

Subsidized Child Care Assistance Program Policy Manual
Chapter 9. Applicant/Recipient Choice and Voucher Procedures

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I. CHAPTER OVERVIEW

Federal regulations of child care funds require that applicants/recipients be allowed to choose a child care arrangement from a variety of child care providers. This chapter describes factors that applicant/recipients should consider when choosing a provider, along with the county Department of Social Services (DSS) or local purchasing agency (LPA)'s responsibilities to honor applicant/recipient choice whenever possible.

Federal regulations also require that states using child care funds have a certificate or voucher payment option in place. North Carolina has chosen to use the voucher system. This chapter describes how the voucher is issued, completed, and distributed.

II. APPLICANT/RECIPIENT CHOICE

A. Factors to Consider in Choosing Child Care

Many applicants/recipients are requesting child care services for the first time and may need help with the selection process. During the initial interview, the child care worker helps the applicant/recipient to plan for child care, to understand what to look for when choosing an arrangement, and to deal with the emotional effects of separating from the child.

Applicants/recipients may choose any child care facility that is eligible to participate in the Subsidized Child Care Assistance (SCCA) Program.

1. Helpful information for applicants/recipients includes:

- i. Explanation of the difference between regulated and unregulated child care arrangements.
- ii. Explanation of the requirements for participation in the SCCA Program.
- iii. The Division of Child Development and Early Education's web site address (<https://ncchildcare.ncdhhs.gov/>) or provide access to the site in the office, for information about regulated facilities.

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- iv. Facts about group size, staff/child ratio, staff qualifications and program activities.
- v. The availability of space in child care facilities in the community; and
- vi. The 1-5 star rated license of the facility and what the license indicates.

2. Applicants/recipients and child care workers should discuss:

- i. Any unusual circumstance or special need of the child(ren) that would require a specific type of care.
- ii. The hours when child care is needed, based on work or school schedule, and including travel time, study time, and/or sleep time when applicable.
- iii. The type of program that meets the applicant/recipient's needs.
- iv. Convenience of the child care arrangement to home, work, or school; and
- v. Review and discuss the [NC FAST-20009 Recipient Rights and Responsibilities](#).

DSS/LPAs may not exclude or eliminate types of child care arrangements or facilities, such as centers or homes, when applicants or recipients are selecting care. DSS/LPAs may utilize the services of local resource and referral agencies, if available, as a resource for written materials and/or educating applicants/recipients about the selection and availability of child care services.

3. When Applicant/recipient's Choice of Provider is Not Available

An applicant/recipient's choice of provider may not be available for several reasons. For example, the provider:

- i. May not be operating legally.

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- ii. May be operating legally but is not licensed and does not meet the quality requirement or operate under a Notice of Compliance and cannot accept the voucher.
- iii. May not have space available.
- iv. May not be approved to care for the child because of the child's age.
- v. May not offer care during the approved time frame care is approved.
- vi. May not agree to the terms of the Child Care Provider Agreement or to subsidized payment rates or policies.
- vii. May not be interested in participating in the SCCA Program;
or
- viii. May not be able to participate in the SCCA Program due to an administrative action, notice of non-compliance, or sanction.

In such cases, the DSS/LPA is not obligated to authorize payment with the applicant/recipient's choice of provider. The applicant/recipient should be informed of the reason why authorization is not possible and ask to choose from other child care options.

4. Applicant/recipient Choice Regarding Changing Providers

Applicants/recipients may ask to change child care providers, which they may do. There is no limit on the number of times an applicant/recipient can change providers. However, the applicant/recipient's parental fee must be current if they make a provider change. Refer to Chapter 8 Parental Fees.

B. How Maltreatment Information May Affect Applicant/Recipient Choice

An applicant/recipient may choose a licensed facility that is undergoing an investigation or has been substantiated for child maltreatment. The DSS/LPA may share certain information with applicants/recipients regarding the substantiation of child maltreatment of regulated child care facilities so

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that applicant/recipients may make an informed decision whether to choose or continue using such a facility.

If an applicant/recipient continues to indicate a preference after receiving this information, the DSS/LPA must allow the applicant/recipient to use the regulated facility as long as the facility is operating legally. Refer to Chapter 14: Child Maltreatment for additional information regarding child maltreatment.

C. DSS/LPA Liability

1. Child Maltreatment

Since an applicant/recipient may choose a licensed facility (including programs that are [G. S. 110.106](#) approved) that is undergoing an investigation or has been substantiated for child maltreatment, the DSS/LPA may have concerns about liability. With the child care voucher, applicants/recipients assume the responsibility of selecting the child care facility. The applicant/recipient's signature on and facility's electronic acceptance of the voucher indicates that the arrangement is made between the applicant/recipient and facility and not the DSS/LPA.

When an applicant/recipient selects a facility that has been substantiated for child abuse or neglect, the DSS/LPA may determine that additional documentation is required. Through consultation with the county attorney, the DSS/LPA may choose to develop a form for applicants/recipients to sign documents that the child care worker has informed the applicant/recipient of the situation.

