

**Subsidized Child Care Assistance Program Policy Manual**  
Chapter 11. Responding to Changes and Recertification

# **Subsidized Child Care Assistance Program Policy Manual**

## **Chapter 11. Responding to Changes and Recertification**

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### **I. CHAPTER OVERVIEW**

This chapter discusses the annual eligibility recertification process which occurs prior to the end of the twelve-month certification period and provides instructions on how to respond to changes that are reported during the certification period.

### **II. MAINTAINING CONTACT WITH THE RECIPIENT**

#### **A. Maintaining Contact**

Regular contact with the recipient or their representative helps to assure effective case management while ensuring that the record is up-to-date and reinforces the responsibility of the recipient to report changes which may impact eligibility. In addition, it helps to establish the child care worker as someone the recipient can contact if problems arise. An annual recertification is required for every case.

#### **B. Contact With the Recipient May Include One or More of the Following:**

1. An office visit.
2. A telephone call to the recipient or the agency worker assigned to the CPS or foster care case.
3. A home visit.
4. A locally developed questionnaire mailed to the recipient.
5. A telephone call or visit to the child's child care provider; or
6. A visit to the recipient's work site or training program. (This should only be done with the parent's approval and prior notification of the visit and if other types of contact have been tried but were unsuccessful.)

### **III. CHANGE IN CIRCUMSTANCE**

#### **A. Recipient Responsibilities Regarding Reporting Changes**

At the time of application and recertification, the child care worker must emphasize to the recipient the importance of reporting changes. The

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child care worker must use the NCFAST-20009 North Carolina Rights and Responsibilities for Public Assistance when reviewing the reporting requirements with the recipient at application and the NCF20106 at recertification. The form specifies changes that must be reported to the child care worker within ten (10) business days of the change and the consequences of failing to do so.

### 1. Changes That Must be Reported

The following are changes that must be reported:

- i. Change of contact information including address and telephone number.
- ii. Increase in income that exceeds 85% SMI (this must NOT include irregular income fluctuations) based on the SMI chart posted on the Division's website.
- iii. Non-temporary (*permanent*) change in the status of the recipient as working or attending a job training or education program or any other non-temporary (*permanent*) change in their need for child care.
- iv. Change in recipients' choice of provider is needed or wanted.
- v. Recipient needs or wants to end child care service.

### 2. Failure to Report a Change

Failure to report a change may impact an individual's ability to continue to receive Subsidized Child Care Assistance. If the failure to report results in significant overpayments and it appears that there was intent to commit fraud, the child care worker may refer the recipient's case to the agency's Program Integrity Unit. **Assistance may only be terminated if the recipient is determined ineligible.**

### B. Worker Responsibilities When Changes are Reported

The child care worker must react to the change reported by the recipient or the provider within ten (10) business days by documenting the change in the record as described below and determining if the change requires

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that a notice be sent to the recipient, provider or other agency staff. The worker is encouraged to react quickly to changes that impact the payment to the provider or the recipient's eligibility.

### **1. Updating the Case Narrative**

Any change reported by the recipient that is not reflected in the application or recertification, such as a change in the Plan of Care, must be documented in the case narrative. In NC FAST, case narratives are located on the Contacts (tab) as Notes; it is recommended that all notes be added to the Subsidized Child Care Income Support Case.

### **2. Distributing the Child Care Action Notices**

If changes occur during the twelve (12) month eligibility period, the Child Care Action Notice (DCDEE-0450) must be on file which is also maintained electronically in NC FAST. The Child Care Action Notice must be generated if the change makes the recipient ineligible, if the change will increase or decrease the amount of the parental fee or if there is a change in the Plan of Care. These may not be all the reasons that a Child Care Action Notice is generated. The Child Care Action Notice is sent to the recipient and provider.

#### **i. 10 Business Day Notice Not Required**

A 10 business day Child Care Action Notice is not required when the following situations occur:

- a) Decrease in the amount of the parental fee.
- b) Increase in the level of care (with supporting documentation of need).

The child care worker must send a Child Care Action Notice in these situations to notify the recipient and provider of the changes, however, it is not necessary to provide 10 business days' notice before the change is effective, since these changes are beneficial to the recipient.

