours child care is needed;
- (6) the client's address or telephone number;
- (7) the child care facility the child is attending;
- (8) child care is no longer being used or needed;
- (9) family size; and
- (10) days and hours child care is needed.

(b) **Additional child request.** When an additional child requires child care, the worker completes the request within two working days of the client providing all necessary verification to determine eligibility. The client completes the last page of Form FSS-1, Comprehensive Application and Review, or Form K-2, Application for Child Care Services, only when the days and hours this child needs child care services differs from the current plan of service. If eligible, the child can be approved for child care benefits beginning with the date of request. Family share co-payment increases due to adding an additional child to the case are effective the month after the month the client requests child care services for that child. ■ 4

(c) **Changes which increase the level of child care services.** Changes that increase

the level of child care services are planned as needed between the worker and the client when changes are reported timely. ■ 5 When changes are not reported timely, the earliest date the worker increases the level of child care services is the first day of the month in which the client reports the change.

(d) **Changes that decrease or terminate the level of child care services.** Whenever possible, the worker plans changes that decrease the level of child care services with the client before implementing the change. The worker also notifies the provider before decreasing services. When the client reports an increase in income, the worker uses Oklahoma Department of Human Services (OKDHS) Appendix C-4, Child Care Eligibility/Rates Schedule, to determine whether the household meets income guidelines. See OAC 340:40-5-1(h). ■ 6

(e) **Change in provider.** When a client reports a change in provider, the change is effective the date the change in provider occurs, regardless of whether the client reports this change timely or not. ■ 7 Provider changes are completed by the worker within two working days of the change being reported.

(f) **Reopen action.** When a client's child care benefits close they can be reopened using current eligibility information if policy and procedures were not administered correctly or if new or additional information is received within 30 days of the effective date benefits were terminated that shows the family continues to be eligible. ■ 8 The worker cannot reopen child care benefits when:

(1) a 30 day period of job search was given because the client lost his or her job or successfully completed school and the child care benefit was closed. See OAC 340:40-7-8(a)(2);

(2) expedited eligibility processing is used and requested verification is not returned within 30 days of the application date. See OAC 340:40-3-1(b); or ■ 9

(3) the payee for the child care case changes. A new application must be completed in this instance.

INSTRUCTIONS TO STAFF

- 1. The worker completes case changes within ten days of receiving notification of the change. The worker confirms with the client any case changes reported by persons other than the client before processing the change.**
- 2. The worker acts on all reported case changes whether the household is considered a semi-annual reporting household or not. The system determines**

which changes affect benefits in other programs. See OAC 340:50-9-5(i) for information about the semi-annual reporting process for food stamps. See OAC 340:40-9-1(b) and (c) for information about the semi-annual reporting process for child care.

3. See OAC 340:40-15-1 for information regarding overpayments. See (c) of this Section and Instruction to Staff 5 for more information when increased services are requested for a previous period of time.
4. (a) The worker notes in Family Assistance/Client Services (FACS) Case Notes or in red on the most recent application or review form, the date of request, the name and birth date for the child, what days and hours child care is needed, how child care needs were previously met, and whether child support or any other income must be pursued for the child. A copy of this information is given or mailed to the client.

(b) If the child brings additional income to the household, add the child's income to current household income for the next effective month.

(c) The worker chooses "social services" in the "benefit" field (F24) and "added to the benefit" in the "status" field (F25) to add the child in the Household tab in FACS. The worker makes a change action to the Social Services tab for the next effective month and enters the correct number of children in care in the "number of children receiving child care" field (E52). The system recalculates the family share co-payment. The worker enters the authorization for the child in the Auth. Daycare tab. The copay is mapped over for the current month from the Social Services tab to the "copay" field (K70) for the new authorization. After this action is cleared, the worker must make one more change to the Social Services tab so it maps the new family share co-payment for the next effective month.

5. (a) Changes, if applicable, are documented in the FACS Interview Notebook under the Income and Day Care, tabs and in the FACS Eligibility Notebook under Auth. Daycare and Social Services tabs. The worker enters a change action in the Social Services tab. If the change action results in a change in family share co-payment, the co-payment change is mapped to the authorization by the system, which generates a notice to the client. The worker does not need to make a change in the Auth. Daycare tab for a co-payment change, but must enter a change action when the unit type or number of days and hours child care is needed changes. Changes include but are not limited to:

(1) a change in income resulting in a decrease in family share co-payment. The earliest date the change is made in the "effective date" field (E5) of the Social Services section is the first day of the month the change is reported, if applicable. The client's family share co-payment for the month a change is reported is based on actual income;

(2) a change in the number of persons needing child care. See (b) of this Section and Instructions to Staff 4 for additional child requests. If a child is being removed, the earliest date the child is removed is the date action is taken. If care is being closed before the provider can receive written notification, the worker contacts the provider to advise of the closure date. The change in family share co-payment is effective the month after the child is removed. If the child left the home, he or she is "removed from the benefit section" in the "status" field (F25) of the Household tab in FACS. If the child is still in the home, he or she is "not included in benefit - Income and resources are considered in benefit computation" in the "status" field (F25). The worker enters a change action to the Social Services tab for the next effective month and the correct number of children in care in the "number of children receiving child care" field (E52). The worker closes the authorization in the Auth. Daycare tab with the appropriate reason code for the child being removed. The system recalculates the family share co-payment which is mapped to the "copay" field (K70) for the remaining authorizations;

(3) an increase in the unit type or number of days or hours child care is needed. The change is made as needed and planned with the client for each affected child when the change is reported timely. When the change is not reported timely, the earliest date days and hours are increased is the first day of the month the client reports the change. The number of days approved for the first month may be less than a full month of care if that level of care was not needed for the entire month; and

(4) an increase in the rate paid by the Oklahoma Department of Human Services (OKDHS) after the worker completes the approval process described at OAC 340:40-7-8(h) for one of the higher special needs rates. The change is made the first of the month following the month of the OKDHS Division of Child Care (DCC) licensing staff's approval in Section IV of Form ADM-123, Certification for Special Needs Child Care Rate. If the child waits to start child care until after DCC licensing staff approves the facility for the special needs rate, the special needs rate begins effective the first day the child enters the facility.

(b) Form ADM-12-S, Day Care Claims, must be submitted by the child care provider to request supplemental payment for any increase when attendance was not correctly recorded. Unless extenuating circumstances beyond the client's and/or provider's control exist, Finance Division staff do not adjust payments to a provider when the client fails to swipe attendance correctly. Circumstances beyond the client's and/or provider's control include, but are not limited to, some type of worker or system error. The worker submits Form EBT-4, Report of EBT Child Care Payment Adjustments, to OKDHS Finance Division to request a supplement be issued to a child care provider to correct problems not associated with correct attendance swiping such as a decrease in the family share co-payment, an incorrect birth date being entered, or an incorrect rate being given. If the client correctly recorded the times of attendance but the swipes were denied, the worker submits Form EBT-4 to request supplemental payment. For all changes other than family share co-payment decreases for prior months, correct data is entered into the system prior to submitting Form EBT-4. The earliest date a family share co-payment decrease can be entered in the Social Services tab of FACS is the first day of the current month.

