TO: ALL OFFICES

SUBJECT: MANUAL MATERIAL

OAC 340:40-3, Table of Contents; 40-3-1; 40-5-1; 340:40-7, Table of Contents; 40-7-3 through 40-7-4; 40-7-6 through 40-7-9; 40-7-11; 40-9-1; 40-9-2; 40-13-3; and 40-13-5.

EXPLANATION: Child Care rule revisions clarify rules regarding the application process, the plan of service, the eligibility factors of age, household composition, need for child care, pursuit of child support and other potential income, the review process for child care, and contracting issues with child care providers. A new Section is added regarding children with disabilities.

340:40-3-1 is revised to: (1) clarify who is responsible for taking child care applications; (2) clarify when a new application is required; (3) clarify who can apply for child care benefits; and (4) change terminology.

340:40-5-1 is revised to: (1) remove the restriction that child care home providers who are only willing to care for relative's children cannot be approved for a contract; (2) remove the requirement that human services center staff contact the child care provider to determine capacity before approving care; (3) clarify when the provider can charge the client for hours used outside of approved plan of service hours; (4) rearrange order of rules for clarification; (5) change terminology; and (6) clarify that approved plan of service hours for two parent families only includes the time both are participating in an approved activity during the same hours.

340:40-7-3 is revised to: (1) rearrange order of rules for clarification; and (2) include a rule citation regarding a child with disabilities.

340:40-7-3.1 is a new Section that moves rules from 340:40-7-8. The new Section makes it easier to locate rules regarding a child with disabilities and adds a reference to the Supplemental Security Income-Disabled Children's Program (SSI-DCP).

340:40-7-4 is revised to include a rule regarding Social Security numbers.
340:40-7-6 is revised to: (1) add definitions; and (2) clarify rules regarding determination of a child's eligibility when the child lives with his or her parent for only part of the month.

340:40-7-7 is revised to: (1) move rules from this Section to 340:40-7-8; (2) remove short-term illness as a need factor; (3) add activities that do not meet a need factor; and (4) add clarifying language.

340:40-7-8 is revised to: (1) define sleep time child care in this Section rather than in 340:40-7-7; (2) define the need factors for certain education programs; (3) clarify when child care is approved for job search, a training or formal education program, preventive and enrichment child care; (4) clarify how a request for a second training or formal education program is handled; (5) remove language regarding the special needs approval process and include language in a new Section 340:40-7-3.1.

340:40-7-9 is revised to: (1) change the title of the Section; (2) reorder rules so that pursuit of child support is shown first; (3) add rules regarding when a child support referral is not needed; (4) clarify rules regarding child care benefits when the client cooperates following closure of child care benefits; and (5) clarify other types of potential income.

340:40-7-11 is revised to allow 50% of gross income from non-farm self-employment to be excluded as a business expense for households that declare business expenses.

340:40-9-1 is revised to: (1) clarify the appropriate child care review forms; (2) clarify special circumstances concerning preventive child care reviews; (3) and change terminology.

340:40-9-2 and 340:40-13-3 are revised to: (1) add clarifying language; and (2) change terminology.

340:40-13-5 is revised to: (1) clarify that an in-home child care provider must watch the contracting video; (2) clarify who must view the video; (3) require that the owner submit a copy of his or her Social Security card when requesting a child care contract; (4) clarify rules regarding change of location for child care centers; (5) add rules regarding contract violations; (6) change how provider contract violations are handled; and (7) change terminology.
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.

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SUBCHAPTER 3. INITIAL APPLICATION

Section
340:40-3-1. Application process
340:40-3-1. Application process

(a) Application process. The application process for subsidized child care benefits begins with a request for an application form and ends with determining the household’s eligibility and entering that determination into the computer system.

(1) Staff responsible for processing the application. A Family Support Services (FSS) worker completes all applications when an eligibility determination for a family must be made. FSS workers also complete applications for children in tribal custody, children under an Interstate Compact on the Placement of Children (ICPC) with another state, or when Child Welfare (CW) staff contract with an outside agency to provide protective or preventive child care services. CW staff must process all applications made by CW foster parents for child care. In most instances, CW staff complete protective or preventive child care requests when they are working with the family and recommending protective or preventive child care.

(2) When an application is required. A new application is required when:

(A) an applicant initially applies for subsidized child care benefits;

(B) expedited eligibility processing was used in accordance with subsection (b) of this Section and requested verification is not returned within 60 calendar days of the application date;

(C) the payee for the subsidized child care benefits changes;

(D) the client’s subsidized child care benefits close after approval for 30 calendar days of child care to search for a job in accordance with OAC 340:40-7-8(a)(6); or

(E) the client’s subsidized child care benefits have been closed for more than 30 calendar days.

(3) Who can apply. An applicant or the applicant’s authorized representative may apply for subsidized child care benefits. If an authorized representative applies on behalf of an applicant, he or she must bring a signed statement from the applicant giving this person permission to act on behalf of the applicant or the applicant must have designated this person as his or her authorized representative on the signed application.

(A) If the natural or adoptive parent or stepparent of the child is in the home, he
or she is considered the applicant and eligibility is based on that parent's situation regardless of whether he or she has custody of the child.

(B) If both the natural and adoptive parent of the child are living in the same household and the adoption has been finalized, the adoptive parent is considered the applicant and eligibility is based on that parent's situation.

(C) If the natural or adoptive parent or stepparent is not in the home, the person acting in the role of the parent, referred to as the caretaker, is the applicant. The caretaker may or may not be related to the child.

(D) If the parent is a minor, either the minor parent or the responsible adult the minor is living with can be considered the applicant for the subsidized child care benefits. Eligibility is based on the minor parent's situation.

(E) If the natural or adoptive parent is living in the home but is too incapacitated to apply, someone else living in the home may apply for the natural or adoptive parent. The other person must provide proof of the parent's inability to apply.

(4) **Application form.** An applicant or the applicant's authorized representative completes and signs Form K-2, Application for Child Care Services, or Form FSS-1, Comprehensive Application and Review, to apply for subsidized child care benefits. 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.

(5) **Date of request.** The date of request is the date the applicant requests subsidized child care benefits verbally or in writing.

(6) **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 human services center. This includes providing the name of the child care provider the client wishes to use.

(A) The provider must already have a valid Oklahoma Department of Human Services (OKDHS) child care provider contract.

(B) See OAC 340:40-5-1(8) for reasons an applicant cannot choose certain child care providers.

(C) For applicants choosing an in-home provider, see OAC 340:40-13-1 and 340:40-13-2.
(7) **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 protective or preventive child care requests and strongly recommended for special needs requests.

(8) **Explanation of eligibility factors.** At the time of the initial interview, the worker advises the applicant or authorized representative of:

(A) his or her rights and responsibilities that are included on the application;

(B) all factors of eligibility;

(C) which child care providers are eligible to receive subsidy payment;

(D) the need for the applicant and the authorized representative to view the client training video. The video explains:

   (i) proper care and use of the client’s electronic benefit transfer (EBT) card;

   (ii) the client’s responsibility to swipe accurate attendance before OKDHS helps pay for the child’s care; and

   (iii) the need to contact the worker immediately if a problem occurs so that it can be resolved within ten calendar days;

(E) the requirement to 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; and

(F) the requirement to report within ten calendar days any changes in his or her circumstances.

(9) **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 denies the request within 30 calendar 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.

(10) **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 per OAC 340:2-5.

(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:

1. is in danger of losing a job; or
2. cannot start a new job.

(c) Eligibility determination. 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(9) for more information about income determination.

1. Applicant determined eligible. The earliest date the worker approves subsidized child care benefits 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.

2. Applicant determined ineligible. The request or application is denied if the applicant is ineligible, does not provide needed verification, or requests cancellation of the application.

INSTRUCTIONS TO STAFF

1. (a) See OAC 340:40-7-8(e) for information about processing Family Support Services (FSS) protective or preventive child care requests. The county director decides which worker, FSS or Child Welfare (CW), completes a protective or preventive child care request when responsibility is unclear.

(b) When a child is in a tribal foster placement, the worker contacts the tribe to determine whether child care funds are available through the tribe prior to approving child care. The foster parent can choose to receive subsidized child care benefits through the Oklahoma Department of Human Services.
(OKDHS) and the tribe may pay the client's family share co-payment. The child care provider may not file a claim with both OKDHS and the tribe.

(c) When a child is under an Interstate Compact on the Placement of Children (ICPC) with another state, 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 worker denies the application.

(d) When the CW worker considers a family at risk for child abuse and neglect but the family is not court involved, the CW worker may contract for Comprehensive Home-Based Services (CHBS) with the Oklahoma Children's Services (OCS). When CW is not maintaining an open CW case, the FSS worker completes the application for protective or preventive subsidized child care benefits.

(e) When a child is placed with a foster parent whose foster care payment is pending, the CW worker is responsible for processing the child care application. If the child is placed in a non-paid foster home and CW has no plans to pay the foster parent, the FSS worker is responsible for processing the child care application. See OAC 340:75-7-65 for CW foster care child care requirements and OAC 340:75-6-91 for CW preventive child care cases.

2. (a) An authorized representative is an individual who is knowledgeable of the household circumstances. The child care provider or an individual working for the child care provider cannot be the authorized representative. The worker contacts the applicant to determine whether:

(1) the household has freely requested the assistance of the authorized representative;

(2) household circumstances are correctly reported; and

(3) the applicant understands that he or she is held liable for any overpayment that results from erroneous information given by the authorized representative.

(b) The worker must enter information about the authorized representative in the Information Management System (IMS) using the computer transaction EBTU before an electronic benefit transfer (EBT) card can be issued.

3. This situation can occur if the parent has severe mental retardation or was
seriously injured. The person acting on the parent’s behalf must provide documentation from a professional working with the parent stating why the parent is incapable of completing the application or designating an authorized representative.

4. An original signature is required on the application. A signature submitted through e-mail or a fax machine is not acceptable as an original signature. An original signature is not required to establish a date of request for subsidized child care benefits. The worker denies the request if the applicant fails to complete the application process or provide an original signature.

5. See OAC 340:40-7-3.1 for more information on approving a child with disabilities for the higher special needs rate at the chosen facility.

6. (a) The date of request is entered in the Family Assistance/Client Services (FACS) Eligibility Notebook, Social Services tab in the "App Date" field E1 before an EBT 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.

(b) When the child care request is mailed or left at the human services center, 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. If the worker cannot reach the client by telephone, he or she sends Form ADM-92, County Client Contact and Information Request, advising the client of the need for an interview and verification.

7. (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 subsidized 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 worker enters the date of application 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 if the applicant needs care on this date. If the applicant does not need care until a future date, the worker enters that future date in the "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.

8. (a) The interview must be completed with the person who signs the application or the household's authorized representative. The applicant must designate the authorized representative in writing prior to the interview. 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 EBT system. Human services center staff are encouraged to develop at least two methods to assist applicants in accessing subsidized child care benefits. 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, Comprehensive Application and Review, or Form K-2, Application for Child Care Services, must be received before the worker approves subsidized child care benefits. The entire application must be completed before the applicant signs the signature page of Form FSS-1 or Form K-2;

(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 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 human services center 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 human services center 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 the worker schedules a home visit, it is normally planned so the worker has an opportunity to meet everyone in the household. The worker plans the visit 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.

(b) Human services center staff make every effort 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 human services center, 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. If the worker cannot reach the client by telephone, he or she sends an ADM-92 advising the client of the need for an interview and verification.

9. (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:

(1) reporting responsibilities;
(2) the days, hours, and reason child care is being approved;

(3) the applicant's EBT responsibilities;

(4) the earliest date child care can be approved; and

(5) rules concerning who the applicant can choose as a child care provider.

(b) The worker then secures the applicant's signature on the appropriate form. At the end of the interview, the worker gives or mails to the applicant or the authorized representative:

(1) a copy of the application, including two copies of the Client Child Care Responsibilities and Service Plan Agreement page, one for the client and one for the provider the client chooses. The worker advises the client to give the second copy of the Client Child Care Responsibilities and Service Plan Agreement page to the child care provider so he or she is aware of the approved hours of care; and

(2) the pamphlet "Child Care Services Tip Sheet for Clients and Providers," OKDHS Pub. No. 01-14.

(c) 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.

(d) The worker gives or mails Form ADM-92 to the applicant when verification must be provided before subsidized 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. If the worker is able to reach the applicant by telephone, he or she advises the applicant that a child care request is not considered an application until all necessary verification is received.

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

11. (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. 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 still uses the income processes described at OAC 340:40-7-10 through 40-7-13 to determine what income to count and when. 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 worker counts the income of the parent who has been working to determine the family share co-payment.

(c) The worker gives the client Form ADM-92 showing all verification he or she still needs to provide before further eligibility can be established. The client must provide verification no later than the last day of the 30 day expedited approval period to preserve the same application date.

(d) If the client provides verification within 60 calendar days of the original request date, a new application is not needed. The worker approves the authorization beginning with the date the client provides required verification. If the client does not provide required verification within 60 calendar days, the worker closes the Social Services tab in the FACS Eligibility Notebook unless it must remain open for another reason.

(e) The worker does not approve a new expedited eligibility period unless the client provided all requested verification from the last expedited approval.

(f) To authorize care for only 30 calendar days, the worker enters a certification action in the Auth. Daycare tab. Immediately after that action clears, the worker enters a closure action.

(g) When the client swipes attendance at the child care facility, the provider can see whether care is approved on the point-of-service (POS) machine tape.

(h) When the client provides requested verification needed to determine continued eligibility within 30 calendar days and the client continues to use the same provider, the worker reopens the closed authorization. The worker enters a new authorization if the client chooses a new provider or the prior authorization cannot be reopened.

(i) To reopen an authorization the worker enters an R in the "action taken" field.
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 copayment 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.

(j) 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 FSSD Overpayment Section.

12.(a) If the applicant chooses a provider that has not yet been granted a contract, see Instructions to Staff 7(b). To certify the subsidized child care benefits, the worker enters the Daycare, 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, Weekly Unit Type Guidelines, for information on when a weekly unit type 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 340:40-10-4 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.

13.(a) The worker denies the child care request if the applicant does not provide, within the agreed upon time frame, verification necessary to certify subsidized child care 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) "Person Number" field K4;
2) "Action Taken" field K12;
3) "Reason" field K16;

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(4) "Child Care Req Date" field K9;

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

(6) "Adult Day Services" field 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.
340:40-5-1. Plan of service

Plan of service. Providing child care is part of an overall plan of service designed to help the parent or caretaker with whom the child lives to achieve his or her maximum potential for self-support. Quality child care services assure the parent or caretaker that each child has adequate care that affords developmental and learning experiences while the parent or caretaker is engaged in self-support activities. 1 The plan of service consists of many components that all link to form a goal-directed plan of care, and includes the components in (1) through (12).

(1) Child characteristics. The worker gathers information about the child for whom child care is needed including his or her name, age, grade level, and whether the child has a disability. 2

(2) Need for child care. The worker determines whether the parent or caretaker meets a need factor in accordance with OAC 340:40-7-7 and 340:40-7-8.