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### ii. 10 Business Day Action Notice

A 10 business day Child Care Action Notice must be sent to the recipient and provider when the following situations occur:

- a) Parental Fee is reinstated during the certification period or increased at recertification.
- b) Change in income that makes the recipient ineligible. Refer to policy in section III.C.1.i. Changes in Income below.
- c) Recipient requests provider change or requests to end care at a provider.
  - Child care workers are encouraged to react quickly when recipients change providers as it may have an impact on the payment to the provider.
- d) Decrease in the level of care, if requested by the recipient or assessed at recertification.

**NOTE:** No 10 business day notice is required when the provider indicates that they will no longer care for the child, or the provider indicates it is not necessary to pay a 10 business day notice. Refer to Chapter 16: Payments Policies – Payment will be made only for those days the child attends. The recipient's eligibility for services is not terminated, only the payment to the provider. The Child Care Action Notice must still be sent to the recipient and provider to indicate the last date that payment will be made.

For information regarding the effective date of the changes that result in the termination of services, refer to Section V. Termination of Eligibility and Non-Temporary Changes During the Eligibility Period below in this chapter. For information regarding the effective date of changes related to parental fees, refer to Chapter 8: Parental Fees.

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Child care workers are encouraged to review all notices that are generated in NC FAST. If the address on the notice is not accurate, workers are to manually send the notice to the correct address to ensure the recipient receives information timely. Child care workers also must update the Person Page evidence ensuring that the correct information is updated prior to any changes on the case.

### C. Worker Reactions to Changes Reported

Some types of changes, such as a new work schedule, provider change, or change in income, may affect the parental fee, eligibility, or Service Plan details of an active SCCA Product Delivery Case (PDC). Guidelines vary with the type of change reported, below describes what changes to enter, how to enter changes, and when required verifications are needed. Some types of change require specialized responses; these may include increases in income and changes in provider.

#### 1. Required Reporting

Child care workers must react in the following way to changes that recipients are required to report. **This must NOT include irregular income fluctuations.**

##### i. Changes in income

- a) Manually review the new income outside of NC FAST.
- b) If the increased income remains at or below 85% SMI, do not key this change in NC FAST; document in case notes only; parental fee cannot increase during 12-month certification period due to change in income.
- c) If the increased income is above 85% SMI, enter new income into NC FAST and generate 10 business day termination notice.

##### ii. Change in recipient's choice of provider is needed or wanted.

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- a) Issue Child Care Action Notice to end services at the existing child care provider with the appropriate notice period. Refer to III.B.2.ii above.
- b) Change provider in NC FAST by creating a new Plan of Care evidence and generating a new voucher after end-dating the previous Plan of Care evidence.

**NOTE:** If the recipient returns to a previously attended provider, the child care worker must issue a new voucher.

### iii. Recipient needs or wants to end child care services.

- a) End-date Plan of Care in NC FAST. The child's eligibility continues through the end of the certification period. Send the Child Care Action Notice with the appropriate notice period to the recipient and provider. See III.B.2.ii above.

## 2. Voluntary Reporting

When a recipient voluntarily reports changes the child care worker must enter the change into NC FAST if the change decreases the parent fee or increases the recipient's subsidy. Additional information reported by the recipient must be documented in the case narrative.

Child care workers must react in the following way to changes that recipients voluntarily report:

### i. Changes in income that do not exceed 85% SMI.

- a) Income must be verified per the Verification Method Hierarchy in Chapter 7 of the Subsidized Child Care Assistance Policy manual.
- b) Manually review the income increase outside of NC FAST
  - If the income increases but remains at or below 85% SMI, do not key this change in NC FAST; document in case notes only; parental fee cannot

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increase during 12-month certification period due to change in income.

- If the income increases and is above 85% SMI, enter new income into NC FAST and generate 10 business day termination notice.

- c) If the income decreases, enter new income into NC FAST and decrease the parental fee. Send notice to the recipient and provider notifying of the decreased parental fee effective the first of the month that the change was reported.

### **ii. Changes in work hours or education hours.**

- a) If an increase in child care hours is needed, verify the increased work or education hours and increase the level of care in NC FAST. The increased level of care is effective the date of the reported change.
- b) If decrease in work hours or education hours is reported, only enter this decrease into NC FAST if requested by the recipient; DSS/LPAs cannot automatically decrease the level of care to adjust to a decrease in work or education hours during the certification period.