6. (a) The worker enters a change action in the Social Services tab. If the change action results in a change in family share co-payment, the co-payment change is mapped to the authorization by the system, which generates a notice to the client. The worker must enter a change action in the Auth. Daycare tab when the unit type or days and hours child care is needed changes.

(b) The earliest date child care is terminated or reduced is the date action is taken. The worker calls the provider to advise of the closure date if care is being closed before the provider can receive written notification. Closures effective for the current month must be entered in the system by the 27th day of that month. If a closure action is taken between the 28th and 31st of the month, the earliest date a closure action is taken is the first day of the next month. If an overpayment results, the client is responsible for the overpayment.

(c) Changes, if applicable, are documented in the FACS Interview Notebook under the Income and Day Care tabs and in the FACS Eligibility Notebook under Auth. Daycare and Social Services tabs. Changes include:

- (1) a change in income resulting in an increased family share co-payment. The change is made in accordance with deadline changes requiring advance notice shown on OKDHS Appendix B-2, Deadlines for Case

Actions;

(2) a change in income resulting in the client becoming ineligible for child care services. The change is made in accordance with deadline changes requiring advance notice shown on OKDHS Appendix B-2;

(3) a change in the number or names of children requiring child care services. If child care is requested for an additional child see (b) of this Section and Instruction to Staff 4. If a child is removed from child care, see Instruction to Staff 5(a)(2);

(4) the client not cooperating in determining current eligibility either because of a change in circumstances or because a review is due. The change is made in accordance with deadline changes requiring advance notice shown on OKDHS Appendix B-2. If the notice requesting an interview or verification is returned, the worker makes at least one attempt to locate the client prior to closing the case;

(5) the client requesting closure of the case. The earliest date the worker closes the child care authorization(s) is the date action is taken. The worker contacts the provider to advise of the closure date if care is closed before the provider can receive written notification;

(6) a decrease in the number of days child care is needed or a change between part-time, full-time, blended, or weekly authorized care. The earliest date the change is made is the first of the current month as long as care was not given.

(A) If the dates or amounts of care given reported by the client and provider differ, the worker checks time and attendance through the EBT Daycare system.

(B) If care was given, the change is made in accordance with deadline changes requiring advance notice as shown in OKDHS Appendix B-2.

(C) If child care has already been paid by OKDHS for which the client was not eligible, an overpayment is written. See OAC 340:40-15-1 for overpayment information;

(7) the client no longer meets a need factor for child care. The case is closed in accordance with deadline changes requiring advance notice

shown on OKDHS Appendix B-2. The worker writes an overpayment if the client uses care after he or she no longer meets a need factor;

(8) a change in payee. The case is closed in accordance with deadline changes requiring advance notice shown on OKDHS Appendix B-2. A change in payee requires a new application and a new eligibility determination. If the first payee does not report this change timely, the worker writes any resulting overpayment against the first payee. See OAC 340:40-15-1 for overpayment information; and

(9) failure to return the computer-generated Form FSS-BR-1, Benefit Review Report, timely. Each affected benefit section of the case is automatically closed by the system for the next negative action deadline shown on OKDHS Appendix B-2.

7. (a) This is considered a non-adverse action when no other change occurs in the plan of service. The worker closes the authorization for the first provider using "change in providers" in the "reason" field K16 and "advance notice not required" in the "notice indicator" field (K92) in the Auth. Daycare tab. The earliest date the authorization can be closed is the date action is taken. The worker opens the authorization for the new provider beginning with the date the change occurs and uses "change of providers" in the "notice indicator" field (K92).

(b) The worker enters a change action in the Social Services tab. If the number of children in care changes, the worker also enters the correct number of children in the "number of children receiving child care" field (E52) so that the system recalculates the family share co-payment. This maps the co-payment to the "copay" field (K70) of each open authorization that has "N" in the "copay exempt" field (K78).

(c) The point-of-service (POS) machine for the new provider shows the entire family share co-payment owed for the month. The worker calls the new provider and explains that the client used a different provider for part of the month so the entire family share co-payment is probably not owed for the initial month. The provider can determine how much co-payment is owed by looking at the first payment report he or she receives for the first week the children start care with him or her. Prior to receiving payment for that payment week, the client can provide a receipt to the provider showing how much co-payment was paid at the first provider. The new provider has the option of asking the client to pay the co-payment again until the provider

knows how much co-payment is being applied at his or her facility or accepting the receipt and waiting to charge the client for care. If the provider requires the client to pay the entire co-payment again, he or she must reimburse the client for the amount of co-payment that was not applied to his or her facility.

(d) If the client pays the entire family share co-payment to the first facility and that much care was not given, the provider reimburses the client for the difference. If the provider refuses to do so, the worker contacts Family Support Services Division Child Care Section or the Office of the Inspector General for assistance.

(e) If the first provider reports to the worker the client left without paying the full family share co-payment owed, the provider is advised OKDHS is only able to pay for services provided after the family share co-payment is deducted. It is the provider's responsibility to collect the family share co-payment from the client. The worker counsels with the client about the importance of paying his or her family share co-payment.

(f) If the change in provider comes to the attention of the worker after child care benefits were closed and benefits are not being reopened, the worker only authorizes care for this provider through the date of the original closure.

- 8. (a) See OAC 340:65-5-6 for examples of an incorrect administrative action or an adverse action that was not the result of an administrative error.**

(b) Using current eligibility information means negative action notice time frames do not apply. For example, the client's case closed on lack of verification. The client provides current income information within 30 days that increases the family share co-payment. The worker applies the increase effective the first of the month after child care reopens. If child care closes on the last day of the month, the worker applies an increased co-payment for the first of the next month. If child care closes on the 13th of the month and reopens on the 14th, the increased co-payment applies to the first of the next month.

(c) When there is a change in the days and hours child care is needed, the client must sign the last page of Form FSS-1, Comprehensive Application and Review, or Form K-2, Application for Child Care Services, agreeing to the new days and hours prior to reopening the child care benefits. A copy of this form is given to the client for his or her records and to share with the provider.

(d) To reopen child care benefits the worker enters R in the "action type" field E3 of the Social Services section and enters the "children in day care" field E52. It is also necessary to update the "benefit type" and "status" fields F24 and F25 for those persons included in the benefit household in each person's Household tab in the FACS Interview Notebook. To reopen the child care authorization the worker must enter R in the "action type" field K12, "application approval" in the "notice indicator" field K92, as well as any other fields requiring changes.

(e) If the client reports a change in child care providers, the worker enters a new authorization rather than using the reopen action. A new application is not required. A new authorization must also be entered if the worker does not complete the administrative reopening within 30 days of the effective date of the closure.