(3) Plan hours. The worker gathers information about the days and hours the parent or caretaker meets the need factor, including travel time. When there are two parents or caretakers in the home, the worker only approves subsidized child care benefits for the hours both parents or caretakers meet a need factor during the same hours in accordance with OAC 340:40-7-7 and OAC 340:40-7-8. Based on the days and hours the child requires care, the worker approves a full-time daily, part-time daily, a combination of full-time and part-time daily, weekly, or a blended unit type. 3

(4) Alternative to subsidized child care benefits. The worker explores with the client whether there is an appropriate, feasible alternative to Oklahoma Department of Human Services (OKDHS) subsidized child care benefits. If the alternative is a spouse or the natural or adoptive parent of the child who lives in the home, the client must use the alternative rather than subsidized child care benefits. If the alternative is someone else, the client has a choice whether to use this alternative or not. 4 Possible alternatives include:

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

(B) 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; 5

(C) dependent care expenses that are considered as earned income exemptions, per OAC 340:10-3-33(3); and
(D) for a school age child, the rearrangement of the parent's or caretaker's employment or training schedule to coincide with the hours the child is in school.

(5) **Plan to increase income.** At each application or review the client and worker discuss ways the client can increase income to the household and identify 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 and in accordance with OAC 340:40-7-9. ■ 6

(6) **Back up plan.** The worker discusses with the client the back up plan for child care that is in place if the child cannot go to the usual provider because of illness, school holidays, or other 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.

(7) **Emergency contact.** The worker records on the application or review form the name, address, and telephone number of a person to call in case of an emergency when the primary parent or caretaker cannot be reached. ■ 7

(8) **Choice of provider.** The worker documents the choice of provider on the application or review form. If the client does not choose a provider at the time of request, the worker provides the client with information to help in making the choice. The client may choose a family child care home regardless of star level. ■ 8 The client may not choose a child care:

(A) facility that does not have a valid contract with OKDHS;

(B) facility in which the client or his or her spouse, including the child's parent or stepparent, has an ownership interest;

(C) home in which the child resides;

(D) home in which the client also works during the hours his or her child(ren) is in care unless an approval is obtained from the Family Support Services Division (FSSD), Child Care Section; ■ 9

(E) provider who does not allow parental access during the hours the provider is caring for children;

(F) provider who is receiving state or federal funds, such as Head Start, Early
Head Start, or public schools, unless:

(i) all parents are charged a fee for the hours subsidy payment is requested; and

(ii) the program offers extended day services. Programs operating only during typical school or Head Start hours are not eligible; ■ 5

(G) 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 ■ 10

(H) center, which is a one star facility unless there are no one plus, two, or three star centers in the community or special exception criteria are met. Special exception criteria are:

(i) the child was already approved for care at this one star center prior to January 1, 2003. The child can remain at this facility unless the child stops attending there for more than 30 calendar days. The child may be approved at this same facility again if the only reason the child did not attend for more than 30 calendar days was because of a school break or due to circumstances beyond the control of the family such as illness of the child; ■ 11

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

(iii) the parent or guardian demonstrates there is no other child care option that meets the family's needs. ■ 12

(9) Income determination. Based on OAC 340:40-7, the worker determines who is considered part of the 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. The OKDHS Appendix C-4 is amended from time to time and the Commission for Human Services must approve any changes. If the income of the family exceeds the eligibility standard on the appendix or is above the income level on the appendix, the family is not eligible for subsidized child care benefits.

(10) Family share co-payment. The worker uses OKDHS Appendix C-4 to
determine the family share co-payment for each family. The family share co-payment is applied before OKDHS pays a child care subsidy. ■ 13 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 subsidized child care benefits.

(11) **Social services requests.** When a client requests help in meeting the social services needs listed on the application or review form, the worker provides all available information to aid a client in meeting these needs. ■ 14

(12) **Client rights and responsibilities.** The worker advises the client of rights and responsibilities listed in (A) through (H).

(A) 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, Comprehensive Application or Review, or Form K-2, Application for Child Care Services, before signing the form.

(B) A child care request is only approved back to the date of request when the interview is conducted and verification is provided on that same date.

(C) The client has the right to ask for a fair hearing if the client disagrees with an action taken on his or her case, per OAC 340:2-5. ■ 15

(D) The provider may charge the client for special fees, such as enrollment or transportation fees, provided these fees are posted and also charged to the general public.

(E) The provider may charge the client for care provided in excess of OKDHS approved child care plan hours when the client chooses to leave the child in care longer. If the provider requires that all children in the facility begin care by a certain time of day and the client's child care plan hours start later, the provider must not charge the client for those additional hours. The client swipes attendance based on the child care plan hours. ■ 16

(F) The provider may charge the client for any days OKDHS refuses to pay for care when: ■ 17

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

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

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

(G) The provider may not charge the client for:

(i) 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

(ii) days the child is not in attendance. ■ 18

(H) The client is required to cooperate with the OKDHS Office of Inspector General in any audit or investigation of possible overpayments by the client or by the client's 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 children 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. (a) If the child is in school, the worker asks what days and hours the child attends school to help determine how many hours the client needs subsidized child care.

(b) Child care providers caring for children with disabilities are sometimes eligible for a higher reimbursement rate. See OAC 340:40-7-3 and OAC 340:40-7-3.1 for information about children with disabilities.

3. (a) 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 to get to the work or training activity after dropping the child 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.

(b) To help determine the appropriate unit type, the worker can use the Appendix C-4-C, Unit Type Chart for Child Care Authorizations.

(1) The worker approves a full-time daily unit type when care is needed more than four hours every day and the child does not qualify for a weekly unit type.

(2) The worker approves a part-time daily unit type when care is needed for four hours or less every day.

(3) The worker approves a combination of full-time and part-time unit types when care is needed more than four hours for some of the days and four hours or less other days. If the child is four years or older, the worker first determines whether the child qualifies for a blended unit type before approving a combination of full-time and part-time unit types.

(4) Child care authorized with a weekly unit type 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, Weekly Unit Type Guidelines, to determine the minimum number of days a child must attend to qualify for an absent day payment and the maximum number of days OKDHS pays the provider.

(A) The worker approves child care with a weekly unit type when the child attends the child care facility for the entire month and:

(i) the client works at least 40 hours per week or 80 hours every two weeks over three or four days per week. The client must need 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 full-time daily unit type is approved. When the client qualifies for a three or four day weekly unit type, the worker must send an e-mail to daycare@okdhs.org to request that the authorization be changed to a three or four weekly unit type. The worker includes in the e-mail:
(I) the case number and person code for the child;

(II) whether the worker is requesting a three or four weekly unit type;

(III) the days and hours the client works each week or every two weeks; and

(IV) how the work schedule was verified; or

(ii) 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.

(B) Child care is not approved with a weekly unit type when:

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

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

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

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

(v) the child care provider prefers a daily unit type.

(C) See OAC 340:40-10-4 for more information about how authorizations approved with a weekly unit type are paid.

(5) The worker approves a blended unit type for children age four and older when care is needed Monday through Friday part-time for the days school is in session and full-time for school holidays. The rate established by OKDHS for a blended unit type is higher than for a part-time unit type and lower than a full-time unit type. It is based on information from the Department of Education regarding the number of full-time and part-time days the child should need care. OKDHS has established two blended unit types, traditional and extended school year. The worker must determine which blended unit type is appropriate.
(A) The worker approves the traditional school year blended unit type when the child attends a school with a traditional nine-month school calendar. This unit type pays the blended rate from August 16 through May 15th of each year. During the summer months, if the child continues to attend the same child care facility, the provider is paid the full-time daily rate with an absent day payment if applicable. The IMS system continues to show 23 B during the summer but for payment purposes the electronic benefit transfer (EBT) system shows a weekly unit type. If a weekly unit type is not appropriate for the summer because the child does not require full-time care five days per week, the worker changes the unit type to match the needs of the child or closes the authorization if care is not needed.

(B) The worker approves the extended school year blended unit type when the child attends school year around. Authorizations coded with the extended school year blended unit type receive the extended school year rate for the entire calendar year.

(C) A blended unit type is not appropriate when:

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

(ii) the child does not need care for school holidays;

(iii) the child uses a different provider for school holidays;

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

(v) only part-time care is needed;

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

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

(6) 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 may not exceed the maximum that
would be authorized if care were 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 the worker approves care totals 23 days per month.

(7) 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 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.

4. The purpose of discussing alternative care with the client is to help the client consider other possibilities to purchased care that might be more suitable for the child. If there is another adult living in the home who is not a spouse or a natural or adoptive parent of the child, he or she can refuse to care for the child. OAC 340:40-7-8(e) contains information on preventive or protective child care if the client does not want a spouse to care for the child.

5. (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 a.m. to 2:00 p.m. 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. The worker may approve a full-time or part-time unit type depending on the parent's schedule and the number of subsidy hours needed.

(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 subsidized child care benefits and the tribe can pay the family share co-payment. The worker authorizes a full-time or part-time unit type depending on the parent's schedule and the number of subsidy hours needed.

6. 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, how to increase the client's job skills, or discuss whether the client might be eligible for other money or benefits such as child support, Social Security benefits.
Supplemental Security Income, unemployment benefits, or veteran's benefits. The worker refers the client to other agencies for help when appropriate. Possible referral sources include:

1. The Oklahoma Employment Security Commission;
2. Workforce Investment Act (WIA) contracted entity;
3. Workforce Oklahoma Centers;
4. The local technology center;
5. Community college;
6. Social Security Administration; or
7. The Department of Veterans Affairs.

7. 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. These might include available relatives, friends, or neighbors or the client may discuss other alternatives with his or her employer.

8. 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, "Your Child Care Resource for Services and Information," OKDHS Pub. No. 98-09H;

2. A list of contracted providers. The worker obtains a list 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 plus, two, or three star centers in the community, the list includes the one star centers;

3. How to request case summaries of potential providers from the Division
of Child Care (DCC) licensing staff or how 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 plus, two, or three star centers in the community or the exception criteria described at OAC 340:40-5-1(8)(l) is met and the worker's supervisor or county director approves an exception. The client may choose a family child care home regardless of the star level. OAC 340:110-1-8.3 describes how a provider is certified for the different star levels.

(A) To be certified as a one star plus program, the provider must meet additional quality criteria that includes: additional training, reading to children daily, and parent involvement.

(B) To be certified as a two star program, the provider must be nationally accredited or meet the one star plus criteria, employ master teachers who meet additional educational requirements, and include program evaluation.

(C) To be certified as a three star program, the provider must meet all two star quality criteria and be nationally accredited;

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

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

(B) "Your Child Care Resource for Services and Information," OKDHS Pub. No. 98-09H;

(C) "The Parent's Guide to Selecting Quality Child Care," OKDHS Pub. No. 87-91; and

(D) "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."
9. The worker sends an e-mail to daycare@okdhs.org requesting approval to allow the client to choose a home in which the client also works during the hours his or her child(ren) is in care.

10. A child 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 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 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.

11. 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.

12. (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 contracted one plus, two, and three star centers and, if the client wants 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 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 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 gives 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.

13. (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 shown 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 "co-pay" 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) Children who are exempted from co-pay and those who are not exempted must be authorized for child care in separate case records. The system does not correctly calculate the co-payment when care is authorized in the same case record.

(c) The family share co-payment is assigned to one provider per case. When more than one provider is used by the family, the worker must determine which provider gives the most costly care to the family. The worker must use OKDHS Appendix C-4 to determine the daily rate for each child based on that child's service plan. The worker adds up the monthly cost of care per child and then per provider. The worker assigns the family share co-payment to the
provider giving the care that results in highest total cost.

(1) The worker chooses N for non-exempt in the "co-pay exempt" field K78 of the Auth. Daycare tab for each authorization approved for the provider giving the most costly care to the family.

(2) For all other providers, the worker chooses S for second provider in field K78 "co-pay exempt."

(3) The system maps the entire family share co-payment to each child's authorization where the "co-pay exempt" field is marked N and maps a zero co-payment to each authorization marked S in the "co-pay exempt" field.

(4) 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.

(d) 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 (ITS) 4 for more information about adding children and OAC 340:40-9-2(c) and ITS 5(a)(2) for more information about removing children.

(e) 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.

(f) 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.

(g) See OAC 340:40-7-11(c)(5) for information on handling court-ordered child care payments.
(h) See OAC 340:40-9-2(e) for information regarding calculation of the family share co-payment when the client changes child care providers.

14. Each human services center 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 human services center staff.

15. The applicant may request a fair hearing because of actions taken on a child care request as well as a child care application.

16. There are providers who require that all children be in attendance by a certain time every morning, for instance 9:00 a.m., regardless of the client's work or school schedule. Reasons given by the provider may include limiting disruptions to program content, so all children can participate fully in the quality content of the child care program, or to reduce transportation costs for the provider. If based on the client's work or school schedule care is not needed until 11:00 a.m., the client swipes attendance by entering a previous in for 11:00 a.m. on the point-of-service (POS) machine when the child is picked up at the end of the day. The provider must not charge the client for the additional two hours of care. If the client chooses to drop the child off at the child care provider earlier than the approved plan of service hours or leaves the child later for personal reasons, the provider can charge the client for those additional hours.

17. 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 unit types and absent day payments. See OAC 340:40-10 for more information about EBT.

18. See OAC 340:40-13-5(g) for a list of contract violations by a provider.
SUBCHAPTER 7. ELIGIBILITY

Section
340:40-7-1. Categories of eligibility
340:40-7-2. Conditions of eligibility
340:40-7-3. Age requirements
340:40-7-3.1. Child with disabilities
340:40-7-4. Identity and Social Security number
340:40-7-5. Resources, residence, and citizenship
340:40-7-6. Household composition and income consideration
340:40-7-7. Establishing the need factor for child care
340:40-7-8. Defining the need factor for child care benefits
340:40-7-9. Mandatory pursuit of child support and other potential income
340:40-7-10. General provisions regarding income
340:40-7-11. Sources of income considered
340:40-7-12. Sources of excluded income
340:40-7-13. Computation of income
340:40-7-3. Age requirements

(a) A child is eligible for subsidized child care benefits through the day before he or she turns 13 years of age.

(b) A child with disabilities may be eligible to receive subsidized child care benefits through the day before he or she turns 19 years of age.

(1) A child with disabilities is defined at OAC 340:40-7-3.1.

(2) When a child with disabilities is 13 or older, the client must provide a statement from a licensed health care professional verifying that the child is physically or mentally incapable of self care as age appropriate. If the licensed health care professional states that the child is capable of self care as age appropriate, care is not approved.

(c) A child under court supervision may be eligible to receive subsidized child care benefits through the day before the child turns 19 years of age. When the child is 13 or older, the client must provide a copy of the court order, a statement from the Child Welfare worker, or the Office of Juvenile Affairs (OJA) worker verifying this before care is approved.