### **iii. Change in household members (includes marriage, divorce; or a household member, including children, moving into or out of the home)**

- a) Update household members in NC FAST.
- b) If there is an income change based on the new income unit, manually review the new income based on new income unit outside of NC FAST.



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- If the income increases as a result of this change but remains at or below 85% SMI, do not key this change in NC FAST; document in case notes only; parent fee cannot increase during 12-month certification period due to change in income.
- If the income increases as a result of this change and is above 85% SMI, enter new income into NC FAST and generate a 10 business day termination notice.

c) If the income decreases as a result of this change, enter new income into NC FAST and decrease the parent fee.

### 3. Temporary Changes

If a recipient reports a temporary change in their need for child care assistance the child care worker must document the recipient's circumstances in the case record and services must continue without interruption through the end of the 12-month certification period. The recipient's need for care must be adjusted within NC FAST during the temporary change and the parent fee must be reduced if there has been a reduction in income, but services must not be terminated prior to the end of the 12-month certification period.

**NOTE:** When there is no longer a temporary change in a recipient's need for care, the initially reported income and parental fee can be reinstated.

Instances of a temporary changes are:

- Seeking employment following a job loss.
- Transitions between training or education activities.
- Job search following the 20-month post-secondary education time limit.
- Medical/Maternity Leave.

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- Interruption in work for a seasonal worker between regular work seasons.
- Student break or holiday for a parent participating in training or education or,
- Any other interruption in work, training, or education hours that does not exceed 90 days.

### 4. Temporary Changes at Recertification

When a recipient experiences a temporary change in their need for services at recertification the recipient's specific circumstances must be assessed. The assessment is completed through an interview with the recipient about their specific circumstances, information the recipient can provide to document that they are planning to return to employment or education, and the length of time the recipient has been experiencing the temporary change. The recipient must meet all eligibility criteria in order to receive a new 12-month certification.

If a recipient does not have a need for care at the time of recertification due to a temporary change that has occurred for less than 90-days from the date the recertification application is received, the child care worker must document the recipient's circumstances in the case record and recipient must be granted another 12-month certification period.

If a recipient does not have a need for care at the time of recertification due to a non-temporary (*permanent*) change, the recipient is not granted another 12-month certification period.

**NOTE:** Refer to Section V.B. below regarding Non-Temporary (*permanent*) Changes.

## D. Changes to CPS and Foster Care Cases

### 1. Changes in Child Protective Services

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When the need for care ends or changes prior to the end of the 12-month eligibility period for child care cases with a need of Child

Protective Services (CPS), the child care case must be updated, and care must continue through the end of the recipient's 12-month certification period.

A new application is not needed at this time. The child care worker must end date the CPS referral, change the need for care to the appropriate need, and continue services through the end of the recipient's 12-month certification period.

### **2. Changes in Foster Care**

When a foster child is receiving child care and that child transitions to a new foster family prior to end of the 12-month eligibility period, the child care will continue with no interruption. The new foster family's need for care will be reassessed at recertification.

**NOTE:** The same would apply if a child is placed in a relative's home or other caregiver's home that is not a foster parent as long as the child remains in custody of the DSS.

If the new foster family has a need for care, the child care worker must review the new program referral for changes to the child care case and make any needed updates to the Plan of Care such as selection of new child care provider, change in hours of care, etc.

If the new foster family has a need for care, the child care will continue with no interruption. If the new foster family does not have a need, the child care worker must confirm with the new foster family as to whether they would like to receive child care through the end of the current certification period. If the foster family confirms they want to continue care, the worker must allow services to continue through the current certification period. The worker must adjust the need for care accordingly based on the new foster family's request. At recertification, the foster family is required to

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have a need for care to receive continued eligibility.

If the new foster family declines child care services, the Plan of Care must be end-dated and the case must remain open until the end of the certification period.

If a child is no longer in foster care and is not under the legal custody of the County DSS, SCCA services must continue through the end of the certification period. The child care worker must end-date Program Referral evidence to ensure the correct fund source is used.

