

Commonwealth Cares for Children (C3) FY26 Grant Management & Compliance Training:

Summary Reference Guide for Center-Based Child Care (CBC) Providers

This document provides a high-level summary of the FY26 C3 CBC provider training. Providers are encouraged to review the full training recording for essential detail and context.

Key Takeaways:

- **Confirm Eligibility:** Prior to each application, verify your program remains eligible, open, operating, and compliant with EEC requirements.
- **Maintain Accurate Reporting:** Confirm child enrollment, staffing, attendance, and operational information align with supporting documentation and program records.
- **Practice Strong Grant Management:** Maintain organized policies, procedures, internal controls, and financial tracking processes to promote consistency and accountability.
- **Track Funding Sources Separately:** Track C3, CCFA, and other funding streams separately while maintaining documentation supporting expenditures and proof of payment.
- **Comply with Workforce Spending Requirement:** Monitor workforce-related spending and maintain documentation supporting compliance with the 50% workforce spending requirement.
- **Stay Monitoring-Ready:** Maintain organized financial, child enrollment, attendance, staffing, and licensing records, retained for a minimum of six years, to support EEC monitoring reviews and ongoing compliance activities.

Program Overview, C3 Formula, and Application

This section of the presentation covers key program information and application requirements.

Remember to:

- **Review the C3 Formula:** C3 awards are calculated based on licensed capacity, a standardized base rate, and an equity adjustment factor. Award amounts vary and are tied to reported child enrollment, staffing, and operational information.
- **Confirm Eligibility Before Each Application:** Confirm you are an open EEC-licensed or funded provider in good standing and that you are serving children during the month in which you apply for funds.
- **Be Willing to Accept CCFA Vouchers:** You must be willing to accept children with CCFA vouchers, though it is not a requirement to be currently serving CCFA children to receive C3 funding.
- **Report Accurately:** Confirm reported application data aligns with supporting records. Inaccurate or unsupported information identified during monitoring may result in recoupment of C3 funds.

Grant Management and Compliance

This section of the presentation covers foundational grant management practices that support compliance, accountability, and organized program operations.

Remember to:

- **Document Policies and Procedures:** Create written procedures for key areas of grant management, including child enrollment, attendance tracking, payment tracking, staff management, and document retention to support consistency and accountability.
- **Establish Internal Controls:** Implement safeguards, such as separation of duties or access controls. Controls should include both automated and manual, as well as preventive and detective, activities.
- **Track Spending:** Use the EEC Expenditure Tracker or a similar mechanism to track C3 expenditures, funding sources, and shared operational costs consistently over time.
- **Retain Records:** Keep all C3-related records, including financial documents, child enrollment and attendance records, and staffing information, for a minimum of six years.
- **Maintain Licensing Documentation:** Keep organized records supporting child enrollment, attendance, staffing, payroll, and overall compliance with EEC licensing requirements.

Fiscal Management, Administration, and Monitoring

This section of the presentation covers financial responsibilities, record-keeping standards, and what to expect during a C3 monitoring review.

Remember to:

- **Manage Funds Separately:** Track C3, CCFA, and program income separately using consistent expense categories, avoid duplication of benefits, and maintain sufficient allowable expenses to support total funding received.
- **Understand Allowable Costs:** Confirm expenditures are not only allowable per EEC guidelines, but are also reasonable, connected to program operations, and supported with documentation.
- **Meet the 50% Workforce Spending Requirement:** At least 50% of total C3 funds must be used for workforce-related expenses, calculated cumulatively at year-end.
- **Track C3 Funds Within Parent Organizations:** Even if C3 funds are issued to a parent or umbrella organization, funds must be tracked and spent at the individual program or location level.
- **Understand Workforce Thresholds & Wage Requirements:** Current guidance identifies full-time operating employees as staff working 25+ hours per week, full-time assistants as staff working 30+ hours per week, and Massachusetts minimum wage remains \$15/hour.

Avoid Using C3 funds for:

- **Expenses Without a Clear Operational Purpose:** Such as checks or Venmo transactions with vague descriptions related to staff benefits.
- **Personal or Non-Business Expenses:** Such as streaming subscriptions or personal technology.
- **Ineligible Staff Benefits:** Informal incentives not directly tied to retention or workforce initiative, including staff meals, celebrations, or gift cards.
- **Major Structural Renovations:** Structural building modifications, major roof replacement, major plumbing, or electrical reconstruction expenses are not eligible C3 expenses.

EEC Monitoring Reviews: What Providers Should Know

- **Don't Panic:** Monitoring reviews are a normal part of C3 grant oversight. Review requests carefully, maintain organized records, and ask follow-up questions if clarification is needed.
- **Be Responsive:** If selected for monitoring, participation is required. During each application period, providers attest that they will comply with C3 requirements throughout the funding period. Submit requested documentation by stated deadlines and respond promptly to follow-up requests, as unresolved compliance concerns may result in additional EEC action, including held payments or recoupment.

Additional Resources:

These resources support the material covered in the FY26 C3 CBC provider training. Although the C3 Program is entirely governed by Massachusetts law, certain federal resources were provided to help you follow leading practices in grant management.

- [C3 Monthly Recertification](#)
- [C3 FY26 Information Session Slides](#)
- [EEC FY26 Formula Updates FAQ](#)
- [EEC Educator Qualifications Packet](#)
- U.S. Government Accountability Office - [Standards for Internal Control](#)
- [Massachusetts Pay and Recordkeeping Guidance](#)
- U.S. Code of Federal Regulations (CFR) 200.404 – [Reasonable Costs](#)