INSTRUCTIONS TO STAFF

1. The status must be re-verified at each review.
340:40-7-3.1. Child with disabilities

(a) 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. 1 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 (SSA). 2 When a child with disabilities is 13 or older, the client must provide a statement from a licensed health care professional verifying that the child is physically or mentally incapable of self care as age appropriate. If the licensed health care professional states that the child is capable of self care as age appropriate, subsidized child care benefits are not approved.

(b) Special needs rate approval process. The special needs rate, if approved, is paid in addition to the daily rate paid for a typical child. If a child does not meet the definition of a child with disabilities, the child is not eligible for a special needs rate. A child with disabilities may be approved for a moderate or severe special needs rate unit type after the special needs rate approval process is completed. If the worker determines that the parent or caretaker is eligible for subsidized child care benefits before the special needs rate approval process is completed, the worker approves the child for a typical child unit type. The process includes:

1) the parent or caretaker must provide proof that the child meets the definition of a child with disabilities and information about the child's care needs.

(A) For a child under age three, the parent or caretaker submits the child's current Individualized Family Service Plan (IFSP) that verifies the child receives SoonerStart services and documents the care needs of the child.

(B) For a child over age three, the parent or caretaker submits the child's current IEP that documents the child receives special education services and documents the care needs of the child.

(C) If the child receives SSI, the parent or caretaker submits the child's award letter or other proof from the SSA that verifies receipt of this income. If the child is not receiving SoonerStart or special education services, the parent or caretaker submits a statement from a health professional describing the care needs of the child.

2) The parent or guardian, the child care provider, Division of Child Care (DCC) licensing staff, and the child's Family Support Services (FSS) or Child Welfare (CW)
worker completes appropriate sections of Form ADM-123, Certification for Special Needs Child Care Rate.  3 Determination of whether certification requirements are met by the:

(A) child are made by the FSS or CW worker; and

(B) provider are made by the DCC licensing specialist.

(3) The worker uses Form ADM-123-A, Scoring Sheet for Special Needs Rate Determination, to score the ADM-123. The child's care needs must be within the scoring range shown on Form ADM-123-A for moderate or high need to qualify for a special needs rate.  4

(4) DCC licensing staff completes Section IV of Form ADM-123 indicating whether the provider meets certification requirements described at OAC 340:110-1-9.1.  5

(5) When the child and the provider meet certification requirements for the special needs rate, the rate is effective the first of the month following the month DCC licensing staff signs Section IV of Form ADM-123. If the child waits to start child care until after the special needs rate is approved, the rate is effective the first date care is approved.  6

(6) 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;  7

(B) the child moves to a different child care facility; or  8

(C) the child stops attending, for more than six months, the facility that was approved for the special needs rate unit type.  9

(c) Supplemental Security Income-Disabled Children's Program (SSI-DCP). A child between the ages of birth to 18 who receives SSI may be eligible for additional services described at OAC 340:70-8-1. This might include approval for enrichment child care further described at OAC 340:40-7-8(f).

INSTRUCTIONS TO STAFF

1. 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

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considered a child with disabilities. A child must receive Supplemental Security Income (SSI) to be predetermined eligible for subsidized child care benefits with a zero family share co-payment if he or she meets all conditions of eligibility for child care.

2. The client must provide proof from the Social Security Administration (SSA) that the child meets the medical definition of disability and the SSI is closed because of financial reasons.

3. The special needs approval process can be initiated by either the child's Family Support Services (FSS) worker, Child Welfare (CW) worker, or the child care provider by giving Form ADM-123, Certification for Special Needs Child Care Rate, to the client.

   (1) The client completes 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 human services center that describes a typical child's development from birth to six years of age. The parent or caretaker describes the child's individual needs in each area that indicates extra assistance is needed.

   (2) The parent or caretaker takes Form ADM-123 to the child care facility of his or her choice for the provider to complete Section III of the form. The provider completes a child care plan that addresses how he or she plans to meet the special needs of the child included in Section II. Both the child care provider and the parent or caretaker sign Section III indicating approval of this plan.

   (3) The worker, the client, or the child care provider then sends Form ADM-123 to Division of Child Care (DCC) licensing staff. DCC licensing staff:

      (A) contacts the child care facility in accordance with OAC 340:110-1-9.1 to determine whether the facility is able to meet the special needs of that specific child:
(B) completes Section IV of Form ADM-123 stating whether the facility meets or does not meet certification requirements. Certification requirements include confirming the facility:

(i) has a previous record of compliance with minimum licensing requirements;

(ii) has received required First Aid and Cardio-Pulmonary Resuscitation (CPR) training;

(iii) completed an on-site consultation; and

(iv) has a child care plan that adequately describes the child's care needs; and

(C) sends the form back to the FSS or CW worker for case action.

(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.

4. Form ADM-123-A assigns a point value to each response a parent or caretaker makes to the questions in Section II of Form ADM-123. The point value is higher if additional care needs are indicated. The worker adds up the point values assigned to each question. The worker looks at the scoring range at the bottom of the form to determine whether to approve the child for the moderate or severe special needs rate unit type.

(1) When certification requirements are not met and the parent or caretaker still wishes to use the facility, the child remains eligible at the applicable daily, blended, or weekly unit type for that child's age. The worker notifies the client and provider of this decision on Form FSS-37, Notice Regarding Social Services.
(2) When certification requirements are met, the higher special needs rate unit type 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.

5. In accordance with OAC 340:110-1-9.1, DCC licensing staff monitors the facility’s ability to meet the child’s needs each time a visit is made to that facility.

6. (a) 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.

(b) The higher special needs rate unit type must be authorized by staff in the Family Support Services Division (FSSD) Child Care Section. The worker authorizes care using a typical unit type for that child and then sends an e-mail to daycare@okdhs.org to request the authorization unit type be changed to moderate or severe special needs. The worker includes in the e-mail:

(1) the case number and person code for the child;

(2) whether the client provided the child’s IEP, IFSP, or health care professional statement;

(3) what score the child received on Form ADM-123-A;

(4) the name of the DCC licensing specialist who signed Section IV of Form ADM-123 and the date signed; and

(5) what care plan to approve.

7. If the parent or provider reports that the child’s care needs previously reported in Section II of Form ADM-123 have changed, 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.

8. 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 unit type. The new provider must agree to follow the child care plan developed in Section III of the form and DCC licensing staff must certify in Section IV that the new provider meets certification requirements for the higher rate.

9. If the child stops attending the facility that was approved for the special needs rate unit type 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 DCC 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. A new Form ADM-123 must be completed if the child stops attending the facility for more than six months.
340:40-7-4. Identity and Social Security number

(a) Identity. The identity of the person making application for child care services must be verified. When an authorized representative applies on behalf of a household, the worker verifies the identity of both the authorized representative and the applicant. Identity may be verified through readily available documentary evidence, or if evidence is unavailable, through a collateral contact. Any documents that reasonably establish the applicant's identity must be accepted, and no requirement for a specific type of document, such as a birth certificate, may be imposed. Examples of acceptable documentary evidence that the applicant may provide include, but are not limited to:

1. a driver license;
2. a work or school identification (ID);
3. an ID for health benefits or for other assistance or social service program;
4. a voter registration card;
5. wage stubs; or
6. a birth certificate.

(b) Social Security number (SSN). The client is not required to provide a SSN for any member of the household in order to receive subsidized child care benefits.
340:40-7-6. Household composition and income consideration

(a) Definition of household composition terms. The worker determines household composition for income considerations using the definition of terms listed in (1) through (9) 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 spouse is a person married by ceremony or common-law to another person. They can be living together or separately. If they are living separately, they are considered part of the household if the separation is temporary with no intention of severing the marital relationship or the separation is involuntary.

3. A stepparent is a person who is a spouse or has been a spouse to the child's parent.

4. A caretaker is an adult that the child is living with who is acting in the role of a parent. This person may or may not be related to the child by blood, adoption, or marriage and may or may not be legally and financially responsible for the child. The caretaker must pursue child support from the natural or adoptive parent in accordance with OAC 340:40-7-9.

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

8. 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.

9. A sibling is a minor child who has at least one parent in common with another child in the same household. This definition of a sibling also includes a step-brother
or step-sister.

(b) Household composition and income consideration. To establish a child's eligibility for subsidized child care benefits, it is necessary to define who must be considered part of household composition for income consideration. Individuals whose income must be considered in determining eligibility are:

1. Individuals whose income must be considered in determining eligibility are:

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

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

   (3) the child for whom child care is requested and his or her siblings under 18 who live in the home; 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 of the non-relative adult of the opposite sex who is living in the home with the natural or adoptive parent. 6

(c) 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. If a child lives with each parent for part of the month, see (d) in this Section. If a child lives with a parent for part of the month and a caretaker for the rest of the month, the child's eligibility is based on whether the parent meets eligibility factors in accordance with OAC 340:40-7. The caretaker must also meet a need factor in accordance with OAC 340:40-7-7 during the time he or she has physical custody of the child. 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
(d) **Joint or shared custody.** When parents separate or divorce and share custody of their child, 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 benefits, only the days and hours of care needed while that parent has physical custody of the child is approved. If both parents qualify for subsidized child care benefits, each parent is approved only for the days and hours that parent has physical custody and meets a need factor. ■ 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) If a child is living with a parent for part of each month and with a caretaker for the remainder of the month, only one case is established for the child. See (c) of this Section and Instructions to Staff # 7.

   (c) 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.

   (d) If some children living in the household are exempt from co-payment in accordance with OAC 340:40-7-1 and others are not, two separate cases must be established in order for the system to calculate the family share co-payment correctly.

   (e) Household composition is handled differently for other programs. See OAC 340:50-5-1 for food benefits, OAC 340:10-3-56 through 340:10-3-57 for Temporary Assistance for Needy Families (TANF), and OAC 317:35-6-36 through 317:35-7-37 for medical assistance.

2. (a) 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, neither the grandparent’s income nor his or her need factor is considered for the grandchild.

   (b) 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 live in the same household, consider only the income and need factor of the adoptive parent.

(c) If the child's natural or adoptive parent is not in the home but the child continues to live with a stepparent, the stepparent's income is considered in determining the child's eligibility. This applies even if the stepparent is divorced from the child's natural or adoptive parent.

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 lives in the home with the child, count the own parent's income instead of the caretaker's income.

4. (a) A child's income must be considered unless specifically excluded in OAC 340:40-7-12.

(b) If child care is needed and one sibling is predetermined eligible for child care with a zero co-payment, two separate cases must be set up. This can happen when one child is disabled and receives Supplemental Security Income (SSI) or when there is a stepparent in the home and the client's child receives TANF but the stepparent's child does not.

(1) In the predetermined eligible case, the predetermined child is shown as added to "social services" in the "benefit" field F24 and "added to benefit section" in the "status" field F25. All other predetermined eligible household members are added to "social services" in the "benefit" field F24 and "income/resources are considered in benefit computation – individual not included" in the "status" field F25. The income eligible household members are shown as added to "social services" in the "benefit" field F24 and income/resources are not considered in benefit computation - individual not included in the "status" field F25. Only the child approved for subsidized child care benefits in the predetermined eligible case is shown in the "number of children in child care" field E52 of the "Social Services" tab.

(2) In the income eligible case, the income eligible child is shown as added to "social services" in the "benefit" field F24 and "added to benefit section" in the "status" field F25. All other household members' income is shown in the Income tab, including the SSI or TANF income, and these household members are added to "social services" in the "benefit" field F24 and
"income/resources are considered in benefit computation – individual not included" in the "status" field F25. Only the child approved for subsidized child care benefits in the income eligible case is shown in the "number of children in child care" field E52 of the "Social Services" tab.

(c) When the household consists of the client's own child and another child such as a niece, nephew, or grandchild the adult is not legally and financially responsible for, the worker first determines which children require child care assistance.

(1) If child care is needed for both the client's child and any other child, 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's income is considered in the case for the client's child. Only consider the income of any other child in the case set up for him or her.

(2) If child care is needed only for the client's own child, the worker counts the income of the parent and his or her own child. The worker does not count the income of the other child unless including that child 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 that the adult is not legally and financially responsible for, the worker only counts the income of that child and any siblings not requiring subsidized child care benefits. 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 living in the household who needs subsidized child care benefits, 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. (a) There is no set length of time established to determine if a household member's absence is temporary. The key is whether the rest of the household considers the absence to be temporary.

(b) If a parent is temporarily absent, child support forms are not completed. Instead, that parent must meet a need factor in accordance with OAC 340:40-7-7 and 340:40-7-8.

(c) If the household states a parent is not temporarily absent, child support is pursued from that parent in accordance with OAC 340:40-7-9.

(d) When a child lives with one or both of his or her parents for part of the month and with a caretaker for the rest of the month, the child is considered temporarily absent from the parent while he or she lives with the caretaker. One case is established for the parent and the caretaker is shown as the authorized representative for the subsidized child care benefits on the parent's case. The worker may approve different child care plan hours for the time the child lives with the parent than when he or she lives with the caretaker if their work or school schedules are different.

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 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 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 is staying with must also meet the need factor for child care. When the child is staying with a non-custodial natural or adoptive parent, that parent must apply for subsidized child care benefits 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 benefits, establish two separate cases. Each parent must meet the need factor while that parent has physical custody of the child. The maximum amount of child care approved in both cases combined is never more than 31 days per month. Neither case qualifies for the weekly unit type. See OAC 340:40-7-7 and 340:40-7-8 for more information concerning the need factor for child care.
(a) Establishing the need factor. In order for children to be cared for in a safe environment while the parent or caretaker participates in an approved activity or for protective or preventive reasons, the Oklahoma Department of Human Services (OKDHS) provides subsidized child care benefits. The worker arranges to obtain from the client or collateral sources, documentation of the need factor.  ■ 1 The worker and client negotiate the amount of travel time allowed for an activity based on what is a reasonable length of time.  ■ 2

(b) Need factor for single parent or caretaker families. The need for subsidized child care is met when the:

1. parent or caretaker is employed in accordance with OAC 340:40-7-8(a);

2. parent or caretaker needs sleep time during the day after working night hours when a feasible alternative is used at no cost to OKDHS during the night working hours in accordance with OAC 340:40-7-8(a)(5);

3. parent or caretaker is actively searching for a job in accordance with OAC 340:40-7-8(a)(6);

4. parent or caretaker is engaged in a training or formal education program designed to lead to employment in accordance with OAC 340:40-7-8(b) and (c);

5. parent or caretaker attends high school, General Educational Development (GED), literacy, adult basic education (ABE), or English as a Second Language (ESL) classes in accordance with OAC 340:40-7-8(c);

6. parent or caretaker is actively participating in an approved Temporary Assistance for Needy Families (TANF) Work activity in accordance with OAC 340:10-2-1;  ■ 3

7. child is in need of care or supervision for part of the day as a protective or preventive service in accordance with OAC 340:40-7-8(e); or

8. child receives Supplemental Security Income (SSI) and care is needed for enrichment purposes in accordance with OAC 340:40-7-8(f).