The address must be updated in NC FAST to reflect the new custodial family's address. If the custodial family's address is located in a county different from the county that had custody of the child, the case must be transferred to the custodial family's county of residence. The transferring county must document the SCCA case thoroughly.

At the end of the certification period, the foster care subsidy case must be closed, and the family has the choice to apply for services. The recertification packet may be submitted and used as a new application document. The new application must include the custodial adult or adoptive parent as the case head. The family must meet all initial income and need eligibility requirements at that time. If the family applies by the end of the child's 12-month eligibility period and is approved, the family must not be placed on a waiting list.

## **IV. COUNTY TRANSFERS**

When a recipient moves from one county to another within the state and continues to need Subsidized Child Care Assistance, the recipient's 12-month eligibility for SCCA must continue with no interruption and the case is transferred to the new (receiving) county. The recipient must not be placed on a waiting list in the new (receiving) county. Recipients are required to report changes to their DSS/LPA including when they move from one county to another within the state.

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Cases cannot be transferred in the month of recertification or the month prior to recertification. For example, the certification period for a case ends on June 30th. This case cannot be transferred in May or June. If the recipient reports moving to another county in May or June, the original (transferring) county will need to process the recertification and then transfer to the receiving county.

Only cases with a status of Active or Approved can be transferred. If a case has a status of Approved, the worker must suspend the case before transferring. Once the case is transferred, the transferring county must NOT unsuspend the case. The worker in the receiving county will need to unsuspend the case. In this situation, the transferring county will need to thoroughly document in NC FAST that a case with Approved status had to be suspended to transfer and that the receiving county will need to unsuspend it.

**NOTE:** Cases in any other status except Active or Approved cannot be transferred.

### **A. Guidelines for Transferring Child Care Cases to Another County**

When a recipient reports a move from one county to another, the transferring county must:

1. Collect information from the recipient about the move. Below is list of items that must be reviewed with the recipient and updated in NC FAST if the recipient has the information: (Note this is not an exhaustive list).
  - i. Updated contact information including phone number and address for all household members.
  - ii. Recipient's change of child care provider choice if applicable.
  - iii. Recipient's continued need for care.
2. Once the information is collected from the recipient, the child care worker will complete case management in NC FAST to update all changes to evidence including Person Page evidence for all household members.

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3. Transfer the case to the receiving county.
  - i. Enter the transfer into NC FAST following instructions in the SCCA - County Transfer Job Aid and the system will transfer the case to the new county.
  - ii. Transfer copies of the recipient's case file to the receiving county. The transfer must include all documents from the most recent application or recertification forward, along with any changes that have occurred since that time. Additionally, all narrative documentation since the most recent application or recertification must be included. A copy of the current voucher for each child must also be transferred, even if it originated before the most recent recertification. Uploading electronically maintained files into NC FAST is acceptable.
  - iii. Enter narratives documenting that the steps above were completed, and document details of the information obtained from the recipient. It is recommended that a narrative regarding the case transfer be entered in NC FAST.

When the Integrated Case is transferred, all of the Product Delivery Cases attached to the case transfers with it. Once the worker in the transferring county transfers the case, the transferring county must NOT manage any evidence or take any actions in the case. Doing so will result in the case not appearing in the receiving county's County Transfer Queue and will result in funding being reassigned to the receiving county of residence before the receiving county is able to review and accept the case.

### **B. Guidelines for Receiving County Transfers**

When a case is transferred to the receiving county, the owner of the Child Care Case Transfer work queue assigns the case to a child care worker in their county. That child care worker must accept the decisions on the transferred case in order for NC FAST to update the fund obligations on the case. The receiving county of residence will become the funding county the month after the transfer is complete. County Transfers have the potential to impact spending within

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counties. Each county must closely monitor their spending in NC FAST. DCDEE will also closely monitor transfers that occur across the state and the impact that transfers have on county's spending. If the case transfer results in a county overspending or underspending, the county should contact DCDEE for assistance.

Refer to the SCCA - County Transfer Job Aid.