(f) If the client does not meet the criteria to reopen the child care benefit, the client must reapply using the processes described at OAC 340:40-3-1.

9. See OAC 340:40-3-1 Instruction to Staff 9.

340:40-9-3. Notices regarding child care eligibility

(a) **Computer-generated notice required.** A computer-generated notice is sent to inform the client of any:

(1) initial eligibility decision; ■ 1

(2) decision regarding continued eligibility if a change occurs that increases or decreases the level of child care services; ■ 2

(3) decision to terminate child care services; and ■ 2

(4) decision to reopen child care services. ■ 1

(b) **Form FSS-37, Notice Regarding Social Services, required.** The worker must send Form FSS-37 when the system does not provide a notice. The worker also sends Form FSS-37 to notify the client and provider when any additional co-payment is being paid by someone other than the client directly to the provider or is being discounted by the child care provider for an employee. ■ 3

(c) **Notice not required.** A written notice is not required for:

(1) information and referral services; and

(2) protective intervention services.

(d) **Returned notices.** When a notice of a proposed case action is returned, the worker makes at least one attempt to locate the client. ■ 4

(e) **Advanced notice required.** Advanced notice is required on case actions that decrease or terminate the level of child care services when such services are still needed by the client. ■ 5

(f) **Advance notice not required.** Advance notice is not required on case actions that increase the level of child care services or when child care services are no longer being used. ■ 6

INSTRUCTIONS TO STAFF

1. **The worker updates the Family Assistance/Client Services (FACS) Eligibility Notebook under the Auth. Daycare tab to computer-generate a notice to the client and the child care provider of the approval, denial, or reopen action.**

The system only sends a child care provider a computer-generated notice denying child care benefits when the name of the child care provider is known and entered in the authorization at the time the denial action is taken.

2. See OAC 340:40-9-2 for changes that increase or decrease the level of child care services. The worker updates the FACS Eligibility Notebook, Auth. Daycare tab to computer-generate a notice to the client and the child care provider of these changes. The system does not send a notice on change actions that do not affect the benefit level or family share co-payment amount.
3. (a) Form FSS-37, Notice Regarding Social Services, is sent by the worker when:
 - (1) the client dies. Form FSS-37 is sent to the person who assumes responsibility for the client's affairs. The worker also contacts the child care provider;
 - (2) there is a delay in decision on an initial application beyond two working days of the worker receiving all necessary verification to determine eligibility. Form FSS-37 explains the reason for delay;
 - (3) the client requests the higher special needs rate and it is not approved. The worker sends Form FSS-37 to both the client and provider;
 - (4) the system fails to send a computer-generated notice and one is needed. The worker sends Form FSS-37 to both the client and provider;
 - (5) the client's case closes due to Form FSS-BR-1, Benefit Review Report, not being returned. The client provides the form and needed verification within 30 days but the verification shows the client is no longer eligible for child care benefits. The worker sends Form FSS-37 to notify the client the reason benefits are not being reopened; or
 - (6) the worker changes providers on the system and the client does not owe the entire family share co-payment to the new provider in a non-electronic benefit transfer (EBT) county. See OAC 340:40-9-2(e) and Instruction to Staff 7.
- (b) See OAC 340:40-7-11(c)(5) and Instruction to Staff 15 for more information on when to send Form FSS-37 because an additional co-payment is being paid.

4. Attempts to locate the client are documented in the case record or in FACS Case Notes. If the client is located within 30 days, he or she is given another opportunity to provide required information without reapplying.
5. This time period allows time for planning with the client and for notifying the child care provider of these changes before they take place. Refer to OKDHS Appendix B-2, Deadlines for Case Actions, Section I, for negative action deadline schedules. The recipient has 30 days following receipt of the notice to appeal the decision. If the client appeals the decision within ten calendar days, child care services are reinstated at the prior level when requested by the client pending the outcome of the hearing. Case actions that require advance notice include:
 - (1) non-cooperation from the client in providing verification and completing a scheduled interview;
 - (2) increasing the family share co-payment;
 - (3) decreasing the days and hours child care is needed or closing child care services when there is less or no compensable need and the client continues to use child care;
 - (4) when a client is no longer eligible for subsidized child care because of countable income;
 - (5) a change in payee; and
 - (6) failure to return the computer-generated Form FSS-BR-1 or required verification timely for semi-annual reporters.
6. Refer to OKDHS Appendix B-2, Section IV, for non-negative action deadline dates if applicable. Also see OAC 340:40-9-2 for possible alternative dates. Case actions that do not require advance notice include:
 - (1) decreasing the family share co-payment;
 - (2) increasing the days and hours child care is needed;
 - (3) the client requesting closure of child care services, reduction in the number of days child care is needed, or a change between care authorized on a part-time, full-time, blended, or weekly basis;

- (4) a client voluntarily waiving his or her right to an advanced notice in writing;**
- (5) closing a child's child care benefit because he or she reaches the maximum allowable age; [OAC 340:40-7-3] and**
- (6) a change in child care provider.**

340:40-13-1. Child care arrangements

(a) **Out-of-home care arrangements.** Out-of-home care is care provided outside of the child's home for less than 24 hours. ■ 1 The Oklahoma Department of Human Services (OKDHS) purchases out-of-home child care services only from licensed or permitted child care centers and family child care homes. ■ 2 A list of licensed, contracted out-of-home providers is available upon request.

(b) **In-home child care arrangements.** OKDHS purchased in-home child care services are obtained only from approved in-home providers. In-home child care is considered the arrangement of choice when night-time child care is needed or when care is needed for a medically fragile child. A parent can choose an in-home provider even when an out-of home provider is available. In no instance is housekeeping service approved. The approval is for the child care plan and the individual giving care.

(1) The worker helps the family select a caregiver capable of providing adequate care and supervision of the child(ren). ■ 3 Guidelines for use in approving an in-home provider are found at OAC 340:40-13-2.

(2) Upon selection of a caregiver, the client and caregiver complete Form CCDF-2, Notification of Eligibility and Mutual Agreement to Provide In-Home Child Care Services. This form is valid for a maximum of one year from the date the county director signs the document and must be renewed annually. ■ 4 If the chosen caregiver is not approved as an in-home provider, the county director sends a letter to the caregiver advising of the denial. The worker sends Form FSS-37, Notice Regarding Social Services, to the client advising him or her to choose another caregiver.

(3) The client and provider also complete and return Form CCDF-2-A, Mutual Agreement Regarding the Plan of Care. This form serves as a basis for discussion between the parent or caretaker and the in-home provider of the plan of care for the children, duties of the in-home provider, how to handle emergencies, and the family rules.