(c) Need factor for two-parent or two-caretaker families. Two-parent or two-caretaker families can be two natural or adoptive parents, the natural parent and a stepparent, two grandparents, other relative married couples, or other non-relative married couples. If a couple who is not married applies and only one person is the
natural or adoptive parent of the child, only the natural or adoptive parent must meet a need factor as described at OAC 340:40-7-7(b). 4 The need for subsidized child care is met when:

(1) both parents or caretakers are employed during the same hours for which child care is requested in accordance with OAC 340:40-7-8(a);

(2) one or both parents or caretakers need sleep time during the day after working night hours when a feasible alternative is used at no cost to OKDHS during the night working hours in accordance with OAC 340:40-7-8(a)(5). If both parents do not work night hours, the other parent must be employed during the other parent’s sleep time hours;

(3) one or both parents are actively searching for a job in accordance with OAC 340:40-7-8(a)(6). If only one parent or caretaker is searching for a job, the other parent or caretaker is employed, in training, or in a formal education program during the same hours;

(4) one parent or caretaker is attending a formal education or training program during the same hours the other parent or caretaker is employed in accordance with OAC 340:40-7-8(a) through (c);

(5) both parents or caretakers are in high school in accordance with OAC 340:40-7-8(c);

(6) one parent or caretaker is in high school during the same hours the other parent or caretaker is working, attending a formal education, or post high school training program in accordance with OAC 340:40-7-8(a) through (c);

(7) one parent or caretaker is attending GED, literacy, ABE, or ESL classes during the same hours as the other parent or caretaker is employed in accordance with OAC 340:40-7-8(a) through (c); 5

(8) one or both parents or caretakers are actively participating in approved TANF Work activities in accordance with OAC 340:10-2-1. If one parent or caretaker is not participating in TANF Work activities, that parent meets a need factor defined at OAC 340:40-7-8 during the same hours; 3

(9) the child is in need of care or supervision for part of the day as a protective or preventive service in accordance with OAC 340:40-7-8(e);

(10) the child receives SSI and care is needed for enrichment purposes in
accordance with OAC 340:40-7-8(f); or

(11) one parent or caretaker is incarcerated and the other parent remains in the home. In this instance, use subsection (b) of this Section to determine if the parent remaining in the home meets a need factor.

(d) Need factor in joint custody cases. When parents are separated or divorced and share custody of their child, either voluntarily or through a court order, each parent's need for child care is considered separately as well as his or her income. ■ 6

(e) Activities which do not meet the need factor for child care. The need factor for child care is not met and child care cannot be approved for:

(1) job search for persons not involved in:

   (A) TANF Work activities described at OAC 340:10-2-1; or
   
   (B) the activities described at OAC 340:40-7-8(a)(6);

(2) on-line Internet based or televised education or training courses when an instructor is not conducting a live broadcast and attendance is not required while the program is being broadcast in accordance with OAC 340:40-7-8(b) and (c);

(3) undergraduate classes or other training that are not expected to lead to a degree or certificate of completion in accordance with OAC 340:40-7-8(b) and (c);

(4) post graduate education such as master's and doctoral programs; ■ 7

(5) two-parent or two-caretaker families when both are attending a formal education or training program during the same days and hours;

(6) transportation only; ■ 8

(7) court-ordered community service hours, volunteer hours, or jury duty; and ■ 9

(8) hours a school age child could be in a public or private school but the parent or caretaker chooses not to allow the child to attend because he or she wishes to home school the child at night. ■ 10

INSTRUCTIONS TO STAFF

1. Child Welfare (CW) staff must approve subsidized child care benefits
requested by foster parents for their foster children. See OAC 340:75-7-65 for CW foster care requirements. The only exceptions are for foster children placed in Oklahoma due to an Interstate Compact on the Placement of Children (ICPC) with another state or for a tribal foster home placement. Family Support Services Division (FSSD) staff complete those applications in accordance with OAC 340:40-3-1(a)(1).

2. 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 to get to the work or training activity after dropping the child 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 the reason on the application or in Family Assistance/Client Services (FACS) Case Notes.

3. OAC 340:10-2-1 also applies to clients in sanctioned status who are participating in Temporary Assistance for Needy Families (TANF) Work activities prior to their cases being reopened. When two parents or caretakers are participating in TANF Work activities, they can both meet the need factor for training or formal education if that is part of each of their TANF Work plans.

4. See OAC 340:40-5-1(4) which states that a client may choose whether to use an alternative to subsidized care unless that alternative is a spouse who does not meet a need factor.

5. Child care is not approved for both parents to attend these classes at the same time.

6. Consider each parent's need factor as a single parent or caretaker family unless a stepparent is also present. If only one parent qualifies for subsidized child care, approve only the days and hours of care needed while that parent has physical custody of the child. When both parents qualify for subsidized child care, two separate cases are established and the need factor must be met by each parent during the time that parent has physical custody of the child. The maximum amount of child care in both cases combined is never more than 31 days. A weekly unit type cannot be approved in either case.

7. Class hours for a master's or doctoral program cannot be approved for child care. Care may be approved during hours the student is employed.
8. For example, child care is never approved just to transport a child to school when the parent or caretaker does not meet an allowable need factor during that time period.

9. Community service hours can be approved when they are considered a TANF Work activity. Volunteer hours required as part of a course requirement can be approved as described in OAC 340:40-7-8, Instruction to Staff 9.

10. School age is defined as a child enrolled in first through 12th grade. Child care is not approved during regular school day hours because school is a feasible alternative. Exception: a provider can be approved to provide child care for a school age child 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.
340:40-7-8. Defining the need factor for child care benefits

(a) Employment. Employment means the parent or the caretaker earns wages for work performed. ■ 1

(1) The client must provide proof of his or her work hours. If the client has the flexibility to set his or her own work hours, the client and worker jointly determine if they can reduce the number of hours the child needs care by rearranging the client's work schedule. This is especially important in two-parent or two-caretaker families. ■ 2

(2) The worker limits approval of child care to the number of days and hours the client is working plus reasonable travel time. In two-parent or two-caretaker working families, the worker limits approval to the days and hours they are both working at the same time plus reasonable travel time. If the child attends school or Head Start during part of the work hours, the worker reduces the number of hours he or she approves child care accordingly.

(3) If the parent or caretaker is not making at least minimum wage for the number of hours he or she is working, the worker may limit the number of days and hours of care initially approved. The worker counsels with the individual regarding increasing his or her income. If counseling is unsuccessful, the worker decides whether to further reduce or terminate the subsidized child care benefits. ■ 3

(4) A person employed and working from his or her own home may be approved for subsidized child care benefits in an out-of-home child care home or center. ■ 4

(5) Subsidized child care benefits can be approved for sleep time during the day when a parent or caretaker works night hours and a feasible alternative is used at no cost to the Oklahoma Department of Human Services (OKDHS) during the night working hours. Night working hours is defined as the hours between 11:00 p.m. and 7:00 a.m. The maximum amount of time the worker approves child care is to allow the client eight hours of sleep plus travel time to and from the child care provider. In two-parent or two-caretaker families care can only be approved for this reason when both parents have night time jobs or when one parent has a night time job and the other parent or caretaker works during the day while the other parent is sleeping. ■ 5

(6) Job search meets the definition of employment and child care may be approved only when a recipient who has received subsidized child care benefits for at least 30 calendar days loses employment or successfully completes a formal education or training program and requests child care 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 as long as the child continues to attend the same child care facility. Job search may be approved no more than twice per calendar year. The client must have been employed or going to school for at least 90 calendar days between approval periods.  

(b) Training. A training program is defined as a course of study that when completed qualifies a person to meet requirements for a job that the client could not have obtained without the certificate of completion, accreditation, or licensure.  

Child care can be approved for one parent or caretaker to attend a training program. However, in two-parent or two-caretaker families, the other parent or caretaker must be employed during the same hours.

1. The training program must qualify to receive federal financial aid from the United States Department of Education (USDE) or other federal or state education funds.
2. Prior to approval for child care, the client must provide proof of enrollment, the days and hours the client will be attending, and when he or she is expected to complete the program.
3. The program must require classroom attendance on a school campus with an instructor present. Care is only approved for an on-line Internet based course or televised course if it is a live broadcast conducted by an instructor and attendance is required while the program is being broadcast. If the program is self-paced and can be completed whenever the client chooses, care is not approved.
4. The client must provide proof of progress when requested. If the client is not making satisfactory progress, further child care for this reason is not approved.
5. Once the client completes a training program, further child care is not approved for training or education. The client is expected to look for jobs that require his or her training credentials. The client may be eligible for subsidized child care benefits to job search if he or she meets requirements at (a)(6) of this Section.
6. In certain circumstances the worker may approve child care benefits for a client to attend a second training program. The client must first have been employed in a job that required the training credentials he or she already has for at least 12 months.
(A) the client can no longer perform the job he or she is trained to do because of physical or mental health reasons. In this instance, the client must provide a statement from a doctor, mental health professional, or a vocational rehabilitation professional that verifies the reason. The professional must also state that the client is capable of performing the job tasks of the training program in which the client wants to enroll;

(B) there is no longer a demand for the type of work the person is trained to do. The client must provide a statement from a professional working with the client to obtain employment stating there is no demand. The professional must be employed by the Workforce Oklahoma Center, a Workforce Investment Act (WIA) contracted entity, the Oklahoma Employment Security Commission (OESC), or the Oklahoma Department of Rehabilitation Services (DRS); or

(C) the client can establish receipt of the additional training can increase the individual's earning potential. The client must provide proof that the starting salary for a person with the training credentials the client wants to obtain is higher than he or she is currently earning.

(c) **Education program.** An education program can include:

(1) **High school.** Child care can be approved for one or both parents or caretakers to attend high school. It is not approved for a parent or caretaker to receive homebound instruction. Prior to approval the client must provide proof that he or she is enrolled, the days and hours the client is attending, and when he or she is expected to graduate.

(2) **General Educational Development (GED), literacy, or adult basic education (ABE) classes.** The program must require classroom attendance with an instructor present. Child care can be approved for one parent or caretaker to attend GED, literacy, or ABE classes. However, in two-parent or two-caretaker families, the other parent or caretaker must be employed during the same hours.

   (A) The client must provide proof of enrollment, the days and hours the client is attending, and the length of the class prior to care being approved. If the class has open enrollment and no established end date, the client must provide proof of how often progress is measured.

   (B) Within the first month of classes, the client must provide proof of initial testing showing the client's current educational and/or literacy level.

   (C) The worker reviews the client's progress when the class is expected to end.
prior to approval for further care for this reason. If the class is open-ended, the worker reviews progress no later than 12 months from the date care was approved for this reason. ■ 13 At review the client must provide a statement from the school that includes:

(i) whether the client is attending regularly;

(ii) whether the client is making satisfactory progress;

(iii) an estimated length of time it will take to complete the program; and

(iv) what days and hours the client is currently attending classes.

(D) If the client has not been attending regularly or making satisfactory progress, further care for this reason is not approved.

(3) **English as a Second Language (ESL) classes.** The program must require classroom attendance with an instructor present. Child care can be approved for a single parent or caretaker to attend ESL classes when the client lacks proficiency in understanding, speaking, reading, or writing the English language. However, in two-parent or two-caretaker families, the other parent or caretaker must be employed during the same hours.

(A) The client must provide proof of enrollment, the days and hours the client is attending, and the length of the class prior to care being approved. If the class has open enrollment and no established end date, the client must provide proof of how often progress is measured.

(B) The worker reviews the client’s progress when the class is expected to end prior to approval for further care for this reason. If the class is open-ended, the worker reviews progress no later than 12 months from the date care was approved for this reason. ■ 13 The client must provide a statement from the school that includes:

(i) whether the client is attending regularly;

(ii) whether the client is making satisfactory progress;

(iii) an estimated length of time it will take to complete the program; and

(iv) what days and hours the client is currently attending.
(C) If the client has not been attending regularly or making satisfactory progress, further care for this reason is not approved.

(4) **Formal education program.** A formal education program is defined as a course of study that leads to the attainment of an associate's or bachelor's degree. Child care can be approved for one parent or caretaker to attend a formal education program. However, in two-parent or two-caretaker families, the other parent or caretaker must be employed during the same hours.

(A) The formal education program must qualify to receive federal financial aid from USDE or other federal or state education funds. ■ 8

(B) Prior to approval for child care, the client must provide proof of enrollment, the days and hours the client is attending, and when he or she is expected to complete the degree. ■ 9

(C) The degree program must require classroom attendance on the school campus with an instructor present. Care is only approved for an on-line Internet based course or a televised course if it is a live broadcast conducted by an instructor and attendance is required while the program is being broadcast. If the program is self-paced and can be completed whenever the client chooses, care is not approved. ■ 10

(D) The client must provide proof of progress when requested. If the client is not making satisfactory progress, further care for this reason is not approved. ■ 11

(E) Once the client completes a bachelor's degree, further care is not approved for training or education. The client is expected to look for jobs that require a degree. The client may be eligible for subsidized child care benefits to job search if he or she meets requirements at (a)(6) of this Section.

(F) In certain circumstances, the worker may approve subsidized child care benefits for a client to obtain a different bachelor's degree. The client must first have been employed in a job that required the degree he or she already has for at least 12 months. ■ 12 Possible circumstances include when:

(i) the client can no longer perform the job he or she is trained to do because of physical or mental health reasons. In this instance, the client must provide a statement from a doctor, mental health professional, or a vocational rehabilitation professional that verifies the reason. The professional must also state that the client is capable of performing the job tasks of the degree program in which the client wants to enroll;
(ii) there is no longer a demand for the type of work the person is trained to do. The client must provide a statement from a professional working with the client to obtain employment stating there is no demand. The professional must be employed by the Workforce Oklahoma Center, a WIA contracted entity, OESC, or DRS; or

(iii) the client can establish receipt of the second degree can increase the individual's earning potential. The client must provide proof that the starting salary for a person with the degree the client wants to obtain is higher than he or she is currently earning.

(d) Temporary Assistance for Needy Families (TANF) Work activity. When a client receives a TANF benefit, subsidized child care benefits may be provided for any activity outlined on the client's Form TW-2, TANF Work/Personal Responsibility Agreement, in accordance with OAC 340:10-2-1.

(1) Need for child care 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:

(A) two weeks; or

(B) 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.

(2) TANF applicants referred for immediate employment may be approved for subsidized child care benefits to job search. TANF applicants are advised:

(A) child care to job search is limited to 20 days which must be used within 30 calendar days from the date of request;

(B) in-home child care arrangements are not available for TANF applicants;

(C) child care may only be used during the times the applicant is actually looking for a job; and

(D) he or she must notify the worker immediately upon securing employment.

(e) Protective or preventive child care. Subsidized protective or preventive child care benefits can be used as an early intervention strategy in certain critical situations to help in preventing neglect, abuse, or exploitation of a child. The worker may approve
child care in these situations to help stabilize the family situation or to enhance family functioning. In most instances, Child Welfare (CW) staff complete protective or preventive child care requests when they are working with the family and recommending protective or preventive child care. When CW staff contract with an outside agency to provide protective or preventive services and child care is recommended, Family Support Services (FSS) staff complete these child care requests with the help of the contracted agency staff.