Once a transfer is entered into NC FAST by the transferring county, the following steps will apply:

1. The owner of the Child Care Case Transfer work queue in the receiving county of residence will receive the transfer in a work queue and assign the case to a child care worker.
2. The child care worker in the receiving county of residence must review the case and contact the recipient. The child care worker can generate a County Transfer Notice from the Product Delivery Case (PDC) in NC FAST and mail to the recipient. The Notice is also mailed to the provider, if the provider remains the same. The child care worker must document that the case has been reviewed and the contact made with the recipient.
3. If errors are found by the child care worker in the receiving county of residence upon review of the transferred case, the error must be corrected and dated the first day of the month the receiving county is financially responsible for the transfer case. The child care worker must thoroughly document the steps taken to make the needed corrections.
4. If the steps in **A. Guidelines for Transferring Cases to Another County** above were not completed by the transferring county, the case is returned to the transferring county.

### **C. County Transfers with CWS**

1. If a recipient with a need type of CWS moves from one county to another, and the reason for CWS is crisis with no referral, the case may be transferred to the new county. If the crisis still exists,

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the need type remains CWS - Crisis. If there is no longer a crisis, the recipient is evaluated for another need type before being transferred to the new county.

2. If the need type of CWS is due to having a referral, the child care case cannot be transferred to the new county if the CWS case remains in the original county. The SCCA case can be transferred to the new county if it is confirmed that the CWS case has closed.
3. When the child care worker in the transferring county confirms a CWS case transferred to the new county of residence, the child care case transfer follows. The receiving county must issue an updated referral for the child care case.

### **D. County Transfers with CPS**

If a recipient with a need type of CPS reports moving to another county, the child care worker confirms with the CPS social worker whether the CPS case has transferred to the new county or remain in the original county.

1. If the child care worker confirms that the CPS case has transferred to the receiving county, the child care case is transferred. The receiving county must issue an updated referral for the child care case.
2. If the CPS case remains with the original (transferring) county, the child care case remains in the original (transferring) county. In cases where there is a referral for child care (CPS/CWS), the child care case is managed by the same county as the CPS/CWS case.

### **E. Process for Making Corrections on Transferred Cases**

If errors are found by a child care worker in the receiving county upon review of a transferred case(s), the error must be corrected and dated the first day of the month the receiving county of residence is



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financially responsible for the transferred case(s). The receiving county becomes the funding county the month after the transfer is complete.

If an error(s) is not found and corrected by the receiving county and the error is cited during monitoring, the county monitored will be responsible for making corrections.

Likewise, if an error is found during monitoring and the case is transferred out of the original county of residence following the monitoring, the error must still be corrected.

### V. TERMINATION OF ELIGIBILITY AND NON-TEMPORARY CHANGES DURING THE ELIGIBILITY PERIOD

#### A. Child Care Eligibility Termination

Subsidized child care eligibility is **only** terminated in two instances:

1. If the recipient is confirmed to have moved out of the state. See section V.B.3. below, or,
2. If the recipient's income exceeds 85% SMI based on the SMI chart posted on the DCDEE website. (This must NOT include irregular income fluctuations). A 10-business day notice is issued to terminate eligibility when the recipient's income exceeds the 85% SMI.

#### B. Non-Temporary (Permanent) Changes

Recipients are required to report non-temporary (*permanent*) breaks, interruptions, or transitions in their ongoing work, training, or education activities or any other non-temporary (*permanent*) change in their need for child care.

The following are instances of non-temporary changes:

1. The recipient has notified the DSS/LPA that the service is no longer wanted or needed.

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- i. If the recipient requests to end child care services, the Plan of Care is end-dated and eligibility continues through the end of the certification period. The Subsidized Child Care Assistance case remains open.
    - a) If circumstances change prior to the end of the certification period, the recipient is able to request a new Plan of Care and voucher.
    - b) If the recipient requests to continue using child care services when the non-temporary change is reported, the Plan of Care continues until the end of the certification period.
2. The child has been admitted to an institution and is no longer able to use child care services.
  - i. The Plan of Care is end-dated and eligibility continues through the end of the certification period. The Subsidized Child Care Assistance case remains open.
  - ii. If the child returns home after the report of the non-temporary change, the recipient may request a new Plan of Care prior to the end of the certification period and a new voucher is issued.
3. The recipient moves out of the state of North Carolina.
  - i. Child care worker will confirm the last date that the child is expected to attend the child care provider and end-date the Plan of Care.
    - a) If the child's last day is expected to be in less than 10 business days, a 10-business day notice is issued to end the Plan of Care, unless the provider waives the 10-business day notice. See section III.B. Worker Responsibilities When Changes are Reported.