(4) To help ensure the health and safety of the child(ren) in care, the worker gives Form CCDF-2-B, In-Home Provider Health and Safety Checklist, to the provider and the client to complete and return to the worker when the initial contract is signed. ■ 5 The parent or caretaker is also responsible for advising the provider of known risks of a contagious condition of one or more persons in the household. The disclosure allows for training in the universal precautions against exposure. ■ 6

(5) The in-home provider is required to review the "Contracting with DHS for Child

Care Subsidy Payments Handbook" and watch a training video prior to approval as an in-home provider.

(6) The in-home provider must complete a minimum of six clock hours of training within 90 calendar days of the date the county director signs and dates Form CCDF-2. The provider can meet the training requirement by attending workshops or formal training programs, viewing videos, or through individual job related readings.

■ 7 The in-home provider must then sign and complete Form FSS-DC-IN-1, Declaration of Completion of In-Home Provider Training, and return it to the worker.

■ 8

(A) The in-home provider must receive and declare six clock hours of training yearly. The declaration is valid for one year from the date the provider signs the document. ■ 9

(B) Training hours earned by the in-home provider are transferable from one family to another during the year the declaration is in force. ■ 10

(7) When an in-home child care provider cares for a child with disabilities, the provider can be approved for the special needs rate in addition to the applicable daily rate. Prior to receiving this additional rate:

(A) the client, provider, and worker must complete Form ADM-123, Certification for Special Needs Child Care Rate, as described in OAC 340:40-7-8(h); ■ 11

(B) the provider must be currently certified in first aid and infant and child cardiopulmonary resuscitation (CPR). Only training that is OKDHS approved, such as Red Cross, American Heart Association, or First Care is accepted; ■ 12

(C) the provider must receive on-site consultation regarding the nature of the child's disability and the development of the child care plan described in Section III of Form ADM-123 which may include how to operate equipment needed by the child and any specialized training needs. This consultation can be provided by a health professional, a child guidance specialist, a SoonerStart provider if the child is under three years of age, a public school teacher familiar with that child, or from a consultant through the Center for Early Childhood Professional Development. The consultant also provides any available resource materials that might aid the provider in caring for the child. For a child designated as "severe," consultation shall be obtained at least annually; and

(D) the provider must agree to obtain six additional hours of training in areas that address the care of children with disabilities within six months of approval. First

aid, CPR, or informal training may not be counted to meet the special training requirement. Recommended training includes Special Care's Unique Environments, Child Care Careers' Helping Children with Special Needs, SoonerStart training, Training Inclusive Child Care Equal Terrific Opportunities for Children (TIC-TOC) training, formal training from an OKDHS approved sponsor training list, or specialized workshops or conferences addressing the care of children with disabilities. ■13 This training is also documented on Form FSS-DC-IN-1.

INSTRUCTIONS TO STAFF

- 1. If due to the nature of the parent or caretaker's work he or she must leave the child(ren) in child care over 24 hours on an occasional basis, it is acceptable to approve care after receiving approval from Family Support Services Division (FSSD) Child Care Section.**
- 2. Child care centers provide group care to children for part of the 24-hour calendar day. Family child care homes provide care for seven or fewer children, including the operator's own children under five years of age. See OAC 340:110-3-84. Large family child care homes provide care for eight to 12 children, including the provider's own children under five years of age. See OAC 340:110-3-97.1. See OAC 340:40-5-1(g) for restrictions on the choice of providers.**
- 3. Normally an in-home provider is a relative or friend of the client. If the client does not know someone willing to provide such care, the worker can suggest the client inquire within his or her church or other organizations the client belongs to, among the parents of his or her child(ren)'s friends, local student job placement organizations, or any other community groups known to the worker.**
- 4. (a) The earliest date child care can be approved with this in-home provider is the date the county director signs Form CCDF-2, Notification of Eligibility and Mutual Agreement to Provide In-Home Child Care Services. The county director waits to sign Form CCDF-2 until the worker approves the plan of service, documents that the caregiver meets the guidelines in OAC 340:40-13-2 and verifies that the requirements shown in OAC 340:40-13-1(b)(1) through (5) are completed. The worker may request the assistance of local Division of Child Care (DCC) licensing staff in determining whether the in-home provider meets the guidelines. To be considered timely, the worker must certify or deny the application within two working days of the county**

director's signature as long as all necessary verification needed to determine eligibility has been provided. The worker files the original Form CCDF-2 in the case record.

(b) The worker sends or faxes a copy of Form CCDF-2, CCDF-2-A, Mutual Agreement Regarding the Plan of Care, and a memo stating that the provider meets the requirements shown at OAC 340:40-13-1(b)(1) through (5) and the guidelines shown at OAC 340:40-13-2 to Family Support Services Division (FSSD), Child Care Section. FSSD Child Care staff assigns a contract number and e-mails the worker this information.

(c) A new Form CCDF-2 must be completed yearly and a copy sent to FSSD Child Care Section.

- 5. The CCDF-2-B, In-Home Provider Health and Safety Checklist, serves to make the client and provider aware of adequate safety precautions so they can take action to correct any hazards to the child(ren)'s safety. The local licensing specialist is a good resource to provide suggestions if the client and provider are unsure how to correct potential hazards. If the client refuses to make recommended changes, the in-home provider can still be approved to care for the child(ren) in the home since this is the child(ren)'s natural environment. Depending on the nature of the potential hazard, the worker determines whether a referral to Child Welfare is indicated. The worker files the original of Form CCDF-2-B in the case record and sends a copy to the client.**
- 6. The worker is prohibited from disclosing information regarding a contagious condition unless written consent to disclose this information is obtained from the parent or caretaker.**
- 7. The worker initiates the training process by contacting local DCC licensing staff by either Form K-13, Information/Referral - Social Services, or e-mail. The worker advises DCC licensing staff of the in-home provider's name, address, including city and zip code, and the family's name and case number. The licensing specialist must send the in-home provider a training packet within 30 calendar days of the date of request. Completion of this training packet meets the initial six clock hours of required training.**
- 8. Form FSS-DC-IN-1, Declaration of Completion of In-Home Provider Training, is filed in the case record for the family for whom care is being provided. Form FSS-DC-IN-1 serves as:**

- (1) a declaration by the in-home provider that the minimum caregiver training requirements have been met;**
 - (2) case documentation of compliance with the training requirements as set forth in the Child Care Development Fund State Plan for federal financial participation; and**
 - (3) certification that the in-home provider has a sufficient knowledge base that ensures the care setting provides for the health and safety of the child(ren), thereby enhancing the quality of child care.**
- 9. The provider completes a new Form FSS-DC-IN-1 each year and the worker files it in the case record showing what training was received during that year. If the provider is unsure about training opportunities, local DCC licensing staff can help them choose appropriate training.**
- 10. The worker may copy the existing Form FSS-DC-IN-1, update in red the new case name, number, and child(ren)'s name and file the updated copy of the form in the appropriate case record. The date of the declaration is never updated on the copy of the form because that is the date which starts the clock for yearly completion of minimum training requirements.**
- 11. For in-home providers, the worker completes Section IV of Form Adm-123, Certification for Special Needs Child Care Rate, rather than the licensing specialist.**
- 12. The worker views the training documentation to obtain the effective dates of certification.**
- 13. Local DCC licensing staff can help in-home providers find and choose any of these training opportunities.**

340:40-13-3. Child care payments and rates

(a) The Oklahoma Department of Human Services (OKDHS) contracts to purchase out-of-home child care services for children only with licensed providers who:

- (1) post rates and fees;
- (2) sign and comply with all the terms of Form CCDF-1-E, Child Care Provider Contract;
- (3) have participated in mandatory contract training; and
- (4) have access to an account at a financial institution for electronic benefit transfer (EBT) purposes.