(1) Subsidized protective or preventive child care benefits are temporary and planning to reduce or eliminate the need for such child care begins at the initial contact.

(2) The worker must complete a face-to-face interview with the client prior to approving subsidized protective or preventive child care benefits in order to better assess all of the service needs of the family.

(3) The client must provide a statement from a professional working with the family stating:

   (A) the reason child care is recommended;

   (B) how placing the child in a child care facility helps to prevent neglect, abuse, or exploitation of the child; and

   (C) the length of time this care is expected to be needed.

(4) The family may or may not be expected to help in paying the cost of these subsidized child care benefits depending on the unique circumstances of the family.

(5) In certain circumstances, families who are financially ineligible for subsidized child care benefits may be approved for protective or preventive child care benefits when the child is in danger of neglect, abuse, or exploitation. The client must provide 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 client must also provide a plan for reducing his or her debt.

(6) The worker may approve subsidized protective or preventive child care benefits for a maximum of 30 calendar days. If determining ongoing eligibility will take time, the worker may approve child care while the parent or caretaker is gathering necessary information during this 30 calendar day period.
(7) If the family requests subsidized protective or preventive child care benefits beyond this initial 30 calendar day period, the worker sends a memo and supporting documentation to the Family Support Services Division (FSSD) Child Care Section to request an extension. The client must provide all needed eligibility information prior to submission of the extension request. ■ 21

(f) Enrichment. The purpose of subsidized enrichment child care benefits is to assist a child receiving Supplemental Security Income (SSI) to develop socialization skills and to transition into a group setting such as a classroom. If a child is not receiving SSI benefits, the child is not eligible for subsidized enrichment child care benefits.

(1) The need for subsidized enrichment child care benefits is based solely on the needs of the child's condition of delay or disability rather than on the activities of the parent or caretaker.

(2) Child care for enrichment is limited to a maximum of two days per week not to exceed ten full-time or part-time days per month.

(3) The parent or caretaker must provide a written recommendation from a professional who is working directly with the child in some capacity that states how child care would be beneficial to the child. The professional could be the child's doctor, occupational therapist, physical therapist, or special education teacher.

(4) Unless special circumstances exist, subsidized enrichment child care is only approved for children who have not yet started school or Head Start.

(5) When subsidized enrichment child care benefits are approved, care must be provided outside of the child's home and at least one other child must be attending during the same hours.

(6) The worker obtains approval from staff in the FSSD Health Related and Medical Services Section prior to authorizing care for this need factor in accordance with OAC 340:70-8-1. ■ 22

INSTRUCTIONS TO STAFF

1. (a) Some clients work at jobs where they are paid at least minimum wage but the Oklahoma Department of Human Services (OKDHS) does not count the income. This is because the income comes from exempt sources such as work study or Workforce Investment Act (WIA) income per OAC 340:40-7-12. The client still meets the employment need factor even though the income is
not counted.

(b) Some clients work at jobs where they are not guaranteed any wage. Examples include working for commission only or being self-employed. In these situations the worker does not approve more than 30 days of care until the client brings in proof he or she has made some income from this employment.

(c) Bartering for services in exchange for work performed does not meet the definition of need because of employment. Examples of bartering include working in exchange for payment of rent, utilities, or a car payment.

2. (a) Proof can be a copy of the work schedule showing the client’s name and the name of the business or a signed statement from the employer. The worker can also confirm the client’s work hours over the telephone with the employer. If part of the client’s work duties involves staying overnight away from home or working split shifts, the worker uses his or her judgment to determine how much care is reasonable to approve.

(b) When the client first starts working, the worker approves the maximum number of days and hours the client could work. For instance, an employer statement might say the client works three to five days per week. The worker initially approves 23 days per month of care. The worker reevaluates the amount of care approved when actual pay is requested at 90 days per OAC 340:40-7-13. Care may be reduced or increased depending on how many days and hours the client actually worked during that period.

(c) If the client has been employed for at least 30 days, the worker evaluates the actual number of days and hours the client worked to determine how much care to approve unless there is reason to expect the work schedule to change. The worker documents in the Daycare tab and Case Notes of the Family Assistance/Client Services (FACS) how he or she determined the care plan approved.

(d) Clients who have the flexibility to set their own work hours are most often self-employed. 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)(3). If the children are attending school or Head Start in most instances it is usually reasonable to expect the client to be working during those hours. If it is not reasonable, Case Notes must clearly document why.
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. For instance, could they each work a different schedule?

3. (a) The worker uses his or her judgment to decide how many hours of care to initially approve after counseling with the client on how he or she plans to increase his or her income to at least minimum wage.

(b) Counseling may include:

   (1) helping the client determine whether this is the best field of employment;

   (2) referring the client to the Oklahoma Employment Security Commission (OESC) 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 that helps with small business planning. Most technology centers offer this type of service; or

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

(c) 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.

(d) The worker clearly documents in FACS Case Notes how he or she initially determined the child care plan hours, what strategy the client agreed to follow to increase income during counseling, and why any subsequent changes are made to the child care plan.

4. 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 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 children less than five years of age counts toward licensed capacity. The worker consults with Division of Child Care (DCC) licensing staff to establish whether a client, who is a child care provider, will be over capacity if his or her own child remains in the home 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.

5. (a) Sleep time child care is approved for working families only. Care cannot be approved for two-parent or two-caretaker families in order for one parent to go to school during the day.

(b) The goal of this policy is to allow a parent or caretaker to get seven to eight hours of sleep. The maximum care is not approved when the client has the opportunity to sleep during some of the child's sleep hours. For example, when a parent or caretaker's schedule is from 10:00 p.m. to 4:00 a.m., eight hours of care is not approved since the parent or caretaker can sleep for three to four hours before the child wakes up.

6. (a) Job search is approved for recipients who have received a child care benefit for at least 30 calendar days in order to ensure that the services of the child care provider are not lost and continuity of care for the child 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 to job search.

(b) To approve a client to 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 calendar 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 shown 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 time frame 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 effective ten calendar days from the date the worker takes action, whichever date is greater.

2. When the client does not plan to job search, the worker closes the authorization effective ten calendar days from the date the worker takes action.

3. If the client uses care beyond the time frame that the client could have been approved to job search, the worker sends an overpayment memo to the FSSD Overpayment Section per OAC 340:40-15-1.

7. (a) If the client receives Temporary Assistance for Needy Families (TANF) and the training is approved as a TANF Work activity in accordance with OAC 340:10-2-1, child care can be approved.

(b) Examples of questionable programs could be programs for nurse's aides, data entry clerks, or cashiers. If the worker questions whether a particular training program will make a person more employable, he or she can:

1. check with employers in the area that employ people with this skill to see if they require such a certificate, accreditation, or license. If they don't
require one but would pay more if the person had this credential, the worker approves child care for this training;

(2) call a WIA counselor or an OESC employee to see if there are general training requirements prior to a person becoming employed in this field; or

(3) require that the client provide documentation to show how this training program can help the client become more employable.

(c) On-the-job training and apprenticeship programs pay participants at least minimum wage for their work/training hours so care for this reason can be approved under the employment need factor.

8. If the client is not receiving financial aid and the school is not known by the worker to be eligible to disburse federal or state educational funds, the worker calls the school for confirmation.

9. (a) The worker verifies what days and hours the client attends school by obtaining a copy of the client’s training or class schedule, other documentation from the school showing the client’s schedule, or by calling and verifying the schedule with school officials. Child care is limited to actual classroom attendance, including travel time.

(b) 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, or other required activities.

(c) If the client is required to attend a lab in order to pass a specific class, an instructor must be present during the lab or child care is not approved for those hours. Hours spent by a student in a computer lab on an as needed basis to complete homework assignments are not approved even if a school official is present to help with technical difficulties regarding the equipment.

(d) 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. Additional study time is never approved.

10. Child care can only be approved for televised courses if the client must view the training during the broadcast because class participation is required. If the client can view the video of the broadcast whenever it is convenient, care is not approved for those hours.
11. The worker sets a reminder to check on the client’s school status if the client’s care needs are expected to change or he or she is expected to graduate prior to an annual review. If the client states he or she is still attending school, the client must provide a statement from the school verifying that he or she is making satisfactory progress, the reason he or she has not finished the program, and a current class schedule.

12. The intent of the work requirement is for the client to gain work experience and to make use of the training he or she has already received. If special circumstances exist that make this requirement unreasonable, the worker may send a memo to the Family Support Services Division (FSSD) Child Care Section staff requesting special approval. If the request is granted, the worker documents the special circumstances in FACS Case Notes.

13. The goal is for the client to complete the program as quickly as possible. Once the client has completed one session of classes, it is expected that the school can project how much longer classes are needed.

14. Child care is limited to the days and hours needed to complete the TANF Work activity plus travel time.

15. This provision helps ensure continuity of care with the same child care provider so an individual can continue the employment process.

16. The worker approves subsidized child care benefits 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 authorization is 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 calendar 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 calendar day period, the worker only approves child care for the number of days remaining in the 30 calendar day period.

17. (a) When a family is considered at risk for child abuse and neglect by CW worker but the family is not court involved, the Child Welfare (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 subsidized protective or preventive child care benefits. The CHBS case manager assists the family in applying for subsidized child care benefits. If approved, families receiving CHBS services are approved with a zero family share co-payment. To verify the need for child care, the CHBS case manager provides a written statement to the FSSD worker indicating:

1. the names and ages of the children for whom child care is needed;
2. why child care is needed and how it can eliminate or reduce the risk to the children;
3. what days and hours child care is needed; and
4. how long the child care is expected to be needed.

(b) If more than 30 calendar days of care is needed, the FSSD worker completes a short memo requesting that the protective or preventive child care benefits continue to be approved. The worker attaches this memo to the statement provided by the CHBS case manager and sends them to the FSSD Child Care Section.

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

18. The professional must be someone currently working with the family in a professional capacity to improve the family's stability or functioning. Examples may include a doctor, counselor, therapist, CW specialist, SoonerStart worker, or CHBS case manager.

19. (a) The worker documents in the memo why he or she is requesting that a family's normal family share co-payment be reduced or eliminated and how the family plans to increase its responsibility toward paying the family share co-payment in the future.

(b) Families for whom protective or preventive child care is requested by a CHBS case manager, are approved with a zero co-payment.

(c) 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.

20. The worker might help the client develop a budget that decreases the debt or refer the client to Consumer Credit Counseling or another local resource for help. This plan is included in the memo.

21. (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 protective or 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 is at risk of neglect, abuse, or exploitation, and how child care can eliminate or substantially reduce risk to the child;

(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) 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.

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

22. (a) The worker enters the child care request on the AUSN-C screen and sends the professional recommendation with Form ADM-117, Routing and Transmittal, to FSSD Health Related Medical Section, Supplemental Security Income-Disabled Children's Program (SSI-DCP) coordinator.

(b) The SSI-DCP coordinator notifies the worker by e-mail regarding approval or denial of the request. Care is approved for no more than six months at a time.

(c) The worker enters the approval or denial in the FACS Eligibility Notebook, Auth. Daycare tab. The worker enters as the reason "enrichment, supervision, training, or to avoid institutionalization."

(d) See OAC 340:40-7-3.1 for information about the approval process for the higher special needs rate unit type.
340:40-7-9. Mandatory pursuit of child support and other potential income

(a) Mandatory referral to the Child Support Enforcement Division (CSED). When one or both of the child's parents are absent from the home, the client must agree to pursue child support through CSED for all children that must be included in the same household in accordance with OAC 340:40-7-6 before subsidized child care benefits are approved unless good cause exists as described at paragraph (6) of this subsection. This includes when the parent or caretaker is not requesting subsidized child care benefits for that child, the client is currently receiving court-ordered child support, there is a joint custody agreement and neither parent is ordered to pay support, an additional child whose parent is absent is added to the household, or one or both parents leave the home after certification. ■ 1

(1) When a CSED referral is not required. The client is not required to complete child support forms when:

(A) he or she is a foster parent to the child and the CSED referral was completed in the child's Medicaid case; ■ 2
(B) the client is an adoptive parent and provides proof of a single parent adoption;
(C) a parent is temporarily out of the home in accordance with OAC 340:40-7-6(c) and is still considered part of the household;
(D) the child whose parent is absent is not required to be considered part of the household in accordance with OAC 340:40-7-6; or ■ 3
(E) the client is a minor parent and is not living with his or her own parents. The minor parent must pursue child support for his or her own child but not for himself or herself.

(2) Required forms. 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 subsidized child care benefits and paternity has not been established; and

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

(3) **Centralized Support Registry (CSR).** After the worker approves the client for subsidized child care benefits, all future child support payments must be made to the CSR. Form C-16 contains the address for the CSR.

(4) **Termination of parental rights.** The termination of parental rights does not eliminate the obligation of either parent to provide financial support for his or her minor child. 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 except in the case of adoption. An adoptive parent’s legal obligation continues even if a child is returned to the care of the natural parent.

(5) **Establishment of paternity.** 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.

(6) **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.

(A) 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 or recipient’s request for good cause. The worker does not deny, delay, or discontinue subsidized 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.

(B) OKDHS determines that the client has good cause for refusing to cooperate only if:
(i) there is possible physical or emotional harm to the child;

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

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

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

(v) 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.

(C) 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:

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

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

(iii) 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;

(iv) 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;

(v) 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

(vi) sworn statements from individuals other than the client with knowledge of the circumstances which provide the basis for the good cause claim.
(D) 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 (C)(i) through (vi) 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.

(E) Under limited conditions the parent 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. This can occur when the judge from the juvenile court states that no child support is to be pursued.

(b) **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 subsidized child care benefits effective ten calendar days from the date action is taken. 7

(c) **Cooperation with CSED following closure of the subsidized child care benefits.** The client must verify that he or she is cooperating with CSED before subsidized child care benefits can be approved again. 8

1. If the client cooperates with CSED within 30 calendar days of the closure of the subsidized child care benefits and the worker is notified of this cooperation within this time frame, the worker can reopen the benefits back to the date they closed without imposing a penalty period. 9

2. If the client does not cooperate with CSED or waits to inform the worker of this cooperation for more than 30 calendar days from the date the subsidized child care benefits closed, the client must complete a new application before care can be approved. The earliest date subsidized child care benefits can be approved is the date the client completes a child care interview and provides all necessary verification in accordance with OAC 340:40-3-1.
(d) Exploration and development of potential income other than child support. The worker explores all other potential sources of income such as Social Security benefits, Supplemental Security Income (SSI), unemployment benefits, veterans benefits, and increased wages at the time of application and at each review for all members of the household whose income must be considered in accordance with OAC 340:40-7-6. ■ 10 The client must apply for or continue to pursue all potential sources of income for which it appears likely he or she may be eligible except for SSI. The client is encouraged but not required to apply for SSI when the client indicates that a household member has a disability. The worker gives the client 90 calendar days from the date potential income is identified to pursue such income. ■ 11

(1) If the client refuses to pursue available income at the time of request, 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 subsidized child care benefits effective ten calendar days from the date the worker takes action. ■ 12

(3) If the client is approved for the potential income or offered a raise in pay and refuses to accept it, the worker closes the subsidized child care benefits effective ten calendar days from the date the worker takes action.