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- b) If the last day is expected to be 10 or more business days away, a notice is issued to end the Plan of Care on the last day the child will attend the child care provider.
- ii. The child care workers must confirm that the recipient has moved out of the state on or after the expected move date. If the child care worker is not able to confirm the recipient has moved out of the state, the Plan of Care is end-dated and eligibility continues through the end of the certification period and the Subsidized Child Care Assistance case remains open.
  - a) Once it is confirmed that the recipient has moved out of the state, the eligibility and Subsidized Child Care Assistance case is terminated with a 10-business day notice.

### **C. Notifying the Recipient and Provider**

The Child Care Action Notice giving notice of the termination of services and the reason for termination must be provided to the recipient and provider at least ten (10) business days prior when services end during the twelve-month eligibility period. If there are less than ten (10) business days left in the twelve-month eligibility period, the notice is only until the end of the current certification period.

## **VI. ANNUAL RECERTIFICATION OF ELIGIBILITY**

In order for an individual to continue to receive child care services, eligibility must be recertified annually. The process of recertifying eligibility is termed recertification. In the SCCA Policy Manual and in NC FAST, the terminology used is recertification, however, the recertification process may also be referred to as a redetermination. The term redetermination is synonymous with recertification for purposes of SCCA program policy. Individuals will be able to complete the recertification process in person, by phone, mail, fax, or email. In all situations, the child care worker must receive the signed recertification application before the eligibility end date. All documentation needed for verification purposes to recertify eligibility must be provided within thirty (30) calendar days of the date the

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recertification application was received by the DSS/LPA. In addition, a Child Care Action Notice must be completed once the eligibility review is completed.

### **A. Contacting the Recipient**

NC FAST begins the recertification process approximately 45 days (on the 15<sup>th</sup> of each month) before the end of the certification period. An automatically generated recertification packet goes out to the recipient through DHHS Central Print.

An address change on the Person Page made on or after the 15<sup>th</sup> of the month may not be reflected on the Recertification packet. Check the address on the packet to ensure that the correct address is shown.

If all addresses on the Person Page are end-dated, there is no active address to mail notices to clients, NC FAST will mail these notices to the DSS/LPA case owner. When receiving a client's packet, immediately contact the client to obtain their correct address and enter the new address into NC FAST through their Person Page. Next, mail the notice to the recipient's correct address.

1. Additional copies of the recertification packet can be requested by the recipient. The child care worker will resend the recertification packet to the recipient by mail. When there is insufficient time to complete the mailing process the child care worker must inform the recipient that an office visit is necessary to complete the recertification.
2. When a phone recertification process is requested by the recipient, the child care worker will conduct a phone interview. Phone interviews require the recipient to sign the recertification application completed during the phone interview prior to the end date of the eligibility period. The child care worker must mail the completed recertification application to the recipient to sign.

### **B. Forms for Recertification of Eligibility**

The recertification packet (NCF20106) contains the Child Care Recertification form, Recipient Responsibilities for Subsidized Child Care Services form, and an instruction letter informing the recipient that a recertification on their case is due.

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The recipient must complete, sign, and return all forms and report changes. A recertification packet must be signed and submitted by the last day of the certification period to initiate the recertification process. The date that the signed recertification packet is received in the agency is the received date that is entered in NC FAST. The recipient must fill out the recertification packet completely. If the recertification packet is submitted blank or with missing vital information, the child care worker is required to contact the recipient to have them complete the missing information or conduct a guided interview to fill in any missing information. Reference Chapter 4, II. Initial Guided Interview for more information. The worker has the option to use the DCDEE-0466 Request for Information form to request missing information. If the recipient does not respond to the child care worker's attempt to make contact and obtain the missing information by the 30<sup>th</sup> processing day deadline, the recertification is denied if there is not enough information to make an eligibility determination. The recipient must provide any required documentation needed to determine eligibility within thirty (30) calendar days.