(b) By Oklahoma Statutes, OKDHS cannot make advance payments to child care providers.

(c) The rates paid by OKDHS are determined by:

- (1) the child's age;
- (2) settings in which the care is provided:
 - (A) the child's own home;
 - (B) a child care center; or
 - (C) a child care home;
- (3) whether the child has disabilities and the provider is approved for the special needs rate. The special needs rate is added to the applicable rate a child care provider receives for a typical child of the same age after the Form ADM-123, Certification for Special Needs Child Care Rate, approval process is followed; ■ 1
- (4) whether the care is provided on a full-time basis, over four hours per day or a part-time basis, four hours or less per day;
- (5) whether care is provided on a daily, blended, or weekly basis and, if on a weekly basis, whether care is provided three, four, five, six, or seven days per week; ■ 2
- (6) the county in which the provider is located; and

- (7) whether the facility qualifies for a differential quality rate.
- (d) For OKDHS purchased in-home child care services for children, the allowable rate is the amount as shown on OKDHS Appendix C-4, Child Care Eligibility/Rates Schedule. The in-home rate is 90% of the one star child care home daily rate for the age of the child. If a child is eligible for the severe or moderate special needs rate, this is added to the applicable in-home rate for that child. ■ 3
- (e) For OKDHS purchased out-of-home services, the allowable rate is the amount as shown on OKDHS Appendix C-4. ■ 2
- (f) Care may only be authorized at one facility per day per child. If the client uses care at two different providers for the same day for the same child, OKDHS staff approves care at only one of the facilities. The parent or caretaker can use care at two different providers for the same child when care is needed on different days of the week. ■ 4
- (g) Charges are authorized and payment is made only when the care provided is in accordance with the jointly developed plan of service between the client, the provider, and OKDHS. ■ 5
- (h) Age-driven rate changes are effective the first of the month following the child's birth date except as shown in (i) of this Section.
- (i) Eligibility for a child(ren) stops the day before:
- (1) a typical child reaches age 13; or
 - (2) a child with disabilities or a child in OKDHS custody reaches age 19. ■ 6
- (j) A change to add the higher special needs rate to the applicable daily rate is effective the first of the month following the month eligibility for this rate is determined. ■ 7
- (k) A child care provider may be approved for a differential quality rate if he or she meets the criteria for this rate. This rate is given effective the first of the month following the month Division of Child Care (DCC) licensing staff approves the provider for the rate. The rate is designated on OKDHS Appendix C-4 by its "Star" status. ■ 8
- (l) The blended rate may be approved for children age four and older from August 16th through May 15th each year for children attending public school, a pre-kindergarten program, or Head Start during the traditional school year. The blended rate may be approved for the full calendar year when children attend school the entire year. ■ 2

INSTRUCTIONS TO STAFF

1. **See OAC 340:40-7-8(h) for information about Form ADM-123, Certification for Special Needs Child Care Rate, approval process. Until the entire process is completed, the worker approves the child at the usual rate for a typical child of the same age. The provider must keep a copy of Form ADM-123 at the facility.**

2. (a) **The worker may authorize child care on a part-time daily, full-time daily, a combination of part-time and full-time daily, blended, or a weekly basis.**

(b) **The worker authorizes the daily part-time rate when care is needed four hours or less per day and the child does not qualify for the blended authorization.**

(c) **The worker authorizes daily full-time care when care is needed more than four hours per day and the child does not qualify for a blended or weekly authorization.**

(d) **Care authorized on a weekly basis is paid at a full-time daily or part-time daily rate for the days the child attends care. An absent day payment may be made to the child care provider for days the child does not attend care only if the child attends the minimum number of days required in the month to qualify. See Oklahoma Department of Human Services (OKDHS) Appendix C-4-B, Guidelines for Weekly Authorizations, to determine the minimum number of days a child must attend to qualify for an absent day payment and the maximum number of days the OKDHS can pay the provider.**
 - (1) **The worker approves care on a weekly basis when the child attends the child care facility for the entire month and:**
 - (A) **the client works only three or four days per week, and works at least 40 hours per week or 80 hours every two weeks, and also needs child care for all of the work hours. When the client needs care three or four days per week but is not working full-time, a daily rate is approved; or**
 - (B) **the client needs care on a regular basis five, six, or seven days per week more than four hours each day. The client can require care for any of the need factors shown at OAC 340:40-7-7.**
 - (2) **Care is not approved on a weekly basis when:**

(A) the same child is using two different child care providers;

(B) any of the care is needed part-time;

(C) the need for child care fluctuates. For example, if the client needs care three to five days per week, the worker approves a daily authorization;

(D) the child is using an in-home child care provider; or

(E) the child care provider prefers a daily authorization.

(e) The worker approves a blended authorization for children age four and older during the school year when care is needed Monday through Friday part-time for the days school is in session and full-time for school holiday. OKDHS has established two blended authorization types, traditional and extended school year. The traditional school year blended authorization is approved when full-time care is needed during the summer months. It is calculated from August 16th through May 15th of each year. The extended school year blended authorization is for year around school and is calculated for the entire calendar year. The worker must determine which blended authorization type is appropriate. During the summer months, the provider is paid the full-time daily rate with an absent day payment if applicable for authorizations coded traditional blended. The blended authorization is not appropriate if:

(1) the child requires more full-time care days in addition to school holidays during the school year;

(2) the facility is not open on school holidays;

(3) only part-time care is needed;

(4) more than one child care provider is needed for the child; or

(5) the child qualifies for a special needs or in-home child care rate.

(f) When blended, part-time, or full-time care is authorized, OKDHS only pays for those days the child actually attends child care. When a weekly authorization is approved, OKDHS pays for absent days per month as shown on OKDHS Appendix C-4-B.