(4) If the client's pay is decreased either in rate of pay or number of hours worked, the worker explores why the decrease occurred. If the client requested the decrease to avoid a family share co-payment increase or to maintain eligibility for the subsidized child care benefits, the worker closes the subsidized child care benefits. ■ 13

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

(A) If the client begins receiving previously identified potential 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 client must verify this. The worker records in the case record the verification provided and stops exploring this potential income with the client.

(C) If the client stops pursuing the income and was not determined ineligible for it, the worker closes the client's child care benefit for failure to cooperate effective ten calendar days from the date the worker takes action.
(6) If the client’s subsidized child care benefits were closed because of failure to cooperate, 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.

(A) If the client verifies cooperation within 30 calendar days of the closure of subsidized child care benefits, the worker can reopen the benefits back to the date they were closed without imposing a penalty.

(B) If the client does not cooperate or waits to verify cooperation for more than 30 calendar days from the date the subsidized child care benefits close, the client must complete a new application before care is approved. The earliest date subsidized child care benefits can be approved is the date the client completes a child care interview and provides all necessary verification in accordance with OAC 340:40-3-1.

INSTRUCTIONS TO STAFF

1. (a) If the child is a sibling to other children that must be included in the child care household, the client must be willing to pursue child support for all children in order to be eligible for subsidized child care benefits for some of the children.

(b) If the client is receiving court-ordered child support, he or she must still complete required child support forms. Once the referral is sent to Child Support Enforcement Division (CSED), the client can call CSED and request that the child support case be closed because he or she is receiving court-ordered child support. CSED staff decide whether the child support case can be closed without penalty to the client. When CSED staff decide no penalty is required, they use the closure reason code of 01 on the CCPI screen.

(c) When there is a court order stating that child support was not ordered, CSED staff determine whether the order is being followed as written and whether it is feasible to pursue support. If CSED staff determine it is not feasible to pursue child support, they use the closure reason code of 01 on the CCPI screen.

(d) When child support forms are required after certification because an additional child request is received, the worker informs the client that he or she must be willing to pursue child support for that child and arranges for a time to complete required forms with the client. As long as the client does not refuse to complete these forms, certification for the child is not held up.
pending completion of these forms. Instead, the worker authorizes the child for subsidized child care benefits and sends Form ADM-92, County Client Contact and Information Request, to set an appointment to complete required child support forms. If the client does not complete required forms, the worker closes child care benefits for the additional child and all siblings of this child.

(e) When one parent leaves the home, Form ADM-92 is sent to set an appointment to complete required child support forms. If both parents leave the home, a new child care application is required that would include completion of child support forms.

2. The worker documents in Case Notes the case number where child support is being pursued and cross references that case number on the system.

3. An example is when a client's household consists of his or her own children as well as other children such as nieces, nephews, or grandchildren. If the client only wants child care for the other children, he or she is not required to pursue child support for his or her own children.

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. The client must give enough information so that the referral crosses over to CSED. Required entries in the Deprivation tab include:

   (1) the "name of the absent parent" field I4. This can be shown as unknown;

   (2) "sex" field I13;

   (3) "deprivation factor" field F48;

   (4) "client assignment of child support" field I25. This is marked "refused to assign support" for child care;

   (5) "cooperation" field I26. This is marked as "agreed to cooperate" or "pending determination of good cause";

   (6) "person number for the child" field I61; and
(7) "absent parent legal status" field I64.

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. 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 human services center staff and CSED district office staff concur with the client's claim for good cause, the worker updates the appropriate entries on the Deprivation tab of FACS.

   (3) If the human services center staff and CSED district office staff 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 human services center staff and CSED district office staff do not concur with each other in a determination of good cause, the worker 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 staff returns Form C-15 with Section V completed to the worker 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 to determine if any changes have occurred 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 worker.

(7) If the human services center 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 is added to the case and good cause has already been approved for the same parent, the worker codes the "cooperation" field I26 of the Deprivation tab to show "good cause for not cooperating has been determined" unless good cause circumstances have changed.

7. (a) CSED staff can inform a worker of non-cooperation by calling or e-mailing the worker. The CSED system also sends data to FSSD by computer match.
twice per month. The FSSD Data Exchange and Management Reports Unit sends a CSED Non-Cooperation Report to human services center staff twice per month.

(b) The worker checks the CCPI transaction to see the client's current cooperation status before closing the subsidized child care benefits. The worker accesses the CCPI transaction by entering CCPI space the client's family group number (FGN). The worker can find the client's FGN by entering SSN space and the client's Social Security number. If the "cooperation" field is marked Y, the client is cooperating and a penalty is not applied. If the "cooperation" field is marked O, the client is not cooperating and the subsidized child care benefits are closed. The worker enters a Case Note stating why the subsidized child care benefits were closed.

8. The worker checks the CCPI transaction to confirm cooperation before reopening the subsidized child care benefits. The "cooperation" field must show a Y before the penalty is lifted. If CSED staff contact the worker to confirm cooperation but CCPI has not been updated, the worker asks CSED staff to update the CCPI transaction before subsidized child care benefits can be approved.

9. If the worker reopens the subsidized child care benefits more than ten calendar days from the date of the closure action, see OAC 340:40-10-4(e) regarding the manual claim process.

10. (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) See OAC 340:40-7-8(a) and Instruction to Staff 3 for information about counseling with the client to increase income.

11. The worker sets a 90-day reminder 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.

12. 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.

13. If the client tells the worker he or she decreased pay to reduce the family share co-payment or to remain eligible for child care, the child care benefit is closed. If the client tells the worker that pay was decreased for other reasons, the worker contacts the employer to gather information about why the client's pay was decreased. The worker consults with his or her supervisor prior to closing the client's subsidized child care benefits for this reason. Case Notes must clearly document why subsidized child care benefits were closed.
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.

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

(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 solely or in part by the individual are considered as self-employment income. Except for households with farming income, self-employment income for households declaring business expenses is determined by calculating total gross receipts or sales and subtracting 50% of the gross income to arrive at the net profit. Alternatively, the net business profit for the most recent tax year as reported on Internal Revenue Service Form 1040, Schedule C, Profit or loss from Business, may be used. See (b)(2)(F) of this Section to determine self-employed farm income.

(A) Monthly self-employment income. Self-employment income received on a monthly basis is normally averaged over a 12-month period. 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 income, the worker calculates the self-employment income based on anticipated earnings.  ■ 5

(B) **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.  ■ 6

(C) **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 income, self-employment income is based on anticipated earnings.  ■ 5

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

(E) **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(b)(5) applies.  ■ 7

(F) **Self-employed farm income.** 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. To determine the net monthly self-employed farm income, the worker:

(i) adds all gross self-employment income excluding capital gains;  ■ 8

(ii) subtracts the total allowable business expenses from the total gross self-employment farm income. Items that are not allowable business expenses include:

(I) net losses from previous periods;

(II) federal, state, and local income taxes;
(III) money set aside for retirement purposes, and other work related personal expenses, such as meals and necessary transportation;

(IV) depreciation;

(V) penalties and fines;

(VI) charitable contributions; or

(VII) transportation costs to and from work;

(iii) subtracts any additional business expenses that exceed the farm income against any other countable income in the household; and

(iv) divides the net self-employment farm income by the number of months to be averaged.

(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 provided under Section 134 of WIA is considered earned income for individuals who are 19 years of age and 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.

(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 per OAC 340:40-7-12. ■ 9

(c) **Unearned income.** Unearned income is 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. ■ 10
(1) **Assistance payments.** Assistance payments include state means tested programs such as Temporary Assistance for Needy Families (TANF) and State Supplemental Payment (SSP) to the aged, blind, or disabled, and Refugee Cash Assistance. ■ 11

(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. ■ 12

(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. ■ 13

(A) If a child care payment is paid directly to the child care provider, it is not considered income for the client.

(B) 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 that must be met before OKDHS makes a subsidy payment to the provider.

(C) 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.

(6) **Veterans compensation, pensions, or military allotments.** Annuities, pensions, disability compensation, military allotments, servicemen dependent allowances, and similar payments are considered unearned income. ■ 14

(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. □ 15

(9) Lump sum payments. Non-recurring lump sum payments 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. □ 16

(10) Title IV-E or State Adoption Subsidy. Federally or state funded adoption subsidy payments made to adoptive parents 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. (a) If the client is not making at least minimum wage, see OAC 340:40-7-8(a) to determine whether the client meets the need factor for employment.

   (b) For this source of income to be considered self-employment, the individual must:

      (1) state he or she is self-employed;

      (2) be eligible to file federal and state taxes as a self-employed person. Individuals who own an interest in a corporation do not qualify as self-employed as they do not have business expenses. Self-employment tax forms include:

         (A) Form 1040 with Schedule C for sole proprietors;

         (B) Form 1065 with Schedule 8865 K-1 for partnerships; or

         (C) Form 1120-S with Schedule K-1 and personal tax return for S Corporations;
(3) not have an employer/employee relationship with another entity; and

(4) have the potential to realize a profit or a loss.

2. (a) 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. The worker records income information in the Family Assistance/Client Services (FACS) Interview Notebook under the Income and DC Compute tabs.

(b) Money allotted for rent and food that may appear on an active military person’s pay check is considered part of that person’s earned income.

3. If an individual receives a benefit allowance from his or her employer, count the regular gross earnings plus any excess money left after deducting the insurance cost from the benefit allowance. For example, an individual:

   (1) is given a $300 benefit allowance to purchase insurance and uses the entire amount to purchase the insurance. None of the benefit allowance is counted as income;

   (2) is given a $300 benefit allowance but only purchases $280 in insurance. The remaining $20 that is given to the client as an excess benefit allowance is counted as income; or

   (3) has an option of purchasing insurance and would receive a $300 benefit allowance if insurance was purchased but the individual elects not to purchase the insurance. In this situation, the employer makes $150 of the $300 benefit allowance available as cash. The $150 is an excess benefit allowance and is counted as income.

4. (a) Capital gains income is excluded as income for subsidized child care benefits. See OAC 340:50-7-30(1) for food benefits.

   (b) Individuals who own an interest in a corporation do not qualify for the business expense deduction as they do not have individual business expenses.

   (c) If the individual filed a federal income tax form for the self-employment income for the most recent year, the worker uses the individual's federal tax
return to determine monthly income unless it does not reflect the current situation. If the individual reports business expenses on the tax return, the worker subtracts 50% of the income as business expenses and then divides the remainder by 12 to arrive at monthly countable income. Self-employment tax forms include:

1. Form 1040 with Schedule C for sole proprietors;
2. Form 1065 with Schedule 8865 K-1 for partnerships; or
3. Form 1120-S with Schedule K-1 and personal tax return for S Corporations.

(d) If the individual did not file a tax return, the worker obtains copies of the individuals business records for the last 12 months to determine income and whether to allow business expenses.

(e) The worker documents in FACS Case Notes how the countable income was calculated.

5. (a) If the client states that his or her income has increased or decreased, the worker uses whatever income is representative of future earnings to determine the family share co-payment. The worker documents in FACS Case Notes how income was calculated and why the full 12 month average was not used.

(b) If the individual's self-employment enterprise has been in existence for less than a year, the worker divides the total income by the number of months the individual has been in business.

(c) If the client has not yet received income from the enterprise, no income is considered in accordance with policy at OAC 340:40-7-10 until the client receives some income.

6. (a) 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.

(b) If this income is from a new source and no money has been received, income is not counted from this source until income has been received. If the
client had this same seasonal business the prior year, the worker anticipates income for the first month based on the prior year's income records unless it is not representative. Record documentation about how income is calculated in FACS Case Notes.

7. 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.

8. Capital gains are excluded as countable income per OAC 340:40-7-12(5) because they are income from the sale of resources.

9. When a child turns 18 years of age he or she is considered an adult for child care purposes. If he or she is a sibling to the child needing subsidized child care benefits, his or her income is not counted. See OAC 340:40-7-6 regarding household composition and income consideration. See OAC 340:50-5-1 regarding who must be included in a household for food benefits.

10. See OAC 340:65-3-4 regarding ways to verify and document unearned income.

11. Recipients of these assistance programs are predetermined income eligible with a zero family share co-payment for the subsidized child care benefits in accordance with policy at OAC 340:40-7-1.

12. A recipient of Supplemental Security Income (SSI) is predetermined income eligible with a zero family share co-payment for subsidized child care benefits in accordance with OAC 340:40-7-1. 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 children. The child is counted as a family member in determining household size.

13. (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 in FACS Case Notes.

(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 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.

14. Military benefits whose receipt is contingent upon the individual regularly attending school is excluded.

15. See OAC 340:40-7-11(b)(2) regarding self-employment business expenses.

16. Lump sum payments from income sources that are not mentioned in this Section are not considered. See OAC 340:40-7-12(1) regarding income exclusions. Lump sum payments from SSI income are also excluded.
340:40-9-1. Review of child care eligibility

(a) **Child care review.** The worker completes a review of all conditions of eligibility for subsidized child care benefits no later than 12 months from the date of approval of the application or from the last review. When the need factor for child care is for a protective or preventive reason, child care is reviewed more often in accordance with OAC 340:40-7-8(e). The client or the client's authorized representative completes and signs Form FSS-1, Comprehensive Application and Review, or Form K-2, Application for Child Care Services. If the client is a semi-annual reporter as described in subsection (b) of this Section, Form FSS-BR-1, Benefit Review Report, may also be used as a review form for subsidized child care benefits. 1 When circumstances change between review months, the worker evaluates whether to make a change to the client's family share co-payment and/or plan of service or whether a complete Form FSS-1 or K-2 is required. 2

1 A complete application/review form is required when:

(A) the payee on the child care benefit changes;

(B) the client's subsidized child care benefits closed because a period of job search was given in accordance with OAC 340:40-7-8(a)(6) and the client finds employment; or

(C) subsidized child care benefits must be synchronized with the client's food benefits or Medicaid benefits in accordance with subsection (c) of this Section.

2 The client completes only the last page of Form FSS-1 or K-2 when:

(A) the days and hours child care is needed changes;

(B) the client requests a child be added to the subsidized child care benefits and that child's plan of service is different than the other children already approved for subsidized child care benefits. Policy regarding adding children is found at OAC 340:40-9-2(b); or

(C) the client's Temporary Assistance for Needy Families benefit closes and there is a continued need for subsidized child care benefits.

(b) **Semi-annual reporting households.** If a client receiving subsidized child care benefits is also receiving food benefits and/or Medicaid and is considered a semi-annual reporter for one or both of these programs, the client is considered a semi-annual reporter for the Child Care Program.
(1) Semi-annual reporters are sent a computer-generated Form FSS-BR-1 in the fifth month of certification and every six months thereafter as long as the subsidized child care benefits remain active and the client remains in benefit reporting status.

(2) Form FSS-BR-1 asks households to report changes in the household's circumstances that could affect their benefits. Form FSS-BR-1 must be completed and returned to the human services center, along with all required verification, by the last day of the sixth month of the review period or the subsidized child care benefits automatically close.