The following must be completed in full:

1. Recertification Application for Child Care Assistance (NCF20106).
2. Recipient Responsibilities for Subsidized Child Care Assistance (included in the NCF20106).
3. Child Care Action Notice (DCD-0450); after recertification is complete the Child Care Action Notice is sent to the provider and recipient.
4. Developmental Screenings handouts if there are any children ages 0-5 in the home.
5. Narrative documentation- In NC FAST, it is recommended that Child Case Workers enter documentation in the Income Support Case.

### **C. Recertification Submission**

NC FAST begins the recertification process approximately 45 calendar days, on the 15<sup>th</sup> of each month, before the end of an active child care case certification period. An automatically generated recertification packet is mailed to the recipient through DHHS Central Print. The recertification packet (NCF20106) contains the Child Care

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Recertification Application, the Recipient Responsibilities document, and an instruction letter informing the recipient that a recertification on their case is due.

### 1. Submission Timeline

- i. When a recertification application is submitted more than 30 calendar days prior to the end of the recipient's certification end date, the child care worker has until the end of the certification period to complete the recertification.
- ii. When a recertification application is submitted less than 30 calendar days prior to the end of the recipient's certification end date, the child care worker has 30 calendar days from the date the recertification application is received in the agency to complete the recertification.
- iii. When a recertification is denied due to the recipient's failure to provide necessary information to determine eligibility, the recertification must not be denied prior to the 30<sup>th</sup> calendar day, to allow the recipient the entire 30 days to provide requested information.

**NOTE:** If the 30th calendar day falls on a weekend day, the complete recertification application must be completed in NC FAST by the last business day before the weekend date.

### 2. Method of Submission

In all situations, recertification applications must be received in the agency on or before the last day of the recipient's certification period in order to be processed as a recertification. When a recertification is submitted to the agency on a weekend day, holiday, or after established business hours in which the agency is closed for business, the recertification is considered to be received on the next business day the agency is open. This includes recertifications provided by mail, agency drop box, email, fax or any other method. For example, if a recipient sends their recertification to the child care worker by email at 9:58pm, after the agency has closed, on Friday, January 31, 2025, the

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recertification is considered to be received on Monday, February 3, 2025, which is the next business day that the agency is open.

### **i. Mail**

When a recertification application is submitted by mail, the recertification application must be received in the agency on or before the last day of the recipient's certification period in order to be considered timely. The date the agency receives the recertification application is the date entered in NC FAST regardless of when the recertification application was signed and dated.

### **ii. Fax or Email**

When a recertification application is submitted by fax or email and the documents are legible, the recertification application must be accepted. The date the agency receives the recertification application by fax or email is the date entered in NC FAST regardless of when the recertification application was signed and dated. See VI.C.2. above regarding recertifications that are received during non-business hours, weekend days or holidays. If a faxed or emailed recertification application is not legible, the childcare worker must contact the applicant and request that the recertification application be resubmitted in a legible format.

**NOTE:** If a faxed or emailed recertification application is not accepted, the childcare worker must document the reason for declining the recertification application and notify the applicant.

### **iii. In Person**

When a recertification application is completed during a face-to-face appointment, the date of the face-to-face appointment is the date entered in NC FAST.

## **D. Ineligible Due to New Information**

If a recipient submits the annual recertification and is found ineligible for any reason, the following steps occur.

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1. Complete a Child Care Action Notice to notify the recipient and the provider that assistance cannot be continued past the end of the twelve-month eligibility period.
  - i. If there are more than ten (10) business days left in the eligibility period when the recipient is determined to be ineligible, services are terminated in ten (10) business days rather than the end of the twelve-month eligibility period.
  - ii. If there are less than ten (10) business days left in the eligibility period, services are terminated at the end of the current eligibility period.
  - iii. Once the recipient has been determined ineligible and the recertification has been denied, it cannot be reopened if the recipient later presents additional information. After the recertification has been denied, a new application must be completed to consider any additional information in the eligibility determination. See VI.C.1.iii. above regarding denials when the recipient fails to provide information.
2. If the ineligibility is due to family income, the new income is compared to the 85% State Median Income (SMI).
  - i. If income is less than 85% SMI but exceeds the appropriate FPL, the recipient will be given a Graduated Phase Out period, refer to Section F. below for more information about Graduated Phase Out.

### **E. Ineligible Due to Lack of Response**

When NC FAST automatically generates the recertification packet and mails the packet to the recipient through DHHS Central Print, the recertification packet serves as the notice to the recipient of the recertification process.