- (g) See OAC 340:40-5-1 for information regarding completing a plan of service and OAC 340:40-7-7 for information on determining the need factor for child care.
3. See OAC 340:40-13-1(b) and 340:40-13-2 for information regarding approving an in-home child care provider. See OAC 340:40-7-8(h) for procedures to approve the moderate or severe special needs rate.
 4. Care may only be authorized at one facility per day per child. When the client advises the worker that he or she plans to use two different providers for the same child, the worker determines what days of the week care is needed at each provider. If care is needed on different days, the worker can authorize care at both providers. Authorizations for both providers cannot exceed the maximum that would be authorized if care was only needed at one provider. For example, the client wishes to use one provider three days per week and another provider two days per week. The maximum number of days that the worker approves for care is a total of 23 days per month.
 5. Before the worker authorizes care, he or she discusses the plan of service with the child care provider. This discussion includes whether or not the provider is open and has sufficient licensed capacity to be able to care for the child(ren) during the days and hours listed in the plan of service. Before calling the provider, the worker may enter AUPRI space, the provider's contract number, space the letter "O" on the Information Management System (IMS) to see how many children are already authorized with this provider, keeping in mind that other children being paid for privately may also be in care at this facility. The worker determines licensed capacity for a child care provider by entering LF for centers, LH for homes space and the license number for the provider. Field 537 lists licensed capacity for centers and field 445 lists licensed capacity for homes. For family child care homes, maximum capacity is seven. For large family child care homes, maximum capacity is 12.
 6. See OAC 340:40-7-3 for age requirements.
 7. See OAC 340:40-7-8(h) for information on the approval process for the higher special needs rate. Also see OAC 340:40-13-1(b) if in-home care is approved. If the provider does not qualify for this higher rate, the worker may authorize child care on a part-time daily, full-time daily, or a weekly basis for this provider.
 8. See OAC 340:110-1-8.3 for information on the criteria Division of Child Care

licensing staff use to approve this differential quality rate.

340:40-13-5. Child care provider contracts

(a) **Criteria.** In order for the Oklahoma Department of Human Services (OKDHS) to purchase out-of-home child care services, a provider must have a current Form CCDF-1-E, Child Care Provider Contract, signed by both the owner of the facility and the OKDHS Director or designee on file with the Family Support Services Division (FSSD) Child Care Section. OKDHS assures all persons that OKDHS or any provider of contractual services, does not take into account a person's race, color, religion, sex, national origin, or disability in the selection or eligibility of individuals to receive services and in the manner of providing them. Age may be a factor only to the extent that certain services are designed for a particular age group.

(1) Written complaints of noncompliance with the assurance in (a) of this Section may be made to the Director of OKDHS or to the Secretary of Health and Human Services, Washington, D.C. 20201.

(2) County Division of Child Care (DCC) licensing staff provide initial information about contracts for child care facilities. The provider contacts the county child care liaison to obtain an initial contract form.

(3) Child care contracts are valid for a maximum of one year. They are automatically renewed for successive one year terms, under the same terms and conditions, unless either the child care provider or OKDHS gives written notice of its intent not to renew to the other party at least 30 calendar days prior to the expiration of the current term.

(b) **Procedure for obtaining child care contracts.** OKDHS enters into contracts only with licensed or permitted out-of-home providers. A child care center provider requesting an initial contract must be licensed or permitted and have a one star plus, two star, or three star status before signing Form CCDF-1-E. A one star child care home provider requesting an initial contract must be licensed; not on permit, before signing Form CCDF-1-E. A child care home provider at one star plus, two star, or three star status requesting an initial contract must be licensed or permitted before signing Form CCDF-1-E. ■ 1 The procedures in (1) through (8) of this subsection are used to obtain child care contracts.

(1) DCC licensing staff give the child care provider a promotional flyer containing information about contracting with OKDHS. The provider is instructed to contact the county child care liaison for training and review of the contracting requirements.

(2) When contacted by the child care provider, the county child care liaison arranges an appointment at which time the provider is required to review the "Contracting with

DHS for Child Care Subsidy Payments Handbook" and watch a training video. The provider must fulfill this training requirement before an initial contract may be submitted. ■ 2

(3) If the provider wishes to contract with OKDHS following this training, the county child care liaison provides Form CCDF-1-E to the child care provider. The child care liaison explains that the earliest date a contract is valid is the date of approval by the OKDHS Director or designee.

(4) The provider completes all identifying information on Form CCDF-1-E according to the instructions on the form. In the presence of a notary, the provider signs one copy of the contract, has it notarized, and returns the contract to the county child care liaison. ■ 3 Proof of ownership of the child care business is attached. ■ 4

(5) The child care liaison attaches Form CCDF-1-E and proof of ownership to the Contract Checklist and sends them to the FSSD Child Care Section for approval or denial. If the DCC licensing staff provides the county child care liaison with a copy of the provider's Oklahoma State Bureau of Investigation background investigation report, that document is also attached to the contract. ■ 5

(6) If the child care provider signs Form CCDF-1-E but fails to complete other contracting requirements within 30 calendar days, the child care liaison attaches Form CCDF-1-E to the Contract Checklist and sends it to the FSSD Child Care Section for denial.

(7) If approved, the FSSD Child Care Section staff assigns a contract number and sends a copy of the signed contract back to the provider. ■ 6

(8) If denied, the FSSD Child Care Section returns the original contract to the provider with a letter advising the provider OKDHS has decided it is in the best interest of OKDHS not to contract with the provider.

(c) **Out-of-state providers.** In some situations it is necessary to contract with a child care facility in another state because a client resides in Oklahoma near the border of another state and elects to use an out-of-state facility. When this occurs, the county child care liaison contacts DCC licensing staff and requests verification of the licensed status of the facility. DCC licensing staff contacts the out-of-state agency responsible for licensing. Prior to an out-of-state child care home provider signing Form CCDF-1-E, DCC licensing staff must determine whether the home is under a license or permit. If the home provider is under permit, a contract cannot be signed until DCC licensing staff determine the home meets OKDHS criteria for a one star plus, two star, or three star status. If the child care home is licensed, the provider may sign Form CCDF-1-E. Prior

to an out-of-state child care center owner signing Form CCDF-1-E, DCC licensing staff must determine the facility meets OKDHS criteria for a one star plus, two star, or three star status. The same procedures apply as in contracting with in-state facilities except that a contract is renewed with an out-of-state facility only if services are being provided to an OKDHS client when the contract expires.

(d) **Changes that must be reported.** Form CCDF-1-E advises child care providers to report the anticipated sale of the business, change of legal business entity, change of location, or plan to stop caring for children no less than 30 calendar days prior to the change occurring to the FSSD Child Care Section. The training video does not need to be viewed as long as the person who signs as owner on the new contract remains the same and he or she already viewed the most recent training video. When the provider fails to report the anticipated change timely and a new contract is needed, a gap may occur in the child care subsidy payment to the provider. A new contract is required in the situations included in (1) through (4).

(1) Change in facility status. A change in facility status occurs when a facility changes from a home to a center or a center to a home. A change from a family child care home to a large family child care home does not require a new contract as long as the same license number is used.

(A) When the status of a child care home changes to a child care center, a new license application is required. Prior to signing a new contract, the provider must be issued a license or permit at one star plus, two star, or three star status.