(3) If the household fails to provide sufficient information regarding a deductible expense, continued eligibility is determined without regard to the deduction.

(4) The worker must act on any changes reported on the FSS-BR-1 in a timely manner.

(c) Synchronization of benefits. When the client is receiving other benefits from the Oklahoma Department of Human Services (OKDHS) in addition to the subsidized child care benefits, certification and review dates must be coordinated with the other programs.

INSTRUCTIONS TO STAFF

1. (a) The worker reviews the client's eligibility for child care in the same manner as the initial eligibility determination. See OAC 340:40-3-1 for initial eligibility procedures. Conditions of eligibility which must be reviewed are found at OAC 340:40-7. The worker enters 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.

(b) A face-to-face interview is recommended if one was not completed at the most recent application or review unless there are extenuating circumstances that are documented in FACS Case Notes. However, a face-to-face interview is always required when child care is approved for a protective or preventive reason. The child is seen at the face-to-face interview, whenever possible, to help determine if other social services are needed. Examples of extenuating circumstances include when the client:

   (1) has had a face-to-face interview for another program in the interim:
(2) states he or she cannot take off of work or miss class; or

(3) completes Form FSS-BR-1, Benefit Review Report, as the review form unless child care is approved for a protective or preventive reason.

(c) If the review is completed on Form FSS-BR-1 and the client reports changes have occurred in the days and hours care is needed, the worker enters the new plan of service on the last page of Form FSS-1, Comprehensive Application and Review, or Form K-2, Application for Child Care Services. The worker sends Form ADM-92, County Client Contact and Information Request, with this page to the client to sign and return acknowledging the new plan hours. When the client returns this page, two copies are returned to the client: one copy for the client and one copy for the child care provider.

(d) If the client is using a one star child care provider at the time of the review interview, the worker 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(8) for more information on helping a client choose an appropriate child care provider.

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

(f) When the worker determines that the family is no longer eligible for subsidized child care benefits, the worker closes the benefits. A computer-generated closure notice is sent to the client and the child care provider. If the family continues to need child care services, the worker asks the client whether he or she needs help with budgeting to pay this expense or with information concerning lower cost child care alternatives. The worker gives needed information to the client and records this discussion in FACS Case Notes.

(g) If subsidized child care benefits are closed and the worker reevaluates this action within 30 calendar days of the closure date, see OAC 340:40-9-2(g) for rules regarding when subsidized child care benefits can be reopened.
2. If a change is needed to the plan of service or to the family share co-payment, the worker makes the change in accordance with OAC 340:40-9-2 regarding the effective date of when changes can be made.

3. The last page of Form FSS-1 or K-2 is completed with the client to show the client's new plan of service. This can be completed in person or over the telephone. If it is completed over the telephone, the worker sends the last page with Form ADM-92 to the client for his or her signature. After this page is signed, the worker gives or sends the client two copies of this page; one for the client and the other for the child care provider.

4. Examples include:

   (1) when the client changes jobs;

   (2) the client's work hours are increased or decreased; or

   (3) the client's school schedule changes at each semester.

5. (a) The worker completes the last page of Form FSS-1 or K-2 to show only the days and hours the client now needs child care. The worker advises the client that he or she is no longer exempt from paying a family share co-payment and advises the client of the amount of his or her family share co-payment, if any. If the client expresses concern about his or her ability to pay this co-payment, the worker offers budgeting assistance to the client.

   (b) If subsidized child care benefits are not open at the point the TANF benefit closes, a full application must be completed in accordance with OAC 340:40-3-1.

6 (a) The worker is responsible for determining which households are identified as semi-annual reporters. Households receiving only subsidized child care benefits are not considered 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. Most non-public assistance Medicaid households are semi-annual reporters. See OAC 340:40-9-2 for information regarding 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 is returned to the human services center, the worker determines if the form is complete and all required verification is received.
Required verification includes verification of income for the month specified on the form and proof of the client's current work or school schedule. If more than that month's income is received, the worker evaluates all income provided to determine what is most indicative of future earnings. If the days and hours child care is needed have changed, see Instruction to Staff #1(c) in these Instructions. The worker updates the system to show the status of the review.

(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 human services center, the "benefit report action" field E135 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 child care 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 subsidized child care benefits.

(1) To reopen subsidized 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.

(2) 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. A worker must enter a new
authorization instead of using a reopen action when the client reports a change in child care provider.

(3) If the reopen action is entered more than ten calendar days from the closure date of the authorization and the client has been swiping attendance and receiving a denied message, the worker completes Form EBT-4, Report of EBT Child Care Payments Adjustments, in accordance with OAC 340:40-10-4(e).

(d) If the worker fails to take action in a timely manner and subsidized child care benefits close, the worker can reopen the subsidized child care benefits within 30 calendar 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 calendar 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 subsidized child care benefits effective ten calendar days from the date the worker takes action with the appropriate reason code. If subsidized 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 E135 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.

7. (a) When a client is a semi-annual reporter, it is especially important to synchronize certification and review dates with other benefits the client receives to limit the number of review forms issued and to avoid inappropriate closure of one of more of the client's benefits.

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

(c) 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 benefits 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 subsidized child care benefits. 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 within ten calendar days any changes in his or her circumstances that would result in an increase or decrease in **subsidized** child care benefits.  ■ 1 The worker acts on changes that increase or decrease the **subsidized** child care benefits 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.  ■ 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 or any other change 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; and
9. family size.

(b) **Additional child request.** When an additional child requires **subsidized** child care benefits, 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 **subsidized** child care benefits differs from the current plan of service. If eligible, the child can be approved for **subsidized** child care benefits beginning with the date of request. Family share co-payment increases due to adding an additional child to the **subsidized** child care benefits are effective the month after the month the client requests **subsidized** child care benefits for that child.  ■ 4

(c) **Changes that increase the **subsidized** child care benefits.** When the client reports a change timely that increases the **subsidized** child care benefits, the client and the worker jointly plan the effective date of the change.  ■ 5 When the client does not
report changes timely, the earliest date the worker increases the subsidized child care benefits is the first day of the month in which the client reports the change.

(d) Changes that decrease the subsidized child care benefits. When possible, the worker plans with the client changes that decrease the subsidized child care benefits before implementing the change. 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 in accordance with OAC 340:40-5-1(9). ■ 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 or not the client reports this change timely. ■ 7 The worker completes provider changes within two working days of the date the client reports the change.

(f) Closure of the subsidized child care benefits. When advance notice is required, the worker closes the subsidized child care benefits ten days from the date action is taken. Ten day advance notice is not required when the client gives written permission agreeing to an earlier closure date. ■ 8

(g) Reopen action. When a client’s subsidized child care benefits close, they can be reopened using current eligibility information if policy and procedures were not administered correctly or if human services center staff receive new or additional information within 30 calendar days of the effective date the benefits terminated that shows the family continues to be eligible. ■ 9 The client must complete a new application when:

1. a 30 calendar day period of job search was given because the client lost his or her job or successfully completed school and the subsidized child care benefits were closed; ■ 10

2. expedited eligibility processing is used and requested verification is not returned within 30 calendar days of the application date. See OAC 340:40-3-1(b); or ■ 11

3. the payee for the child care case changes.

INSTRUCTIONS TO STAFF

1. The worker completes case changes within ten calendar 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 benefits. 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 the client requests increased child care benefits 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:

   (1) the date of request;

   (2) the name and birth date for the child;

   (3) what days and hours the client needs child care;

   (4) how child care needs were previously met; and

   (5) whether child support or any other income must be pursued for the child.

   (b) If one or both of the child's parents is absent from the home, the worker informs the client that he or she must be willing to pursue child support for that child and arranges for a time to complete required forms with the client. As long as the client does not refuse to complete these forms, certification for the child is not held up pending completion of these forms. Instead, the worker authorizes the child for subsidized child care benefits and sends Form ADM-92, County Client Contact and Information Request, to set an appointment to complete required child support forms. If the client does not complete required forms, the worker closes child care benefits for the additional child and all siblings of this child. See OAC 340:40-7-9 for information about the mandatory pursuit of child support and other potential income.

   (c) If the child brings additional income to the household, the worker adds the child's income to current household income for the next effective month.
(d) 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 of FACS. The worker enters in the Social Services tab a change in the "action taken" field E3, the following month in the "effective date" field E5, and 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 system maps the copay 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 the system maps the new family share co-payment for the next effective month.

5. (a) The worker documents changes, if applicable, 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. If the change action results in a change in family share co-payment, the system maps the co-payment change to the authorization. This generates a notice to the client. The worker does not make a change in the Auth. Daycare tab for a co-payment only change. The worker must enter a change action in the Auth. Daycare tab when the unit type or number of days and hours the client needs child care changes.

(b) Changes that increase subsidized child care benefits include, but are not limited to:

   (1) a change in income resulting in a decrease in family share co-payment. The client's family share co-payment for the month he or she reports the change is based on actual income. Prior to reducing the family share co-payment for the current or earlier month, the client must provide verification of the actual income for that month. The earliest date the change is made in the "effective date" field E5 of the Social Services section is the first day of the current month;

   (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. The change in family share co-payment is effective the month after the child is removed.

   (A) 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.

(B) The worker closes the authorization in the Auth. Daycare tab with the appropriate reason code. The earliest date the worker closes the child care authorization is the date action is taken.

(C) 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. This change action causes the system to recalculate the family share co-payment and map it to the "copay" field K70 for the remaining authorizations;

(3) an increase in the unit type or number of days or hours the client needs child care.

(A) The worker makes the change as needed and planned for each affected child when the client reports the change within ten calendar days.

(B) When the change is not reported timely, the earliest date the worker increases days and hours is the first day of the month the client reports the change.

(C) The number of days approved for the first month may be less than a full month of care if the increased 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 340:40-7-3.1 for one of the higher special needs rates.

(A) The worker makes the change effective 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.

(B) 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.
(c) The child care provider must submit Form ADM-12-S, Child Care Claims, to request supplemental payment for any increase because the client did not correctly record attendance. Unless extenuating circumstances beyond the client's and/or provider's control exist, OKDHS Finance Division staff do not supplement the 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.

(d) The worker submits Form EBT-4, Report of EBT Child Care Payment Adjustments, to OKDHS Finance Division to request a supplement for the child care provider to correct problems not associated with correct attendance swiping. Some examples of when the worker completes Form EBT-4 include a decrease in the family share co-payment, an incorrect birth date being entered, an incorrect rate being given, or when the client correctly recorded the times of attendance but the swipes were denied. The worker enters correct data into the system for the current month prior to submitting Form EBT-4.

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 system maps the co-payment change to the authorization, 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 the client needs child care changes.

(b) The worker documents changes, if applicable, 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. See OAC 340:40-9-3 (e) for changes requiring advance notice. Changes include:

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

(2) a change in the number or names of children requiring subsidized child care benefits. If the client requests subsidized child care benefits for an additional child, see (b) of this Section and Instruction to Staff 4. If the worker is removing a child from the subsidized child care benefits, see Instruction to Staff 5(a)(2);
(3) a decrease in the number of days the client needs child care or a change between part-time, full-time, blended, or weekly authorized care. The earliest date the worker makes the change is the first day of the current month as long as care was not given.

(A) If the client and provider differ on their report of the dates and amounts of care actually given, the worker checks time and attendance through the EBT Daycare system.

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

(C) If OKDHS has already paid for care for which the client was not eligible, the worker completes an overpayment memo per OAC 340:40-15-1;

7. (a) A change in provider is considered a non-adverse action when no other change occurs in the plan of service.

(1) 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.

(2) 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:

(1) 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;

(2) the provider cannot determine exactly how much, if any, co-payment is owed until he or she receives the Totals Report for the first week the children start care with him or her. Prior to receiving payment for that payment week, the provider has the option of:

(A) requiring the client to pay the entire co-payment again until the provider knows how much of that month’s co-payment was actually applied at his or her facility; or

(B) accepting a receipt from the client showing how much co-payment he or she paid to the first provider and waiting until the Totals Report confirms part of the co-payment is still owing before charging the client for that co-payment.

(3) 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 after receiving payment from OKDHS.

(d) If the client pays the entire family share co-payment to the first facility and that much care was not given, the first 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 subsidized child care benefits were closed and benefits are not reopened, the worker only authorizes care for this provider through the date of the original closure. In this instance, the worker enters a begin and end date on the authorization.

8. (a) The earliest date the worker can close the subsidized child care benefits when advance notice is not needed is the date action is taken. 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 the worker enters a closure action is the first day of the next month.

(b) When the worker closes the subsidized child care benefits because the client’s income exceeds the levels on OKDHS Appendix C-4, Child Care Eligibility/Rates Schedule, the worker must first determine whether the client’s income for the current month exceeds the levels on OKDHS Appendix C-4.

(1) If the client will not receive enough income during the current month to cause him or her to become ineligible, the earliest date the worker closes the subsidized child care benefits is the last day of the current month. This can happen when the client starts new employment.

(2) If the client provides income information showing he or she has already received enough income to make him or her ineligible for the current month, the worker closes the subsidized child care benefits ten calendar days from the date the worker takes the action. This can happen when the client provides income information for benefit reporting.

(c) When the worker closes the subsidized child care benefits for any other reason that requires advance notice, the worker closes the benefits ten calendar days from the date he or she takes action. Possible reasons include:

(1) lack of cooperation. This can include when the client does not:

(A) respond to a request for an interview or verification;

(B) pursue potential income or refuses to accept increased income; or

(C) cooperate with Child Support Enforcement Division (CSED);

(2) no longer meeting the need factor for child care. See OAC 340:40-7-8(a)(6) when the client requests a 30 calendar day period of job search after losing a job or completing a formal education or training program;

(3) not using care for more than 30 calendar days as evidenced by a lack of swiped attendance at the child care facility; or
(4) change in payee.

(d) The system automatically closes the subsidized child care benefits on the last day of the current month when the client fails to timely return the computer-generated Form FSS-BR-1, Benefit Review Report.

9. (a) 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 calendar days that increases the family share co-payment. The worker applies the increase effective the first of the month after subsidized child care benefits reopen. If subsidized child care benefits close on the last day of the month, the worker applies an increased co-payment for the first of the next month. If subsidized child care benefits close on the 13th of the month and reopen on the 14th, the increased co-payment applies to the first of the next month.

(b) When there is a change in the days and hours the client needs child care, 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 the worker reopening the subsidized child care benefits. The worker gives two copies of this signed page to the client; one for the client’s records and one to give to the provider.

(c) To reopen subsidized child care benefits, the worker enters in the Social Services tab an R in the "action taken" field E3 and the "children in day care" field E52. The worker must also update the "benefit" 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 taken" field K12, "application approval" in the "notice indicator" field K92, as well as any other fields requiring changes in the Auth.Daycare tab.