**NOTE:** This policy does not prevent child care workers from practicing good case management and maintaining contact when a recipient's recertification is due.



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If a recipient does not submit the signed recertification by the certification end-date, the following steps occur:

1. The service terminates on the last day of the twelve-month eligibility period. A ten (10) business day notice is not provided to the recipient when this occurs.
2. The recipient has the right to reapply at a later date; however, the DSS/LPA will not pay for child care services provided between the date the eligibility expired or terminated and the date the new Application for Child Care Assistance is signed. Depending upon funding and priorities for assistance, the child may be placed on a waiting list.
3. If a recipient submits a signed recertification document after the certification period has ended, the signed recertification can be accepted as a new application if it is received in the suspended month (the month after the certification period ended). The previous SCCA Product Delivery Case (PDC) remains terminated since the recertification document was not submitted by the certification end-date. A new application is keyed in NC FAST with the new certification period starting the date the signed recertification document is received by the agency. The child care worker cannot reopen the closed or suspended Product Delivery Case if the recertification document is received after the certification period ends. See Chapter 4 Application, Eligibility Determination and Documentation for more information.

If the county is on a waiting list and the recertification packet is submitted during the suspended month as an application after the certification period end date, the information on the recertification packet is used to screen for eligibility for the waiting list. The child care worker must notify the applicant that they have screened eligible and are placed on the waiting list or that they have screened ineligible and have not been placed on the waiting list. DCDEE-0468 Waiting List Notice is an optional notice that may be used in this circumstance.

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### **F. Graduated Phase Out**

A 12-month Graduated Phase Out period occurs only at recertification when a recipient's gross countable monthly income exceeds Federal Poverty Levels (FPL) of 133% for children ages 6-12 or 200% for children ages 0-5 and children with special needs whose income meets the federal income threshold of 85% State Median Income (SMI).

#### **1. Graduated Phase Out Period**

At the time of the recertification,

- i. If the recipient's income is less than 85% SMI but exceeds the appropriate FPL, the recipient will be given a Graduated Phase Out period of 12 months during which child care subsidy services continue with an adjustment of the parental fee. At the end of a 12-month Graduated Phase Out period the child in Graduated Phase Out will not recertify and that child's benefits are terminated. The child care worker must end date the Plan of Care for any child whose Graduated Phase Out ended. A recertification packet is not mailed if all children in the household are in Graduated Phase Out.
- ii. If the recipient's income exceeds 85% SMI at recertification, a 10-business day notice will be issued to terminate services. If there are less than ten workdays left in the certification period, the case will terminate at the end of the certification period.

#### **2. Eligibility During Graduated Phase Out**

When a recipient reports a decrease in income during the Graduated Phase Out period and the reduced income is at or below the appropriate FPL, the worker must process this as a change in circumstance in NC FAST and decrease the income. A new application is not required.

When a decrease in income is reported the parent fee is decreased. The recipient continues to receive subsidized child care services through the end of the 12-month certification period and must be able to complete recertification at the end of the certification period. NC FAST will recognize that the recipient is no longer in Graduated

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Phase Out and a recertification packet will be mailed to the recipient at the end of the 12-month certification period.

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For additional information on policy described in this chapter please refer to:

### **SCCA Manual:**

Chapter 4: Application, Eligibility Determination and Documentation

Chapter 7: Family Definition and Determining Income Eligibility

Chapter 8: Parental Fees

Chapter 16: Payment Policies

Chapter 18: Fraudulent Misrepresentation, Improper Payments, Sanctions, and Appeals

### **NC FAST Job Aids:**

SCCA – 85% SMI Graduated Phase Out Reference Guide

SCCA – Action and Termination Notices Reference Guide

SCCA – Change of Circumstance

SCCA – Change of Circumstance Evidence and Alignment Reference Guide

SCCA – Decision Details Reference Guide

SCCA – County Transfer

SCCA – Evidence Reference Guide

SCCA – Foster Care

SCCA – Recertifications

SCCA – Plan of Care

### **SCCA Program Rules:**

10A NCAC 10 .1001 Basic Eligibility Criteria

10A NCAC 10 .1007 Requirements for Determination and Recertification of Eligibility