(B) When the status of a child care center changes to a child care home, a new license application is required. Prior to signing a new contract, the provider must be issued a license or permit at one star plus, two star, or three star status, or be licensed; not permitted, at one star status. ■ 1

(2) Change in ownership for a child care center. The new owner must meet or be anticipated by DCC licensing staff to meet one star plus, two star, or three star status within 30 calendar days before a new contract is signed and submitted to the FSSD Child Care Section. ■ 7

(3) Change of location.

(A) Child care center providers must sign a new license application when they change location. They must wait to sign a new contract until a license or permit is approved at the new location. Center providers approved at one star status at their new location may only sign a new contract if a child(ren) already receiving a child care subsidy at the old location wishes to move to the new location. ■ 8

(B) Child care home providers are not required to sign a new license application when they change locations. They must sign a new contract agreeing to care for children receiving a child care subsidy only at the new location. The provider maintains the same contract number. ■ 8

(4) **Change of legal business entity.** The child care provider must complete a new license application and contract when he or she changes his or her legal business entity. ■ 9 Examples of changing legal business entity include changing from a sole proprietor to a corporation, partnership, or limited liability company. The provider must provide proof of ownership. ■ 4

(A) Child care center providers who were at one star plus, two star, or three star status under their previous legal business entity can sign and submit Form CCDF-1-E to the FSSD Child Care Section while the new license application is pending. Child center providers who were at one star status under their previous legal business entity cannot sign a new contract until they attain one star plus, two star, or three star status even if a child(ren) already receiving a child care subsidy is currently in care under their previous legal business entity.

(B) Child care home providers who were at one star plus, two star, or three star status under their previous legal business entity can sign and submit Form CCDF-1-E to the FSSD Child Care Section while the new license application is pending. Child care home providers who were at one star status may only sign a new contract once they are licensed; they cannot be on permit. ■ 1

(e) **Providing care at a different site than is authorized.** When the child care provider signs the child care contract, he or she agrees to provide care only at the physical address designated in the contract. In certain circumstances, a child care center provider who owns more than one child care center may move children eligible for a child care subsidy to an alternate center after he or she receives prior approval in writing from the FSSD Child Care Section authorizing him or her to move the children and the point-of-service (POS) machine to the alternate site for a designated period of time. FSSD Child Care Section staff only gives approval when:

(1) the alternate site is owned by the same owner or legal business entity;

(2) the alternate site is licensed and contracted at the same star level;

(3) there is a legitimate business reason for providing care in another location; and

(4) the provider advises FSSD Child Care Section staff how he or she is ensuring that parents are aware that their children are being cared for at a difference location.

(f) **Renewal of child care contracts.** Child care provider contracts are effective July 1 through June 30 of each year. They are automatically renewed for successive one year terms, under the same terms and conditions, unless either the provider or OKDHS gives written notice of its intent not to renew to the other party at least 30 calendar days prior to the expiration of the previous term. A contract is not renewed when a provider fails to attend required contract training or to provide any other information or documents requested during the contract renewal period.

(g) **Contract violations.** The worker or the county child care liaison investigates all reports of contract violations by providers. The worker or the county child care liaison discusses and participates in planning with the provider to eliminate any apparent violation. The provider is informed that, under the terms of the agreement with OKDHS, all terms of the contract must be met and that ten calendar days are given to correct any violation. If at the end of the ten-day period the provider fails to correct the violation, the worker documents and reports the continued violation to his or her supervisor, who is then responsible for submitting the information by memorandum to FSSD Child Care Section for a determination of further action. ■ 10 Examples of contract violations include, but are not limited to:

(1) discriminating against persons seeking services either by charging a discriminatory rate or violating a person's rights as listed in the Civil Rights Act of 1964 as amended, the Rehabilitation Act of 1973 as amended, or the Americans with Disabilities Act of 1990;

(2) failing to post all of the facility's rates and fees;

(3) failing to inform OKDHS of a change in facility status, location, legal business entity, or ownership of the business at least 30 calendar days in advance of the change;

(4) charging a client receiving subsidized child care more than the OKDHS rate for days and hours within the client's plan of service;

(5) moving the child(ren) from the agreed upon location shown in the contract for reasons other than field trips and claiming for services at this other location without prior written approval from the FSSD Child Care Section;

(6) subcontracting services to another provider without written prior approval from OKDHS;

(7) refusing unlimited access by a parent or caretaker to the facility during the hours of operation;

(8) failing to maintain a drug-free workplace;

(9) refusing to make available to OKDHS within an hour of request by any OKDHS representative all business records that document proper fiscal and program management by the provider;

(10) failing to advise and provide OKDHS a completed copy of any agreement the provider enters into within 30 calendar days of entering into such collaboration or agreement; and

(11) claiming and/or receiving payment from OKDHS for the same hours of care he or she is receiving payment from another state or federal funding source.

(h) **Additional electronic benefit transfer (EBT) contract violations.** Examples of EBT contract violations by a provider include:

(1) filing manual claims when they could be filed through the EBT system;

(2) possessing or swiping a client's EBT card;

(3) knowing a client's personal information number (PIN);

(4) failing to ensure accurate time and attendance information was recorded by the parent or caretaker on the POS machine. The attendance, not time, of a child(ren) approved for the part-time or blended authorization must be recorded during the school year by the parent or caretaker;

(5) moving the POS machine and allowing parents to record time and attendance at a different location than agreed upon in the contract without receiving prior written approval from the FSSD Child Care Section;

(6) breaching the contract signed by the provider with the OKDHS EBT contractor; and

(7) not maintaining written records for any manual claims filed during the last three years.

(i) **Cancellation of child care provider contracts.** FSSD Child Care Section staff initiates the cancellation by issuing a notice to the provider by certified mail and regular mail at the same time.

(1) Contracts may be canceled:

(A) with cause. The effective date of cancellation is 13 calendar days after FSSD staff mails the notice. This allows three calendar days for mailing time. The notice must contain a reference to the grounds for cancellation including the specific contract provision(s) that was violated; or ■ 11

(B) without cause. The effective date of cancellation is 33 calendar days after FSSD staff mails the notice. This allows three calendar days for mailing time.

(2) The FSSD Child Care Section communicates with the county child care liaison whenever a contract is being canceled to ensure that county staff have sufficient time to plan with clients to find another facility, if necessary. When it is necessary to cancel authorizations with a child care provider, the provider is notified by use of a computer-generated notice. FSSD Child Care Section staff closes all authorizations with the provider whose contract is canceled.

(3) Copies of all correspondence regarding contract cancellation proceedings which are not initiated by the provider are routed by the FSSD Child Care Section to the:

(A) DCC, licensing coordinator;

(B) Legal Division;

(C) Finance Division;

(D) Office of the Inspector General;

(E) FSSD Overpayment Section;

(F) Commodity Distribution Unit;

(G) Child Care Resource and Referral Agency serving the area where the provider is located;

(H) Department of Education, Child Care Food Program;

(I) Cherokee Nation, if serving the area where the provider is located;

(J) Creek Nation, if serving the area where the provider is located;

(K) Choctaw Nation, if serving the area where the provider is located;

(L) the Field Operations Division area office where the provider is located; and

(M) the local county director, county child care liaison, DCC licensing supervisor, and DCC licensing staff where the provider is located.