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

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

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

(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) In accordance with Section 85.44B of Title 74 of the 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 unit type. 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 full-time, over four hours per day or part-time, four hours or less per day;
   (5) whether the worker approves a full-time daily, part-time daily, a combination of full-time and part-time daily, blended, or a weekly unit type; ■ 2
   (6) the county in which the provider is located; and
(7) whether the facility qualifies for a differential quality rate.

(d) The in-home child care rate is paid for children cared for in their own homes. The in-home rate is 90% of the one star child care home daily rate shown on OKDHS Appendix C-4, Child Care Eligibility/Rates Schedule, for the child’s age. If a child is eligible for the severe or moderate special needs rate, this additional amount is added to the applicable in-home rate for that child. ■ 3

(e) When the child is cared for in an out-of-home child care center or home, 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 and OKDHS.

(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 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. ■ 5

(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. ■ 6

(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. ■ 7

(l) The traditional school year 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 extended school year blended rate may be approved for the full calendar year when children attend school the entire year. ■ 2
INSTRUCTIONS TO STAFF

1. See OAC 340:40-7-3.1 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) To help determine the appropriate unit type, the worker can use the Appendix C-4-C, Unit Type Chart for Child Care Authorizations.

(b) The worker authorizes a daily part-time unit type when care is needed four hours or less every day.

(c) The worker authorizes a daily full-time unit type when care is needed more than four hours every day and the child does not qualify for weekly unit type.

(d) The worker approves a combination of full-time and part-time unit types when care is needed four hours or less for some of the days and more than four hours for other days. If the child is four years or older, the worker first determines whether the child qualifies for a blended unit type before approving a combination of full-time and part time unit types.

(e) Care authorized on a weekly unit type 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, Weekly Unit Type Guidelines, to determine the minimum number of days a child must attend to qualify for an absent day payment and the maximum number of days OKDHS can pay the provider.

   (1) The worker approves a weekly unit type when the child attends the child care facility for the entire month and:

      (A) the client works at least 40 hours per week or 80 hours every two weeks over three or four days per week. The child must need 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 full-time daily unit type is approved. When the client qualifies for a three or four day weekly unit type, the worker must send
an e-mail to daycare@okdhs.org to request that the authorization be changed to a three or four weekly unit type. The worker includes in the e-mail:

(I) the case number and person code for the child;

(II) whether the worker is requesting a three or four weekly unit type;

(III) the days and hours the client works each week or every two weeks; and

(IV) how the work schedule was verified; 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 for a weekly unit type 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 unit type;

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

(E) the child care provider prefers a daily unit type.

(f) The worker approves a blended unit type 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 unit types, traditional and extended school year. The traditional school year blended unit type 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 unit type is for year around school and is calculated for the entire calendar year. The worker must determine which blended unit 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 with a traditional blended unit
type. The blended unit type 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.

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

(h) 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 340:40-7-3.1 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 were 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. See OAC 340:40-7-3 for age requirements.

6. See OAC 340:40-7-3.1 for information on the approval process for the higher special needs rate. Also see OAC 340:40-13-1(b) when in-home care is approved. If the provider does not qualify for this higher rate, the worker may
authorize child care with a part-time daily, full-time daily, or a weekly unit type for this provider.

7. 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) Local Division of Child Care (DCC) licensing staff provide initial information about contracts for child care facilities. The provider contacts the child care liaison to request a contract.

(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 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. 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 child care liaison for training and review of the contracting requirements.

(2) When contacted by the owner or director of a child care facility, the child care liaison explains that the owner must review the "Contracting with DHS for Child Care
Subsidy Payments Handbook” and watch a training video before an initial contract is submitted to the FSSD Child Care Section. In-home child care providers must also watch this training video.

(A) If the owner of a child care center does not live in Oklahoma, the director of the facility can fulfill this requirement.

(B) Child care directors are not required but are highly encouraged to also watch the training video.

(C) The child care liaison arranges an appointment time with the provider to watch the training video. ■ 2

(3) If the provider wishes to contract with OKDHS following this training, the child care liaison gives Form CCDF-1-E to the child care provider after typing all identifying information on the contract. 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 owner and director sign the contract, have it notarized, and return the contract to the child care liaison. ■ 3 The owner must also provide proof of his or her identity, a copy of his or her Social Security card, and proof of ownership of the child care business. ■ 4

(5) The child care liaison attaches Form CCDF-1-E, a copy of the owner's Social Security card, and proof of ownership to the Contract Routing Checklist and sends them to the FSSD Child Care Section for approval or denial. If the DCC licensing staff provide the child care liaison with a copy of the provider's Oklahoma State Bureau of Investigation background investigation report, he or she also attaches that document 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 Routing Checklist and sends it to the FSSD Child Care Section for denial.

(7) If approved, the FSSD Child Care Section staff assign a contract number and send 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.** OKDHS does not contract with out-of-state child care providers. ■ 7

(d) **Changes that must be reported.** Form CCDF-1-E advises child care providers to report to the FSSD Child Care Section 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. 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. ■ 8

(3) **Change of location.** When a child care center or home provider changes the location of his or her child care business, the provider must sign a new license application and contract agreeing to care for children only in the new location. The provider's license and contract remain open with the same begin date, the same number assigned, and the star status remains the same. ■ 9

(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. ■ 10 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) A child care center provider who was 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. A child care center provider who was at one star status under the previous legal business entity cannot sign a new contract until attaining one star plus, two star, or three star status even if a child already receiving child care subsidy benefits 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 only may move children eligible for subsidized child care benefits 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 give approval when:

(1) the same owner or legal business entity owns the alternate site;

(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 their children are being cared for at a different location.

(f) Renewal of child care contracts. Child care provider contracts are effective July 1 through June 30 of each year. Contracts 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.** When the child care provider signs Form CCDF-1-E, the provider is agreeing to abide by the terms of the contract. When human services center staff become aware that a provider is violating the terms of the contract, he or she advises the provider to stop the practice immediately and sends an e-mail to FSSD Child Care Section advising of the circumstances. He or she may also complete Form OIG-1, Referral Form, to report the violation to the Office of Inspector General. 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 maintain a drug-free workplace;

3. possessing or swiping a client's electronic benefit transfer (EBT) card;

4. knowing a client's personal identification number (PIN);

5. 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 approved for the part-time or blended unit type must be recorded during the school year by the parent or caretaker;

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

7. charging a client for days and hours outside of client's plan of service or requiring that the client swipe attendance for those days and hours when the additional hours are a requirement of the provider and not a choice of the client;

8. moving the children 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;

9. moving the POS machine and allowing parents to record time and attendance at a different location than agreed upon in contract without receiving prior written approval from the FSSD Child Care Section in accordance with subsection (e) of this Section;

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. This includes agreements with Head Start, Early Head Start, public schools, and/or any other programs receiving state or federal funding;

(11) claiming and/or receiving payment from OKDHS for the same hours of care the provider receives payment from another state or federal funding source;

(12) 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;

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

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

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

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

(17) 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;

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

(19) not maintaining written records for any manual claims filed during the last three years; and

(20) failing to inform OKDHS in writing within ten calendar days of any person who has an ownership or controlling interest in, or is an agent or managing employee of the child care business, who has been convicted of a criminal offense related to such person's involvement under Titles XVIII, XIX, or XX of the Social Security Act.

(h) **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 mail 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 ■ 13

(B) without cause. The effective date of cancellation is 33 calendar days after FSSD staff mail the notice. This allows three calendar days for mailing time. ■ 13

(2) The FSSD Child Care Section communicates with the child care liaison when a contract is being canceled to ensure that human services center 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) When OKDHS initiates contract cancellation, FSSD Child Care Section staff route all correspondence regarding contract cancellation proceedings to:

(A) DCC, licensing coordinator;

(B) Legal Division;

(C) Finance Division;

(D) Office of Inspector General;

(E) FSSD Overpayment Section;

(F) Commodity Distribution Unit;

(G) the 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) Field Operations Division area office where the provider is located; and
INSTRUCTIONS TO STAFF

1. (a) The 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. Case status code 2 indicates the facility is on permit status; 3 indicates the facility is licensed; and 4 indicates 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. If the star status is one plus, two or three star, the child care liaison allows the child care provider to sign a contract even when the star status effective date is a future date. The child care liaison sends the contract to Family Support Services Division (FSSD) Child Care Section as soon as all other required information is provided. The child care liaison uses the Contract Routing Checklist document located on the FSSD Child Care Website under Child Care Liaison Tools to ensure all required information is submitted with Form CCDF-1-E, Child Care Provider Contract.

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

(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 plus, two, or three star status before he or she may sign Form CCDF-1-E.

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

2. (a) The provider must wait to view the training video until after he or she meets necessary criteria at subsection (b) and Instructions to Staff 1 of this Section.

(b) The owner may view the video in a different county than the one in which the facility is located.

(c) If a provider has already viewed the training video within the last three months, he or she is not required to view it again.

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. (a) The owner must provide photo identification to the child care liaison. The child care liaison checks on the Contract Routing Checklist that he or she has seen photo identification that confirms the owner's identity. A copy of the photo identification is not sent to FSSD Child Care.

(b) The provider designates on Form CCDF-1-E his or her type of legal business entity. The child care liaison uses Oklahoma Department of Human Services (OKDHS) Appendix L-7, Ownership Proof Chart, to determine what the provider must furnish to verify proof of ownership for that type of business entity.

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 that indicate a pattern of criminal activity, DCC licensing staff send a copy of the report to the child care liaison. These confidential reports are secured in a storage area, such as a locked desk or file cabinet in the human services center. Authorized OKDHS staff review the reports in the event the provider is granted a license and wishes to contract with OKDHS.
6. (a) FSSD Child Care Section staff enter information about the provider on the Day Care Contract File when the contract is initially approved and as changes occur. FSSD Child Care staff notify the child care liaison by e-mail of the contract number and the approval date for the contract. The child care liaison then notifies the new contracted provider and appropriate human services center staff of the new contract number and approval date for the contract.

(b) Human services center staff access information about contracted child care providers by using transaction PCI on IMS. Enter PCI space and the contract number. The PCI screen gives information about the child care provider such as the provider's name, location, and mailing addresses, contract begin date, and the name of the owner. If the contract number is unknown, the worker obtains the number by using the PCX transaction or Child Care Locator.

   (1) To use 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. The PCX transaction displays the names of all child care providers with those beginning letters. Human services center staff enter PCI next to the contract number on the list displayed to obtain information about the provider. To view instructions and filter options for these transactions, enter M space and the transaction code. Example: M space PCX.

   (2) 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 their mouse over the gray ball.

7. (a) If a client states he or she wishes to use an out-of-state provider, the worker advises the client that OKDHS does not contract with out-of-state providers. The worker asks the client to choose an in-state contracted provider.

(b) If an out-of-state provider requests a contract, the child care liaison advises the provider that OKDHS only contracts with child care providers operating in Oklahoma. If the provider insists on filling out a contract, the liaison sends it to the FSSD Child Care Section. FSSD Child Care Section staff send the provider a denial letter.
8. (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 the owner 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 Routing Checklist and all necessary information to the FSSD Child Care Section.

(e) FSSD Child Care Section staff wait 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.

9. When a new contract must be signed because of a change of location, FSSD Child Care staff send 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.

10. When a new contract must be signed because of a change in legal business entity, FSSD Child Care staff send 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.

11. (a) FSSD Child Care staff review the circumstances and whether the provider has agreed to stop the practice. Depending on the circumstances, FSSD staff may:

   (1) decide no further action is needed;

   (2) request that human services center staff complete Form OIG-1, Referral Form, to start an investigation; or

   (3) decide to cancel the child care provider’s contract.

(b) When FSSD Child Care staff recommend completion of Form OIG-1, human services center staff put as much detail as possible about the violation on the form. This includes who reported the violation, what was alleged, the provider’s comments when called about the violation, and a telephone number to reach this person. The human services center staff attach any written documentation that supports the allegation to the Form OIG-1. When a client reports a violation, this could be a written statement from the client about the violation.

12. There are providers who require that all children be in attendance by a certain time every morning, for instance 9:00 a.m. regardless of the client’s work or school schedule. Reasons given by the provider may include to limit disruptions to program content, so all children can participate fully in the quality content of the child care program, or to reduce transportation costs for the provider. If, based on the client’s work or school schedule, care is not needed until 11:00 a.m., the client swipes attendance by entering a previous in for 11:00 a.m. on the point-of-service (POS) machine when the child is picked up at the end of the day. The provider must not charge the client for the additional two hours of care. If the client chooses to drop the child off at the child care provider earlier than the approved plan of service hours or leaves the child later for personal reasons, the provider can charge the client for those additional hours.
13. (a) When a contract is canceled with cause, the reason is included in the provider's cancellation letter. The provider is advised OKDHS will no longer make child care payments 13 calendar days from the date OKDHS staff mail the notice to the provider.

(b) When OKDHS cancels a contract without cause and the child care facility was recently audited or investigated by the Office of the Inspector General (OIG), the provider is reminded in the cancellation letter of the audit or investigation and that the OIG auditor or investigator advised the provider that he or she meets the criteria for contract cancellation. The provider is also advised in the letter that OKDHS no longer makes child care payments 33 calendar days from the date OKDHS staff mail the notice to the provider. Reasons that a contract might be cancelled following an OIG audit or investigation include:

(1) evidence that the provider was in possession of or swiped a client's electronic benefit transfer (EBT) card;

(2) evidence that the provider has knowledge of a client's personal identification number (PIN);

(3) failure of the provider to ensure accurate time and attendance information was recorded on the point-of-service (POS) machine by the client;

(4) failure to provide accurate or complete information on a manual claim that was filed by the provider and paid by OKDHS;

(5) failure to maintain a drug-free workplace; or

(6) failure to allow full access to the facility's premises and personnel to investigate a drug-related complaint.

(c) Other reasons a provider contract may be cancelled without cause include, but are not limited to when:

(1) DCC staff revoke the provider's child care license. Payments by OKDHS for care given by providers holding a current child care provider contract may continue throughout the 33 calendar day period during which the intent to revoke a license may be appealed.
(A) If the provider does not appeal the intent to revoke the license, the contract is automatically canceled.

(B) 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 may be canceled or continued until the appeal is decided;

(2) persons whose contracts have previously been cancelled following an OIG audit or investigation are now owners, authorized representatives, or materially involved in the business of a new facility at the same address;

(3) the provider has an outstanding overpayment debt with OKDHS either as a client or as a provider;

(4) the provider receives benefits as an OKDHS client and his or her benefits are closed due to fraud;

(5) it comes to the attention of FSSD Child Care staff that a provider has been convicted of a felony that has been verified with the Oklahoma State Bureau of Investigations (OSBI) or the Oklahoma Supreme Court Network (OSCN);

(6) it comes to the attention of FSSD Child Care staff that a provider has been debarred, suspended, proposed for debarment, or declared ineligible by any federal department or agency or convicted of a fraud-related crime;

(7) the provider is convicted of Food Stamp trafficking;

(8) the provider requests cancellation of the contract;

(9) the ownership of a facility changes;

(10) a one star center provider no longer has open child care authorizations; or

(11) the provider commits a contract violation that is brought to the attention of FSSD Child Care staff and refuses to correct it.