2. Non-compliant Facilities

Since an applicant/recipient may choose a licensed facility (including programs that are G. S. 110.106 approved) that is undergoing an investigation or has a history of noncompliance the DSS/LPA may have concerns about liability. With the child care voucher, applicants/recipients assume the responsibility of selecting the child care facility. The applicant/recipient's signature on and facility's electronic acceptance of the voucher indicates that the arrangement is made between the applicant/recipient and facility and not the DSS/LPA.

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The system will not allow a facility to be selected if the facility has a second instance of non-compliance with in two years of the facility's first instance of non-compliance. The DSS/LPA can view instances of noncompliance received on all child care facilities in NC FAST. Refer to Chapter 12: Non-compliance Requirements for additional information regarding administrative actions. On occasion, there are stipulations that do not allow enrolling any children for specified periods of time, and the DSS/LPA must adhere to these administrative actions, notices of non-compliance, and sanctions.

III. VOUCHER PROCEDURES

A. When Vouchers are Issued

Any individual whom the DSS/LPA determines eligible to receive child care assistance must receive a voucher after a provider is selected. This is true for all child care funding sources. Vouchers are issued to eligible individuals:

1. At the time of initial determination of eligibility for child care services.
2. At the time that a child moves from one facility to another.

NOTE: A new voucher is also required when a child returns to a previously attended facility.

A separate voucher is issued for each child in need of child care assistance. If the child needs care from more than one provider, a separate voucher is generated for each provider.

Once the voucher has been issued initially it is not necessary to issue another one when the child's 12-month eligibility period ends unless there is a change in facility. A Child Care Action Notice is issued instead to document the new eligibility period and the parent fee, if any. However, if child care assistance terminates and the applicant/recipient reapplies and is later approved for assistance, a new voucher is required, even if the same provider is chosen.

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B. Issuing the Child Care Voucher

Child care vouchers are generated in NC FAST. The DSS/LPA initiates the voucher upon determining that an applicant/recipient is eligible to receive child care services and the applicant/recipient has chosen a provider. Applicants/recipients may choose from a variety of legally operating child care providers eligible for participation in the SCCA Program. If the applicant/recipient has not selected a provider, the child care worker cannot generate the voucher until after the applicant/recipient has selected the facility. The child care worker should offer information that will help the applicant/recipient make an informed choice regarding selecting a child care arrangement. A referral can be made to the local Child Care Resource and Referral.

The DSS/LPA child care worker keys the application and once the application is approved, the product delivery case must be activated in order to generate a voucher. The Voucher Procedures Timeline Chart is included as Attachment 1 of this chapter.

After the applicant/recipient has made a provider choice, the voucher will be generated in NC FAST. The child care worker will print the voucher and have the applicant/recipient sign it. If the applicant/recipient cannot make an office visit to sign the voucher, the voucher must be mailed to the applicant/recipient.

The following are the timelines required to complete the voucher process:

1. The applicant/recipient must sign the voucher within 30 calendar days. The Voucher becomes available for the provider to accept or reject in the NC FAST Provider Portal after the applicant/recipient signs the voucher. Accepting the voucher in the NC FAST Provider Portal acts as the provider's electronic signature. If the voucher is not signed by both the applicant/recipient and the provider by the 30th calendar day, the voucher is cancelled.
2. After the voucher is cancelled, the applicant/recipient may request a new voucher. If the voucher is reissued within 60-calendar days of the initial voucher issuance date, the new voucher will have the same start date as

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the initial voucher, unless the child(ren) started care at a later date. The voucher period includes the initial issuance of the voucher and the reissuance of the voucher and is limited to 60-calendar days. The voucher must be signed by the applicant/recipient and provider, and the provider must be enrolled during the 60-calendar day timeframe. The reissued voucher return date cannot go beyond 60-calendar days of the initial voucher issuance.

3. If the new voucher is not signed by the applicant/recipient and the provider by the 60th calendar day, the voucher is voided. For any voucher requested after the 60th calendar day of the initial voucher issuance, the begin date is the date of the request.
4. When the applicant/recipient's choice of provider is not enrolled in subsidy, the child care worker must contact the provider to determine if the provider intends to complete subsidy enrollment. The worker must inform the applicant/recipient that due to non-enrollment of the provider choice it may cause a delay in services.

NOTE: If child care assistance is being provided to support child protective services (CPS) the voucher must be signed by the parent/responsible adult. Children in foster care, the child is the case head and the staff designated by the DSS must sign the voucher.

C. Distribution of the Child Care Voucher

Copies of the completed child care voucher are maintained at the DSS/LPA and are distributed as follows:

1. The voucher is available in NC FAST
2. The original copy is filed at the DSS/LPA.
3. Voucher is available to the provider and can be retained through the NC Fast Provider Portal.
4. A copy is given to the applicant/recipient.

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

SCCA Manual:

Chapter 14: Child Maltreatment

Chapter 12: Non-compliance Requirements

NC FAST Job Aids:

SCCA – Voucher Tasks and Timeline Reference Guide

SCCA- Cancelled, reissued, rejected, and voided vouchers