(4) Copies of all correspondence regarding contract cancellation proceedings which are initiated by the provider are routed by the FSSD Child Care Section to the:

(A) Finance Division; and

(B) local county director, county child care liaison, DCC licensing supervisor, and DCC licensing staff where the provider is located.

INSTRUCTIONS TO STAFF

1. (a) **The county child care liaison monitors the license status of all providers requesting a contract by accessing Division of Child Care (DCC) Licensing Services information on the Information Management System (IMS). To obtain a license case number, the liaison uses the LISAX transaction. Enter LISAX space and up to the first 15 letters of the child care center name or child care home provider's last name. The LF transaction is used to inquire about the status of child care centers, and the LH transaction is used to inquire about the status of child care homes. Enter LF or LH space and the licensing case number. A case status code of 2 indicates that the facility is on permit status, 3 indicates the facility is licensed, and 4, indicates that the facility is on provisional status.**

(b) The LF or LH screen also shows the star status of a provider near the top of the screen.

(c) If a child care center provider is at one star status, the child care liaison advises the provider he or she must attain one star plus, two star, or three star status before he or she may sign Form CCDF-1-E, Child Care Provider Contract.

(d) If the LH screen shows that a child care home provider is at one star status, the child care liaison looks at field (413) to determine whether the case status code is 3. If the case status code is not 3, the child care liaison advises the provider he or she must become licensed, not permitted, or attain a one star plus, two star, or three star status before he or she may sign Form CCDF-1-E.

(e) The child care liaison uses the Contract Checklist document located on the Family Support Services Division (FSSD) Child Care Web site under Child Care

Liaison Tools to ensure all necessary information is submitted with Form CCDF-1-E.

(f) See Instruction to Staff 7 when a new contract is requested because of a change in ownership.

- 2. The provider must wait to view the training video until after he or she meets necessary criteria at (b) and Instructions to Staff 1 of this Section.**
- 3. The dates in Part One and Part Two of Form CCDF-1-E are left blank for entry by FSSD Child Care Section staff. The earliest date entered is the date approval of the contract is granted.**
- 4. The provider designates on Form CCDF-1-E his or her type of legal business entity. Based on the legal business entity the provider checks on Form CCDF-1-E, the child care liaison uses Oklahoma Department of Human Services (OKDHS) Appendix L-7, Ownership Proof Chart, to determine what proof of ownership is required.**
- 5. In order to obtain a license, the owner of a child care facility must undergo an Oklahoma State Bureau of Investigation background check. If the provider's criminal history investigation report includes a conviction for fiscal mismanagement, such as embezzlement or fraud, or if there are repeated convictions which indicate a pattern of criminal activity, DCC licensing staff send a copy of the report to the county child care liaison. These confidential reports are secured in a storage area, such as a locked desk or file cabinet in the county office. Authorized OKDHS staff reviews the reports in the event the provider is granted a license and wishes to contract with OKDHS.**
- 6. (a) FSSD Child Care Section staff enters information about the provider on the Day Care Contract File when the contract is initially approved and as changes occur.**

(b) Information from the Day Care Contract File is accessed by using transaction PCI on IMS. Enter PCI space and the contract number. If the contract number is unknown, the worker obtains the number by using the PCX transaction or Child Care Locator.

(c) When using PCX, the worker enters PCX space and up to the first eight letters of the child care center name or child care home operator's first name. Enter PCI next to the contract number on the list displayed. To view

instructions and filter options for these transactions, enter M space and the transaction code. Example: M space PCX.

(d) Child Care Locator is available on the InfoNet under OKDHS Tools. The worker clicks on Child Care Locator, chooses the county where the facility is located, and enters the name of the facility for a child care center or the first and last name of the owner for a child care home. A gray ball appears in front of the names of providers with child care contracts. The worker obtains the contract number by hovering over the gray ball.

7. (a) When the child care provider signs Form CCDF-1-E, he or she agrees to notify the FSSD Child Care Section no less than 30 calendar days prior to the effective date of any anticipated sale of the business. If the old and/or new owner provides timely notification of the anticipated ownership change and children receiving a child care subsidy are currently in care at the facility, OKDHS staff make every effort to avoid or reduce any gap in the child care subsidy payment by allowing the new owner to sign a child care contract and view the training video as soon as possible.

(b) When the old owner contacts OKDHS in advance to advise of the ownership change, staff advise him or her to tell the prospective owner to apply for a child care license with the local DCC licensing specialist and a contract with the child care liaison as soon as possible.

(c) When the child care liaison is notified in advance of an ownership change by the new owner, the child care liaison advises the new owner that he or she must apply for a child care license first. If the new owner has already applied for a license, the liaison asks if the new owner applied for a one star plus or higher star level. If the new owner has not applied for a one star plus or higher star level, the liaison advises the new owner that a contract cannot be signed or the training video viewed until he or she has requested a one star plus or higher star status.

(d) After the new owner has applied for a one star plus or higher star level, the liaison checks with the DCC licensing specialist about the status of the licensing application. If the DCC licensing specialist states it appears likely a permit or license can be approved upon change of ownership and one star plus or higher star status is expected to be approved within 30 calendar days, the liaison allows the provider to sign Form CCDF-1-E, shows the provider the training video, and submits the Contract Checklist and all necessary information to the FSSD Child Care Section.

(e) The FSSD Child Care Section staff waits to approve or deny the child care contract until after the decision on the license application is made and star status determined. If a one star plus or higher status is not approved by DCC licensing staff, the contract is denied.

8. When a new contract must be signed because of a change of location, FSSD Child Care staff sends the new contract to the provider. If the provider notifies the child care liaison first of a change in location, the liaison refers the provider to the FSSD Child Care Section for assistance.

9. When a new contract must be signed because of a change in legal business entity, FSSD Child Care staff sends the new contract to the provider. If the provider notifies the child care liaison first of the change in legal business entity, the liaison refers the provider to the FSSD Child Care Section for assistance.

10.FSSD Child Care Section staff reviews the material submitted and makes a decision regarding the provider's continued contractual status. One such decision may be to cancel the contract and close all existing authorizations with a facility. Only with FSSD approval are all existing facility authorizations for children receiving a subsidy payment closed and no new authorizations made with the provider.

11.Payments by OKDHS for care given by providers holding a current child care provider contract may continue throughout the 33-day calendar period during which the intent to revoke a license may be appealed. If the provider does not appeal the intent to revoke the license, the contract is automatically canceled. If the provider does appeal license revocation, denial of a renewal license, or denial of a license while operating under a six month permit, the contract can be canceled or continued until the appeal is decided.